The Politics of Heroin in Southeast Asia

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The Politics of Heroin in Southeast Asia

Introduction:
The Consequences of Complicity

* Notes can be found here

AMERICA is in the grip of a devastating heroin epidemic which leaves no city or suburb untouched, and which also runs rampant through every American military installation both here and abroad. And the plague is spreading-into factories and offices (among the middle-aged, middle-class workers as well as the young), into high schools and now grammar schools. In 1965 federal narcotics officials were convinced that they had the problem under control; there were only 57,000 known addicts in the entire country, and most of these were comfortably out of sight, out of mind in black urban ghettos.(1)* Only three or four years later heroin addiction began spreading into white communities, and by late 1969 the estimated number of addicts jumped to 315,000. By late 1971 the estimated total had almost doubled-reaching an all-time high of 560,000.(2) One medical researcher discovered that 6.5 percent of all the blue-collar factory workers he tested were heroin addicts,(3) and army medical doctors were convinced that 10 to 15 percent of the GIs in Vietnam were heroin users.(4) In sharp contrast to earlier generations of heroin users, many of these newer addicts were young and relatively affluent.

The sudden rise in the addict population has spawned a crime wave that has turned America's inner cities into concrete jungles. Addicts are forced to steal in order to maintain their habits, and they now account for more than 75 percent of America's urban crime.(5) After opinion polls began to show massive public concern over the heroin problem, President Nixon declared a "war on drugs" in a June 1971 statement to Congress. He urged passage of a $370 million emergency appropriation to fight the heroin menace. However, despite politically motivated claims of success in succeeding months by administration spokesmen, heroin continues to flood into the country in unprecedented quantities, and there is every indication that the number of hard-core addicts is increasing daily.

Heroin: The History of a "Miracle Drug"

Heroin, a relatively recent arrival on the drug scene, was regarded, like morphine before it, and opium before morphine, as a "miracle drug" that had the ability to "kill all pain and anger and bring relief to every sorrow." A single dose sends the average user into a deep, euphoric reverie. Repeated use, however, creates an intense physical craving in the human body chemistry and changes the average person into a slavish addict whose entire existence revolves around his daily dosage. Sudden withdrawal can produce vomiting, violent convulsions, or fatal respiratory failure. An overdose cripples the body's central nervous system, plunges the victim into a, deep coma, and usually produces death within a matter of minutes. Heroin addiction destroys man's normal social instincts, including sexual desire, and turns the addict into a lone predator who willingly resorts to any crime-burglary, armed robbery, armed assault, prostitution, or shoplifting-for money to maintain his habit. The average addict spends $8,000 a year on heroin, and experts believe that New York State's addicts alone steal *at least half a billion dollars annually* to maintain their habits. (6)

Heroin is a chemically bonded synthesis of acetic anhydride, a common industrial acid, and morphine, a natural organic pain killer extracted from the opium poppy. Morphine is the key ingredient. Its unique pharmaceutical properties are what make heroin so potent a pain killer and such a dangerously addicting narcotic. The acidic bond simply fortifies the morphine, making it at least ten times more powerful than ordinary medical morphine and strengthening its addictive characteristics. Although almost every hospital in the world uses some form of morphine as a post-operative pain killer, modern medicine knows little more about its mysterious soothing properties than did the ancients who discovered opium.

Scholars believe that man first discovered the opium poppy growing wild in mountains bordering the eastern Mediterranean sometime in the Neolithic Age. Ancient medical chronicles show that raw opium was . highly regarded by early physicians hundreds of years before the coming of Christ. It was known to Hippocrates in Greece and in Roman times to the great physician Galen. From its original home in the eastern Mediterranean region, opium spread westward through Europe in the Neolithic Age and eastward toward India and China in the early centuries of the first millennium after Christ. Down through the ages, opium continued to merit the admiration of physicians and gained in popularity; in eighteenth- and nineteenth-century England, for example, opium-based medicines were among the most popular drugstore remedies for such ordinary ailments as headaches and the common cold.

Although physicians had used various forms of opium for three or four thousand years, it was not until 1805 that medical science finally extracted pure morphine from raw opium. Orally taken, morphine soon became an important medical anesthetic, but it was not until 1858 that two American doctors first experimented with the use of the hypodermic needle to inject morphine directly into the bloodstream. (7) These discoveries were important medical breakthroughs, and they greatly improved the quality of medical treatment in the nineteenth century.

However, widespread use of morphine and opium-based medicines such as codeine soon produced a serious drug addiction problem. In 1821 the English writer Thomas De Quincey first drew attention to the problem of post treatment addiction when he published an essay entitled, *Confessions of an English OpiumEater*. De Quincey had become addicted during his student days at Oxford University, and remained an addict for the rest of his life. Finally recognizing the seriousness of the addiction problem, medical science devoted considerable pharmacological research to finding a nonaddicting pain killer-a search that eventually led to the discovery and popularization of heroin. In 1874 an English researcher, C. R. Wright, synthesized heroin, or diacetylmorphine, for the first time when he boiled morphine and acetic anhydride over a stove for several hours. After biological testing on dogs showed that diacetylmorphine induced "great prostration, fear, sleepiness speedily following the administration and a slight tendency to vomiting," the English researcher wisely decided to discontinue his experiments. (8) Less than twenty years later, however, German scientists who tested diacetylmorphine concluded that it was an excellent treatment for such respiratory ailments as bronchitis, chronic coughing, asthma, and tuberculosis. Most importantly, these scientists claimed that diacetylmorphine was the ideal nonaddicting substitute for morphine and codeine. Encouraged by these results, the Bayer chemical cartel of Elberfeld, Germany, decided to manufacture diacetylmorphine and dreamed up the brand name "heroin" for its massmarketing campaign. Bayer wanted all the world to know about its new pain reliever, and in 1898 it launched an aggressive international advertising campaign in a dozen different languages. (9)

Bayer Advertisement [10]

Hailed as a "miracle drug" by medical experts around the globe, heroin was widely prescribed as a nonaddicting cure-all for whatever ails you, and soon became one of the most popular patent medicines on the market. The drug's popularity encouraged imitators, and a Saint Louis pharmaceutical company offered a "Sample Box Free to Physicians" of its "Dissolve on the Tongue Antikamnia & Heroin Tablets." (11) And in 1906 the American Medical Association (AMA) approved heroin for general use and advised that it be used "in place of morphine in various painful infections." (12)

Unrestricted distribution by physicians and pharmacies created an enormous drug abuse problem; in 1924 federal narcotics officials estimated that there were 200,000 addicts in the United States, (13) and the deputy police commissioner of New York reported that 94 percent of all drug addicts arrested for various crimes were heroin users.(14) The growing dimensions of heroin addiction finally convinced authorities that heroin's liabilities outweighed its medical merits, and in 1924 both houses of Congress unanimously passed legislation outlawing the import or manufacture of heroin.(15)

After a quarter century of monumental heroin abuse, the international medical community finally recognized the dangers of unrestricted heroin use, and the League of Nations began to regulate and reduce the legal manufacture of heroin. The Geneva Convention of 1925 imposed a set of strict regulations on the manufacture and export of heroin, and the Limitation Convention of 1931 stipulated that manufacturers could only produce enough heroin to meet legitimate "medical and scientific needs." As a result of these treaties, the world's total legal heroin production plummeted from its peak of nine thousand kilograms (I kilo = 2.2 pounds) in 1926 to little more than one thousand kilos in 1931. (16)

However, the sharp decline in legal pharmaceutical output by no means put an end to widespread heroin addiction. Aggressive criminal syndicates shifted the center of world heroin production from legitimate pharmaceutical factories in Europe to clandestine laboratories in Shanghai and Tientsin, China. (17) Owned and operated by a powerful Chinese secret society, these laboratories started to supply vast quantities of illicit heroin to corrupt Chinese warlords, European criminal syndicates, and American mafiosi like Lucky Luciano. In Marseille, France, fledgling Corsican criminal syndicates opened up smaller laboratories and began producing for European markets and export to the United States.(18)

While law enforcement efforts failed to stem the flow of illicit heroin into the United States during the 1930s, the outbreak of World War II seriously disrupted international drug traffic. Wartime border security measures and a shortage of ordinary commercial shipping made it nearly impossible for traffickers to smuggle heroin into the United States. Distributors augmented dwindling supplies by "cutting" (adulterating) heroin with increasingly greater proportions of sugar or quinine; while most packets of heroin sold in the United States were 28 percent pure in 1938, only three years later they were less than 3 percent pure. As a result of all this, many American addicts were forced to undergo involuntary withdrawal from their habits, and by the end of World War 11 the American addict population had dropped to less than twenty thousand." (18) In fact, as the war drew to a close, there was every reason to believe that the scourge of heroin had finally been purged from the United States. Heroin supplies were nonexistent, international criminal syndicates were in disarray, and the addict population was reduced to manageable proportions for the first time in half a century.

But the disappearance of heroin addiction from the American scene was not to be. Within several years, in large part thanks to the nature of U.S. foreign policy after World War II, the drug syndicates were back in business, the poppy fields in Southeast Asia started to expand and heroin refineries multiplied both in Marseille and Hong Kong.(19) How did we come to inflict this heroin plague on ourselves?

The answer lies in the history of America's cold war crusade. World War II shattered the world order much of the globe had known for almost a century. Advancing and retreating armies surged across the face of three continents, leaving in their wake a legacy of crumbling empires, devastated national economies, and shattered social orders. In Europe the defeat of Fascist regimes in Germany, Italy, France, and eastern Europe released workers from years of police state repression. A wave of grass roots militance swept through European labor movements, and trade unions launched a series of spectacular strikes to achieve their economic and political goals. Bled white by six years of costly warfare, both the victor and vanquished nations of Europe lacked the means and the will to hold on to their Asian colonial empires. Within a few years after the end of World War II, vigorous national liberation movements swept through Asia from India to Indonesia as indigenous groups rose up against their colonial masters.

America's nascent cold war crusaders viewed these events with undisguised horror Conservative Republican and Democratic leaders alike felt that the United States should be rewarded for its wartime sacrifices. These men wanted to inherit the world as it had been and had little interest in seeing it changed. Henry Luce, founder of the Time-Life empire, argued that America was the rightful heir to Great Britain's international primacy and heralded the postwar era as "The American Century." To justify their "entanglement in foreign adventures," America's cold warriors embraced a militantly anti-Communist ideology. In their minds the entire world was locked in a Manichaean struggle between "godless communism" and "the free world." The Soviet Union was determined to conquer the world, and its leader, Joseph Stalin, was the new Hitler. European labor movements and Asian nationalist struggles were pawns of "international communism," and as such had to be subverted or destroyed. There could be no compromise with this monolithic evil: negotiations were "appeasement" and neutralism was "im moral." In this desperate struggle to save "Western civilization," any ally was welcome and any means was justified. The military dictatorship on Taiwan became "free China"; the police state in South Vietnam was "free Vietnam"; a collection of military dictatorships stretching from Pakistan to Argentina was "the free world." The CIA became the vanguard of America's anti-Communist crusade, and it dispatched small numbers of well-financed agents to every corner of the globe to mold local political situations in a fashion compatible with American interests. Practicing a ruthless form of clandestine realpolitik, its agents made alliances with any local group willing and able to stem the flow of "Communist aggression." Although these alliances represent only a small fraction of CIA postwar operations, they have nevertheless had a profound impact on the international heroin trade,

The cold war was waged in many parts of the world, but Europe was the most important battleground in the 1940s and 1950s. Determined to restrict Soviet influence in western Europe, American clandestine operatives intervened in the internal politics of Germany, Italy, and France. In Sicily, the forerunner of the CIA, the Office of Strategic Services (OSS), formed an alliance with the Sicilian Mafia to limit the political gains of the Italian Communist party on this impoverished island. In France the Mediterranean port city of Marseille became a major battleground between the CIA and the French Communist party durin the late 1940s. To tip the balance of power in its favor, the CIA recruited Corsican gangsters to battle Communist strikers and backed leading figures in the city's Corsican underworld who were at odds with the local Communists. Ironically, both the Sicilian Mafia and the Corsican underworld played a key role in the growth of Europe's postwar heroin traffic and were to provide most of the heroin smuggled into the United States for the next two decades.

However, the mid-1960s marked the peak of the European heroin industry, and shortly thereafter it went into a sudden decline. In the early 1960s the Italian government launched a crackdown on the Sicilian Mafia, and in 1967 the Turkish government announced that it would begin phasing out cultivation of opium poppies on the Anatolian plateau in order to deprive Marseille's illicit heroin laboratories of their most important source of raw material. Unwilling to abandon their profitable narcotics racket, the American Mafia and Corsican syndicates shifted their sources of supply to Southeast Asia, where surplus opium production and systematic government corruption created an ideal climate for large-scale heroin production.

And once again American foreign policy played a role in creating these favorable conditions. During the early 1950s

the CIA had backed the formation of a Nationalist Chinese guerrilla army in Burma, which still controls almost a third of the world's illicit opium supply, and in Laos the CIA created a Meo mercenary army whose commander manufactured heroin for sale to Americans GIs in South Vietnam. The State Department provided unconditional support for corrupt governments openly engaged in the drug traffic. In late 1969 new heroin laboratories sprang up in the tri-border area where Burma, Thailand, and Laos converge, and unprecedented quantities of heroin started flooding into the United States. Fueled by these seemingly limitless supplies of heroin, America's total number of addicts skyrocketed.

Unlike some national intelligence agencies, the CIA did not dabble in the drug traffic to finance its clandestine operations. Nor was its culpability the work of a few corrupt agents, eager to share in the enormous profits. The CIA's role in the heroin traffic was simply an inadvertent but inevitable consequence of its cold war tactics.

The Logistics of Heroin

America's heroin addicts are victims of the most profitable criminal enterprise known to man-an enterprise that involves millions of peasant farmers in the mountains of Asia, thousands of corrupt government officials, disciplined criminal syndicates, and agencies of the United States government. America's heroin addicts are the final link in a chain of secret criminal transactions that begin in the opium fields of Asia, pass through clandestine heroin laboratories in Europe and Asia, and enter the United States through a maze of international smuggling routes.

Almost all of the world's illicit opium is grown in a narrow band of mountains that stretches along the southern rim of the great Asian land mass, from Turkey's and Anatolian plateau, through the northern reaches of the Indian subcontinent, all the way to the rugged mountains of northern Laos. Within this 4,500-mile stretch of mountain landscape, peasants and tribesmen of eight different nations harvest some fourteen hundred tons a year of raw opium, which eventually reaches the world's heroin and opium addicts." A small percentage of this fourteen hundred tons is diverted from legitimate pharmaceutical production in Turkey, Iran, and India, but most of it is grown expressly for the international narcotics traffic in South and Southeast Asia. Although Turkey was the major source of American narcotics through the 1960s, the hundred tons of raw opium its licensed peasant farmers diverted from legitimate production never accounted for more than 7 percent of the world's illicit supply. (20) About 24 percent is harvested by poppy farmers in South Asia (Afghanistan, Pakistan, and India). However, most of this is consumed by local opium addicts, and only insignificant quantities find their way to Europe or the United States. (21) It is Southeast Asia that has become the world's most important source of illicit opium. Every year the hill tribe farmers of Southeast Asia's Golden Triangle region-northeastern Burma, northern Thailand, and northern Laos-harvest approximately one thousand tons of raw opium, or about 70 percent of the world's illicit supply. (22)

Despite countless minor variations, all of Asia's poppy farmers use the same basic techniques when they cultivate the opium poppy. The annual crop cycle begins in late summer or early fall as the farmers scatter handfuls of tiny poppy seeds across the surface of their hoed fields. At maturity the greenish-colored poppy plant has one main tubular stem, which stands about three or four feet high, and perhaps half a dozen to a dozen smaller stems. About three months after planting, each stem produces a brightly colored flower; gradually the petals drop to the ground, exposing a green seed pod about the size and shape of a bird's egg. For reasons still unexplained by botanists, the seed pod synthesizes a milky white sap soon after the petals have fallen away. This sap is opium, and the farmers harvest it by cutting a series of shallow parallel incisions across the bulb's surface with a special curved knife. As the white sap seeps out of the incisions and congeals on the bulb's surface, it changes to a brownish-black color. The farmer collects the opium by scraping off the bulb with a flat, dull knife.

Even in this age of jumbo jets and

supersonic transports, raw opium still moves from the poppy fields to the morphine refineries on horseback. There are few roads in these underdeveloped mountain regions, and even where there are, smugglers generally prefer to stick to the mountain trails where there are fewer police. Most traffickers prefer to do their morphine refining close to the poppy fields, since compact morphine bricks are much easier to smuggle than bundles of pungent, jellylike opium. Although they are separated by over four thousand miles, criminal "chemists" of the Middle East and Southeast Asia use roughly the same technique to extract pure morphine from opium. The chemist begins the process by heating water in an oil drum over a wood fire until his experienced index finger tells him that the temperature is just right. Next, raw opium is dumped into the drum and stirred with a heavy stick until it dissolves. At the propitious moment the chemist adds ordinary lime fertilizer to the steaming solution, precipitating out organic waste and leaving the morphine suspended in the chalky white water near the surface. While filtering the water through an ordinary piece of flannel cloth to remove any residual waste matter, the chemist pours the solution into another oil drum. As the solution is heated and stirred a second time, concentrated ammonia is added, causing the morphine to solidify and drop to the bottom. Once more the solution is filtered through flannel, leaving chunky white kernels of morphine on the cloth. Once dried and packaged for shipment, the morphine usually weighs about 10 percent of what the raw opium from which it was extracted weighed. (23)

The heroin manufacturing process is a good deal more complicated, and requires the supervision of an expert chemist. Since the end of World War 11, Marseille and Hong Kong have established themselves as the major centers for heroin laboratories. However, their dominance is now being challenged by a new cluster of heroin laboratories located in the wilds of Southeast Asia's Golden Triangle. Most laboratories are staffed by a three-man team consisting of an experienced "master chemist" and two apprentices. In most cases the master chemist is really a "master chef" who has simply memorized the complicated five-part recipe after several years as an assistant. The goal of the five-stage process is to chemically bind morphine molecules with acetic acid and then process the compound to produce a fluffy white powder that can be injected from a syringe,

STAGE ONE. To produce ten kilos of pure heroin (the normal daily output of many labs), the chemist heats ten kilos of morphine and ten kilos of acetic anhydride in an enamel bin or glass flask. After being heated six hours at exactly 185' F., the morphine and acid become chemically bonded, creating an impure form of diacetylmorphine (heroin).

STAGE TWO. To remove impurities from the compound, the solution is treated with water and chloroform until the impurities precipitate out, leaving a somewhat higher grade of diacetylmorphine.

STAGE THREE. The solution is drained off into another container, and sodium carbonate is added until the crude heroin particles begin to solidify and drop to the bottom.

STAGE FOUR. After the heroin particles are filtered out of the sodium carbonate solution under pressure by a small suction pump, they are purified in a solution of alcohol and activated charcoal. The new mixture is heated until the alcohol begins to evaporate, leaving relatively pure granules of heroin at the bottom of the flask.

STAGE FIVE. This final stage produces the fine white powder prized by American addicts, and requires considerable skill on the part of an underworld chemist. The heroin is placed in a large flask and dissolved in alcohol. As ether and hydrochloric acid are added to the solution, tiny white flakes begin to form. After the flakes are filtered out under pressure and dried through a special process, the end result is a white powder, 80 to 99 percent pure, known as "no. 4 heroin." In the hands of a careless chemist the volatile ether gas may ignite and produce a violent explosion that could level the clandestine laboratory.(24)

Once it is packaged in plastic envelopes, heroin is ready for its trip to the United States. An infinite variety of couriers and schemes are used to smugglestewardesses, Filipino diplomats, businessmen, Marseille pimps, and even Playboy playmates. But regardless of the means used to smuggle, almost all of these shipments are financed and organized by one of the American Mafia's twenty-four regional groups, or "families." Although the top bosses of organized crime never even see, much less touch, the heroin, their vast financial resources and their connections with Chinese syndicates in Hong Kong and Corsican gangs in Marseille and Indochina play a key role in the importation of America's heroin supply. The top bosses usually deal in bulk shipments of twenty to a hundred kilos of no. 4 heroin, for which they have to advance up to $27,000 per kilo in cash. After a shipment arrives, the bosses divide it into wholesale lots of one to ten kilos for sale to their underlings in the organized crime families. A lower-ranking mafioso, known as a "kilo connection" in the trade, dilutes the heroin by 50 percent and breaks it into smaller lots, which he turns over to two or three distributors. From there the process of dilution and profitmaking continues downward through another three levels in the distribution network until it finally reaches the stree t.25 By this time the heroin's value has increased tenfold to $225,000 a kilo, and it is so heavily diluted that the average street packet sold to an addict is less than 5 percent pure.

To an average American who witnesses the daily horror of the narcotics traffic at the street level, it must seem inconceivable that his government could be in any way implicated in the international narcotics traffic. The media have tended to reinforce this outlook by depicting the international heroin traffic as a medieval morality play: the traffickers are portrayed as the basest criminals, continually on the run from the minions of law and order; and American diplomats and law enforcement personnel are depicted as modern-day knightserrant staunchly committed to the total, immediate eradication of heroin trafficking. Unfortunately, the characters in this drama cannot be so easily stereotyped. American diplomats and secret agents have been involved in the narcotics traffic at three levels: **(1)** coincidental complicity by allying with groups actively engaged in the drug traffic; **(2)** abetting the traffic by covering up for known heroin traffickers and condoning their involvement; **(3)** and active engagement in the transport of opium and heroin. It is ironic, to say the least, that America's heroin plague is of its own making.

1. Sicily: Home of the Mafia

AT THE END of World War II, there was an excellent chance that heroin addiction could be eliminated in the United States. The wartime security measures designed to prevent infiltration of foreign spies and sabotage to naval installations made smuggling into the United States virtually impossible. Most American addicts were forced to break their habits during the war, and consumer demand just about disappeared. Moreover, the international narcotics syndicates were weakened by the war and could have been decimated with a minimum of police effort. (1)

During the 1930s most of America's heroin had come from China's refineries centered in Shanghai and Tientsin. This was supplemented by the smaller amounts produced in Marseille by the Corsican syndicates and in the Middle East by the notorious Eliopoulos brothers. Mediterranean shipping routes were disrupted by submarine warfare during the war, and the Japanese invasion of China interrupted the flow of shipments to the United States from the Shanghai and Tientsin heroin laboratories. The last major wartime seizure took place in 1940, when forty-two kilograms of Shanghai heroin were discovered in San Francisco. During the war only tiny quantities of heroin were confiscated, and laboratory analysis by federal officials showed that its quality was constantly declining; by the end of the war most heroin was a crude Mexican product, less than 3 percent pure. And a surprisingly high percentage of the samples were fake.' As has already been mentioned, most addicts were forced to undergo an involuntary withdrawal from heroin, and at the end of the war the Federal Bureau of Narcotics reported that there were only 20,000 addicts in all of America. (2)

After the war, Chinese traffickers had barely reestablished their heroin labs when Mao Tse-tung's peasant armies captured Shanghai and drove them out of China. (3) The Eliopoulos brothers had retired from the trade with the advent of the war, and a postwar narcotics indictment in New York served to discourage any thoughts they may have had of returning to it. (4) The hold of the Corsican syndicates in Marseille was weakened, since their most powerful leaders had made the tactical error of collaborating with the Nazi Gestapo, and so were either dead or in exile. Most significantly, Sicily's Mafia had been smashed almost beyond repair by two decades of Mussolini's police repression. It was barely holding onto its control of local protection money from farmers and shepherds. (5)

With American consumer demand reduced to its lowest point in fifty years and the international syndicates in disarray, the U.S. government had a unique opportunity to eliminate heroin addiction as a major American social problem. However, instead of delivering the death blow to these criminal syndicates, the U.S. government-through the Central Intelligence Agency and its wartime predecessor, the OSS-created a situation that made it possible for the SicilianAmerican Mafia and the Corsican underworld to revive the international narcotics traffic.(6)

In Sicily the OSS initially allied with the Mafia to assist the Allied forces in their 1943 invasion. Later, the alliance was maintained in order to check the growing strength of the Italian Communist party on the island. In Marseille the CIA joined forces with the Corsican underworld to break the hold of the Communist Party over city government and to end two dock strikes--one in 1947 and the other in 1950-that threatened efficient operation of the Marshall Plan and the First Indochina War. (7) Once the United States released the Mafia's corporate genius, Lucky Luciano, as a reward for his wartime services, the international drug trafficking syndicates were back in business within an alarmingly short period of time. And their biggest customer? The United States, the richest nation in the world, the only one of the great powers that had come through the horrors of World War II relatively untouched, and the country that bad the biggest potential for narcotics distribution. For, in spite of their forced withdrawal during the war years, America's addicts could easily be won back to their heroin persuasion. For America itself had long had a drug problem, one that dated back to the nineteentb century.

Addiction in America: The Root of the Problem

Long before opium and heroin addiction became a law enforcement problem, it was a major cause for social concern in the United States. By the late 1800s Americans were taking opium-based drugs with the same alarming frequency as they now consume tranquilizers, pain killers, and diet pills. Even popular children's medicines were frequently opium based. When heroin was introduced into the United States by the German pharmaceutical company, Bayer, in 1898, it was, as has already been mentioned, declared nonaddictive, and was widely prescribed in hospitals and by private practitioners as a safe substitute for morphine. After opium smoking was outlawed in the United States ten years later, many opium addicts turned to heroin as a legal substitute, and America's heroin problem was born,

By the beginning of World War I the most conservative estimate of America's addict population was 200,000, and growing alarm over the uncontrolled use of narcotics resulted in the first attempts at control. In 1914 Congress passed the Harrison Narcotics Act. It turned out to be a rather ambiguous statute, requiring only the registration of all those handling opium and coca products and establishing a stamp tax of one cent an ounce on these drugs. A medical doctor was allowed to prescribe opium, morphine, or heroin to a patient, "in the course of his professional practice only." The law, combined with public awareness of the plight of returning World War I veterans who had become addicted to medical morphine, resulted in the opening of hundreds of public drug maintenance clinics. Most clinics tried to cure the addict by gradually reducing his intake of heroin and morphine. However, in 1923 the U.S. Supreme Court ruled, in ***United States vs. Behrman,*** that the Harrison Act made it illegal for a medical doctor to prescribe morphine or heroin to an addict under *any* circumstances. The clinics shut their doors and a new figure appeared on the American scene-the pusher.

The Mafia in America

At first the American Mafia ignored this new business opportunity. Steeped in the traditions of the Sicilian "honored society," which absolutely forbade involvement in either narcotics or prostitution, the Mafia left the heroin business to the powerful Jewish gangsters-such as "Legs" Diamond, "Dutch" Schultz, and Meyer Lansky-who dominated organized crime in the 1920s. The Mafia contented itself with the substantial profits to be gained from controlling the bootleg liquor industry.(8)However, in 1930-1931, only seven years after heroin was legally banned, a war erupted in the Mafia ranks. Out of the violence that left more than sixty gangsters dead came a new generation of leaders with little respect for the traditional code of honor."

Image: Salvatore Lucania, alias Lucky Luciano.

The leader of this mafioso youth movement was the legendary Salvatore C. Luciana, known to the world as Charles "Lucky" Luciano. Charming and strikingly handsome, Luciano must rank as one of the most brilliant criminal executives of the modern age. For, at a series of meetings shortly following the last of the bloodbaths that completely eliminated the old guard, Luciano outlined his plans for a modern, nationwide crime cartel. His modernization scheme quickly won total support from the leaders of America's twenty-four Mafia "families," and within a few months the National Commission was functioning smoothly. This was an event of historic proportions: almost singlehandedly, Luciano built the Mafia into the most powerful criminal syndicate in the United States and pioneered organizational techniques that are still the basis of organized crime today. Luciano also forged an alliance between the Mafia and Meyer Lansky's Jewish gangs that has survived for almost 40 years and even today is the dominant characteristic of organized crime in the United States.

With the end of Prohibition in sight, Luciano made the decision to take the Mafia into the lucrative prostitution and heroin rackets. This decision was determined more by financial considerations than anything else. The predominance of the Mafia over its Jewish and Irish rivals had been built on its success in illegal distilling and rumrunning. Its continued preeminence, which Luciano hoped to maintain through superior organization, could only be sustained by developing new sources of income.

Heroin was an attractive substitute because its relatively recent prohibition had left a large market that could be exploited and expanded easily. Although heroin addicts in no way compared with drinkers in numbers, heroin profits could be just as substantial: heroin's light weight made it less expensive to smuggle than liquor, and its relatively limited number of sources made it more easy to monopolize.

Heroin, moreover, complemented Luciano's other new business venture-the organization of prostitution on an unprecedented scale. Luciano forced many small-time pimps out of business as he found that addicting his prostitute labor force to heroin kept them quiescent, steady workers, with a habit to support and only one way to gain enough money to support it. This combination of organized prostitution and drug addiction, which later became so commonplace, was Luciano's trademark in the 1930s. By 1935 he controlled 200 New York City brothels with twelve hundred prostitutes, providing him with an estimated income of more than $10 million a year. (9) Supplemented by growing profits from gambling and the labor movement (gangsters seemed to find a good deal of work as strikebreakers during the depression years of the 1930s) as well, organized crime was once again on a secure financial footing.

But in the late 1930s the American Mafia fell on hard times. Federal and state investigators launched a major crackdown on organized crime that produced one spectacular narcotics conviction and forced a number of powerful mafiosi to flee the country. In 1936 Thomas Dewey's organized crime investigators indicted Luciano himself on sixty-two counts of forced prostitution. Although the Federal Bureau of Narcotics had gathered enough evidence on Luciano's involvement in the drug traffic to indict him on a narcotics charge, both the bureau and Dewey's investigators felt that the forced prostitution charge would be more likely to offend public sensibilities and secure a conviction. They were right. While Luciano's modernization of the profession had resulted in greater profits, he had lost control over his employees, and three of his prostitutes testified against him. The New York courts awarded him a thirtyto fifty-year jail term. (10)

Luciano's arrest and conviction was a major setback for organized crime: it removed the underworld's most influential mediator from active leadership and probably represented a severe psychological shock for lower-ranking gangsters.

However, the Mafia suffered even more severe shocks on the mother island of Sicily. Although Dewey's reputation as a "racket-busting" district attorney was rewarded by a governorship and later by a presidential nomination, his efforts seem feeble indeed compared to Mussolini's personal vendetta against the Sicilian Mafia. During a state visit to a small town in western Sicily in 1924, the Italian dictator offended a local Mafia boss by treating him with the same condescension he usually reserved for minor municipal officials. The mafioso made the foolish mistake of retaliating by emptying the piazza of everyone but twenty beggars during Mussolini's speech to the "assembled populace."(11) Upon his return to Rome, the outraged Mussolini appeared before the Fascist parliament and declared total war on the Mafia. Cesare Mori was appointed prefect of Palermo and for two years conducted a reign of terror in western Sicily that surpassed even the Holy Inquisition. Combining traditional torture with the most modern innovations, Mori secured confessions and long prison sentences for thousands of mafiosi and succeeded in reducing the venerable society to its weakest state in a hundred years."(12) Although the campaign ended officially in 1927 as Mori accepted the accolades of the Fascist parliament, local Fascist officials continued to harass the Mafia. By the beginning of World War II, the Mafia had been driven out of the cities and was surviving only in the mountain areas of western Sicily.(13)

The Mafia Restored: Fighters for Democracy in World War II

World War II gave the Mafia a new lease on life. In the United States, the Office of Naval Intelligence (ONI) became increasingly concerned over a series of sabotage incidents on the New York waterfront, which culminated with the burning of the French liner *Normandie* on the eve of its christening as an Allied troop ship.

Powerless to infiltrate the waterfront itself, the ONI very practically decided to fight fire with fire, and contacted Joseph Lanza, Mafia boss of the East Side docks, who agreed to organize effective antisabotage surveillance throughout his waterfront territory. When ONT decided to expand "Operation Underworld" to the West Side docks in 1943 they discovered they would have to deal with the man who controlled them: Lucky Luciano, unhappily languishing in the harsh Dannemora prison. After he promised full cooperation to naval intelligence officers, Luciano was rewarded by being transferred to a less austere state penitentiary near Albany, where he was regularly visited by military officers and underworld leaders such as Meyer Lansky (who had emerged as Luciano's chief assistant). (14)

While ONI enabled Luciano to resume active leadership of American organized crime, the Allied invasion of Italy returned the Sicilian Mafia to power.

On the night of July 9, 1943, 160,000 Allied troops landed on the extreme southwestern shore of Sicily.(15) After securing a beachhead, Gen. George Patton's U.S. Seventh Army launched an offensive into the island's western hills, Italy's Mafialand, and headed for the city of Palermo. (16) Although there were over sixty thousand Italian troops and a hundred miles of boobytrapped roads between Patton and Palermo, his troops covered the distance in a remarkable four days.(17)

The Defense Department has never offered any explanation for the remarkable lack of resistance in Patton's race through western Sicily and pointedly refused to provide any information to Sen. Estes Kefauver's Organized Crime Subcommittee in 1951.(18) However, Italian experts on the Sicilian Mafia have never been so reticent.

Five days after the Allies landed in Sicily an American fighter plane flew over the village of Villalba, about forty-five miles north of General Patton's beachhead on the road to Palermo, and jettisoned a canvas sack addressed to "Zu Calo." "Zu Calo," better known as Don Calogero Vizzini, was the unchallenged leader of the Sicilian Mafia and lord of the mountain region through which the American army would be passing. The sack contained a yellow silk scarf emblazoned with a large black L. The L, of course, stood for Lucky Luciano, and silk scarves were a common form of identification used by mafiosi traveling from Sicily to America. (19)

It was hardly surprising that Lucky Luciano should be communicating with Don Calogero under such circumstances; Luciano had been born less than fifteen miles from Villalba in Lercara Fridi, where his mafiosi relatives still worked for Don Calogero. (20) Two days later, three American tanks rolled into Villalba after driving thirty miles through enemy territory. Don Calogero climbed aboard and spent the next six days traveling through western Sicily organizing support for the advancing American troops. (21) As General Patton's Third Division moved onward into Don Calogero's mountain domain, the signs of its dependence on Mafia support were obvious to the local population. The Mafia protected the roads from snipers, arranged enthusiastic welcomes for the advancing troops, and provided guides through the confusing mountain terrain. (22)

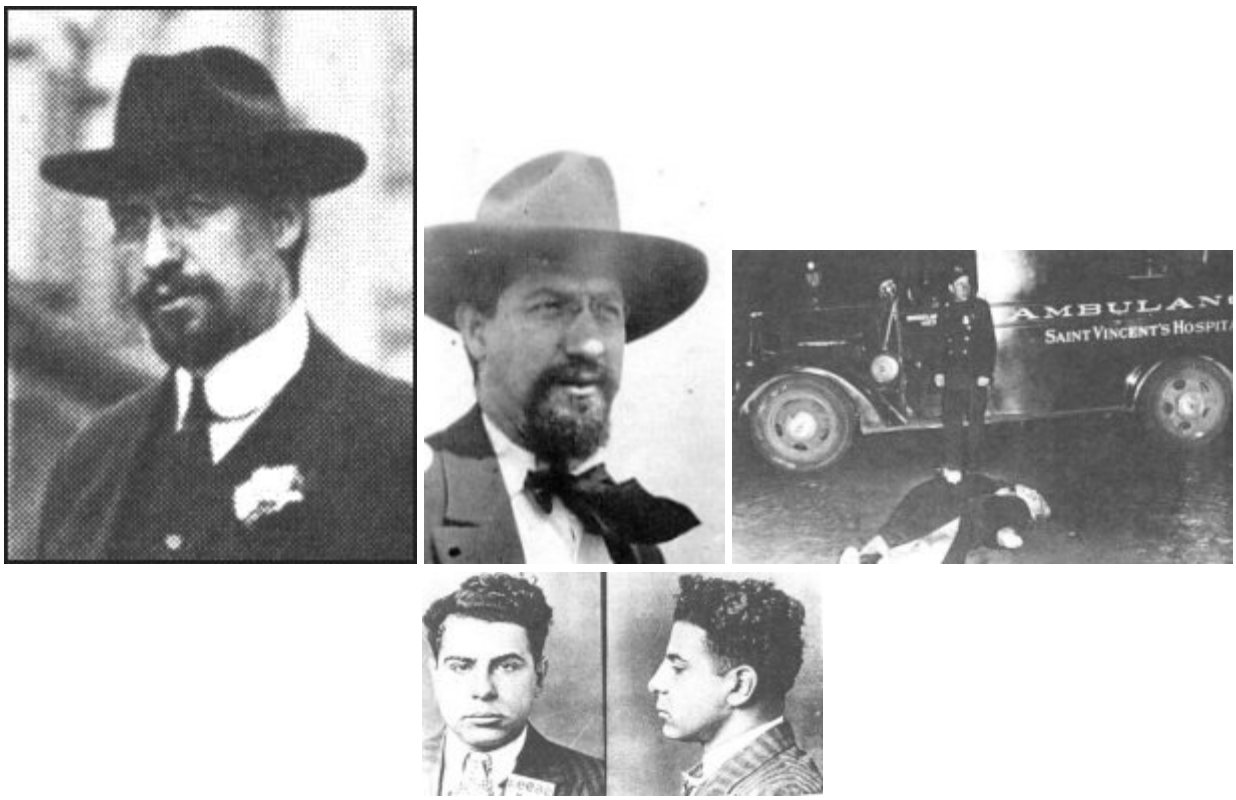
While the role of the Mafia is little more than a historical footnote to the Allied conquest of Sicily, its cooperation with the American military occupation (AMGOT) was extremely important. Although there is room for speculation about Luciano's precise role in the invasion, there can be little doubt about the relationship between the Mafia and the American military occupation.

This alliance developed when, in the summer of 1943, the Allied occupation's primary concern was to release as many of their troops as possible from garrison duties on the island so they could be used in the offensive through southern Italy. Practicality was the order of the day, and in October the Pentagon advised occupation officers "that the carabinieri and Italian Army will be found satisfactory for local security purposes. (23) But the Fascist army had long since deserted, and Don Calogero's Mafia seemed far more reliable at guaranteeing public order than Mussolini's

powerless *carabinieri.* So, in July the Civil Affairs Control Office of the U.S. army appointed Don Calogero mayor of Villalba. In addition, ANIGOT appointed loyal *mafiosi* as mayors in many of the towns and villages in western Sicily. (24)

As Allied forces crawled north through the Italian mainland, American intelligence officers became increasingly upset about the leftward drift of Italian politics. Between late 1943 and mid 1944, the Italian Communist party's membership had doubled, and in the German-occupied northern half of the country an extremely radical resistance movement was gathering strength; in the winter of 1944, over 500,000 Turin workers shut the factories for eight days despite brutal Gestapo repression, and the Italian underground grew to almost 150,000 armed men. Rather than being heartened by the underground's growing strength, the U.S. army became increasingly concerned about its radical politics and began to cut back its arms drops to the resistance in mid 1944.(25) "More than twenty years ago," Allied military commanders reported in 1944, "a similar situation provoked the March on Rome and gave birth to Fascism. We must make up our minds-and that quickly-whether we want this second march developing into another 'ism.' (26)

In Sicily the decision had already been made. To combat expected Communist gains, occupation authorities used Mafia officials in the AMGOT administration. Since any changes in the island's feudal social structure would cost the Mafia money and power, the "honored society" was a natural anti-Communist ally. So confident was Don Calogero of his importance to AMGOT that he killed Villalba's overly inquisitive police chief to free himself of all restraints. (27) In Naples, one of Luciano's lieutenants, Vito Genovese, was appointed to a position of interpreterliaison officer in American army headquarters and quickly became one of AMGOT's most trusted employees. It was a remarkable turnabout; less than a year before, Genovese had arranged the murder of Carlo Tresca, editor of an anti-Fascist Italian-language newspaper in New York, to please the Mussolini government. (28)



Images: Carlo Tresca (left). Carlo Tresa dead on the street (Archives of Labor Urban Affairs, Wayne State University) (center). Carmine Galante (UPI Bettman) (rigth) **Carlo Tresca (1879-1943), was born in Italy in 1879. After being active in the Italian Railroad Workers' Federation, Tresca moved to the United States in 1904. Elected secretary of the Italian Socialist Federation of North America and a member of the Industrial Workers of the World (IWW), he took part in strikes of Pennsylvania coal miners before becoming involved in the important industrial disputes in Lawrence and Paterson. Tresca, who lived with Elizabeth Gurley Flynn, was editor of the anti-fascist newspaper, Il Martello (The Hammer) for over 20 years. Carlo Tresco was leader of the Anti-Fascist Alliance and was assassinated in New York City in 1943. Many of Tresca's comrades believed that his**

murder had been ordered by Generoso Pope, the ex-fascist publisher of Il Progresso Italo-Americano, as Tresca had attacked him relentlessly throughout the 1930s and early 1940s. One plausible theory said that Tresca was killed at the order of an Italian underworld figure named Frank Garofalo, identified as a member of the Mafia. Another theory said that Carmine Galante was the man who undoubtedly killed him. Galante was to become one of the most significant figures in a criminal group that has operated in New York, and beyond, for seventy years. On that dark, miserable January night when he gunned down his target, the probable killer Galante was already associated with or indeed possibly a member of a Mafia organization that is known today as the Bonanno Crime Family. (More Information)

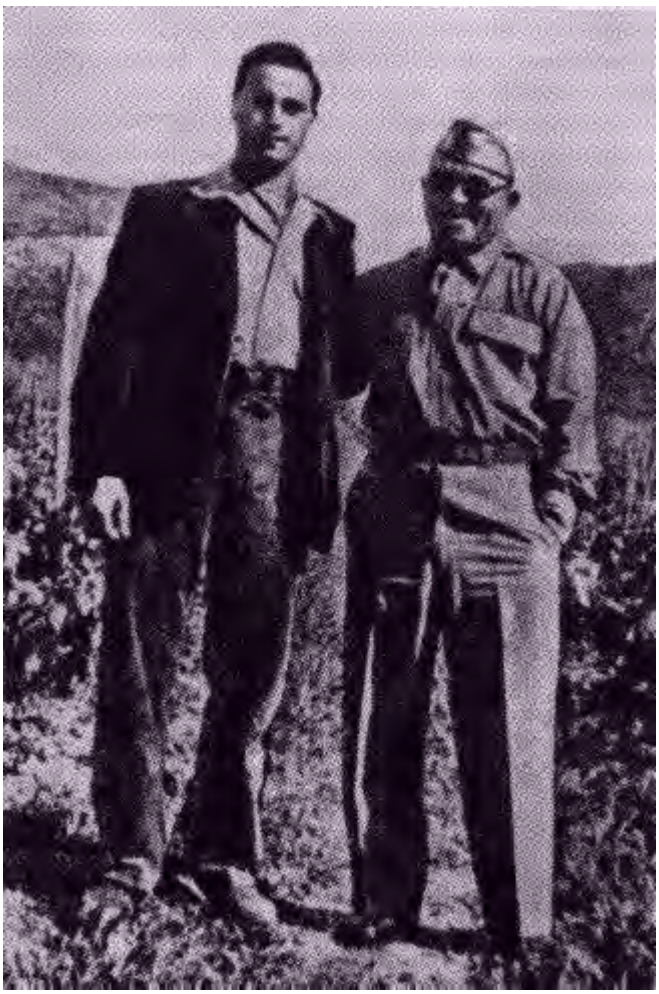


Image: Vito Genovese (rigth) with Salvatore Giuliano (left). Genovese was Colonel Poletti's driver, interpreter and consiglieri (adviser).

Genovese and Don Calogero were old friends, and they used their official positions to establish one of the largest black market operations in all of southern Italy. Don Calogero sent enormous truck caravans loaded with all the basic food commodities necessary for the Italian diet rolling northward to hungry Naples, where their cargoes were distributed by Genovese's organization (29) All of the trucks were issued passes and export papers by the AMGOT administration in Naples and Sicily, and some corrupt American army officers even made contributions of gasoline and trucks to the operation.

In exchange for these favors, Don Calogero became one of the major supporters of the Sicilian Independence Movement, which was enjoying the covert support of the OSS. As Italy veered to the left in 1943-1944, the American military became alarmed about their future position in Italy and felt that the island's naval bases and strategic location in the Mediterranean might provide a possible future counterbalance to a Communist mainland. (30) Don Calogero supported this separatist movement by recruiting most of western Sicily's mountain bandits for its volunteer army, but quietly abandoned it shortly after the OSS dropped it in 1945.

Don Calogero rendered other services to the anti-Communist effort by breaking up leftist political rallies. On September 16, 1944, for example, the Communist leader Girolama Li Causi held a rally in Villalba that ended abruptly in a hail of gunfire as Don Calogero's men fired into the crowd and wounded nineteen spectators. (31) Michele Pantaleone, who observed the Mafia's revival in his native village of Villalba, described the consequences of AMGOT's occupation policies:

By the beginning of the Second World War, the Mafia was restricted to a few isolated and scattered groups and could have been completely wiped out if the social problems of the island had been dealt with . . . the Allied occupation and the subsequent slow restoration of democracy reinstated the Mafia with its full powers, put it once more on the way to becoming a political force, and returned to the Onorata Societa the weapons which Fascism had snatched from it. (32)

Luciano Organizes the Postwar Heroin Trade

In 1946 American military intelligence made one final gift to the Mafia -they released Luciano from prison and deported him to Italy, thereby freeing the greatest criminal talent of his generation to rebuild the heroin trade. Appealing to the New York State Parole Board in 1945 for his immediate release, Luciano's lawyers based their case on his wartime services to the navy and army. Although naval intelligence officers called to give evidence at the hearings were extremely vague about what they had promised Luciano in exchange for his services, one naval officer wrote a number of confidential letters on Luciano's behalf that were instrumental in securing his release. (33) Within two years after Luciano returned to Italy, the U.S. government deported over one hundred more mafiosi as well. And with the cooperation of his old friend, Don Calogero, and the help of many of his old followers from New York, Luciano was able to build an awesome international narcotics syndicate soon after his arrival in Italy. (34)

The narcotics syndicate Luciano organized after World War It remains one of the most remarkable in the history of the traffic. For more than a decade it moved morphine base from the Middle East to Europe, transformed it into heroin, and then exported it in substantial quantities to the United States-all without ever suffering a major arrest or seizure. The organization's comprehensive distribution network within the United States increased the number of active addicts from an estimated 20,000 at the close of the war to 60,000 in 1952 and to 150,000 by 1965.

After resurrecting the narcotics traffic, Luciano's first problem was securing a reliable supply of heroin. Initially he relied on diverting legally produced heroin from one of Italy's most respected pharmaceutical companies, Schiaparelli. However, investigations by the U.S. Federal Bureau of Narcotics in 1950-which disclosed that a minimum of 700 kilos of heroin had been diverted to Luciano over a four-year period-led to a tightening of Italian pharmaceutical regulations. (35) But by this time Luciano had built up a network of clandestine laboratories in Sicily and Marseille and no longer needed to divert the Schiaparelli product.

Morphine base was now the necessary commodity. Thanks to his contacts in the Middle East, Luciano established a long-term business relationship with a Lebanese who was quickly becoming known as the Middle East's major exporter of morphine base-Sami El Khoury. Through judicious use of bribes and his high social standing in Beirut society, (36) El Khoury established an organization of unparalleled political strength. The directors of Beirut Airport, Lebanese customs, the Lebanese narcotics police, and perhaps most importantly, the chief of the antisubversive section of the Lebanese police, (37) protected the import of raw opium from Turkey's Anatolian plateau into Lebanon, its processing into morphine base, and its final export to the laboratories in Sicily and Marseille. (38)

After the morphine left Lebanon, its first stop was the bays and inlets of Sicily's western coast. There Palermo's fishing trawlers would meet ocean-going freighters from the Middle East in international waters, pick up the drug cargo, and then smuggle it into fishing villages scattered along the rugged coastline. (39)

Once the morphine base was safely ashore, it was transformed into heroin in one of Luciano's clandestine laboratories. Typical of these was the candy factory opened in Palermo in 1949: it was]eased to one of Luciano's cousins and managed by Don Calogero himself.(40) The laboratory operated without incident until April 11, 1954, when the Roman daily Avanti! published a photograph of the factory under the headline "Textiles and Sweets on the Drug Route." That evening the factory was closed, and the laboratory's chemists were reportedly smuggled out of the country. (41)

Once heroin had been manufactured and packaged for export, Luciano used his Mafia connections to send it through a maze of international routes to the United States. Not all of the mafiosi deported from the United States stayed in Sicily. To reduce the chance of seizure, Luciano had placed many of them in such European cities as Milan, Hamburg, Paris, and Marseille so they could forward the heroin to the United States after it arrived from Sicil concealed in fruits, vegetables, or candy. From Europe heroin was shipped directly to New York or smuggled through Canada and Cuba. (42)

While Luciano's prestige and organizational genius were an invaluable asset, a large part of his success was due to his ability to pick reliable subordinates. After he was deported from the United States in 1946, he charged his long-time

associate, Meyer Lansky, with the responsibility for managing his financial empire. Lansky also played a key role in organizing Luciano's heroin syndicate: he supervised smuggling operations, negotiated with Corsican heroin manufacturers, and managed the collection and concealment of the enormous profits. Lansky's control over the Caribbean and his relationship with the Florida-based Trafficante family were of particular importance, since many of the heroin shipments passed through Cuba or Florida on their way to America's urban markets. For almost twenty years the Luciano-Lansky-Trafficante troika remained a major feature of the international heroin traffic. (43)

Organized crime was welcome in prerevolutionary Cuba, and Havana was probably the most important transit point for Luciano's European heroin shipments. The leaders of Luciano's heroin syndicate were at home in the Cuban capital, and regarded it as a "safe" city: Lansky owned most of the city's casinos, and the Trafficante family served as Lansky's resident managers in Havana. (44)

Luciano's 1947 visit to Cuba laid the groundwork for Havana's subsequent role in international narcotics-smuggling traffic. Arriving in January, Luciano summoned the leaders of American organized crime, including Meyer Lansky, to Havana for a meeting, and began paying extravagant bribes to prominent Cuban officials as well. The director of the Federal Bureau of Narcotics at the time felt that Luciano's presence in Cuba was an ominous sign.

I had received a preliminary report through a Spanish-speaking agent I had sent to Havana, and I read this to the Cuban Ambassador. The report stated that Luciano had already become friendly with a number of high Cuban officials through the lavish use of expensive gifts. Luciano had developed a full-fledged plan which envisioned the Caribbean as his center of operations . . . Cuba *was* to be made the center *of all inter* national narcotic operations. (45)

Pressure from the United States finally resulted in the revocation of Luciano's residence visa and his return to Italy, but not before he bad received commitments from organized crime leaders in the United States to distribute the regular heroin -shipments he promised them from Europe. (46)

The Caribbean, on the whole, was a happy place for American racketeers-most governments were friendly and did not interfere with the "business ventures" that brought some badly needed capital into their generally poor countries. Organized crime had been well established in Havana long before Luciano's landmark voyage. During the 1930s Meyer Lansky "discovered" the Caribbean for northeastern syndicate bosses and invested their illegal profits in an assortment of lucrative gambling ventures. In 1933 Lansky moved into the Miami Beach area and took over most of the illegal off-track betting and a variety of hotels and casinos.(47) He was also reportedly responsible for organized crime's decision to declare Miami a "free city" (i.e., not subject to the usual rules of territorial monopoly).(48) Following his success in Miami Lansky moved to Havana for three years, and by the beginning of World War 11 he owned the Hotel Nacional's casino and was leasing the municipal racetrack from a reputable New York bank.

Burdened by the enormous scope and diversity of his holdings, Lansky had to delegate much of the responsibility for daily management to local gangsters. (49) One of Lansky's earliest associates in Florida was Santo Trafficante, Sr., a Sicilian-born Tampa gangster. Trafficante had earned his reputation as an effective organizer in the Tampa gambling rackets, and was already a figure of some stature when Lansky first arrived in Florida. By the time Lansky returned to New York in 1940, Trafficante had assumed responsibility for Lansky's interests in Havana and Miami.

By the early 1950s Traflicante had himself become such an important figure that he in turn delegated his Havana concessions to Santo Trafficante, Jr., the most talented of his six sons. Santo, Jr.'s, official position in Havana was that of manager of the Sans Souci Casino, but he was far more important than his title indicates. As his father's financial representative, and ultimately Meyer Lansky's, Santo, Jr., controlled much of Havana's tourist industry and became quite close to the pre-Castro dictator, Fulgencio Batista. (50) Moreover, it was reportedly his responsibility to receive the bulk shipments of heroin from Europe and forward them through Florida to New York and other major urban centers, where their distribution was assisted by local Mafia bosses.-(51)

The Marseille Connection

The basic Turkey-Italy-America heroin route continued to dominate the international heroin traffic for almost twenty years with only one important alteration-during the 1950s the Sicilian Mafia began to divest itself of the heroin manufacturing business and started relying on Marseille's Corsican syndicates for their drug supplies. There were two reasons for this change. As the diverted supplies of legally produced Schiaparelli heroin began to dry up in 1950 and 195 1, Luciano was faced with the alternative of expanding his own clandestine laboratories or seeking another source of supply. While the Sicilian mafiosi were capable international smugglers, they seemed to lack the ability to manage the clandestine laboratories. Almost from the beginning, illicit heroin production in Italy had been plagued by a series of arrests-due more to mafiosi incompetence than anything else-of couriers moving supplies in and out of laboratories. The implications were serious; if the seizures continued Luciano himself might eventually be arrested. (52)

Preferring to minimize the risks of direct involvement, Luciano apparently decided to shift his major source of supply to Marseille. There, Corsican syndicates had gained political power and control of the waterfront as a result of their involvement in CIA strikebreaking activities. Thus, Italy gradually declined in importance as a center for illicit drug manufacturing, and Marseille became the heroin capital of Europe. (53)

Although it is difficult to probe the inner workings of such a clandestine business under the best of circumstances, there is reason to believe that Meyer Lansky's 1949-1950 European tour was instrumental in promoting Marseille's heroin industry.

After crossing the Atlantic in a luxury liner, Lansky visited Luciano in Rome, where they discussed the narcotics trade. He then traveled to Zurich and contacted prominent Swiss bankers through John Pullman, an old friend from the rumrunning days. These negotiations established the financial labyrinth that organized crime still uses today to smuggle its enormous gambling and heroin profits out of the country into numbered Swiss bank accounts without attracting the notice of the U.S. Internal Revenue Service.

Pullman was responsible for the European end of Lansky's financial operation: depositing, transferring, and investing the money once it arrived in Switzerland. He used regular Swiss banks for a number of years until the Lansky group purchased the Exchange and Investment Bank of Geneva, Switzerland. On the other side of the Atlantic, Lansky and other gangsters used two methods to transfer their money to Switzerland: "friendly banks" (those willing to protect their customers' identity) were used to make ordinary international bank transfers to Switzerland; and in cases when the money was too "hot" for even a friendly bank, it was stockpiled until a Swiss bank officer came to the United States on business and could "transfer" it simply by carrying it back to Switzerland in his luggage. (54)

After leaving Switzerland, Lansky traveled through France, where he met with high-ranking Corsican syndicate leaders on the Riviera and in Paris. After lengthy discussions, Lansky and the Corsicans are reported to have arrived at some sort of agreement concerning the international heroin traffic. (55) Soon after Lansky returned to the United States, heroin laboratories began appearing in Marseille. On May 23, 1951, Marseille police broke into a clandestine heroin laboratory-the first to be uncov~ -ed in France since the end of the war. After discovering another on March 18, 1952, French authorities reported that "it seems that the installation of clandestine laboratories in France dated from 1951 and is a consequence of the cessation of diversions in Italy during the previous years. (56) During the next five months French police uncovered two more clandestine laboratories. In future years U.S. narcotics experts were to estimate that the majority of America's heroin supply was being manufactured in Marseille.

2. Marseille: America's Heroin Laboratory

FOR MOST Americans, Marseille means only heroin, but for the French this bustling Mediterranean port represents the best and the worst of their national traditions. Marseille has been the crossroads of France's empire, a stronghold of its labor movement, and the capital of its underworld. Through its port have swarmed citizens on their way to colonial outposts, notably in North Africa and Indochina, and "natives" permanently or temporarily immigrating to the mother country. Marseille has long had a tradition of working class militancy-it was a group of citizens from Marseille who marched to Paris during the French Revolution singing the song that later became France's national anthem,*La Marseillaise.* The city later became a stronghold of the French Communist party, and was the hard core of the violent general strikes that racked France in the late 1940s. And since the turn of the century Marseille has been depicted in French novels, pulp magazines, and newspapers as a city crowded with gunmen and desperadoes of every description-a veritable "Chicago" of France.

Traditionally, these gunmen and desperadoes are not properly French by language or culture-they are Corsican. Unlike the gangsters in most other French cities, who are highly individualistic and operate in small, ad hoc bands, Marseille's criminals belong to tightly structured clans, all of which recognize a common hierarchy of power and prestige. This cohesiveness on the part of the Corsican syndicates has made them an ideal counterweight to the city's powerful Communist labor unions.

Almost inevitably, all the foreign powers and corrupt politicians who have ruled Marseille for the last forty years have allied themselves with the Corsican syndicates: French Fascists used them to battle Communist demonstrators in the 1930s; the Nazi Gestapo used them to spy on the Communist underground during World War II; and the CIA paid them to break Communist strikes in 1947 and 1950. The last of these alliances proved the most significant, since it put the Corsicans in a powerful enough position to establish Marseille as the postwar heroin capital of the Western world and to cement a long-term partnership with Mafia drug distributors.

The Corsicans had always cooperated well with the Sicilians, for there are striking similarities of culture and tradition between the two groups. Separated by only three hundred miles of blue Mediterranean water, both Sicily and Corsica are arid, mountainous islands lying off the west coast of the Italian peninsula. Although Corsica has been a French province since the late 1700s, its people have been strongly influenced by Italian Catholic culture. Corsicans and Sicilians share a fierce pride in family and village that has given both islands a long history of armed resistance to foreign invaders and a heritage of bloody family vendettas. And their common poverty has resulted in the emigration of their most ambitious sons. Just as Sicily has sent her young men to America and the industrial metropolises of northern Italy, so Corsica sent hers to French Indochina and the port city of Marseille. After generations of migration, Corsicans account for over 10 percent of Marseille's population.

Despite all of the strong similarities between Corsican and Sicilian society, Marseille's Corsican gangsters do not belong to any monolithic "Corsican Mafia." In their pursuit of crime and profit, the Mafia and the Corsican syndicates have adopted different styles, different techniques. The Mafia, both in Sicily and the United States, is organized and operated like a plundering army. While "the Grand Council" or "the Commission" maps strategy on the national level, each regional "family" has a strict hierarchy with a "boss", "underboss," "lieutenants," and "soldiers." Rivals are eliminated through brute force, "territory" is assigned to each boss, and legions of mafiosi use every conceivable racket-prostitution, gambling, narcotics, protection-to milk the population dry. Over the last century the Mafia had devoted most of its energies to occupying and exploiting western Sicily and urban America.

In contrast, Corsican racketeers have formed smaller, more sophisticated criminal syndicates. The Corsican underworld lacks the Ma a's formal organization, although it does have a strong sense of corporate identity and almost invariably imposes a death sentence on those who divulge information to outsiders. A man who is accepted as an ordinary gangster by the Corsicans "is in the*milieu,"* while a respected syndicate boss is known*as un vrai Monsieur.* The biggest of them all are known as *paceri,* or "peacemakers," since they can impose discipline on the members of all syndicates and mediate vendettas. While *mafiosi* usually lack refined criminal skills, the Corsicans are specialists in heroin manufacturing, sophisticated international smuggling, art thefts, and counterfeiting. Rather than restricting

themselves to Marseille or Corsica, Corsican gangsters have migrated to Indochina, North Africa, the Middle East, Latin America, Canada, and the South Pacific. In spite of the enormous distances that separate them, Corsican racketeers keep in touch, cooperating smoothly and efficiently in complex intercontinental smuggling operations, which have stymied the efforts of law enforcement authorities for a quarter century.(1)

Cooperation between Corsican smugglers and Mafia drug distributors inside the United States has been the major reason why the Mafia has been able to circumvent every effort U.S. officials have made at reducing the flow of heroin into the United States since the end of World War It. When Italy responded to U.S. pressure by reducing its legal pharmaceutical heroin production in 1950-1951, the Corsicans opened clandestine laboratories in Marseille. When U.S. customs tightened up baggage checks along the eastern seaboard, the Corsicans originated new routes through Latin America. When Turkey began to phase out opium production in 1968, Corsican syndicates in Indochina developed new supplies of morphine and heroin.

Marseille is the hub of the Corsicans' international network. During the First Indochina War (1946-1954), Corsican syndicates made a fortune in illegal currency manipulations by smuggling gold bullion and paper currency between Saigon and Marseille. In the 1950s Corsican gangsters supplied a booming black market in "tax-free" cigarettes by smuggling American brands into Marseille from North Africa. Corsican heroin laboratories are located in Marseille's downtown tenements or in luxurious villas scattered through the surrounding countryside. Most of the laboratories' morphine base supplies are smuggled into the port of Marseille from Turkey or Indochina. Marseille is the key to the Corsican underworld's success, and the growth of its international smuggling operations has been linked to its political fortunes in Marseille. For, from the time of their emergence in the 1920s right down to the present day, Marseille's Corsican syndicates have been molded by the dynamics of French politics.

Genesis

The first link between the Corsicans and the political world came about with the emergence in the *1920s* of Marseille's first "modern" gangsters, Francois Spirito and Paul Bonnaventure Carbone (the jolly heroes of *1970's* popular French film, *Borsalino).* Until their rise to prominence, the *milieu* was populated by a number of colorful pimps and gunmen whose ideal was a steady income that ensured them a life of leisure. The most stable form of investment was usually two or three prostitutes, and none of the gangsters of this premodern age ever demonstrated any higher aspirations Carbone and Spirito changed all that. They were the closest of friends, and their twenty year partnership permanently transformed the character of the Marseille *milieu.* (2)

This enterprising team's first major venture was the establishment of a French-staffed brothel in Cairo in the late *1920s.* They repeated and expanded their success upon their return to Marseille, where they proceeded to organize prostitution on a scale previously unknown. But more significantly, they recognized the importance of political power in protecting large-scale criminal ventures and its potential for providing a source of income through municipal graft.

In *1931* Carbone and Spirito reached an "understanding" with Simon Sabiani, Marseille's Fascist deputy mayor, who proceeded to appoint Carbone's brother director of the municipal stadium and open municipal employment to associates of the two underworld leaders. (3) In return for these favors, Carbone and Spirito organized an elite corps of gangsters that spearheaded violent Fascist street demonstrations during the depression years of the *1930s.* All across Europe fascism was gaining strength: Mussolini ruled Italy, Hitler was coming to power in Germany, and emerging French Fascist groups were trying to topple the republic through mass violence. Communist and Socialist demonstrators repeatedly rushed to the defense of the republic, producing a series of bloody confrontations throughout France.(4) In Marseille Carbone and Spirito were the vanguard of the right wing. In February 1934, for example, several days after an inflammatory speech by a Fascist army general, massive street demonstrations erupted on the Canebiere, Marseille's main boulevard. The thousands of leftist dock workers and union members who took to the streets dominated this political confrontation until Carbone and Spirito's political shock force fired on the crowd with pistols. The national police intervened, the workers were driven from the streets, and the wounded were carted off to the hospital. (5)

After four years of battling Sabiani's underworld allies in the streets, the left settled its political differences long enough to mount a unified electoral effort that defeated Sabiani and placed a Socialist mayor in office. (6) Although the leftist electoral victory temporarily eclipsed the Fascist-Corsican alliance, the rise of fascism had politicized the Marseille underworld and marked its emergence as a major force in city politics.

To those schooled in the Anglo-American political tradition, it might seem strange that the underworld should play such a critical role in Marseille politics. However, in France the street demonstration has always been as important as the ballot box in influencing the course of politics. From the downfall of King Louis Philippe in 1848, to the Dreyfus scandal of the 1890s right down to the May revolution of 1968, the ability to mass muscle A the boulevards has been a necessary political asset.

Although they had lost control of the municipal government, Carbone and Spirito's economic strength hardly declined. The emergence of organized narcotics trafficking in the United States provided Carbone with the opportunity to open a heroin laboratory in the early 1930s, while the outbreak of the Spanish civil war enabled him to engage in the arms traffic.(7) Carbone and Spirito found their political influence restored, however, in 1940, when German troops occupied Marseille after France's precipitous military collapse. Faced with one of the more active resistance movements in France, the Nazi Gestapo unit assigned to Marseille became desperate for informants and turned to the most prestigious figures in the underworld, who were only too willing to collaborate.

On July 14, 1942, the Resistance showed its strength for the first time by machine-gunning the headquarters of a pro-German political organization in downtown Marseille (the PPF, whose regional director was the Fascist ex-Mayor Simon Sabiani). The following afternoon Carbone and Spirito handed the Gestapo a complete list of all those involved.

For these and other invaluable services, they were lavishly rewarded. This prosperity was short lived, however, for in *1943* Carbone was killed en route to Marseille when his train was blown up by the Resistance, (8) and following the Normandy landing in *1944* Spirito fled to Spain with Sabiani.

In *1947* Spirito came to the United States where he enjoyed an active role in the New York-Marseille heroin traffic. However, he was arrested in New York three years later on a heroin smuggling charge and sentenced to two years in Atlanta Federal Prison. (9) Upon his release he returned to France, where he was arrested and tried for wartime collaboration with the Nazis; however, after only eight months in prison be retired to manage a restaurant on the French Riviera. While he remained active in the heroin business, Spirito no longer wielded much power in Marseille. Occasionally, warring gangs in Marseille would ask him to use his prestige to mediate their bloody vendettas. But mostly he played *bocce* on the sand and enjoyed his position as a respectable citizen of Toulon until his death in *1967.* (10)

From Underworld to Underground

But a significant enough element of the Corsican underworld sided secretly with the Resistance to ensure the consolidation of some sort of power base for the milieu at the end of World War 11. Their patriotic activities set the scene for the emergence of a new generation of criminal leaders-the Guerini brothers.

For while Carbone and Spirito were happy enough to help themselves by helping the Germans, most Corsicans, both in Marseille and on the island itself, were bitterly opposed to the German occupation. It was increasingly apparent that the island would be annexed by the Third Reich's ally, Italy-something totally abhorrent to most Corsicans, who felt that their unique language would become just another Italian dialect and their sense of cultural identity would be in jeopardy as well.

In 1940 a group of Corsican Resistance fighters issued a statement concerning the possibility of Italian annexation.

Corsica will never accept being handed over to Italy. Since 1789, shehas embraced France. She has given France Napoleon. In the course of the Great War, 40,000 Corsicans died on the field of battle in north eastern France ....

An Italian Corsica? What a monstrosity! If this crime were ever committed, history would have to reserve some bloody pages for the fight to the death a small people of 300,000 would wage against a powerful nation of 45 million inhabitants. (11)

In Corsica itself, this strong anti-Italian chauvinism mobilized the most effective resistance movement in all of France, and the island's mass uprising in 1943 is unparalleled in the annals of the Resistance. (12)

The Resistance in France itself was hopelessly divided between the Communists and non-Communists. Although wartime American propaganda films and postwar French cinema have projected an image of France as a nation in chains with every other citizen a nighttime warrior, most Frenchmen collaborated with the Germans willingly enough, and were indifferent, if not outright hostile, toward the Resistance.

In contrast, the Communist party, with its strong anti-Fascist ideology and disciplined cell structure, began resistance activities almost immediately, and remained the only effective armed organization in France until the 1944 Allied landings in Normandy. But despite their alliance with the Soviet Union, America and Britain refused to work directly with French Communist guerrillas, and throughout most of the war never knowingly parachuted them arms or supplies. (13) As a result of this policy, the French Resistance remained deeply factionalized for most of the war and never amounted to anything more than a minor nuisance for the German occupation army.

The situation in Marseille was typical. Generally, the movement was divided between the Communist party's FTP (Franc-Tireurs et Partisans), with 1,700 to 2,000 men, and a non-Communist coalition group, the MUR (Mouvements Unis de Resistance), with fewer than 800 men. Among the MUR's most important components was Marseille's Socialist party (whose leader was Gaston Defferre, also head of an Allied intelligence network). (14) Both the MUR and FTP recognized the need for unity. But the persistence of rather unheroic squabblings, mainly over MUR's adherence to the Allied Command's policy of denying arms to the Communist FTP, prevented any meaningful cooperation.(15) The Communists and non-Communists finally managed to form a unified resistance army (Forces Francaises de l'Interieur) in February 1944, but for most of the war they had remained at odds. (16)

As a result of their anti-Communist activities in Marseille's politics before the war, few of the resistance-minded Corsicans were accepted into the Communist underground. However, several of Marseille's Corsican syndicates became the backbone of the non-Communist underground, which was gravely lacking in the necessary experience to carry out effective resistance work. For instance, within a month after its formation in March 1943, MUR was virtually decimated when one of its officers was captured by the Gestapo and informed on many of its members. (17) But with their law of silence and their experience in secret criminal operations, the Corsicans easily adapted to the world of espionage and urban guerrilla warfare.

The most famous of these gangster Resistance heroes were the Guerini brothers. Antoine Guerini, a former triggerman

for Carbone and Spirito, worked as an agent for Anglo-American intelligence. When English intelligence officers were parachuted into the Marseille area to make contact with MUR, they were hidden in the cellars of nightclubs belonging to Antoine. Antoine was also responsible for smuggling arms into the city for the MUR after they had been parachuted from British aircraft. During the twelve-day battle for the liberation of Marseille in August 1944, Antoine's younger brother, Barthelemy, rendered invaluable services to Gaston Defferre's Socialist militia (by supplying intelligence, arms, and men) and was later awarded the Legion of Honor for his wartime exploits. (18)

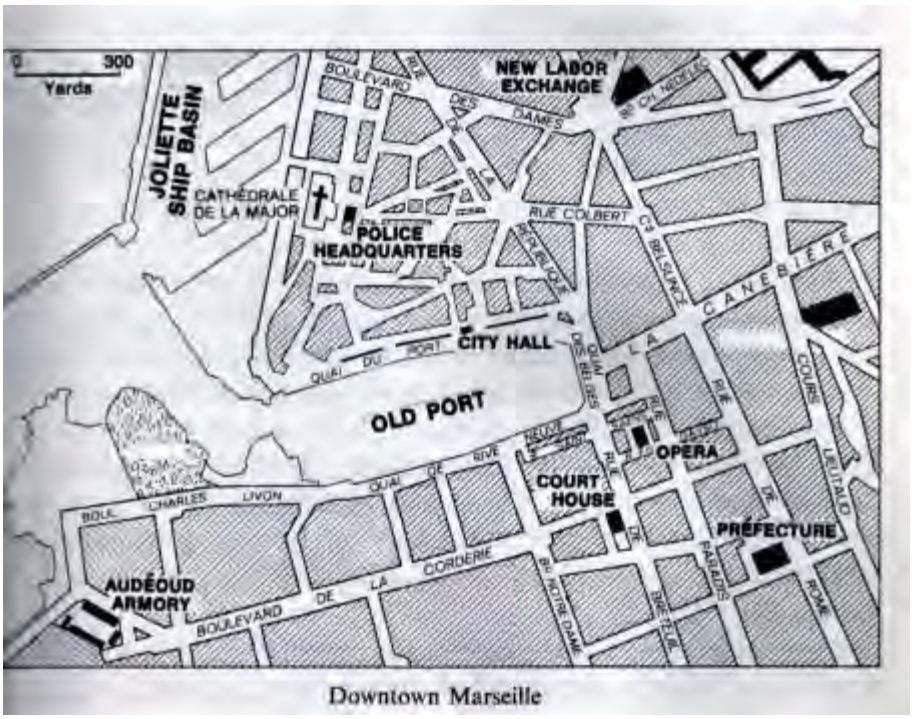
Political Bedfellows: 'The Socialist Party, the Guerinis, and the CIA

Although the Corsican underworld's wartime alliances were to have important consequences for the postwar heroin traffic and laid the foundation for Marseille's future criminal dynasty, the end of the German occupation generally meant hard times for the Marseille *milieu.* For over twenty years Carbone and Spirito had dominated the underworld, pioneering new forms of criminal activity, providing leadership and discipline, and most importantly, political alliances. Now they were gone, and none of the surviving syndicate bosses had as yet acquired the power or privilege to take on their mantle.

To add to its problems, the *milieu's* traditional enemies, the Communist and Socialist parties, remained firmly allied until mid 1946, thus denying a conservative-underworld alliance any chance of acquiring political power. In the first municipal elections of April 1945, a leftwing coalition swept Socialist party leader Gaston Defferre into the mayor's office. Splitting with the Socialists in 1946, the Communist party mounted a successful independent effort- and elected its candidate mayor in November. (19)

Moreover, a new police unit, the CRS (Compagnies Republicaines de Securite) had become the bane of the Marseille underworld. Formed during the liberation struggles of August 1944, when most of the municipal police force (who had been notorious collaborators) disappeared, (20) the CRS was assigned the task of restoring public order, tracking down collaborators, restricting smuggling, and curbing black market activities. A high percentage of its officers was recruited from the Communist Resistance movement, and they performed their duties much too effectively for the comfort of the milieu. (21)

But the beginning of the milieu's rise to power was not long in coming.



Downtown Marseille

In the fall of 1947 a month of bloody street fighting, electoral reverses, and the clandestine intervention of the CIA toppled the Communist party from power and brought about a permanent realignment of political power in Marseille. When the strikes and rioting finally came to an end, the Socialists had severed their contacts with the Communists, a Socialist-underworld alliance was in control of Marseille politics, and the Guerini brothers had emerged as the unchallenged "peacemakers" of the Marseille milieu. For the next twenty years their word would be law in the Marseille underworld.

The confrontation began innocently enough with the municipal elections of October 19 and 26, 1947. On the national level, Gen. Charles de Gaulle's new antiCommunist party (Rassemblement du Peuple Francais, RPF) scored substantial electoral successes throughout France. In Marseille, the revitalized Conservatives won enough seats on the municipal council to unseat the Communist mayor and elect a Conservative, Michel Carlini. One of Mayor Carlini's first official acts was to raise the municipal tram fares: a seemingly uncontroversial move entirely justified by growing fiscal deficits. However, this edict had unforeseen consequences.

More than two years after the end of the war, Marseille was still digging itself out from the rubble left by the Allied bombing. Unemployment was high, wages were low; the black market was king, and a severe shortage of the most basic commodities lent an air of desperation to morning shoppers. (22) The tramways were the city's lifeline, and the increased fare pinched pocketbooks and provoked bitter outrage. The Communist-Socialist labor coalition

(Confederation Generale du Travail, CGT) responded with a militant boycott of the tramways. Any motorman daring to take a tram into the streets was met with barricades and a shower of rocks from the angry populace. (23)

Marseille's working class was not alone in its misery, Across the length and breadth of France, blue-collar workers were suffering through the hard times of a painful postwar economic recovery, Workers were putting in long hours, boosting production and being paid little for their efforts. Prodded by their American advisers, successive French cabinets held down wages in order to speed economic recovery. By 1947 industrial production was practically restored to its prewar level, but the average Parisian skilled worker was earning only 65 percent of what he had made during the depths of the depression. (24) He was literally hungry as well: food prices had skyrocketed, and the average worker was eating 18 percent less than he had in 1938, And even though their wages could barely cover their food expenditures, workers were forced to shoulder the bulk of the national tax burden. The tax system was so inequitable that the prestigious Parisian daily *Le Monde* labeled it "more iniquitous than that which provoked the French Revolution. (25)

In Marseille, throughout early November, ugly incidents heated political tensions in the wake of the tramways boycott, culminating in the escalating violence of November 12. That fateful day began with a demonstration of angry workers in the morning, saw a beating of Communist councilors at the city council meeting in the afternoon, and ended with a murder in the early evening. (26) Early that morning, several thousand workers had gathered in front of the courthouse to demand the release of four young sheet metal workers who had been arrested for attacking a tram. As the police led two of them toward the hall for their trial, the crowd rushed the officers and the men escaped. Emboldened by their initial success, the crowd continued to try to break through police cordons for several hours, demanding that the charges against the workmen be dropped. Responding to the determined mood of the crowd, the court was hastily convened, and at about four in the afternoon the charges were reduced to the equivalent of a misdemeanor. The demonstrators were just preparing to disband when an unknown worker arrived to announce, "Everybody to City Hall. They are beating our comrades. (27)

The assault had occurred in the course of a regular meeting of the municipal council, when Communist councilors raised the issue of the tramway fares. The discussions became overly heated, and some of the mayor's well-muscled supporters (members of the Guerini gang) rushed forward and administered a severe beating to the Communist councilors.(28) Word of the beatings spread quickly through Marseille, and within an hour forty thousand demonstrators had gathered in front of City Hal 1. (29) The handful of police present were only able to bring the situation under control when Communist ex-Mayor Jean Cristofol calmed the crowd. Within thirty minutes it had dispersed, and by 6:30 P.m. all was quiet.

While most of the demonstrators went home, a contingent of young workers rushed back across the waterfront and charged into the narrow streets around the opera house. Crowded with nightclubs and brothels, the area was commonly identified as the headquarters of the underworld. It was generally believed that the black market was controlled from these clubs, and they were deemed a just target for working class anger. As the crowd roamed through the streets breaking windows, Antoine and Barthelemy Guarani fired guns into the crowd, wounding several of the demonstrators. Later that evening a young sheet metal worker died of his wounds. (30)

The next morning banner headlines in the Communist newspaper, La' *Marseillaise,* read, **CARLINI AND DE VERNEJOUL REINSTATE SABIANI'S METHODS IN THE MAYOR'S OFFICE OF MARSEILLE.** The paper reported that an investigation had disclosed it was Guerini men who had attacked the municipal councilors(31) This charge was not seriously rebutted in the Socialist paper, *Le Provencal,* or the Gaullist *Meridional* In a court hearing on November 16, two police officers testified seeing the Guerinis shooting into the crowd. At the same hearing one of the younger Guerini brothers admitted that Antoine and Barthelemy had been in the area at the time of the shooting. But four days later the police mysteriously retracted their testimony, and on December 10 all charges against the Guerinis were dropped. (32) The morning after the shooting, November 13, the local labor confederation called a general strike, and the city came to a standstill.

The strike was universal throughout France. Marseille workers had reached the breaking point at about the same time as their comrades in the rest of France. Spontaneous wildcat strikes erupted in factories, mines, and railway yards throughout the country. (33) As militant workers took to the streets, demonstrating for fair wages and lower prices, the

Communist party leadership was reluctantly forced to take action. On November 14, the day *after* Marseille's unions went on strike, the leftist labor confederation, CGT, called for a nationwide general strike.

Contrary to what one might-expect, French Communist leaders of this era were hardly wild-eyed revolutionaries. For the most part they were conservative middle-aged men who had served their nation well during the wartime resistance and now wanted, above all else, to take part in the governance of their country. Their skillful leadership of the wartime resistance had earned them the respect of the working class, and thanks to their efforts French unionists had accepted low postwar wages and abstained from strikes in 1945 and 1946. However, their repeated support for Draconian government austerity measures began to cost them votes in union elections, and in mid 1946 one U.S. State Department analyst reported that Communist leaders "could no longer hold back the discontent of the rank and file." (34) When wildcat strikes and demonstrations erupted in mid-November 1947, the Communist party was forced to support them or forfeit its leadership of the working class. At best its support was halfhearted. But by late November, 3 million workers were out on strike and the French economy was almost paralyzed.

Ignoring their own analysts, U.S. foreign policy planners interpreted the 1947 strike as a political ploy on the part of the Communist party and "feared" that it was a prelude to a "takeover of the government." (35) The reason for this blindness was simple: by mid 1947 the cold war had frozen over and all political events were seen in terms of "the world wide ideological clash between Eastern Communism and Western Democracy." Apprehensive over Soviet gains in the eastern Mediterranean, and the growth of Communist parties in western Europe, the Truman administration drew up the multibillion-dollar European Recovery Plan in May (known popularly as the Marshall Plan) and established the CIA in September. (36) Determined to save France from an imminent Communist coup, the CIA moved in to help break up the strike, choosing the Socialist party as its nightstick.

On the surface it may have seemed a bit out of character for the CIA to be backing anything so far left as a Socialist party. However, there were only three major political parties in France-Socialist, Communist, and Gaullist-and by a simple process of elimination the CIA wound up bedding down with the Socialists. While General de Gaulle was far too independent for American tastes, Socialist leaders were rapidly losing political ground to the Communists and were only too willing to collaborate with the CIA.

Writing in the Saturday *Evening* Post in 1967, the former director of the CIA's international organizations division, Thomas W. Braden, explained the Agency's strategy of using leftists to fight leftists:

It was personified by Jay Lovestone, assistant to David Dubinsky in the International Ladies' Garment Workers' Union.

Once Chief of the Communist Party in the United States, Lovestone had an enormous grasp of foreign-intelligence operations. In 1947 the Communist Confederation Generale du Travail led a strike in Paris which came very close to paralyzing the French economy. A takeover of the government was feared.

Into this crisis stepped Lovestone and his assistant, Irving Brown. With funds from Dubinsky's union, they organized Force Ouvriere, a non-Communist union. When they ran Out of money they appealed to the CIA. Thus began the secret subsidy of free trade unions which soon spread to Italy. Without that Subsidy, postwar history might have gone very differently. (37)

Shortly after the general strike began, the Socialist faction split off from the CGT (Confederation Generale du Travail) and formed a separate union, Force Ouvriere, with CIA funds. CIA payments on the order of $1 million a year guaranteed the Socialist party a strong electoral base in the labor movement, (38) and gave its leaders the political strength to lead the attack on striking workers. While Marseille Socialist leader Gaston Defferre called for an anti-Communist crusade from the floor of the National Assembly and in the columns of *Le Provencal*, (39) Socialist Minister of the Interior Jules Moch directed brutal police actions against striking workers. (40) With the advice and cooperation of the U.S. military attache in Paris, Moch requested the call-up of 80,000 reservists and mobilized 200,000 troops to battle the strikers. Faced with this overwhelming force, the CGT called off the strike on December 9, after less than a month on the picket lines. (41)

The bloodiest battleground of the general strike had not been in Paris, as Braden indicates, but in Marseille. Victory in

Marseille was essential for U.S. foreign policy for a number of reasons. As one of the most important international ports in France, Marseille was a vital beachhead for Marshall Plan exports to Europe. Continued Communist control of its docks would threaten the efficiency of the Marshall Plan and any future aid programs. As the second largest city in France, continued Communist domination of the Marseille electorate would increase the chance that the Communist party might win enough votes to form a national government. (The Communist party already controlled 28 percent of the vote and was the largest party in France.)

The growing split between Marseille's Communist and Socialist parties and Defferre's willingness to serve American interests had already been revealed in National Assembly debates over the bloody incidents on November 12 in Marseille. Instead of criticizing the Guerinis for beating the municipal councilors and murdering the sheet metal worker, Socialist leader Gaston Defferre chose to attack the Communists.

The American and English flags which were hanging from city hall were slashed by Communist hordes.... We have proof of what the Communists are capable: I trust that the government will take note of the consequences.

The Socialist Party deplores these incidents, but it will not tolerate that those who try to pass here as representatives will be able to defy the law. (42)

Several days later Communist deputy Jean Cristofol rebutted Defferre's accusations, charging that the Guerinis' gangsters were in the employ of both Gaullist and Socialist parties in Marseille. When Defferre rose to deny even knowing M. Guerini, another Communist deputy reminded him that a Guerini cousin was the editor of Defferre's newspaper, *Le Provencal* Then Cristofol took over to reveal some disturbing signs of the Marseille milieu's revival: underworld collaborators were being paroled from prison and government officials were allowing milieu nightclubs to reopen, among them the Guerinis' Parakeet Club. (The clubs had been closed in June 1947 by order of Cristofol himself, then town mayor.) (43)

The Socialists' first step in breaking Marseille's strike was purging suspected Communist supporters from the CRS police units. Once this was accomplished these units could easily be ordered to use violent tactics against the striking workers. Thus, although official reports had nothing but praise for the cool professionalism of these officers (44) Socialist Mayor Gaston Defferre unjustly accused them of having sided with the demonstrators during the rioting of November 12. (45) After Socialist cadres drew up a list of suspected CRS Communists, Mayor Defferre passed it along to Socialist Minister Jules Moch, who ordered the blacklisted officers fired. (46) (This action by the Socialists was certainly appreciated by the hard-pressed Corsican syndicates as well. In sharp contrast to the regular police, CRS units had been cracking down on the milieu's smuggling and black market activities.) (47) Once these Communist officers had been purged, CRS units started attacking picket lines with unrestrained violence. (48)

But it would take more than ordinary police repression to break the determination of Marseille's eighty thousand striking workers. If the U.S. was to have its victory in Marseille it would have to fight for it. And the CIA proceeded to do just that,

Through their contacts with the Socialist party, the CIA had sent agents and a psychological warfare team to Marseille, where they dealt directly with Corsican syndicate leaders through the Guerini brothers. The CIA's operatives supplied arms and money to Corsican gangs for assaults on Communist picket lines and harassment of the important union officials. During the month-long strike the CIA's gangsters and the purged CRS police units murdered a number of striking workers and mauled the picket lines. Finally, the CIA psychological warfare team prepared pamphlets, radio broadcasts, and posters aimed at discouraging workers from continuing the strike. (49) Some of the psy-war team's maneuvers were inspired: at one point the American government threatened to ship sixty-five thousand sacks of flour meant for the hungry city back to the United States unless the dockers unloaded them immediately. (50) The pressure of violence and hunger was too great, and on December 9 Marseille's workers abandoned the strike, along with their fellow workers in the rest of France. There were some ironic finishing touches. On Christmas Eve of 1947, eighty-seven boxcars arrived at the Marseille train station carrying flour, milk, sugar, and fruit as "gifts from the American people" amidst the cheers of hundreds of schoolchildren waving tiny American flags. (51)

The Guerinis gained enough power and status from their role in smashing the 1947 strike to emerge as the new leaders of the Corsican underworld. But while the CIA was instrumental in restoring the Corsican underworld's political power,

it was not until the 1950 dock strike that the Guerinis gained enough power to take control of the Marseille waterfront. This combination of political influence and control of the docks created the perfect environmental conditions for the growth of Marseille's heroin laboratoriesfortuitously at exactly the same time that Mafia boss Lucky Luciano was seeking an alternate source of heroin supply.

The same austere economic conditions that had sparked the 1947 strike also produced the 1950 shutdown. Conditions for the workers had not improved in the intervening three years and, if anything, had grown worse. Marseille, with its tradition of working class militancy, had even more reason for striking. Marseille was France's "Gateway to the Orient," through which material (particularly American munitions and supplies) was transported to the French Expeditionary Corps fighting in Indochina. The Indochina War was about as unpopular with the French people then as the Vietnam War is with so many of the American people today. And Ho Chi Minh had helped to found the French Communist party and was a popular hero in France among the leftist working class members, especially in Marseille with its many resident Indochinese. (52) In January, Marseille dock workers began a selective boycott of those freighters carrying supplies to the war zone. And on February 3 the CGT convened a meeting of Marseille dock workers at which a declaration was issued demanding "the return of the Expeditionary Corps from Indochina to put an end to the war in Vietnam," and urging "all unions to launch the most effective actions possible against the war in Vietnam." The movement of arms shipments to Indochina was "paralyzed." (53) Although the Atlantic ports joined in the embargo in early February, they were not as effective or as important as the Marseille strike. (54) By mid February, the shutdown had spread to the metal industries, (55) the mines, and the railways. But most of the strikes were halfhearted. On February 18 the Paris newspaper Combat reported that

Marseille was once again the hard core; 70 percent of Marseille's workers supported the strike compared to only 2 percent in Bordeaux, 20 percent in Toulouse, and 20 percent in Nice. (56) Once more Marseille's working class militancy called for special methods, and the CIA's Thomas Braden later recalled how he dealt with the problem.

"On the desk in front of me as I write these lines is a creased and faded yellow paper. It bears the following inscription in pencil:

"Received from Warren G. Haskins, $15,000 (signed) Norris A. Grambo."

I went in search of this paper on the day the newspapers disclosed the "scandal" of the Central Intelligence Agency's connections with American students and labor leaders. It was a wistful search, and when it ended, I found myself feeling sad.

For I was Warren G. Haskins. Norris A. Grambo was Irving Brown, of the American Federation of Labor. The $15,000 was from the vaults of the CIA, and the yellow paper is the last memento I possess of a vastand secret operation....

It was my idea to give $15,000 to Irving Brown. He needed it to pay off his strong-arm squads in the Mediterranean ports, so that American supplies could be unloaded against the opposition of Communist dock workers." (57)

With the CIA's financial backing, Brown used his contacts with the underworld and a "rugged, fiery Corsican" named Pierre Ferri-Pisani to recruit an elite criminal terror squad to work the docks. Surrounded by his gangster hirelings, Ferri-Pisani stormed into local Communist headquarters and threatened to make the party's leadership "pay personally" for the continuing boycott. And, as Time magazine noted with great satisfaction, "The first Communist who tried to fire Ferri-Pisani's men was chucked into the harbor." (58)

In addition, the Guerinis' gangsters were assigned the job of pummeling Communist picket lines to allow troops and scabs onto the docks, where they could begin loading munitions and supplies. By March 13 government officials were able to announce that, despite a continuing boycott by Communist workers, 900 dockers and supplementary troops had restored normal operations on the Marseille waterfront. (59) Although sporadic boycotts continued until mid April, Marseille was now subdued and the strike was essentially over. (60)

But there were unforeseen consequences of these cold war "victories." In supplying the Corsican syndicates with money and support, the CIA broke the last barrier to unrestricted Corsican smuggling operations in Marseille. When

control over the docks was compounded with the political influence the *milieu* gained with CIA assistance in 1947, conditions were ideal for Marseille's growth as America's heroin laboratory. The French police later reported that Marseille's first heroin laboratories were opened in 1951, only months after the *milieu* took over the waterfront.

Gaston Defferre and the Socialist party also emerged victorious after the 1947 and 1950 strikes weakened the local Communist party. From 1953 until the present, Defferre and the Socialists have enjoyed an unbroken political reign over the Marseille municipal government. The Guerinis seem to have maintained a relationship with Marseille's Socialists. Members of the Guerini organization acted as bodyguards and campaign workers for local Socialist candidates until the family's downfall in 1967.

The control of the Guerini brothers over Marseille's heroin industry was so complete that for nearly twenty years they were able to impose an absolute ban on drug peddling inside France at the same time they were exporting vast quantities of heroin to the United States. With their decline in power, due mostly to their unsuccessful vendetta with Marcel Francisci in the mid sixties, their embargo on domestic drug trafficking became unenforceable, and.. France developed a drug problem of her own. (61)

The Guerini-Francisci Vendetta

From its very beginning, postwar heroin production in Marseille had been so dominated by the Guerinis, and their operations were so extensive, that some of their subordinates, such as Dominique and Jean Venturi, earned independent reputations as major traffickers.

Their only serious rival was Marcel Francisci, the owner of a lucrative international gambling syndicate. Described by the Federal Bureau of Narcotics as a long-time "understudy" to Spirito and "an important figure Francisci is also a veteran of the wartime in the French underworld," (62) resistance and was awarded four medals for his wartime heroics." (63) Although they coexisted happily enough throughout the 1950s, when the Guerinis clearly had the upper hand, Francisci's growing influence in the 1960s produced serious tensions. Competition over control of some casino interests provided the spark. A silent war began in 1965 that continued for three years with little more than extended obituary notices in the French press. In the end the Guerinis were decisively defeated-with Antoine himself one of the murdered victims. (64) On June 23, 1967, two assassins pumped eleven bullets into Antoine Guerini in a Marseille gas station. (65) Antoine's murder marked the beginning of the end for the Guerini dynasty, and Barthelemy's downfall was not long in coming.

During Antoine's funeral at Calenzana, Corsica, on July 4, two Marseille burglars took advantage of the absence of the family retainers to break into Antoine's villa and steal family jewelry worth thousands of dollars.(66) Unless Barthelemy acted quickly to avenge his brother's death and catch the burglars, the blow to his prestige would utterly destroy his authority over the milieu. Barthelemy's rage did not go unnoticed, and on July 10 one of the burglars, Jean Paul Mandroyan, returned the jewels, while the other thief fled to Spain. On July 22 the police found Mandroyan shot dead-and a witness reported that he had seen Barthelemy forcing Mandroyan into his Mercedes just before the young burglar's murder. On August 4 police entered the Guerinis' Club Mediterranee and arrested Barthelemy and his five bodyguards. All six were armed. (67)

Barthelemy's trial began on schedule January 5, 1970, but from the beginning the prosecution suffered reverses. In his distinguished black suit, carefully trimmed hair, and a red lapel pin indicating his wartime decoration, Barthelemy hardly looked the part of a desperate gangster. On the second day of the trial, the key prosecution witness retracted his testimony. (68) A road test proved that it was impossible for Barthelemy's Mercedes to have been the murderer's car. With each day of testimony the prosecution's case grew weaker, as the defense attorney demonstrated that most of the state's evidence was circumstantial. In his summation, the prosecutor could not help admitting his failure and demanded that the Guerini gang must be sentenced, not so much because of their possible guilt, but because they were criminal types who were a menace to Marseille. (69)

On January 15 the jury returned a verdict of guilty: Barthelemy received twenty years; his younger brother Pascal and two others, fifteen years apiece. Spectators screamed "scandal." Cries of "This is justice?" were heard. And the defendants themselves shouted "Innocent, innocent, innocent." (70)

Why were the Guerinis convicted? There had been serious accusations against them in the past that could have become solid cases had the Ministry of Justice been interested. But the Guerinis were guaranteed immunity to local investigations by their relationship with Marseille's Socialists. However, by 1967 Socialist party influence had declined substantially after a decade of Gaullist rule. Francisci, according to informed French observers, had earned considerable political influence through his services to the Gaullist government. During the early 1960s, he had helped organize a group of Corsican gangsters known popularly as the *barbouzes* to combat a right-wing terrorist campaign following General de Gaulle's announcement of Algerian independence. As the owner of Paris's most exclusive casino, Cercle Haussmann, Francisci was in daily contact with highranking government officials. (71) He is a close personal friend of a former Gaullist cabinet minister and is himself a Gaullist provincial counselor in Corsica.

After the Fall

In the aftermath of Barthelemy Guerini's conviction, the balance of power in the Marseille heroin trade has shifted somewhat. The Guerini family's declining fortunes are represented by Pierre, a younger brother, and Barthelemy's wife, a former nightclub dancer. The Guerini decline has been matched by the growing influence of the Venturi brothers, longtime Guerini associates, as well as by Francisci himself. The U.S. Bureau of Narcotics has labeled Jean Venturi the "major distributor of French heroin into the United :States," and described his younger brother Dominique as "his major source of supply." (72) The Venturis also seem to have inherited the Guerinis' influence with Marseille's Socialist party; during the last election it was their men who served as Mayor Defferre's bodyguards. Interestingly, in February *1972 The New York Times* reported that Dominique Venturi's contracting firm "is currently redoing the Marseille town hall for the city's Socialist Mayor Gaston Defferre. (73) Although Marcel Francisci has publicly denied any involvement in the drug traffic, the U.S. Bureau of Narcotics has long identified him as the man who "organizes the smuggling into France of morphine base produced in the Middle East (74)

Francisci is not the only gangster who is associated with the ruling Gaullist party. The U.S. Bureau of Narcotics believes that the Gaullists have replaced corrupt Marseille politicians as the *milieu's* most important protectors, and some U.S. narcotics agents have become quite concerned over the complicity of highlevel French intelligence officials in the narcotics traffic.

During the May revolution of 1968, when thousands of students and workers surged through the streets of Paris, barricades were thrown up, and government buildings were occupied, General de Gaulle's government came close to crumbling. To aid the restoration of public order, Jacques Foccart, the general's top intelligence adviser, organized five thousand men, many of them Corsican and French gangsters, into the Service d'Action Civique (SAC). While there were known gangsters in SAC's rank and file, police officers and top intelligence officials took on positionsof responsibility within the organization. SAC was assigned such tasks as silencing hecklers at proGaullist rallies, breaking up opposition demonstrations, and providing bodyguards for cabinet ministers and high government officials. (75) When President Georges Pompidou inspected the Concorde supersonic aircraft at Toulouse in August 1971, five hundred SAC men turned out to protect him. The same month another five hundred were mobilized to maintain harmony at the Gaullist party's national convention. (76) In addition, both the national police and SDECE (Service de Documentation Exterieure et du Contre-Espionage, a French equivalent of the CIA) use SAC to execute "dirty" missions that would compromise their regular agents. (77)

In exchange for their services, SAC men are protected from police investigation and given safe-conduct passes-necessary for their more delicate assignments-which grant them immunity to stop-and-search by police.(78) But in spite of SAC's protection, there are occasional slipups, and according to the U.S. Bureau of Narcotics, at least ten SAC gangsters were arrested in France carrying major shipments of heroin during 1970-1971. In the fall of 1970, when the police arrested Serge Constant, a member of SAC in Nice, and charged him with having smuggled two heroin shipments into the United States, he threatened them, saying, "We have protection, so watch your step." A Grenoble bar proprietor named Mrs. Bonnet was arrested with 105 pounds of heroin destined for the United States in her car. She is the widow of SAC leader Matthieu Bonnet, who chauffered President Pompidou during the 1967 election. In September 1971 a notorious heroin courier, Ange Simonpieri, was finally arrested after a Swiss lawyer accused the Gaullists of protecting him on a primetime radio show. Predictably, Simonpieri is a retired *barbouze* and a close friend of the Gaullist deputy who organized the "parallel police" group in 1961. (79)

Moreover, informed observers arc convinced that some of SDECE's top intelligence officers have been organizing narcotics shipments to the United States to finance SAC operations, using SDECE's counterintelligence net to protect their shipments. Although U.S. narcotics agents working undercover against French heroin traffickers have little fear of being unmasked by the milieu, they have become increasingly concerned about being discovered by SDECE. In early 1971, for example, a U.S. undercover narcotics agent met with representatives of Marseille's biggest heroin syndicate in a New York City hotel room. Posing as an American mafioso, the undercover agent offered to purchase a hundred kilos of heroin and agreed to pay a top price. Convinced that they were dealing with a real American gangster, the Corsican smugglers flew back to Marseille, elated at their success, and began to put together the shipment. However, just as they were about to depart for New York and walk into a carefully-laid trap, another Corsican gangster phoned

to warn them that the American mafioso was really a U.S. narcotics agent. Incredulous, the smugglers asked the informant over the phone, "How do you know?" And the caller responded, "Colonel- passed this information on to me." According to informed observers, that colonel is a high-ranking SDECE intelligence officer. And, these observers ruefully admit, some corrupt elements of SDECE seem to have done a good job of penetrating their undercover network.

The extent of SDECE's involvement in the heroin trade was finally given public exposure in November 1971, when a New Jersey prosecutor indicted Colonel Paul Fournier, one of SDECE's top supervisory agents, for conspiring to smuggle forty-five kilos of heroin into the United States. On April 5 a U.S. customs inspector assigned to the Elizabeth, New Jersey, waterfront had discovered the heroin concealed in a Volkswagen camper and arrested its owner, a retired SDECE agent named Roger de Louette. After confessing his role in the affair, de Louette claimed that he was only working as a courier for Colonel Fournier. (80) Although Fournier's guilt has not yet been established, his indictment rated banner headlines in the French press and prompted former high-ranking SDECE officials to come forward with some startling allegations about SDECE's involvement in the heroin traffic. (81)

Even with SDECE's clandestine support, however, Marseille's days as the heroin capital of Europe may be numbered. The Guerinis' collapse has thrown open the field to younger gangsters with little respect for their ban on drug peddling inside France. As one of France's top police officials put it, "These new guys are guys who don't follow the rules. With tougher U.S. suppression effort, the cost of smuggling got too much for some of them, so they took the easy way out and began to sell here."

Within two years after Antoine Guerini's death and Barthelemy's incarceration, France itself was in the grip of an escalating heroin plague. By early 1972 fifteen out of every thousand French army draftees were being rejected because of drug addiction, and Marseille itself has an addict population estimated at anywhere from five thousand to twenty thousand. As France developed a drug crisis of her own, the French government dropped its rather blase attitude and declared narcotics "France's number-one police problem." Marseille's police narcotics unit was expanded from eight officers in 1969 to seventy-seven only two years later. In early 1972 the stepped-up police effort scored several spectacular heroin seizures and prompted speculation in the French press that Marseille's heroin manufacturers might eventually be forced out of business. (83)

It seems unlikely, however, that French reforms will have any beneficial impact on America's heroin plague. For Marseille's problems were simply the final blow to a Mediterranean heroin complex already weakened by a decade of serious setbacks.

The Decline of the European Heroin Trade, and a Journey to the East

During the 1960s local arrests, internal warfare, and international law enforcement activity progressively weakened the Turkey-Italy-Marseille narcotics axis. By the end of the decade, the situation had become so serious that the international narcotics leaders were forced to conduct a major reorganization of the traffic.

In Sicily a costly eight-year battle (1956-1963) between Mafia factions-the "old" Mafia and the "new" Mafia-had reduced the "honored society" to its weakest state since the end of World War 11. The "old" Mafia was made up of traditional rural gangsters, the illiterate tyrants who ruled by fear and exploited the impoverished peasants. In contrast, the "new" Mafia was attracted by the modern business methods and the international heroin smuggling that Lucky Luciano and his American deportee cohorts had introduced in the late 1940s. In the first three years of this war eighteen major mafiosi and countless minor gunmen were eliminated.

Weakened by the enormous cost in leadership, the feud subsided, but it broke out again in 1963 when part of a heroin shipment was stolen by a courier enroute to the United States. It was a singularly inopportune moment for headline murders, as the Mafia itself was well aware, for a parliamentary investigating commission was finally looking into the Mafia. Even though the honored society's Grand Council ordered a moratorium for the duration of the inquiry, passions could not be restrained, and the murders began again. The fast Alfa Romeo sedans favored by mafiosi were being blown up in Palermo with such frequency that the mere sight of one parked was enough for the police to clear the street.

The Parliamentary Commission of Inquiry into the Activities of the Mafia began in the midst of the explosions, and its reports contained the first serious legislative suggestions for combating the venerable society.(84) In 1964, 800 mafiosi were arrested in a major sweep and locked up in Palermo Prison. The good work continued: in 1968, 113 more were arrested (though many were subsequently released) and, in May 1971, 33 of the top leadership were exiled to Filicudi and Linosa islands. (85) Although the impact should not be overestimated, these arrests, together with several major heroin indictments, have made Sicily a much less desirable place for American mafiosi to do business. And since Sicily and southern Italy were still important transshipment points for Middle Eastern morphine and Marseille heroin in the sixties, this weakened the overall strength of the Turkey-ltaly-Marseille axis.

Equally important in reducing the importance of Sicily and Italy in the international drug trade was the sudden death of Lucky Luciano. It was a timely death, since the Federal Bureau of Narcotics had just arrested, in Spain, three of his heroin couriers, who were fleeing a narcotics indictment in New York. American narcotics agents submitted evidence that Luciano had provided liberal travel expenses for their hopscotch flight across the Caribbean, and the courts began to consider an indictment against him. The leftist Italian press screamed for his arrest, and parliamentary deputies denounced the government's laxity.

While drinking a cup of coffee at Naples airport on the evening of January 22, 1962, Luciano suffered a fatal coronary attack. (86) The death of the man who had organized the postwar heroin trade, kept it running against considerable adversity, and was thought to be personally responsible for shipping more than $150 million worth of heroin into the United States over a sixteen-year period (87) was an irreplaceable loss. Without Luciano's organizational genius, it became increasingly difficult for Mediterranean smugglers to survive against the growing pressure of international law enforcement efforts.

The most important blow to the Mediterranean heroin complex, however, came in 1967, when the Turkish government announced plans to reduce, and eventually abolish, opium production. The U.S. government contributed $3 million to build up a special 750-man police narcotics unit, finance research for substitute crops, and improve the managerial efficiency of the government regulatory agency, the Turkish Marketing Organization. (88) Since Turkey's poppy fields were the major source of raw materials for Marseille's heroin laboratories, the impact of the Turkish government's declaration was obvious. According to analysts at the U.S. Bureau of Narcotics, the Corsican syndicates "saw the handwriting on the wall" and quickly realized that they would have to find an alternate source of opium if their lucrative drug racket were to survive. (89) (By early 1972 Turkey had reduced its opium-growing provinces from

twentyone to four. And in those areas where poppy production has been prohibited, "U.S. agents have reported little evidence of illicit production, . . . and such crops, when found, have been immediately destroyed." (90) Finally, in mid 1971 the Turkish government announced that it would eradicate all opium production by the end of 1972. (91) (See Map I on page 10.)

Thus, the international heroin trade was at a crossroads in the mid1960s. If it were to continue, a major effort would be required to reorganize the traffic. This could hardly be done by letter or telephone, but would necessitate the personal intervention of a high-ranking underworld figure. As in any other business enterprise, the leaders of organized crime have almost nothing to do with daily operations, but are the only ones who can initiate major corporate changes or new enterprises. But while ordinary businessmen transact much of their basic negotiations by telephone, correspondence, and intermediaries, police surveillance and telephone taps make this impractical for the tycoons of organized crime. Moreover, mafiosi do not sign binding contracts with other gangsters and can hardly take a partner to court if he welshes on a deal. Therefore, it is one of the basic characteristics of organized crime that all important deals require a meeting of the bosses involved so that they can exchange their personal "word of honor." This need for face-to-face discussions also explains why Mafia leaders have repeatedly exposed themselves to conspiracy indictments and banner headlines by arranging large underworld conferences, such as the. ill-fated 1957 Apalachin meeting.

After Luciano's death in 1962, the logical successors to his leadership in the narcotics trade were his two subordinates, Meyer Lansky and Vito Genovese. However, in 1958 Genovese had been indicted for heroin trafficking by a New York court and was later sentenced to fifteen years imprisonment. Although he continued to direct many of his enterprises from Atlanta Federal Penitentiary, where he was treated with great respect by prisoners and guards alike, he was in no position to conduct the reorganization of the narcotics trade. (92) Lansky at sixty-six was now too old and too carefully watched to repeat his 1949 business trip. And by November 1970, when he retired to Israel, he had already turned over much of the major decision making to his subordinates. (93) Thus, by death and default, the responsibility logically fell to Santo Trafficante, Jr.

At age fifty-seven, Trafficante is one of the most effective organized crime leaders still operating in the United States. Avoiding the ostentatious life style of Cadillacs and diamonds that is so attractive to many mafiosi, Trafficante cultivates the austerity of the old Sicilian Dons. But unlike the old Sicilians he manages the organization with reason rather than force, and is one of the few major Mafia leaders whose "family" has not been torn apart by internal power struggles or vendettas with other families. (94) Despite his high prestige within the organization, Trafficante's good sense has prevented him from campaigning for a leading position on the Mafia's National Commission. This self-effacing attitude no doubt accounts for his personal safety and considerable influence. Through his studious avoidance of publicity, he is one of the least-known and most underestimated leaders of organized crime.

Trafficante himself is reportedly involved in the narcotics traffic only at the level of financing and crisis management; he never sees, much less handles, any heroin. His organization is so airtight, and he is so discreet, that federal narcotics agents consider him virtually untouchable. (95)

Trafficante's territory has been Florida and the Caribbean, where he served as one of Meyer Lansky's chief retainers. During the late 1940s and 1950s Trafficante was heavily involved in Luciano's and Lansky's heroin smuggling operations, and after his father's death in 1954, he succeeded him as Mafia boss of Florida and fell heir to his relationship with Lansky. Trafficante has always done his best to look after Lansky's interests. When Anastasia, the head of Murder, Inc., tried to open a competing casino in Meyer Lansky's Havana in 1957, Trafficante arranged a friendly meeting with him in New York. An hour after Trafficante checked out of the Park-Sheraton Hotel, three gunmen murdered Anastasia in the hotel barbershop. (96)

The Cuban revolution in 1959 forced Trafficante to write off his valuable Havana casino operations as a total loss, but this was partially compensated for by the subequent flood of Cuban refugees to Miami.

His association with leading Cuban gangsters and corrupt politicians when he was living in Havana enabled him to expand his control over the Florida bolita lottery, a Cuban numbers game, which became enormously lucrative when the refugees started pouring into Florida in 1960. (97) By recruiting Cubans into Trafficante's organization to expand the bolita lottery, organized crime may have acquired a new group of narcotics couriers and distributors who were

unknown to American police or Interpol. With Latin couriers, new routes could be opened up, bringing European heroin into Miami through Latin America.

The Mafia's transfer of narcotics importation and distribution to its new Cuban associates has caused some confusion in the press; many analysts have misinterpreted the appearance of Cuban and South American couriers and distributors to mean that organized crime has given up the heroin trade. The Justice Department's "Operation Eagle" revealed something of this new organization when, in June 1970, 350 federal narcotics agents made 139 arrests "in the largest federal law enforcement operation ever conducted against a single narcotics distribution ring." Although the arrests were carried out in ten cities, the Bureau of Narcotics stated that all five of the ringleaders were Spanish-speaking and three were Cubans residing in Miami. (98) In addition, federal authorities report that bulk heroin seizures in the Miami area have increased 100 percent during 1971, indicating that the beachfront city has remained a major distribution hub. (99)

While the recruitment of Cuban gangsters may have solved the problems with couriers and distributors, the Mafia still had to find an alternative source of morphine base and, if possible, a reserve source of heroin to protect itself in case of problems in Marseille and Europe. There were a number of alternatives, among which Southeast Asia was the most promising. While Mexico had been refining small amounts of low-grade, brownish-colored heroin for a number of years, she had never been able to produce the fine white powder demanded by American addicts. Though India and Afghanistan had some lively local opium smuggling, they had no connections with the international criminal syndicates. But Southeast Asia was busily growing more than 70 percent of the world's illicit opium, and the Chinese laboratories in Hong Kong were producing some of the finest heroin in the world. Moreover, entrenched Corsican syndicates based in Vietnam and Laos had been regularly supplying the international markets, including Marseille and Hong Kong, with opium and morphine base for almost a decade. Obviously this was an area ripe for expansion.

In 1947, when Lucky Luciano wanted to use Havana as a narcotics transfer point, he went there personally. And just before Marseille embarked on large-scale heroin production for the American market in 1951-1952, Meyer Lansky went to Europe and met with Corsican leaders in Paris and on the Riviera.

So, in 1968, in the time-honored tradition of the Mafia, Santo Trafficante, Jr., went to Saigon, Hong Kong, and Singapore. (100)

3. The Colonial Legacy: Opium for the Natives*

* For a more detailed discussion on opium in China, see the Appendix by Leonard P. Adams 11

WHEN Santo Trafficante, Jr., boarded a commercial jet for the flight to Southeast Asia, he was probably unaware that Western adventurers had been coming to Asia., for hundred of years to make their fortunes in the narcotics trade. Earlier adventurers had flown the flag of the Portuguese Empire, the British East India Company, and the French Republic; Trafficante was a representative of the American Mafia. While he was traveling on a jet aircraft, they had come in tiny, wooden-hulled Portuguese caravels, British men-of-war, or steel-ribbed steamships. With their superior military technology, they used their warships to open up China and Southeast Asia for their opium merchants and slowly proceeded to conquer the Asian land mass, dividing it up into colonies. Sanctimonious empire builders subjected millions of natives to the curse of opium addiction, generating enormous revenues for colonial development, and providing profits for European stockholders. Thus, the Mafia was following in the wake of a long tradition of Western drug trafficking in Asia-but with one important difference. It was not interested in selling Asian opium to the Asians; it was trying to buy Asian heroin for the Americans.

The recent rise of large-scale heroin production in Southeast Asia is the culmination of four hundred years of Western intervention in Asia. In the 1500s European merchants introduced opium smoking; in the 1700s the British East India Company became Asia's first large scale opium smuggler, forcibly supplying an unwilling China; and in the 1800s every European colony had its official opium dens. At every stage of its development, Asia's narcotics traffic has been shaped and formed by the rise and fall of Western empires. (1) Before the first Portuguese ships arrived in the 1500s, opium smoking and drug smuggling were almost unknown in Asia. Most of the traditional Asian states were inward-looking empires with only a marginal interest in sea trade. Their economies were self-contained, and they only ventured abroad to trade for luxury goods, rare spices, or art treasures. (2) Asia's large cities-such as Peking, Phnom Penh, and Mandalay-were inland ceremonial capitals. For the most part, coastal areas were considered undesirable and therefore remained relatively underpopulated. (3) While Arab traders had introduced the opium poppy into India and some parts of southwestern China in the seventh century A.D., poppy cultivation remained limited and opium was used almost exclusively for medicinal purposes.

Europe's "Age of Discovery" marked the beginning of Asia's opium problem. Only six years after Columbus "discovered" America, Portuguese explorer Vasco da Gama rounded the tip of Africa and became the first European sea captain to reach India. Later Portuguese fleets pushed onward to China and the Spice Islands of Indonesia. These early merchants were not the omnipotent conquerors of later centuries, and Asian empires had no difficulty confining them to small commercial beachheads along the unoccupied coastlines. However, from the very beginning of the Western-Eastern encounter the traders were hampered by a factor that was destined to plague these entrepreneuring European merchants down through the centuries: Europe had almost nothing to trade that the Asians were interested in acquiring, except its gold and silver specie.-' Unwilling to barter away the basis of their national economies, the Portuguese sea captains embarked on what one American economist has called "slash and burn colonialism." (4)

Fortifying their coastal enclaves against possible reprisal attacks, the Portuguese proceeded to sortie out into the sea-lanes of the South China Sea, confiscating native cargoes and plundering rival ports. Once the competing Malay, Chinese, and Arab sea captains had been subjugated, the Portuguese took over inter-Asian maritime commerce and paid for the silks and spices with their plundered profits. Medicinal opium had been carried by Asian ships in the India-China-Spice Islands' triangular trade, and Portuguese merchants fell heir to this commerce. Still eager for an enticing exchange commodity to barter for Chinese silks, the Portuguese imported tobacco from their Brazilian colony in the late 1500s.

Although the Chinese frustrated Portuguese hopes by growing their own tobacco, the tobacco pipe itself, which had been introduced by the Spanish, turned out to be the key that unlocked the gates to the Celestial Kingdom's riches. Indian opium mixed with tobacco and smoked through a pipe was pleasing to the Chinese palate. This fad first became

popular among the overseas Chinese of Southeast Asia, and Dutch merchants witnessed Chinese smoking an opium-tobacco mixture in Indonesia as early as 1617. By the early seventeenth century the Dutch, who had preempted the Portuguese position in Southeast Asia, were reportedly pushing opium on Taiwan and making inroads into the nearby Chinese coast. (5)

While the "Age of Discovery" introduced a few Chinese to opium smoking, it was Europe's Industrial Revolution that transformed China into a nation of addicts. The expansion of Europe's industrial might throughout the late eighteenth and nineteenth centuries developed a need for new markets and raw materials. European colonies in Asia broke out of their coastal enclaves and began spreading into the interior. With their new military-industrial might, small European armies were able to overwhelm Asian levies and carve Asia into vast colonial empires (6) To defray the enormous expenses involved in administering and "developing" their Asian colonies, the European powers turned to the opium trade. As the vanguard of the Industrial Revolution, England emerged as the world's most powerful colonial power and its largest opium merchant.

After annexing much of northern India in the late eighteenth century, English bureaucrats established a monopoly over Indian poppy cultivation in Bengal and began exporting thousands of chests of smoker's opium to China. The average annual British India opium exports grew to 270 tons in 1821 and leaped to over 2,400 tons by 1838. (7)

As opium addiction spread through the imperial bureaucracy and the army, Chinese officials became extremely concerned about the social and economic costs of opium smoking. The emperor had banned opium imports in 1800, but British merchant captains ignored the imperial edict. When the British refused to desist despite repeated requests, Chinese officials threw several thousand kilos of British opium into Canton harbor in a gesture of defiance rather similar to another nation's Boston Tea Party. Britain reacted to protect her interests: from 1839 until 1842 her warships blasted the Chinese coast, winning a decisive victory in what Chinese historians call "the Opium War." Although China was forced to open treaty ports to European merchants and thereby to opium imports, she steadfastly refused to legalize the opium trade.

During the latter half of the nineteenth century the tempo of the Industrial Revolution quickened, producing a new burst of empire building. Europe's imperial real estate brokers divided the world into colonies, Protectorates, and "spheres of influence." All the gray, "unknown" areas of the world map became tinted with the pinks, blues, and greens of European ownership. The kingdom of Burma became British Burma; Thailand became a British sphere of influence; and Vietnam, Laos, and Cambodia became French Indochina.

As the age of "steam and steel" dawned, the clipper ship gave way to the steelhulled steamship and the Suez Canal was opened, ultimately changing the face of Southeast Asia. Eager to tap the agricultural and mineral wealth of this lush region, colonial engineers pushed gleaming steel railroads through the dense tropical rain forests into virgin hinterlands. At the beginning of the rail lines small fishing villages and tidal estuaries mushroomed into Asia's great urban cities-Rangoon, Singapore, Djakarta, Bangkok, Saigon, Hong Kong, and Shanghai. At the end of the line, European entrepreneurs dug mines or laid out vast plantations that produced valuable export crops for the motherland's growing industries-including sugar, cotton, coffee, rubber, jute, hemp, and copra. (8)

The breakneck pace of this economic growth required vast legions of toiling laborers. While Europeans were willing to don pith helmets and bark orders, they had not come to Southeast Asia to sweat in the mines, harvest crops, or load cargo. Although sufficient numbers of Southeast Asian "natives" could be lured onto nearby plantations and dragooned into working on roads or railways, they clung to their ricegrowing villages, spurning the urban entrepots where they were needed as craftsmen, merchants, and "coolies." To fill this labor gap, the European colonialists populated their port cities with Armenians, Jews, Indians, and Chinese. By virtue of their sheer numbers, however, the Chinese were by far the most important. (9)

For, in the early nineteenth century, the population of coastal provinces of southern China (particularly in Kwangtung and Fukien provinces) had reached a saturation point: famine was in the air, and thousands of desperate peasants began migrating. (10) Paced by the tempo of colonial economic expansion, the Chinese migration started off as a trickle in the late eighteenth century, increased steadily through the middle decades of the nineteenth, and reached flood proportions by the early twentieth. While some of the emigrants went to California, where they helped to build the western section of the transcontinental railway in the 1860s, or around Cape Horn to the Caribbean, where they worked the island plantations, most of them went to Southeast Asia, where work was available in abundance. By 1910 there were 120,000 Chinese in Saigon and the Mekong Delta, 200,000 in Bangkok, and over 60,000 in the Rangoon area. (11) The opium habits so diligently fostered and fed by the British warships came along with them. While the habit had first become popular among the upper classes in the eighteenth century, it was not until the latter half of the nineteenth century that it spread to the urban working classes and rural villages. As living conditions continued to worsen, more and more Chinese turned to something that would dull the increasing misery of their lives. By 1870, in the aftermath of yet another opium war (1856-1858), which forced the Chinese imperial government to legalize the importation of opium, British merchants were supplying the habits of an estimated 15 million Chinese opium addicts. (12)

As Chinese immigrants began settling in Southeast Asia, the profitminded colonial governments decided to set up licensed opium dens to service the Chinese addicts. By the late nineteenth century the government opium den was as common as the pith helmet, and every nation and colony in Southeast Asiafrom North Borneo to Burma-had a state-regulated opium monopoly. (13) The indigenous population gradually picked up the habit, too, thus fostering a

substantial-and growingconsumer market for opium among the Thais, Burmese, Vietnamese, and Malayans. While the health and vitality of the local population literally went up in smoke, the colonial governments thrived: opium sales provided as much as 40 percent of colonial revenues and financed the building of many Gothic edifices, railways, and canals that remain as the hallmark of the colonial era. (14)

Moreover, the growth of mass opium addiction throughout the nineteenth century prompted a rapid expansion of China's own opium production. As China's addict population began to grow in the early nineteenth century, the opium poppy spread out from its original home in mountainous Yunnan and Szechwan to most of the other provinces in southern and central China. Despite the proliferation of the poppy seed, opium was still an illegal crop, and sporadic enforcement of the ban served to limit cultivation even among remote hill tribes. Once opium imports were legalized in 1858, however, many officials no longer bothered to discourage local cultivation. Writing in the October 15, 1858, edition of the *New York Daily Tribune,* Karl Marx commented that "the Chinese Government will try a method recommended by political and financial considerations-viz: legalize the cultivation of poppy in China..." (15) Chinese provincial officials started encouraging local production and by the 1880s China's biggest opium-producing province, Szechwan, was harvesting an estimated ten thousand tons of raw opium annually. (16) In fact, the harvest in the opium-rich southern provinces was so bountiful that China's second largest opium-producing province, Yunnan, had begun exporting opium to Southeast Asia. In 1901 the governor-general of French Indochina reported that half of the opium retailed by the colony's opium monopoly was from neighboring Yunnan, and a French business periodical noted with interest that Yunnan was harvesting three thousand tons of raw opium annually. (17) In addition, cheap Yunnanese opium became the staple of Southeast Asia's growing illicit traffic. Unable to pay the outrageous prices demanded by the profit-hungry government monopolies, addicts in Burma, Thailand, and Indochina turned to the black market for supplies of smuggled Yunnanese opium. Every year vast mule caravans protected by hundreds of armed guards left Yunnan, crossed the ill-defined border into northeastern Burma, Thailand, and French Tonkin (northern Vietnam) carrying tons of illicit opium. (18)

Southeast Asia's own opium production began in the nineteenth century. At about the same time that opium production intensified in southern China, Yunnanese merchants and migrating Chinese hill tribes introduced the opium poppy into the adjoining mountains of Burma and Indochina. Prodded by the insatiable demands of addicts in China's coastal cities, Yunnanese traders moved into Southeast Asia's Golden Triangle region-comprising the rugged Shan hills of Burma, the serpentine ridges of northern Thailand, and the Meo highlands of Laos trading with the opium-growing tribesmen and propagating cash-crop opium farming. (For the Golden Triangle region see Map 5 on page 154.) Many of these tribesmen-particularly the Meo and Yao-had fled from southern China because of a brutal Chinese pacification campaign rather similar to the one launched by the U.S. Seventh Cavalry against the Great Plains Indians fifty years later. Throughout the nineteenth century, wave after wave of Meo and Yao tribesmen migrated into the mountains of Indochina, bringing with them the knowledge of poppy cultivation. Other such Southeast Asian hill tribes as the Lahu, Wa, Kachin, and Lisu straddled the border between northeastern Burma and western Yunnan Province. These Burmese tribes were economically oriented toward southern China and dealt with the same Yunnanese traders as their kinsmen in western Yunnan. When one British explorer traveled through hill tribe areas of northeastern Burma in the 1890s, he saw "miles of slopes covered with the poppy" and noted that the "fields climb up steep ravines and follow the sheltered sides of ridges. (19) Similarly, French colonial administrators traveling through Laos and Tonkin in the late nineteenth century observed that Meo and Yao tribesmen cultivated the opium poppy. (20)

Despite these promising early developments, Southeast Asia's hill tribes failed to keep pace with their kinsmen in southern China, and the Golden Triangle region did not develop large-scale opium production until the 1940s, a full fifty years after China.

The explanation for this half-century delay in the growth of the Golden Triangle's opium production is simple: British Burma, French Indochina, and the Kingdom of Thailand (Siam) did everything in their power to discourage their hill tribes from growing opium. While British India and imperial China generated revenues by producing and exporting opium, Southeast Asian governments gained their revenues from the sale of refined opium to addicts, not from the production and export of raw opium. Through their own official monopolies or licensed franchised dealers, Southeast Asian governments imported raw opium from abroad (usually India, China, or Iran), refined it into smoking opium, and then made an enormous profit by selling it to consumers at inflated prices. Official monopolies and franchises were continually raising prices to maximize their profits, and frequently forced addicts onto the black market, where

smuggled Yunnanese opium was available at a more reasonable cost. Smuggling became the bane of official dealers, forcing their government sponsors to mount costly border patrols to keep cheaper opium out and to lower prices to win back customers. It was their concern over the smuggling problem that led colonial governments to reduce and restrict hill tribe opium production. Knowledgeable colonial officials felt that local hill tribe poppy cultivation would magnify the smuggling because: (1) customs officers patrolling the hills would find it impossible to distinguish between legitimate hill tribe opium and smuggled Yunnanese opium; and (2) the hill tribes would divert opium to the black market, adding to the flow of illicit supplies and further reducing government revenues. (21)

These concerns influenced colonial opium policy in the Golden Triangle from the very beginning of European rule in the northern borderlands of Burma and Indochina. After the British pacified northeastern Burma in the late 1880s, they made sporadic attempts at reducing tribal opium production along the Chinese border until 1923, when they launched a systematic campaign to reduce opium production in these areas. (22) Following their annexation of Tonkin (1884) and Laos (1893), French colonists experimented with large-scale commercial poppy plantations but consistently avoided promoting hill tribe production for almost fifty years. (23) Thus, while provincial officials in southern and western China were actively promoting poppy cultivation, colonial officials across the border in the Golden Triangle were either restraining or actively reducing hill tribe opium production. This difference accounts for the retarded development of Golden Triangle opium production.

The Royal Thai Opium Monopoly Chinese immigrants arriving in Bangkok during the early nineteenth century found unparalleled employment opportunities as merchants, artisans, and craftsmen. They soon dominated Thailand's expanding commerce and became a majority in her major cities. In 1821 one Western observer calculated that there were 440,000 Chinese in Thailand; as early as 1880 other observers stated that more than half of Bangkok's population was Chinese. (24)

And with the Chinese came the opium problem. In 1811 King Rama 11 promulgated Thailand's first formal ban on the sale and consumption of opium. In 1839 another Thai king reiterated the prohibition and ordered the death penalty for major traffickers. But despite the good intentions of royal courts, legislative efforts were doomed to failure. Although Chinese distributors could be arrested and punished, the British merchant captains who smuggled the illicit narcotic were virtually immune to prosecution. Whenever a British captain was arrested, ominous rumblings issued from the British Embassy, and the captain was soon freed to smuggle in another cargo. Finally, in 1852 King Mongkut (played by Yul Brynner in *The King and 1)* bowed to British pressures and established a royal opium franchise that was leased to a wealthy Chinese merchant. (25)

In 1855 King Mongkut yielded to further British pressure and signed a commercial treaty with the British Empire in which he lowered import duties to 3 percent and abolished the royal trading monopolies, the fiscal basis of the royal administration. To replace these lost revenues, the King expanded the four Chinese-managed vice franchises-opium, lottery, gambling, and alcohol-which provided between 40 and 50 percent of all government revenues in the latter half of the nineteenth century. (26) In 1907 the government eliminated the Chinese middleman and assumed direct responsibility for the management of the opium trade. Royal administration did not impede progress, however; an alltime high of 147 tons of opium was imported from India in 1913; (27) the number of dens and retail shops jumped from twelve hundred in 1880 to three thousand in 1917;28 the number of opium addicts reached two hundred thousand by 1929 (29) and the opium profits continued to provide between 15 and 20 percent of all government tax revenues. (30) Responding to mounting international opposition to legalized opium trafficking, the Thai government reduced the volume of the opium monopoly's business in the 1920s. By 1930 almost 2,000 shops and dens were closed, but the remaining 837 were still handling 89,000 customers a day. (31) The monopoly continued to reduce its services, so that by 1938 it only imported thirty-two tons of opium and generated 8 percent of government revenues. (32)

Unfortunately, these rather halfhearted measures had a minimal impact on the addict population, and did little more than give the smugglers more business and make their work more profitable. Because the royal monopoly had always sold only expensive Indian and Middle Eastern opium, cheaper opium had been smuggled overland from southern China since the mid nineteenth century. There was so much smuggling that the royal monopoly's prices throughout the country were determined by the availability of smuggled opium. The further an addict got from the northern frontier, the more he had to pay for his opium. (33)

Despite the ready market for illicit opium, there was surprisingly little poppy cultivation in Thailand until the late 1940s. Although large numbers of Meo and Yao. started moving into Indochina from southern China during the mid 1800s, it was not until shortly after World War II that substantial numbers of these highland opium farmers started crossing into Thailand from Laos. (34) Other opium-growing tribes-such as Akha, Lisu, and Lahu-took a more direct route, moving slowly southward through northern Burma before crossing into Thailand. Again, substantial numbers did not arrive until after World War 11, although small advance contingents began arriving in the late nineteenth and early twentieth centuries. Since the tribal population was small and their production so sporadic, their minuscule harvests rarely got much farther than the local trading towns at the base of the mountain ranges. For example, in Ban Wat, a small trading town south of Chiangmai, hill traders still recall that the opium business was so small in the prewar period that all of their opium was sold directly to Thai and Chinese addicts in the immediate area. Although they were close to Chiangmai, which was a major shipping point for forwarding illicit Chinese opium to Bangkok, the local production rarely ever got beyond neighboring towns and villages. (35) Nor was it possible for the lowland Thai peasants to cultivate the opium poppy. The Yunnan variety of the opium poppy that is grown in southern China And Southeast Asia only prospers in a cool temperate climate. And in these tropical latitudes, it must be grown in mountains above three thousand feet in elevation, where the air is cool enough for the sensitive poppy. Since the Thai peasants cling resolutely to the steamy lowland valleys where they cultivate paddy rice, opium production in Thailand,

as in the rest of Southeast Asia, has become the work of mountain tribesmen.

Although Thailand was cut off from its major opium suppliers, Iran and Turkey, during World War II, it had no difficulty securing an adequate supply of raw opium for the royal monopoly. Through its military alliance with the Japanese Empire, Thailand occupied the Shan States in northeastern Burma and gained access to its opium-growing regions along the Chinese border. Moreover, the war in no way reduced Yunnan's exports to Southeast Asia. Both the Japanese army and the Nationalist Chinese government actively encouraged the opium traffic during the war. Even though they were at war with each other, the Nationalist Chinese government (which controlled the opium-growing provinces of southern China) sold enormous quantities of raw opium to the Japanese army (which occupied Burma and the coastal regions. (36) In addition, smuggler's caravans continued to filter across the border from Yunnan, providing substantial quantities of inexpensiveopium for Thai addicts. Thus, Thailand emerged from World War II with her enormous addict population intact and her dependence on imported opium undiminished. (37)

Burma: Sahibs in the Shan States

The British opium monopoly in Burma was one of the smallest and least profitable in all of Southeast Asia. Perhaps because Burma was administered as an appendage to their wealthy Indian Empire, British colonial officials in Burma were rarely plagued by acute fiscal deficits and never pursued the opium business with the same gusto as their counterparts in the rest of Southeast Asia.

Soon after their arrival in Lower Burma in 1852, the British had begun importing large quantities of opium from India and marketing it through a governmentcontrolled opium monopoly. However, in 1878 the British parliament passed the Opium Act and began to take steps to reduce opium consumption. Now opium could only be sold to registered Chinese opium smokers and Indian opium eaters, and it was absolutely illegal for any Burmese to smoke opium. However, a large number of Burmese had become introduced to the habit in the quartercentury of unrestricted sale before prohibition. (38) While the regulations succeeded in reducing opium profits to less than I percent of total colonial revenues in 1939 (39) -the lowest in Southeast Asia-they had limited success in controlling addiction. In 1930 a special League of Nations Commission of Inquiry reported that there were fifty-five thousand registered addicts buying from the government shops and an additional forty-five thousand using illicit opium smuggled from China or the Shan States. (40)

In 1886 the British acquired an altogether different sort of opium problem when they completed their piecemeal conquest of the Kingdom of Burma by annexing the northern half of the country. Among their new possessions were the Shan States located in Burma's extreme northeast-the only area of Southeast Asia with any significant hill tribe opium production. Flanking the western border of China's Yunnan Province, the Shan States are a rough mountainous region somewhat larger than England itself. While it did not take the British long to subdue the lowland areas of Upper Burma, many of the mountain tribes inhabiting the Shan States' vast, rugged terrain were never brought under their control. Until the very end of their suzerainty, opium from these hill tribe areas would continue to be smuggled into Lower Burma, mocking British efforts at reducing the addict population and cutting into the profits from their opium monopoly. Although the British made a number of efforts at abolishing opium cultivation in the Shan States, geography, ethnography, and politics ultimately defeated them.

The mountain ridges and wide rivers that crisscross the Shan States have their beginnings far to the north, in the mountains of Tibet. The jagged, east-west crescent of the Himalayan mountain range is twisted sharply to the south at the point where Tibet and China meet by the southward plunge of Asia's great rivers-the Yangtze, Mekong, Salween, and Irrawaddy's tributaries. As the Irrawaddy's tributaries flow through the extreme northern tip of Burma-the Kachin State-they cut long north-south alluvial plains and relatively narrow upland valleys between the seven thousand- to ten thousand-foot mountain ridges. Soon after the Irrawaddy turns west near the Kachin State's southern border and spills out onto the broad plains of central Burma, the sharp mountains of the Kachin State give way to the wide plateaus of the western Shan States and the large upland valleys of the eastern Shan States.

It is this striking interplay of sharp mountain ranges and upland valleys-not any formal political boundary-that has determined the ethnic geography of the Shan and Kachin states. The Shans are lowland rice cultivators who keep to the flat, wide valleys where their buffalodrawn plows can till the soil and ample water is available for irrigation. Throughout the Kachin and Shan States the Shans are the only inhabitants of the valleys; if there are no Shans, then the valley is usually deserted. (41) Most practice some form of the Buddhist religion, and all speak a dialect of the Thai language (the same as that spoken by their neighbors across the border in northern Thailand). Their irrigated paddy fields have always produced a substantial surplus, providing for the formation of relatively large towns and strong governments. Generally, the larger valleys have become tiny autonomous principalities ruled over by feudal autocrats known as sawbwas and a clan of supporting nobility.

Ringing the upland valleys are mountain ridges inhabited by a wide variety of hill tribes. The hills of the Kachin State itself are populated mainly by Kachins. As we move south the Kachins thin out and the hills are populated with Wa, Pao, Lahu, and Palaung. All these mountain dwellers till the soil by cutting down the trees and burning the forest to clear land for dry rice, tea, and opium. Needless to say, this kind of agriculture is hard on the soil, and erosion and soil

depletion force the hill tribes to seek new villages periodically. As a result, the political organization of the hill tribes is much less tightly structured than that of the Shans. Many of the tribes practice a form of village democracy while others, particularly some of the Kachins, have an aristocracy and a rigid class structure.(42) Whatever their own political structure might be, few of these tribes are large or concentrated enough to be truly autonomous, and most owe some allegiance to the feudal *sawbwas,* who control local commerce and have more powerful armies.

Thus, as British colonial officials traveled through the Shan States in the late 1880s and the early I 890s seeking native allies, they quickly discovered that the region's population of 1,200,000 Shans and tribesmen was ruled by thirtyfour independent autocrats called *sawbwas.* Their fiefdoms ranged from Kengtung (a little larger than Massachusetts and Connecticut combined) all the way down to several tiny fiefs with an area of less than twenty square miles. The British position was very insecure: the Shan territories east of the Salween River were tied economically to China, and many of the other *sawbwas* were considering changing their political allegiance to the king of Thailand. The British secured the *sawbwas'* wavering loyalties by "showing the flag" throughout the Shan States. In November 1887 two columns of about 250 men each set off to "conquer" the Shan States (43) Bluffing their way from state to state, the British convinced the *sawbwas* that the British Empire was far stronger than their meager forces might indicate, and thus deserving of their allegiance.

But the British were hardly eager to spend vast sums of money administering these enormous territories; and so, in exchange for the right to build railways and control foreign policy, they recognized the sawbwas' traditional powers and prerogatives." However, in granting the *sawbwas* control over their internal affairs, the British had doomed their future efforts at eradicating opium cultivation in northeastern Burma. The *sawbwas* received a considerable portion of the tribal opium harvest as tribute, and opium exports to Thailand and Lower Burma represented an important part of their personal income. However, after years of determined refusal, the *sawbwas* finally acceded to British demands for opium controls and in 1923 the Shan States Opium Act was passed into law. Growers were registered, attempts were made to buy up all the opium, (45) and the total harvest was gradually reduced from thirty-seven tons in 1926 to eight tons in 1936. But while the British were the police, army, and government in the rest of Burma, in the Shan States they were merely advisers, and there were limits to their power. Opium production was never fully eradicated, and the British soon abandoned their unpopular campaign. (46)

After World War 11, weakened by a devastating and costly war on the European continent, the British acceded to the rising demand and gave Burma its independence. But they had left a troublesome legacy. Although the new government was able to ban opium consumption completely with the Opium Den Suppression Act of 1950, (47) it found no solution to the problem of poppy cultivation in the trans-Salween Shan States. (48) The British had saddled the Burmese with autonomous sawbwas who would tolerate no interference in their internal affairs and steadfastly resisted any attempts at opium suppression. Although there was only limited opium production when the British left in 1947, the seeds had been planted from which greater things would grow.

French Indochina: The Friendly Neighborhood Opium Den

Vietnam was one of the first stops for Chinese immigrating from overpopulated Kwangtung and Fukien provinces in the late eighteenth and early nineteenth centuries. While the Vietnamese emperors welcomed the Chinese because of their valuable contributions to the nation's commercial development, they soon found the Chinese opium habit a serious economic liability. Almost all of Vietnam's foreign trade in the first half of the nineteenth century was with the ports of southern China. Vietnam's Chinese merchants managed it efficiently, exporting Vietnamese commodities such as rice, lacquer ware, and ivory to Canton to pay for the import of Chinese luxury and manufactured goods. However, in the 1830s British opium began flooding into southern China in unprecedented quantities, seriously damaging the entire fabric of SinoVietnamese trade. The addicts of southern China and Vietnam paid for their opium in silver, and the resulting drain of specie from both countries caused inflation and skyrocketing silver prices. (49)

The Vietnamese court was adamantly opposed to opium smoking on moral, as well as economic, grounds. Opium was outlawed almost as soon as it appeared, and in 1820 the emperor ordered that even sons and younger brothers of addicts were required to turn the offenders over to the authorities. (50)

The imperial court continued its efforts, which were largely unsuccessful, to restrict opium smuggling from China, until military defeat at the hands of the French forced it to establish an imperial opium franchise. In 1858 a French invasion fleet arrived off the coast of Vietnam, and after an abortive attack on the port of Danang, not far from the royal capital of Hue sailed south to Saigon, where they established a garrison and occupied much of the nearby Mekong Delta. Unable to oust the French from their Saigon beachhead, the Vietnamese emperor finally agreed to cede the three provinces surrounding Saigon to the French and to pay an enormous long-term indemnity worth 4 million silver francs. But the opium trade with southern China had disrupted the Vietnamese economy so badly that the court found it impossible to meet this onerous obligation without finding a new source of revenue. Yielding to the inevitable, the emperor established an opium franchise in the northern half of the country and]eased it to Chinese merchants at a rate that would enable him to pay off the indemnity in twelve years. (51)

More significant in the long run was the French establishment of an opium franchise to put their new colony on a paying basis only six months after they annexed Saigon in 1862. Opium was imported from India, taxed at 10 percent of* value, and sold by licensed Chinese merchants to all comers. (52) Opium became an extremely lucrative source of income, and this successful experiment was repeated as the French acquired other areas in Indochina. Shortly after the French established a protectorate over Cambodia (1863) and central Vietnam (1883), and annexed Tonkin (northern Vietnam, 1884) and Laos (1893), they founded autonomous opium monopolies to finance the heavy initial expenses of colonial rule. While the opium franchise had succeeded in putting southern Vietnam on a paying basis within several years, the rapid expansion of French holdings in the 1880s and 1890s created a huge fiscal deficit for Indochina as a whole. Moreover, a hodgepodge administration of five separate colonies was a model of inefficiency, and hordes of French functionaries were wasting what little profits these colonies generated. While a series of administrative reforms repaired much of the damage in the early 1890s, continuing fiscal deficits still threatened the future of French Indochina. (53)

The man of the hour was a former Parisian budget analyst named Paul Doumer, and one of his solutions was opium. Soon after he stepped off the boat from France in 1897, Governor-General Doumer began a series of major fiscal reforms: a job freeze was imposed on the colonial bureaucracy, unnecessary expenses were cut, and the five autonomous colonial budgets were consolidated under a centralized treasury. (54) But most importantly, Doumer reorganized the opium business in 1899, expanding sales and sharply reducing expenses. After consolidating the five autonomous opium agencies into the single Opium Monopoly, Doumer constructed a modern, efficient opium refinery in Saigon to process raw Indian resin into prepared smoker's opium. The new factory devised a special mixture of prepared opium that burned quickly, thus encouraging the smoker to consume more opium than be might ordinarily. (55) Under his direction, the Opium Monopoly made its first purchases of cheap opium from China's Yunnan Province so that government dens and retail shops could expand their clientele to include the poorer workers who, could not afford the high-priced Indian brands. (56) More dens and shops were opened to meet expanded consumer demand (in 1918 there were 1,512 dens and 3,098 retail shops). Business boomed.

As Governor-General Doumer himself has proudly reported, these reforms increased opium revenues by 50 percent during his four years in office, accounting for over one-third of all colonial revenues.(57) For the first time in over ten years there was a surplus in the treasury. Moreover, Doumer's reforms gave French investors new confidence in the Indochina venture, and he was able to raise a 200 million franc loan, which financed a major public works program, part of Indochina's railway network, and many of the colony's hospitals and schools. (58)

Nor did the French colonists have any illusions about how they were financing Indochina's development. When the government announced plans to build a railway up the Red River valley into China's Yunnan Province, a spokesman for the business community explained one of its primary goals: *"It is particularly interesting, at the moment one is about to vote funds for the construction of a railway to Yunnan, to search for ways to augment the commerce between the province and our territory.... **The regulation of commerce in opium and salt in Yunnan might be adjusted in such a way as to facilitate commerce and increase the tonnage carried on our railway."*** (59)

While a vigorous international crusade against the "evils of opium" during the 1920s and 1930s forced other colonial administrations in Southeast Asia to reduce the scope of their opium monopolies, French officials remained immune to such moralizing. When the Great Depression of 1929 pinched tax revenues, they managed to raise opium monopoly profits (which had been declining) to balance the books. Opium revenues climbed steadily, and by 1938 accounted for 15 percent of all colonial tax revenues-the highest in Southeast Asia. (60)

In the long run, however, the Opium Monopoly weakened the French position in Indochina. Vietnamese nationalists pointed out the Opium Monopoly as the ultimate example of French exploitation. (61) Some of Ho Chi Minh's most bitter propaganda attacks were reserved for those French officials who managed the monopoly. In 1945 Vietnamese nationalists reprinted this French author's description of a smoking den and used it as revolutionary propaganda:

Let's enter several opium dens frequented by the coolies, the longshoremen for the port.

The door opens on a long corridor; to the left of the entrance, is a window where one buys the drug. For 50 centimes one gets a small five gram box, but for several hundred, one gets enough to stay high for several days.

Just past the entrance, a horrible odor of corruption strikes your throat. The corridor turns, turns again,and opens on several small dark rooms, which become veritable labyrinths lighted by lamps which give off a troubled yellow light. The walls, caked with dirt, are indented with long niches. In each niche a man is spread out like a stone. Nobody moves when we pass. Not even a glance. They are glued to a small pipe whose watery gurgle alone breaks the silence. The others are terribly immobile, with slow gestures, legs strung out, arms in the air, as if they had been struck dead . . . The faces are characterized by overly white teeth; the pupils with a black glaze, enlarged, fixed on god knows what; the eyelids do not move; and on the pasty cheeks, this vague, mysterious smile of the dead. It was an awful sight to see walking among these cadavers. (62)

This kind of propaganda struck a responsive chord among the Vietnamese people, for the social costs ofopium addiction were heavy indeed. Large numbers of plantation workers, miners, and urban laborers spent their entire salaries in the opium dens. The strenuous work, combined with the debilitating effect of the drug and lack of food, produced some extremely emaciated laborers, who could only be described as walking skeletons. Workers often died of starvation, or more likely their families did. While only 2 percent of the population were addicts, the toll among the Vietnamese elite was considerably greater. With an addiction rate of almost 20 percent, the native elite, most of whom were responsible for local administration and tax collection, were made much less competent and much more liable to corruption by their expensive opium habits. (63) In fact, the village official who was heavily addicted to opium became something of a symbol for official corruption in Vietnamese literature of the 1930s. The Vietnamese novelist Nguyen Cong Hoan has given us an unforgettable portrait of such a man:

Still the truth is that Representative Lai is descended from the tribe of people which form the world's sixth race. For if he were white, he would have been a European; if yellow, he would have been an Asian; if red, an American; if brown, an Australian; and if black, an African. But he was a kind of green, which is indisputably the complexion of the race of drug addicts.

By the time the Customs officer came in, Representative Lai was already decently dressed. He pretended to be in a hurry. Nevertheless, his eyelids were still half closed, and the smell of opium was still intense, so that everyone could guess that he had just been through a "dream session." Perhaps the reason he had felt he needed to pump himself full of at least ten pipes of opium was that he imagined it might somehow reduce his bulk, enabling him to move about more nimbly.

He cackled, and strode effusively over to the Customs officer as if he were about to grab an old friend to kiss. He bowed low and, with both of his hands, grasped the Frenchman's hand and stuttered,

"Greetings to your honor, why has your honor not come here in such a long time?" (64)

The Opium Crisis of 1939-1945

At the beginning of World War 11 Indochina's 2,500 opium dens and retail shops were still maintaining more than 100,000 addicts and providing 15 percent of all tax revenues. The French imported almost sixty tons of opium annually from Iran and Turkey to supply this vast enterprise. However, as World War 11 erupted across the face of the globe, trade routes were blocked by the battle lines and Indochina was cut off from the poppy fields in the Middle East. Following the German conquest of France in the spring of 1940 and the Japanese occupation of Indochina several months later, the British Navy imposed an embargo on shipping to Indochina. Although the Japanese military occupation was pleasant enough for most French officials who were allowed to go on administering Indochina, it created enormous problems for those who had to manage the Opium Monopoly. Unless an alternate source of opium could be found, the colony would be faced with a major fiscal crisis.

While smuggled Yunnanese opium might solve the addicts' problem, the Opium Monopoly needed a more controllable source of supply. The only possible solution was to induce the Meo of Laos and northwest 'Tonkin to expand their opium production, and in 1940 the Opium Monopoly proceeded to do just that.

However, as French officials embarked on this massive poppy production campaign, some of the more experienced of them must have had their doubts about the chances of success. Past efforts at either expanding Meo opium production or reducing the amount of opium they diverted to smugglers had sparked at least two major revolts and countless bloody incidents. Only three years after the French arrived in Laos, ill-advised demands for increased opium deliveries from Meo farmers in the Plain of Jars region had prompted these independent tribesmen to attack the local French garrison. (65) Later French mismanagement of their opium dealings with the Meo had been a contributing factor in the massive Meo uprising that swept across Laos and Tonkin from 1919 until 1922. (66) Their attempts at dealing with the smuggling problem were even more disastrous. In 1914 a French crackdown on Yunnanese opium smugglers provoked one of the most violent anti-French uprisings in Laotian history. After French colonial officials started harassing their caravans trading in the Plain of Jars region, Yunnanese opium traders led thousands of hill tribesmen into revolt and occupied an entire Laotian province for almost a year, until two French regiments finally drove them back into China. (67) Despite this long history of armed insurgency in response to French attempts at dealing with smugglers and Meo opium farmers, the Opium Monopoly had no choice but to expand the Meo production and repress smuggling so that the increased harvests would not become contraband. The fiscal consequences of doing nothing were too serious, and the French had to accept the risk of provoking a bloody uprising in the hills.

As the Opium Monopoly set out to transform the tribal opium economy in 1939-1940, instructions similar to these were telegrammed to colonial officials throughout the highlands advising them on how to expand poppy cultivation:

"Your role may be summed up as follows:

-encourage cultivation;

-survev the cultivations and know as exactly as possible the surface cultivated;

-repress clandestine traffic." (68)

However, the French devised new tactics to increase the chances of their success and minimize the risk of violence. No longer were customs officers sent out with heavily armed horsemen to patrol the highland ridges and market towns for smugglers; instead, they were given pack horses loaded with cloth, silver, and trade goods and ordered to eliminate the smugglers by outbidding them. Rather than sending out French officers to persuade the tribesmen to increase their opium crops and creating possible occasions for ugly incidents, the Opium Monopoly instead selected prestigious tribal leaders as their opium brokers. These leaders relayed the new demand for opium to the tribesmen, imposed whatever particular tax or law was most likely to induce compliance, and delivered the opium to French officials after paying the farmer a negotiated price.

Purely from the viewpoint of increasing opium production, this policy was a substantial success. Indochina's opium production jumped from 7.5 tons in 1940 to 60.6 tons in 1944-an 800 percent increase in four years. This was enough to maintain an adequate supply for Indochina's 100,000-plus addicts and produce a steady rise in government opium revenues-from 15 million piasters in 1939 to 24 million in 1943. (69)

In exchange for their cooperation, the French supported the political aspirations of tribal leaders. The most important opium-growing regions in Indochina were Xieng Khouang Province in northeastern Laos and the Tai country of northeastern Tonkin. Both regions had a high concentration of opium-growing Meo tribesmen and lay astride major communication routes. By choosing Touby Lyfoung as their opium broker in Xieng Khouang Province, and Deo Van Long for the Tai country, the French made political commitments that were to have unforeseen consequences for the future of their colonial rule.

The Meo of Laos: Politics of the Poppy

For over twenty years Touby Lyfoung and his family had been locked in a bitter, tense struggle for political control of the Meo of Meng Khouang Province with another powerful Meo family, the Lo clan. It was a contest of chesslike subtlety in which key political moves were planned years in advance, and carefully calculated to slowly reinforce one side's position without pushing the other side too far. Suddenly the French intervened on the side of Touby Lyfoung's family, overturning the chessboard, and changing the game into a life-and-death struggle.

Even today, when tribesmen are asked to explain why so many Meo have died fighting for both the royal government and the Communist Pathet Lao over the last ten years, they will relate the fifty-year history of this clan struggle. And if the listener is particularly patient, they will begin at the beginning and tell the whole story.

While they have no historical archives and few written records, the Meo attach enormous importance to their collective past, and have an uncanny ability to recall precise dates and details of events that took place fifty to a hundred years ago. They view history as a causally related chain of events, thus perceiving their current problems not only in terms of the immediate past, but in terms of decisions made two or three generations ago. However, their profound sense of history is crippled by parochial vision; foreign actors have only a dimly perceived role in their pageant, even though all of the monumental decisions that have affected the Meo-from their systematic slaughter in the seventeenth through the nineteenth centuries at the hands of the Chinese to the massive bombing by the U.S. air force today-have been made unilaterally in the foreign capitals of great empires and superpowers. And even on this artificially restricted historical stage there are only a few leading actors; in the minds of the Meo, events are determined, not by social conditions or mass aspirations, but, as in a 'Greek tragedy, by the personal strength and weakness of great leaders.

The Meo in Laos today can still recall that there were "great Meo kingdoms" in the highland plateaus of southern China several hundred years ago. In fact, Chinese imperial archives show that large numbers of Meo lived in southwestern China (Szechwan, Yunnan, Hunan, and Kweichow provinces) for over two thousand years. Even today there are more than 2.5 million Meo living in the mountains of these four provinces. Until the seventeenth century, these rugged provinces were of little importance to the imperial court in Peking, and the emperors were generally content as long as the Meo nobles sent regular tribute. In exchange, the emperor decorated the Meo leaders with noble titles and recognized the legitimacy of their autonomous kingdoms. (70) When the emperors of the Ming dynasty (1368-1644), for example, were confronted with Meo dissidence, they rarely sent in exterminating armies. Instead they weakened the powerful Meo kingdoms by appointing more kings and nobles, thereby creating a host of squabbling tribal principalities. (71)

This policy of indirect rule produced a rather curious political hybrid. In the midst of an imperial China divided into systematic provinces and governed by a meritocracy respected for their erudition, there sprang up a random mosaic of Meo fiefs. These kingdoms were ruled by hereditary "little kings," known as *kaitong,* who commanded a quasireligious reverence from their subjects. Each kingdom was dominated by a different clan, the *kaitong* and the ruling aristocracy usually sharing the same family name. (72) But trouble descended on the Meo tribes after the Manchu dynasty was established in 1644. Among their many bureaucratic innovations, the Manchus decided to abolish the autonomy of the Meo kingdoms and integrate them into the regular bureaucracy. When this policy met with resistance, the Manchus began to exterminate these troublesome tribes and to repopulate their lands with the more pliable ethnic Chinese. (73) After a two hundred-year extermination campaign culminated in a series of bloody massacres in the mid nineteenth century, thousands of Meo tribesmen fled southward toward Indochina. (74)

Most of the retreating Meo moved in a southeasterly direction and burst upon northern Vietnam's Tonkin Delta like an invading army. But the Vietnamese army drove the Meo back into the mountains without too much difficulty since the invaders were weakened by the humid delta climate and frightened by the Vietnamese elephant battalions. (75) The defeated Meo scattered into the Vietnamese highlands, finally settling in semipermanent mountain villages.

Three Meo *kaitong,* however, avoided the headlong rush for the Tonkin Delta and turned to the west, leading their

clans past Dien Bien Phu and into northeastern Laos. One of these clans was the Ly, from southern Szechwan Province. Their *kaitong* had been the leader of the Meo resistance in Szechwan, and when the Chinese massacres began in 1856 he ordered his four sons to lead the survivors south while he remained to hold back the Chinese armies. His third son, Ly Nhiavu, was invested with the title of *kaitong*, and he led the survivors on a year-long march that ended in Nong Het District in Laos, near the Lao-Vietnamese border (76) (see Map 6 on page 251). The hills surrounding Nong Het were uninhabited and the rich soil was ideal for their slash-and-burn agriculture. The location had already attracted two other refugee clansthe Mua and Lo. Since the Lo *kaitong* was the first to arrive, he became the nominal leader of the region. As the word spread back to China and Vietnam that the Laotian hills were fertile and unoccupied, thousands of Meo began to migrate southward. Since no other *kaitong* arrived to rival the original triumvirate, Nong Het remained the most important Meo political center in Laos.

Soon after the French arrived in 1893, their colonial officers began purchasing opium for the Laotian Opium Monopoly, and ordered the Meo to increase their production. Outraged that the French had failed to consult with him before making the demand, the Lo *kaitong* ordered an attack on the provincial headquarters in Xieng Khouang City. But Meo flintlocks were no match for modern French rifles, and their uprising was quickly squelched. Humiliated by his defeat, the Lo *kaitong* conceded his position in the triumvirate to the Mua *kaitong*. The French, however, were considerably chastened by their first attempt at dealing directly with the Meo, and thereafter dealt with them only through their own leaders or through Lao administrators.

Until the opium crisis of 1940 forced them to intervene in Meo politics once more, the French exercised a more subtle influence over tribal affairs. But they still had ultimate political authority, and those Meo leaders ambitious and clever enough to ingratiate themselves with the French could not fail to gain a powerful advantage. Ly Foung and his son Touby Lyfoung were such men.

Although Ly Foung was a member of the Ly clan, he was no relation to *kaitong* Ly Nhiavu or his aristocratic family. Ly Foung's father had arrived in Nong Het as a porter for a Chinese merchant in 1865, eight years after *kaitong* Ly Nhiavu. Although Ly Foung's father asked Ly Nhiavu and his three brothers to accept him as a fellow clansman, they refused. He was from Yunnan, not Szechwan, and his willingness to work as a porter-a virtual slave-for a hated Chinese made him unacceptable in the eyes of the Ly aristocrats. (77)

Rejected by the aristocracy, Ly Foung's father founded his own small village in the Nong Het area and married a local tribeswoman, who bore him a large family. Unfortunately, some of his children were born with serious congenital defects, and he had to center all of his ambitions on his third son, Ly Foung, who grew up to become a remarkable linguist, speaking Chinese and Lao fluently and having an adequate command of Vietnamese and French. Ly Foung, realizing that kinship and marriage ties were the basis of power among the Meo, set out to marry into *kaitong* Lo Bliayao's family. Reportedly a rather strong, hard man, Bliayao's undeniable talents as a leader had enabled him to establish himself as the premier *kaitong* of Nong Het.

The traditional Meo wedding is unusual. When a young man has decided he wants to marry a particuluar woman, he forcibly abducts her with the help of his friends and bundles her off to a makeshift forest cabin until the marriage is consummated. The custom is declining in popularity today, and even in its heyday the kidnapping was usually not performed unless the parents gave their tacit consent. In 1918 Ly Foung decided to marry Lo Bliayao's favorite daughter, May, but instead of consulting with the father himself, Ly Foung reportedly paid the bride's uncle to arrange the abduction. Whatever Bliayao may have thought before the marriage (there are reports that he disliked Ly Foung), he made no protest, and hired Ly Foung as his personal assistant and secretary (78) ' Although May gave birth to Touby (the current Meo political leader) in August 1919 and to a healthy daughter as well, the marriage was not a happy one. During a particularly bitter quarrel in their fourth year of marriage, Ly Foung beat May severely. She became despondent and committed suicide by eating a fatal dosage of opium. In his rage and grief, Lo Bliayao fired Ly Foung as his secretary and severed all ties with the Ly clan. (79)

To avoid what looked like an inevitable confrontation between the Lo and Ly clans, the French accepted the Meo suggestion of separating the feuding clans by dividing Nong Het District into two administrative districts. Lo Bliayao's eldest son was appointed chief of Keng Khoai District, and several years later Ly Foung's elder son was appointed chief of Phac Boun District. (80)

The division of Nong Het District was accepted without protest, and the quarreling ceased. In December 1935, however, *kaitong* Lo Bliayao died, severing the last link with the "Great Meo Kingdoms" of southern China and creating serious political problems for the Lo clan. Lo Bliayao's eldest son and successor, Song Tou, was in no way his equal. Devoting his time to gambling and hunting, Song Tou avoided his political responsibilities, and soon dealt a serious blow to his family's prestige by mismanaging local tax collection and losing his position as chief of Keng Khoai District. (81) When Ly Foung agreed almost immediately to make up the taxes Song Tou lost, the French colonial government appointed him district chief.

It was a great victory for the Ly Foung family. A mere seventy years after his father had been rejected by the Ly aristocrats, Ly Foung had made himself leader of the Ly clan and the most powerful Meo in Nong Het. With Nong Het's two districts governed by himself and his son, Ly Foung had excluded the Lo from all the high political offices open to the Meo and secured a monopoly on political power.

The Lo clan's decline deeply disturbed Song Tou's younger brother, Faydang. who had inherited his father's strong character. Shortly after Ly Foung assumed office, Lo Faydang set off on a 120-mile journey to the Lao royal capital, Luang Prabang, where he petitioned the popular Prince Phetsarath, widely renowned as one of the few Lao aristocrats with any sympathy for the hill tribes. The prince interceded on his behalf, and got everyone involved-the French, Ly Foung, and Laotian aristocrats-to agree that Faydang would become district chief of Keng Khoai when ,death or illness removed Ly Foung from office. (82) (The prince's support was not forgotten. In 1946, when the prince fled into exile as a leader of the insurgent Lao Nationalist movement, he left Faydang behind as his representative among the Meo and one of his most active guerrilla commanders. Today Faydang is vice-chairman of the Pathet Lao revolutionary movement, while his nephew, Touby, has become a political leader of the pro-government Meo.)

But when Ly Foung died in September 1939, the French broke their promise to Faydang and gave the post to Ly Foung's son, Touby. They had regarded Faydang's petition to the royal court two years before as an act of insubordination and were unwilling to entrust Faydang with any authority in the region. Chastened by their earlier experiences with the tribes, the French were only interested in dealing with tribal leaders of proven loyalty who would act as brokers to purchase the opium harvest and reduce the amount diverted to smugglers.

While Faydang was a possible troublemaker, Touby's loyalty and competence were proven. His father had understood how much the French valued a good colonial education, and Touby was the first Meo ever to attend high school, graduating from the Vinh Lycee in the spring of 1939 with a good academic record. When Ly Foung died that September, both Touby and Faydang clearly intended to present themselves before the assembly of Keng Khoai village headmen for election to the now vacant office of district chief. Without any explanation, the French commissioner announced that Faydang was disbarred from the election. Touby ran virtually unopposed and won an overwhelming victory. (83)

With the outbreak of World War II, the French launched a massive effort to boost tribal opium production and Touby's political future was guaranteed. Several months after his election Touby began an eight-year tenure as the only Meo member of the Opium Purchasing Board, providing valuable technical information on how best to expand Meo production. (84) In Nong Het region itself, former residents recall that Touby raised the annual head tax from three silver piasters to an exorbitant eight piasters, but gave the tribesmen the alternative of paying three kilograms of raw opium instead. (85) Most Meo were too poor to save eight silver piasters a year, and took the alternative of paying in opium. Since an average Meo farmer probably harvested less than one kilogram of raw opium a year before Touby's election, the tax increases precipitated an opium boom in Nong Het. With its fertile hills, excellent communications (Laos's major road to the sea passed through the district), and concentrated Meo population, Nong Het became one of Indochina's most productive opium-growing areas.

Moreover, these measures were applied to Meo districts all across northern Laos, changing the hill tribe economy from subsistence agriculture, to cashcrop opium farming. Touby himself feels that Laos's opium harvest more than doubled during this period, rising to as much as thirty or forty tons a year. As one French colonial official put it, "Opium used to be one of the nobles of the land; today it is king. (86)

Although Faydang pleaded continually throughout the Second World War with French authorities to install him as

district officer as they had promised, the opium imperative tied the French firmly to Touby. Faced with a situation where two clans in a village or district were incompatible, the Meo usually separated them by splitting the village or district, as they had done earlier in Nong Het. But the French were firmly behind Touby, who could guarantee them an increasing supply of opium, and rejected Faydang's requests. As a result of their opium policy, Touby became a loyal autocrat, while Faydang became increasingly embittered toward colonial rule. The French betrayal of Faydang was probably a significant factor in his evolution as 'one of Laos's more important revolutionary leaders. Moreover, the French policy created intolerable tensions between the Lo and Ly clans-tensions that exploded at the first opportunity.

After the Japanese surrender in August 1945 the Laotian and Vietnamese (Viet Minh) nationalist movements took advantage of the weakened French posture to occupy the major cities and towns. Throughout Indochina the French began to gather intelligence, seize strategic points, and generally maximize their minimal resources to prepare for reoccupation. Realizing the strategic importance of the Plain of Jars, the Free French had parachuted commandos and arms into secret bases set up for them by Touby Lyfoung and his followers in 1944 and 1945. (87) Then, on September 3, French officers and Touby's Meo commandos reoccupied Xieng Khouang City, near the Plain of Jars, without firing a shot. Touby was sent back to Nong Het to secure the region and guard the mountain pass leading into Vietnam against a possible Viet Minh assault. Doubting Faydang's loyalty to the French, Touby sent a messenger to his village demanding that he declare his loyalty. (88) Although Faydang had not yet made contact with the Viet Minh or the Lao nationalist movement, he refused. Now that Touby had some modern arms and surplus ammunition, he decided to settle the matter once and for all. He sent sixty men to encircle the village and massacre the Lo clansmen. But Faydang had been expecting the move and had ordered the villagers to sleep in the fields. When the attack began, Faydang and some two hundred of his followers fled across the border to Muong Sen and made contact, for the first time, with the Viet Minh. (89) Guiding a Viet Minh column into Laos several months later, Faydang urged his fellow Lo clansmen to rise in revolt, and several hundred of them followed him back into North Vietnam.

When Faydang began to organize the guerrilla movement later known as the Meo Resistance League, the oppressive French opium tax administered by Touby was evidently a major factor in his ability to recruit followers. During World War 11, many Meo had been driven into debt by the onerous tax, and some of the poorer farmers had been forced to sell their children in order- to deliver a sufficient amount of opium. (90) According to Faydang's own account, the Meo began joining his movement "with great enthusiasm" after he abolished the opium tax and introduced some other major reforms in 1946. (91)

Today, more than thirty years after the French began boosting Meo opium production, almost thirty thousand of Touby's followers are fighting as mercenaries for the CIA. And on the other side of the battle lines, thousands of Faydang's Meo errillas have joined the Pathet Lao revolutionary movement. This simple clan conflict, which was pushed to the breaking point by the French opium imperative, has become a permanent fissure and has helped to fuel twenty-five years of Laotian civil war.

Opium in the Tai Country: Denouement at Dien Bien Phu

With the exception of Laos, the largest opium-producing region in Indochina was the adjacent area of northwestern Tonkin (now part of North Vietnam) known as the Tai country. The ethnic geography is quite similar to that of the Shan States of Burma; the upland valleys are inhabited by wet-rice farmers at altitudes unsuitable for poppy cultivation. But on the cool mountain ridges live Meo tribesmen whose highland slash-and-burn agriculture is ideal for poppy cultivation. Since the Meo of northwestern Tonkin had no large population centers or powerful political leaders like Lo Bliayao and Ly Foung, French efforts to organize local militia or regular civil administration in the 1930s had consistently failed. (92) In contrast, the French found it easy to work with the valley populations, the White Tai and Black Tai.

Consequently, as French administrators mapped their strategy for expanding opium production in northwestern Tonkin in 1940, they decided not to work directly with the Meo as they were doing in Laos. Instead, they allied themselves with powerful Tai feudal leaders who controlled the lowland market centers and most of the region's commerce. To make the Tai leaders more effective opium brokers, the French suspended their forty-year policy of culturally Vietnamizing the Tai by administering the country with Vietnamese bureaucrats.

Although the French had confirmed the authority of Deo Van Tri, White Tai ruler of Lai Chau, when they first pacified the Tai country in the 1890s, they had gradually reduced the authority of his successors until they were little more than minor district chiefs. (93) Potentially powerful leaders like Deo Van Tri's second son, Deo Van Long, had been sent to school in Hanoi and posted to minor positions in the Tonkin Delta. However, in 1940 the French reversed this policy in order to use the Tai leaders as opium brokers. Deo Van Long returned to Lai Chau as a territorial administrator. (94) In exchange for French political support, Deo Van Long and the other Tai leaders negotiated with their Meo mountain neighbors for the purchase of opium and sent the increased harvest to the Opium Monopoly in Saigon for refining and sale. After 1940 these feudal chiefs forced Meo farmers to expand their opium harvest; (95) by the war's end there were 4.5 to 5.0 tons of Meo opium available for shipment to Saigon. (96)

This use of Tai leaders as opium brokers may have been one of the most significant administrative decisions the French made during their entire colonial rule. For, in 1954, the French decided to risk the outcome of the First Indochina War on a single decisive battle in a remote mountain valley of northwestern Tonkin named Dien Bien Pbu. The French commanders, boning to protect their ongoing operations in the Tai country and block a Viet Minh offensive into Laos, felt it would be impossible for the Viet Minh to bring in and set up artilleryon theridges overlooking the new fortress. They planned a trap for the Viet Minh, who would be destroyed in the open valley by French aircraft and artillery fire. But on the commanding mountain ridges lived the Meo who had been cheated and underpaid for their opium for almost fifteen years by Tai feudal leaders, who were closely identified with the French.

Thousands of these Meo served as porters for the Viet Minh and eagerly scouted the ridges they knew so well for ideal gun emplacements. The well-placed Viet Minh artillery batteries crumbled the French fortificafions at Dien Bien Phu and France's colonial empire along with them. France's century of official involvement in the Asian opium trade had come to an end.

Into the Postwar Era

The Southeast Asian opium economy emerged from World War 11 essentially unchanged. The amount of opium harvested in what would later become the world's largest opium-producing area, Burma and northern Thailand, had increased very little, if at all. True, Indochina's total production had grown to sixty tons-a 600 percent increase-but Laos's total, only thirty tons, was still a long way from its estimated 1968 production of one hundred to one hundred fifty tons. On balance, the Golden Triangle region of Burma, Thailand, and Laos was still producing less than eighty tons annually-insignificant when compared with today's production of one thousand tons.

While Southeast Asia had not produced enough opium to make itself selfsufficient, the moderate increases in local production, combined with smuggled Yunnanese opium, were sufficient to maintain the seriously addicted and the affluent. Although Southeast Asian consumers faced rising prices-monopoly prices in Indochina for a kilogram increased 500 percent from 1939 to 1943-they experienced nothing comparable to the collective "cold turkey" of American addicts during World War 11. (97) Thus, the core of Southeast Asia's opium consumers emerged from the war intact.

Immediately after the war foreign opium supplies reappeared; Iranian opium was imported legally by the Thai and French opium monopolies, while overland smuggling from China's Yunnan Province flourished. Not only was prewar consumer demand restored, but the addict population grew steadily. Prior to World War 11 in Thailand, for example, there were an estimated 110,000 addicts; there are now 250,000. (98) While there were such promising exceptions in the region as Singapore and Malaysia, whose addict population dropped from an estimated 186,000 before the war to 40,000 today, (99) the number of addicts in Southeast Asia as a whole has increased substantially since the prewar period.

Yet within ten years after the end of World War 11, Southeast Asia was totally cut off from all the foreign opium on which its addicts had depended. By 1955 three governmental decisions created a serious crisis in international opium trade and denied Southeast Asia all its foreign opium. In 1953 the major opiumproducing countries in Europe, the Middle East, and South Asia signed the U.N. Protocol and agreed not to sell opium on the international market for legalized smoking or eating. Although this international accord ended large shipments of Iranian opium to the Thai and French opium monopolies, international smugglers simply took over the Iranian government's role.

A far more serious blow to the Southeast Asian opium economy had come in 1949, when the Chinese People's Liberation Army won the civil war and drove the last remnants of Chiang Kai-shek's Nationalist Army out of Yunnan Province. Yunnan had always been too far from large urban centers along the coast to supply any significant percentage of China's addicts, and almost all of its vast poppy harvest had been smuggled southward into Southeast Asia. When the People's Liberation Army began patrolling the border in the early 1950s to prevent an expected counterattack by CIA-supported Nationalist Chinese troops, most opium caravans were halted. By the mid 1950s People's Republic agriculturalists and party workers had introduced substitute crops, and any possible opium seepage into Southeast Asia ceased. (100)

In a 1970 report entitled *The World Opium Situation,* the U.S. Bureau of Narcotics and Dangerous Drugs described the magnitude of China's decision:

The world market for opium has experienced dynamic change-including two major upheavals-from the beginning of the post war period down to the present. In order of importance the landmark events were (I) the shut down of China's vast illicit market with the change of governments there in 1949 and (2) the abolition of cultivation in Iran after 1955 coupled with the rapid suppression of China's illicit production at about the same time. (101)

With the end of China's illicit contribution to Southeast Asia's opium supplies, Iran became the region's major supplier in the early 1950s. In 1953, for example, Iranian opium accounted for 47 percent of all opium seized by Singapore police and customs and a higher percentage in Southeast Asian nations. (102) Most of Iran's illegally diverted opium smuggled eastward to Southeast Asia, but a substantial portion was sent to Lebanon, the Arab states, and Europe.

However, in 1950 began to reduce production sharply; exports declined from 246 tons in 1950 to 41 tons in 1954. (103) The final blow came in 1955, when the Iranian government announced the complete abolition of opium growing. After Iran's abolition in 1955 Turkey filled the void in the west, but Southeast Asia was now at a crossroads. (104)

These dramatic events, which had changed the pattern of the international narcotics traffic, were the result of governmental action; and it would take equally bold initiatives on the part of Southeast Asia's governments if mass opium addiction were to survive. Decisions of this magnitude were not within the realm of the petty smugglers and traffickers who had supplied the region's poor addicts with Yunnanese and Shan States opium. Almost without exception it has been governmental bodies -not criminals-whose decisions have made the major changes in the international narcotics trade. It was the French colonial government that expanded Indochina's production during World War 11, the Chinese government that had scaled the border and phased out Yunnan's opium production, and the Iranian government that had decreed that Iran would no longer be Asia's major supplier of illicit opium.

And in the 1950s the Thai, Lao, Vietnamese, and American governments made critical decisions that resulted in the expansion of Southeast Asia's opium production to feed the habits of the region's growing addict population and transform the Golden Triangle into the largest single opium-producing area in the world.

4. Cold War Opium Boom

It is March or April, the end of the dry season, in Southeast Asia's Golden Triangle. From the Kachin hills and Shan plateau of Burma to the mountains of northern Thailand and northern Laos, the ground is parched and the rains are only weeks away. In every hill tribe village-whether it be Meo, Yao, Lahu, Lisu, Wa, or Kachin-it is time to clear the fields for planting. On one of these hot, dusty mornings men, women, and children gather at the bottom of a wide hillside near the village, where for weeks the men have been chopping and slashing at the forest growth with single-bitted axes The felled trees are tinderbox dry,

Suddenly, the young men of the village race down the hill, igniting the timber with torches. Behind them, whirlwinds of flame shoot four hundred feet into the sky. Within the hour a billowing cloud of smoke rises two miles above the field. When the fires die down, the fields are covered with a nourishing layer of wood ash and the soil's moisture is sealed beneath the ground's fire-hardened surface. But before the planting can begin, these farmers must decide what crop they are going to plant-rice or poppies?

Although their agricultural techniques harken back to the Stone Age, these mountain farmers are very much a part of the modern world. And like farmers everywhere their basic economic decisions are controlled by larger forces-by the international market for commodities and the prices of manufactured goods. In their case the high cost of transportation to and from their remote mountain villages rules out most cash crops and leaves only two choices--opium or rice. The safe decision has always been to plant rice, since it can always be eaten if the market fails. A farmer can cultivate a small patch of poppy on the side, but he will not commit his full time to opium production unless he is sure that there is a market for his crop.

A reliable market for their opium had developed in the early 1950s, when several major changes in the international opium trade slowed, and then halted, the imports of Chinese and Iranian opium that had supplied Southeast Asia's addicts for almost a hundred years. Then the Thai police, the Chinese Nationalist Army and French and American intelligence agencies allowed the mass narcotics addiction fostered by European colonialism to survive-and even thrive-in the 1950s by deliberately or inadvertently promoting local poppy cultivation in the Golden Triangle.

As a result of the activities of these various military and intelligence agencies, Southeast Asia was completely self-sufficient in opium and had almost attained its present level of production by the end of the decade. Recent research by the U.S. Bureau of Narcotics has shown that by the late 1950s Southeast Asia's Golden Triangle region was producing approximately seven hundred tons of raw opium, or about 50 percent of the world's total illicit production. (1)

The Meo of Indochina had long been the subject of pressures for large-scale poppy cultivation. During World War 11 the French colonial government was cut off from international supplies, and had, as has already been mentioned, imposed an opium tax to force the Meo of Laos and Tonkin to expand their opium production to meet wartime needs. But in 1948 the French government responded to international pressure by mounting a five-year campaign to abolish opium smoking in Indochina. However, French intelligence agencies, short of funds to finance their clandestine operations against the Communist Viet Minh, quickly and secretly took over the narcotics traffic.

In the Burma-Thailand area, during the early 1950s the CIA tried to use remnants of the defeated Chinese Nationalist Army (Kuomintang, or KMT) in an attempt to seal the Burma-China borderlands against a feared Chinese invasion of Southeast Asia. Nationalist troops turned out to be better opium traders than guerrillas, and used their American-supplied arms to force the Burmese hill tribes to expand production. They shipped the bumper harvests to northern Thailand, where they were sold to the Thai police force, which, coincidentally, was another CIA client. Under the direction of their commander, General Phao, the police used CIA-supplied equipment to transport the opium to Bangkok for export to the new markets of Malaysia, Indonesia, and Hong Kong. In 1954 a British customs officer in Singapore stated that Bangkok had become the opium capital of Asia and was distributing 30 percent of the region's opium. There was so much Burmese and Thai opium on the illicit market that it was selling for 25 percent less than Iranian opium and 40 percent less than the famous Indian brands. (2)

Southeast Asia's opium trade had come a long way in 150 years: close to a million addicts provided a local market for opium and its derivatives; well-organized syndicates, their personnel mainly drawn from military and intelligence communities, provided the organizational expertise to move opium from the mountain fields to urban consumer markets; and an ample number of skilled highland cultivators were now devoting most of their agricultural labor to poppy cultivation. Although the region still exported only limited amounts of opium, morphine, and heroin to Europe and the United States, the region's narcotics trade was well enough developed by the late 1950s to meet any demands for more substantial shipments.

French Indochina: Opium Espionage and "Operation X"

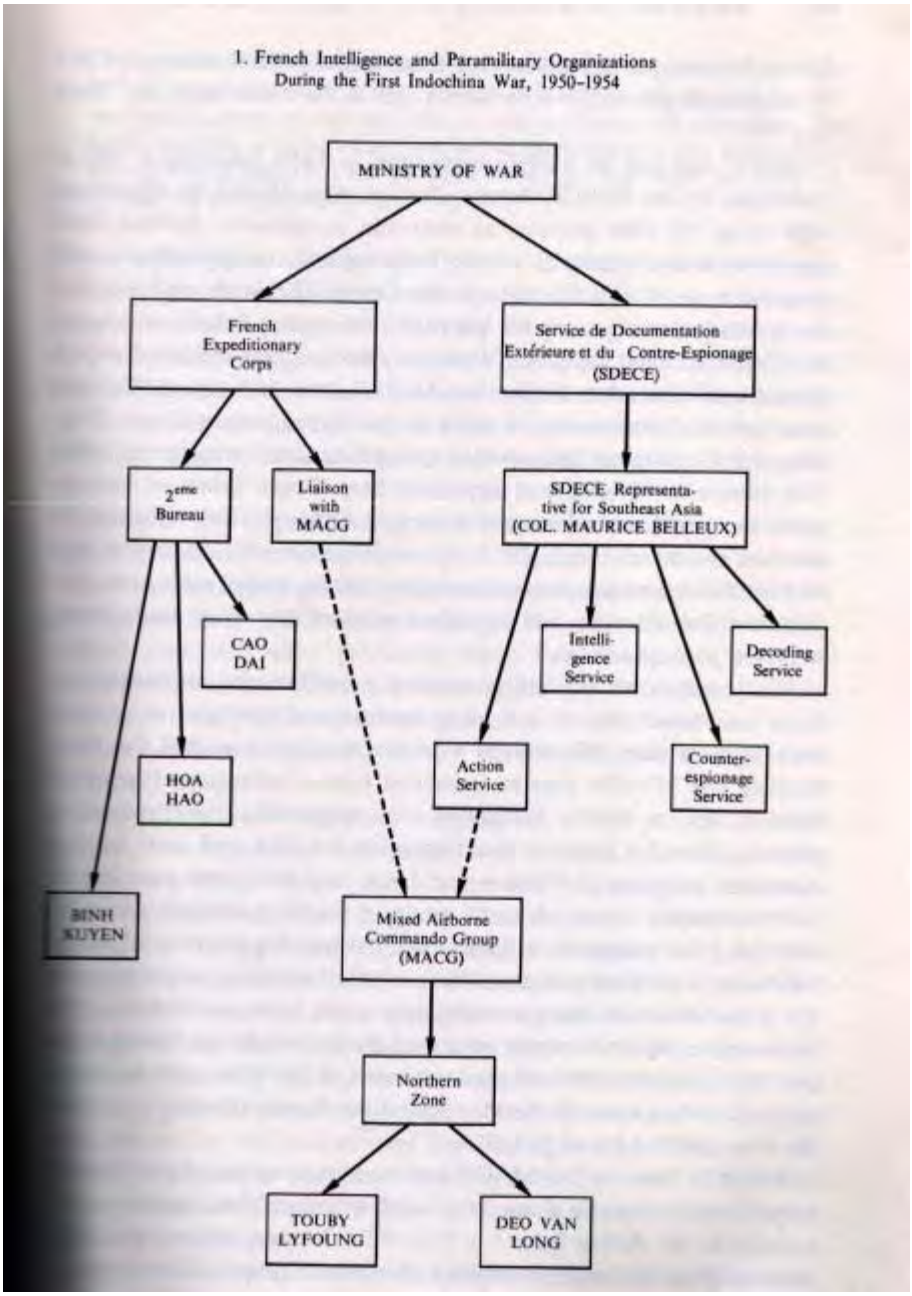
The French colonial government's campaign gradually to eliminate opium addiction, which began in 1946 with the abolition of the Opium Monopoly, never had a chance of success. Desperately short of funds, French intelligence and paramilitary agencies took over the opium traffic in order to finance their covert operations during the First Indochina War (1946-1954). As soon as the civil administration would abolish some aspect of the trade, French intelligence services proceeded to take it over. By 1951 they controlled most of the opium trade-from the mountain poppy fields to the urban smoking dens. Dubbed "Operation X" by insiders, this clandestine opium traffic produced a legacy of Corsican narcotics syndicates and corrupted French intelligence officers who remain even today key figures in the international narcotics trade.

The First Indochina War was a bitter nine-year struggle between a dying French colonial empire and an emerging Vietnamese nation. It was a war of contrasts. On one side was the French Expeditionary Corps, one of the proudest, most professional military organizations in the world, with a tradition going back more than three hundred years to the time of Louis XIV. Arrayed against it was the Viet Minh, an agglomeration of weak guerrilla bands, the oldest of which had only two years of sporadic military experience when the war broke out in 1946. The French commanders struck poses of almost fictional proportions: General de Lattre, the gentleman warrior; Gen. Raoul Salan, the hardened Indochina hand; Maj. Roger Trinquier, the cold-blooded, scientific tactician; and Capt. Antoine Savani, the Corsican Machiavelli. The Viet Minh commanders were shadowy figures, rarely emerging into public view, and when they did, attributing their successes to the correctness of the party line or the courage of the rank and file. French military publicists wrote of the excellence of this general's tactical understanding or that general's brilliant maneuvers, while the Viet Minh press projected socialist caricatures of struggling workers and peasants, heroic front-line fighters, and party wisdom.

These superficialities were indicative of the profound differences in the two armies. At the beginning of the war the French high command viewed the conflict as a tactical exercise whose outcome would be determined, according to traditional military doctrines, by controlling territory and winning battles. The Viet Minh understood the war in radically different terms; to them, the war was not a military problem, it was a political one. As the Viet Minh commander, Gen. Vo Nguyen Giap, has noted: *"political activities were more important than military activities, and fighting less important than propaganda; armed activity was used to safeguard, consolidate, and develop political bases."* (3)

The Viet Minh's goal was to develop a political program that would draw the entire population-regardless of race, religion, sex, or class background-into the struggle for national liberation. Theirs was a romantic vision of the mass uprising: resistance becoming so widespread and so intense that the French would be harassed everywhere. Once the front-line troops and the masses in the rear were determined to win, the tactical questions of how to apply this force were rather elementary.

The French suffered through several years of frustrating stalemate before realizing that their application of classical textbook precepts was losing the war. But they slowly developed a new strategy of counterguerrilla, or counterinsurgency, warfare. By 1950-1951 younger,



1. French Intelligence and Paramilitary Organizations During the First Indochina War, 1950–1954

innovative French officers had abandoned the conventional war precepts that essentially visualized Indochina as a depopulated staging ground for fortified lines, massive sweeps, and flanking maneuvers. Instead Indochina became a vast chessboard where hill tribes, bandits, and religious minorities could be used as pawns to hold certain territories and prevent Viet Minh infiltration. The French concluded formal alliances with a number of these ethnic or religious factions and supplied them with arms and money to keep the Viet Minh out of their area. The French hope was to atomize the Viet Minh's mobilized, unified mass into a mosaic of autonomous fiefs hostile to the revolutionary movement.

Maj. Roger Trinquier and Capt. Antoine Savani were the most important apostles of this new military doctrine. Captain Savani secured portions of Cochin China (comprising Saigon and the Mekong Delta) by rallying river pirates, Catholics, and messianic religious cults to the French side. Along the spine of the Annamite Mountains from the Central Highlands to the China border, Major Trinquier recruited an incredible variety of bill tribes; by 1954 more than forty thousand tribal mercenaries were busy ambushing Viet Minh supply lines, safeguarding territory, and providing intelligence. Other French officers organized Catholic militia from parishes in the Tonkin Delta, Nung pirates on the Tonkin Gulf, and a Catholic militia in Hue

Although the French euphemistically referred to these local troops as "supplementary forces" and attempted to legitimize their leaders with ranks, commissions, and military decorations, they were little more than mercenariesand very greed*, very expensive mercenaries at that. To ensure the loyalty of the Binh Xuyen river pirates who guarded Saigon, the French allowed them to organize a variety of lucrative criminal enterprises and paid them an annual stipend of $85,000 as well. (4) Trinquier may have had forty thousand hill tribe guerrillas under his command by 1954, but he also had to pay dearly for their services: he needed an initial outlay of $15,000 for basic training, arms, and bonuses to set up each mercenary unit of 150 men. (5) It is no exaggeration to say that the success of Savani's and

Trinquier's work depended almost entirely on adequate financing; if they were well funded they could expand their programs almost indefinitely, but without capital they could not even begin.

But the counterinsurgency efforts were continually plagued by a lack of money. The war was tremendously unpopular in France, and the French National Assembly reduced its outlay to barely enough for the regular military units, leaving almost nothing for extras such as paramilitary or intelligence work. Moreover, the high command itself never really approved of the younger generation's unconventional approach and were unwilling to divert scarce funds from the regular units. Trinquier still complains that the high command never understood what he was trying to do, and says that they consistently refused to provide sufficient funds for his operations. (6)

The solution was "Operation X," a clandestine narcotics traffic so secret that only high-ranking French and Vietnamese officials even knew of its existence. The antiopium drive that began in 1946 received scant support from the "Indochina hands"; customs officials continued to purchase raw opium from the Meo, and the opium smoking dens, cosmetically renamed "detoxification clinics," continued to sell unlimited quantities of opium.' However, on September 3, 1948, the French high commissioner announced that each smoker had to register with the government, submit to a medical examination to ascertain the degree of his addiction, and then be weaned of the habit by having his dosage gradually reduced. (8) Statistically the program was a success. The customs service had bought sixty tons of raw opium from the Meo and Yao in 1943, but in 1951 they purchased almost nothing? (9) The "detoxification clinics" were closed and the hermetically sealed opium packets each addict purchased from the customs service contained a constantly dwindling amount of opium. (10)

But the opium trade remained essentially unchanged. The only real differences were that the government, having abandoned opium as a source of revenue, now faced serious budgetary problems; and the French intelligence community, having secretly taken over the opium trade, had all theirs solved. The Opium Monopoly had gone underground to become "Operation X."

Unlike the American CIA, which has its own independent administration and chain of command, French intelligence agencies have always been closely tied to the regular military hierarchy. The most important French intelligence agency, and the closest equivalent to the CIA, is the SDECE (Service de Documentation Exterieure et du Contre Espionage). During the First Indochina War, its Southeast Asian representative, Colonel Maurice Belleux, supervised four separate SDECE "services" operating inside the war zone-intelligence, decoding, counterespionage, and action (paramilitary operations). While SDECE was allowed a great deal of autonomy in its pure intelligence work-spying, decoding, and counterespionage-the French high command assumed much of the responsibility for SDECE's paramilitary Action Service. Thus, although Major Trinquier's hill tribe guerrilla organization, the Mixed Airborne Commando Group (MACG), was nominally subordinate to SDECE's Action Service, in reality it reported to the Expeditionary Corps' high command. All of the other paramilitary units, including Captain Savani's Binh Xuyen river pirates, Catholics, and armed religious groups, reported to the 2eme Bureau, the military intelligence bureau of the French Expeditionary Corps.

During its peak years from 1951 to 1954, Operation X was sanctioned on the highest levels by Colonel Belleux for SDECE and Gen. Raoul Salan for the Expeditionary Corps. (11) Below them, Major Trinquier of MACG assured Operation X a steady supply of Meo opium by ordering his liaison officers serving with Meo commander Touby Lyfoung and Tai Federation leader Deo Van Long to buy opium at a competitive price. Among the various French paramilitary agencies, the work of the ixed Airborne Command Group (MACG) was most inextricably interwoven with the opium trade, and not only in order to finance operations. For its field officers in Laos and Tonkin had soon realized that unless they provided a regular outlet for the local opium production, the prosperity and loyalty of their hill tribe allies would be undermined.

Once the opium was collected after the annual spring harvest, Trinquier had the mountain guerrillas fly it to Cap Saint Jacques (Vungtau) near Saigon, where the Action Service school trained hill tribe mercenaries at a military base. There were no customs or police controls to interfere with or expose the illicit shipments here. From Cap Saint Jacques the opium was trucked the sixty miles into Saigon and turned over to the Binh Xuyen bandits, who were there serving as the city's local militia and managing its opium traffic, under the supervision of Capt. Antoine Savani of the 2eme Bureau. (12)

The Binh Xuyen operated two major opium-boiling plants in Saigon (one near their headquarters at Cholon's Y-Bridge and the other near the National Assembly) to transform the raw poppy sap into a smokable form. The bandits distributed the prepared opium to dens and retail shops throughout Saigon and Cholon, some of which were owned by the Binh Xuyen (the others paid the gangsters a substantial share of their profits for protection). The Binh Xuyen divided its receipts with Trinquier's MACG and Savani's 2eme Bureau. (13) Any surplus opium the Binh Xuyen were unable to market was sold to local Chinese merchants for export to Hong Kong or else to the Corsican criminal syndicates in Saigon for shipment to Marseille. MACG deposited its portion in a secret account managed by the Action Service office in Saigon. When Touby Lyfoung or any other Meo tribal leader needed money, he flew to Saigon and personally drew money out of the caisse noire, or black box. (13)

MACG had had its humble beginnings in 1950 following a visit to Indochina by the SDECE deputy director, who decided to experiment with using hill tribe warriors as mountain mercenaries. Colonel Grail was appointed commander of the fledgling unit, twenty officers were assigned to work with hill tribes in the Central Highlands, and a special paramilitary training camp for hill tribes, the Action School, was established at Cap Saint Jacques. (14) However, the program remained experimental until December 1950, when Marshal Jean de Lattre de Tassigny was appointed commander in chief of the Expeditionary Corps. Realizing that the program had promise, General de Lattre transferred 140 to 150 officers to MACG, and appointed Maj. Roger Trinquier to command its operations in Laos and Tonkin. (15) Although Grail remained the nominal commander until 1953, it was Trinquier who developed most of MACG's innovative counterinsurgency tactics, forged most of the important tribal alliances, and organized much of the opium trade during his three years of service. (16)

His program for organizing country guerrilla units in Tonkin and Laos established him as a leading international specialist in counterinsurgency warfare. He evolved a precise four-point method for transforming any hill tribe area in Indochina from a scattering of mountain hamlets into a tightly disciplined, counterguerrilla infrastructure-a maquis. Since his theories also fascinated the CIA and later inspired American programs in Vietnam and Laos, they bear some examination.

PRELIMINARY STAGE. A small group of carefully selected officers fly over hill tribe villages in a light aircraft to test the response of the inhabitants. If somebody shoots at the aircraft, the area is probably hostile, but if the tribesmen wave, then the area might have potential. [a 1951, for example, Major Trinquier organized the first maquis in Tonkin by repeatedly flying over Meo villages northwest of Lai Chan until he drew a response. When some of the Meo waved the French tricolor, he realized the area qualified for stage. (17)

STAGE 1. Four or five MACG commandos were parachuted into the target area to recruit about fifty local tribesmen for counterguerrilla training at the Action School in Cap Saint Jacques, where up to three hundred guerrillas could be trained at a time. Trinquier later explained his criterion for selecting these first tribal cadres:

They are doubtless more attracted by the benefits they can expect than by our country itself, but this attachment can be unflagging if we are resolved to accept it and are firm in our intentions and objectives. We know also that, in troubled periods, self-interest and ambition have always been powerful incentives for dynamic individuals who want to move outof their rut and get somewhere. (18)

These ambitious mercenaries were given a forty-day commando course comprising airborne training, radio operation, demolition, small arms use, and counterintelligence. Afterward the group was broken up into four-man teams comprised of a combat commander, radio operator, and two intelligence officers. The teams were trained to operate independently of one another so that the *maquis* could survive were any of the teams captured. Stage I took two and a half months, and was budgeted at $3,000.

STAGE 2. The original recruits returned to their home area with arms, radios, and money to set up the*maquis.* Through their friends and relatives, they began propagandizing the local population and gathering basic intelligence about Viet Minh activities in the area. Stage 2 was considered completed when the initial teams had managed to recruit a hundred more of their fellow tribesmen for training at Cap Saint Jacques. This stage usually took about two months and $6,000, with most of the increased expenses consisting of the relatively high salaries of these mercenary troops.

STAGE 3 was by far the most complex and critical part of the entire process. The target area was transformed from an innocent scattering of mountain villages into a tightly controlled *maquis*. After the return of the final hundred cadres, any Viet Minh organizers in the area were assassinated, a tribal leader "representative of the ethnic and geographic group predominant in the zone" was selected, and arms were parachuted to the hill tribesmen. If the planning and organization had been properly carried out, the *maquis* would have up to three thousand armed tribesmen collecting intelligence, ferreting out Viet Minh cadres, and launching guerrilla assaults on nearby Viet Minh camps and supply lines. Moreover, the *maquis* was capable of running itself, with the selected tribal leader communicating regularly by radio with French liaison officers in Hanoi or Saigon to assure a steady supply of arms, ammunition, and money.

While the overall success of this program proved its military value, the impact on the French officer corps revealed the dangers inherent in clandestine military operations that allow its leaders carte blanche to violate any or all military regulations and moral laws. The Algerian war, with its methodical torture of civilians, continued the inevitable brutalization of France's elite professional units. Afterward, while his comrades in arms were bombing buildings and assassinating government leaders in Paris in defiance of President de Gaulle's decision to withdraw from Algeria, Trinquier, who had directed the torture campaign during the battle for Algiers, flaunted international law by organizing Katanga's white mercenary army to fight a U.N. peace-keeping force during the 1961 Congo crisis. (19) Retiring to France to reflect, Trinquier advocated the adoption of "calculated acts of sabotage and terrorism, (20) and Systematic duplicity in international dealings as an integral part of national defense policy. (21) While at first glance it may seem incredible that the French military could have become involved in the Indochina narcotics traffic, in retrospect it can be understood as just another consequence of allowing men to do whatever seems expedient.

Trinquier had developed three important counterguerrilla *maquis* for MACG in northeast Laos and Tonkin during 1950-1953: the Meo *maquis* in Laos under the command of Touby Lyfoung; the Tai *maquis* under Deo Van Long in northwestern Tonkin; and the Meo *maquis* east of the Red River in north central Tonkin. Since opium was the only significant economic resource in each of these three regions, MACG's opium purchasing policy was just as important as its military tactics in determining the effectiveness of highland counterinsurgency programs. Where MACG purchased the opium directly from the Meo and paid them a good price, they remained loyal to the French. But when the French used non-Meo highland minorities as brokers and did nothing to prevent the Meo from being cheated, the Meo tribesmen joined the Viet Minh-with disastrous consequences for the French.

Unquestionably, the most successful MACG operation was the Meo *maquis* in Xieng Khouang Province, Laos, led by the French-educated Meo Touby Lyfoung. When the Expeditionary Corps assumed responsibility for the opium traffic on the Plain of Jars in 1949-1950, they appointed Touby their opium broker, as had the Opium Monopoly before them. (22) Major Trinquier did not need to use his four-stage plan when dealing with the Xieng Khoung Province Meo; soon after he took command in 1951, Touby came to Hanoi to offer to help initiate MACG commando operations among his Meo followers. Because there had been little Viet Minh activity near the Plain of Jars since 1946, both agreed to start slowly by sending a handful of recruits to the Action School for radio instruction. (23) Until the Geneva truce in 1954 the French military continued to pay Touby an excellent price for the Xieng Khouang opium harvest, thus assuring his followers' loyalty and providing him with sufficient funds to influence the course of Meo politics. This arrangement also made Touby extremely wealthy by Meo standards, In exchange for these favors, Touby remained the most loyal and active of the hill tribe commanders in Indochina.

Touby proved his worth during the 1953-1954 Viet Minh offensive. In December 1952 the Viet Minh launched an offensive into the Tai country in northwestern Tonkin (North Vietnam), and were moving quickly toward the Laos-Vietnam border when they ran short of supplies and withdrew before crossing into Laos. (24) But since rumors persisted that the Viet Minh were going to drive for the Mekong the following spring, an emergency training camp was set up on the Plain of Jars and the first of some five hundred young Meo were flown to Cap Saint Jacques for a crash training program. Just as the program was getting underway, the Viet Minh and Pathet Lao (the Lao national liberation movement) launched a combined offensive across the border into Laos, capturing Sam Neua City on April 12, 1953. The Vietnam 316th People's Army Division, Pathet Lao irregulars, and local Meo partisans organized by Lo Faydang drove westward, capturing Xieng Khouang City two weeks later. But with Touby's Meo irregulars providing intelligence and covering their mountain flanks, French and Lao colonial troops used their tanks and artillery to good advantage on the flat Plain of Jars and held off the Pathet Lao-Viet Minh units. (25)

In May the French Expeditionary Corps built a steel mat airfield on the plain and began airlifting in twelve thousand troops, some small tanks, and heavy engineering equipment. Under the supervision of Gen. Albert Sore, who arrived in June, the plain was soon transformed into a virtual fortress guarded by forty to fifty reinforced bunkers and blockhouses. Having used mountain minorities to crush rebellions in Morocco, Sore appreciated their importance and met with Touby soon after his arrival. After an aerial tour of the region with Touby and his MACG adviser, Sore sent out four columns escorted by Touby's partisans to sweep Xieng Khouang Province clean of any remaining enemy units. After this, Sore arranged with Touby and MACG that the Meo would provide intelligence and guard the mountain approaches while his regular units garrisoned the plain itself. The arrangement worked well, and Sore remembers meeting amicably on a regular basis with Touby and Lieut. Vang Pao, then company commander of a Meo irregular unit (and now commander of CIA mercenaries in Laos), to exchange intelligence and discuss paramilitary operations. He also recalls that Touby delivered substantial quantities of raw opium to MACG advisers for the regular DC-3 flights to Cap Saint Jacques, and feels that the French support of the Meo opium trade was a major factor in their military aggressiveness. As Sore put it, "The Meo were defending their own region, and of course by defending their region they were defending their opium." (26)

Another outsider also witnessed the machinations of the covert Operation X. During a six-week investigative tour of Indochina during JuneJuly 1953, Col. Edward 0. Lansdale of the American CIA discovered the existence of Operation X. Trying to put together a firsthand report of the Viet Minh invasion of Laos, Lansdale flew up to the Plain of Jars, where he learned that French officers had bought up the 1953 opium harvest, acting on orders from General Salan, commander in chief of the Expeditionary Corps. When Lansdale later found out that the opium had been flown to Saigon for sale and export, he complained to Washington that the French military was involved in the narcotics traffic and suggested that an investigation was in order. General Lansdale recalls that the response ran something like this:

"Don't you have anything else to do? We don't want you to open up this keg of worms since it will be a major embarrassment to a friendly government. So drop your investigation." (27)

By mid 1953, repeated Viet Minh offensives into northern Laos, like the spring assault on the Plain of Jars, had convinced the French high command that they were in imminent danger of losing all of northern Laos. To block future Viet Minh offensives, they proceeded to establish a fortified base, or "hedgehog," in a wide upland valley called Dien Bien Phu near the Laos-North Vietnam border. (28) In November the French air force and CAT (Civil Air Transport, later Air America) began airlifting sixteen thousand men into the valley, and French generals confidently predicted they would soon be able to seal the border.

By March 1954, however, the Viet Minh had ringed Dien Bien Phu with wellentrenched heavy artillery; within a month they had silenced the French counterbatteries. Large-scale air evacuation was impossible, and the garrison was living on borrowed time. Realizing that an overland escape was their only solution, the French high command launched a number of relief columns from northern Laos to crack through the lines of entrapment and enable the defenders to break out. (29) Delayed by confusion in high command headquarters, the main relief column of 3,000 men did not set out until April 14. (30) As the relief column got underway, Colonel Trinquier, by now MACG commander, proposed a supplementary plan for setting up a large maquis, manned by Touby's irregulars, halfway between Dien Bien Phu and the Plain of Jars to aid any of the garrison who might break out. After overcoming the high command's doubts, Trinquier flew to the Plain of Jars with a large supply of silver bars. Half of Touby's 6,000 irregulars were given eight days of intensive training and dispatched for Muong Son, sixty miles to the north, on May 1. But although Trinquier managed to recruit yet another 1,500 Meo mercenaries elsewhere, his efforts proved futile. (31) Dien Bien Phu fell on May 8, and only a small number of the seventy-eight colonial troops who escaped were netted by Touby's maquis. (32)

Unlike the Meo in Laos, the Meo in northwestern Tonkin, where Dien Bien Phu was located, had good cause to hate the French, and were instrumental in their defeat. Although in Laos Operation X had purchased raw opium directly from the Meo leaders, in northwestern Tonkin political considerations forced MACG officials to continue the earlier Opium Monopoly policy of using Tai leaders, particularly Deo Van Long, as their intermediaries with the Meo opium cultivators. By allowing the Tai feudal lords to force the Meo to sell their opium to Tai leaders at extremely low prices, they embittered the Meo toward the French even more and made them enthusiastic supporters of the Viet Minh.

When the Vietnamese revolution began in 1945 and the French position weakened throughout Indochina, the French decided to work through Deo Van Long, one of the few local leaders who had remained loyal, to restore their control over the strategically important Tai highlands in northwestern Tonkin. (33) In 1946 three highland provinces were separated from the rest of Tonkin and designated an autonomous Tai Federation, with Deo Van Long, who had only been the White Tai leader of Lai Chau Province, as president. Ruling by fiat, he proceeded to appoint his friends and relatives to every possible position of authority. (34) However, since there were only 25,000 White Tai in the federation as opposed to 100,000 Black Tai and 50,000 Meo, (35) his actions aroused bitter opposition.

When political manipulations failed, Deo Van Long tried to put down the dissidence by military force, using two 850-man Tai battalions that had been armed and trained by the French. Although he drove many of the dissidents to take refuge in the forests, this was hardly a solution, since they made contact with the Viet Minh and thus became an even greater problem. (36)

Moreover, French support for Deo Van Long's fiscal politics was a disaster for France's entire Indochina empire. The French set up the Tai Federation's first autonomous budget in 1947, based on the only marketable commodity-Meo opium. As one French colonel put it:

"The Tai budgetary receipts are furnished exclusively by the Meo who pay half with their raw opium, and theother half, indirectly, through the Chinese who lose their opium smuggling profits in the [state] gaming halls."(37)

Opium remained an important part of the Tai Federation budget until 1951, when a young adviser to the federation, Jean Jerusalemy, ordered it eliminated. Since official regulations prohibited opium smoking, Jerusalemy, a strict bureaucrat, did not understand how the Tai Federation could be selling opium to the government.

So in 1951 opium disappeared from the official budget. Instead of selling it to the customs service, Deo Van Long sold it to MACG officers for Operation X. In the same year French military aircraft began making regular flights to Lai Chau to purchase raw opium from Deo Van Long and local Chinese merchants for shipment to Hanoi and Saigon. (38)

With the exception of insignificant quantities produced by a few Tai villages, almost all of the opium purchased was grown by the fifty thousand Meo in the federation. During the Second World War and the immediate postwar years, they sold about 4.5 to 5.0 tons of raw opium annually to Deo Van Long's agents for the Opium Monopoly. Since the Monopoly paid only one-tenth of the Hanoi black market price, the Meo preferred to sell the greater part of their harvest to the higher-paying local Chinese smugglers. (39) During this time, Deo Van Long had no way to force the Meo to sell to his agents at the low official price. However, in 1949, now with three Tai guerrilla battalions, and with his retainers in government posts in all of the lowland trading centers, he was in a position to force the Meo to sell most of their crop to him, at gun point, if necessary. (40) Many of the Meo who had refused to sell at his low price became more cooperative when confronted with a squad of well-armed Tai guerrillas. And when he stopped dealing with the Opium Monopoly after 1950, there was no longer any official price guideline, and he was free to increase his own profits by reducing the already miserable price paid the Meo.

While these methods may have made Deo Van Long a rich man by the end of the Indochina War (after the Geneva cease-fire he retired to a comfortable villa in France), they seriously damaged his relations with the Meo. When they observed his rise in 1945-1946 as the autocrat of the Tai Federation, many joined the Viet Minh. (41) As Deo Van Long acquired more arms and power in the late 1940s and early 1950s, his rule became even more oppressive, and the Meo became even more willing to aid the Viet Minh.

This account of the Tai Federation opium trade would be little more than an interesting footnote to the history of the Indochina Opium Monopoly were it not for the battle of Dien Bien Phu. Although an ideal base from a strategic viewpoint, the French command could not have chosen a more unfavorable battlefield. It was the first Black Tai area Deo Van Long had taken control of after World War 11. His interest in it was understandable: Dien Bien Phu was the largest valley in the Tai Federation and in 1953 produced four thousand tons of rice, about 30(42) percent of the Federation's production. Moreover, the Meo opium cultivators in the surrounding hills produced three-fifths of a ton of raw opium for the monopoly, or about 13 percent of the federation's legitimate sale. (43) But soon after tile first units were parachuted into Dien Bien Phu, experienced French officials in the Tai country began urging the high command to withdraw from the area. The young French adviser, Jean Jerusalemy, sent a long report to the high command

warning them that if they remained at Dien Bien Phu defeat was only a matter of time. The Meo in the mountain area were extremely bitter toward Deo Van Long and the French for their handling of the opium crop, explained Jerusalemy, and the Black Tai living on the valley floor still resented the imposition of White Tai administrators.(44)

Confident that the Viet Minh could not possibly transport sufficient heavy artillery through the rough mountain terrain, the French generals ignored these warnings. French and American artillery specialists filed reassuring firsthand reports that the "hedgehog" was impenetrable. When the artillery duel began in March 1954, French generals were shocked to find themselves outgunned; the Viet Minh bad two hundred heavy artillery pieces with abundant ammunition, against the French garrison's twenty-eight heavy guns and insufficient ammunition. (45) An estimated eighty thousand Viet Minh porters had hauled this incredible firepower across the mountains, guided and assisted by enthusiastic Black Tai and Meo. Gen. Vo Nguyen Giap, the Viet Minh commander, recalls that "convoys of pack horses from the Meo highlands" were among the most determined of the porters who assisted this effort. (46)

Meo hostility prevented French intelligence gathering and counterintelligence operations. It is doubtful that the Viet Minh would have chosen to attack Dien Bien Phu had they been convinced that the local population was firmly against them, since trained Meo commandos could easily have disrupted their supply lines, sabotaged their artillery, and perhaps given the French garrison accurate intelligence on their activities. As it was, Colonel Trinquier tried to infiltrate five MACG commando teams from Laos into the Dien Bien Phu area, but the effort was almost a complete failure. (47)Unfamiliar with the terrain and lacking contacts with the local population, the Laotian Meo were easily brushed aside by Viet Minh troops with local Meo guides. The pro-Viet Minh Meo enveloped a wide area surrounding the fortress, and all of Trinquier's teams were discovered before they even got close to the encircled garrison. The Viet Minh divisions overwhelmed the garrison on May 7-8, 1954.

Less than twenty-four hours later, on May 8, 1954, Vietnamese, French, Russian, Chinese, British, and American delegates sat down together for the first time at Geneva, Switzerland, to discuss a peace settlement. The news from Dien Bien Phu had arrived that morning, and it was reflected in the grim faces of the Western delegates and the electric confidence of the Vietnamese. (48) The diplomats finally compromised on a peace agreement almost three months later: on July 20 an armistice was declared and the war was over.

But to Col. Roger Trinquier a multilateral agreement signed by a host of great and small powers meant nothing-his war went on. Trinquier had forty thousand hill tribe mercenaries operating under the command of four hundred French officers by the end of July and was planning to take the war to the enemy by organizing a huge new maquis of up to ten thousand tribesmen in the Viet Minh heartland east of the Red River.(49) Now he was faced with a delicate problem: his mercenaries had no commissions, no official status, and were not covered by the cease-fire. The Geneva agreement prohibited overflights by the light aircraft Trinquier used to supply his mercenery units behind Viet Minh lines and thus created insurmountable logistics and liaison problems.(50) Although he was able to use some of the Red Cross flights to the prisoner-of-war camps in the Viet Minh-controlled highlands as a cover for arms and ammunition drops, this was only a stopgap measure. (51) In August, when Trinquier radioed his remaining MACG units in the Tai Federation to fight their way out into Laos, several thousand Tai retreated into Sam Neua and Xieng Khouang provinces, where they were picked up by Touby Lyfoung's Meo irregulars. But the vast majority stayed behind, and although some kept broadcasting appeals for arms, money, and food, by late August their radio batteries went dead, and they were never heard from again.

There was an ironic footnote to this last MACG operation. Soon after several thousand of the Tai Federation commandos arrived in Laos, Touby realized that it would take a good deal of money to resettle them permanently. Since the MACG secret account had netted almost $150,000 from the last winter's opium harvest, Touby went to the Saigon paramilitary office to make a personal appeal for resettlement funds. But the French officer on duty was embarrassed to report that an unknown MACG or SDECE officer had stolen the money, and MACG's portion of Operation X was broke. "Trinquier told us to put the five million piasters in the account where it would be safe," Touby recalls with great amusement, "and then one of his officers stole it. What irony! What irony!". (52)

When the French Expeditionary Corps began its rapid withdrawal from Indochina in 1955, MACG officers approached American military personnel and offered to turn over their entire paramilitary apparatus. CIA agent Lucien Conein was one of those contacted, and he passed the word along to Washington. But, "DOD [Department of Defense] responded

that they wanted nothing to do with any French program" and the offer was refused. (53) But many in the Agency regretted the decision when the CIA sent Green Berets into Laos and Vietnam to organize hill tribe guerrillas several years later, and in 1962 American representatives visited Trinquier in Paris and offered him a high position as an adviser on mountain warfare in Indochina. But, fearing that the Americans would never give a French officer sufficient authority to accomplish anything, Trinquier refused. (54)

Looking back on the machinations of Operation X from the vantage point of almost two decades, it seems remarkable that its secret was so well kept. Almost every news dispatch from Saigon that discussed the Binh Xuyen alluded to their involvement in the opium trade, but there was no mention of the French support for hill tribe opium dealings, and certainly no comprehension of the full scope of Operation X. Spared the screaming headlines, or evert muted whispers, about their involvement in the narcotics traffic, neither SDECE nor the French military were pressured into repudiating the narcotics traffic as a source of funding for covert operations. Apparently there was but one internal investigation of this secret opium trade, which only handed out a few reprimands, more for indiscretion than anything else, and Operation X continued undisturbed until the French withdrew from Indochina.

The investigation began in 1952, when Vietnamese police seized almost a ton of raw opium from a MACG warehouse in Cap Saint Jacques. Colonel Belleux had initiated the seizure when three MACG officers filed an official report claiming that opium was being stored in the MACG warehouses for eventual sale. After the seizure confirmed their story, Belleux turned the matter over to Jean Letourneau, high commissioner for Indochina, who started a formal inquiry through the comptrollergeneral for Overseas France. Although the inquiry uncovered a good deal of Operation X's organization, nothing was done. The inquiry did damage the reputation of MACG's commander, Colonel Grall, and Commander in Chief Salan. Grall was ousted from MACG and Trinquier was appointed as his successor in March 1953. (55)

Following the investigation, Colonel Belleux suggested to his Paris headquarters that SDECE and MACG should reduce the scope of their narcotics trafficking. If they continued to control the trade at all levels, the secret might get out, damaging France's international relations and providing the Viet Minh with excellent propaganda. Since the French had to continue buying opium from the Meo to retain their loyalty, Belleux suggested that it be diverted to Bangkok instead of being flown directly to Saigon and Hanoi. In Bangkok the opium would become, indistinguishable from much larger quantities being shipped out of Burma by the Nationalist Chinese Army, and thus the French involvement would be concealed. SDECE Paris, however, told Belleux that he was a "troublemaker" and urged him to give up such ideas. The matter was dropped. (56)

Apparently SDECE and French military emerged from the Indochina War with narcotics trafficking as an accepted gambit in the espionage game. In November 1971, the U.S. Attorney for New Jersey caused an enormous controversy in both France and the United States when he indicted a high-ranking SDECE officer, Col. Paul Fournier, for conspiracy to smuggle narcotics into the United States. Given the long history of SDECE's official and unofficial involvement in the narcotics trade, shock and surprise seem to be unwarranted. Colonel Fournier had served with SDECE in Vietnam during the First Indochina War at a time when the clandestine service was managing the narcotics traffic as a matter of policy. The current involvement of some SDECE agents in Corsican heroin smuggling (see Chapter 2) would seem to indicate that SDECE's acquaintance with the narcotics traffic has not ended.

The Binh Xuyen: Order and Opium in Saigon

While the history of SDECE and MACGs direct involvement in the tribal opium trade provides an exotic chapter in the history of the narcotics traffic, the involvement of Saigon's Binh Xuyen river pirates was the product of a type of political relationship that has been repeated with alarming frequency over the last half-century-the alliance between governments and gangsters. Just as the relationship between the OSS and the Italian Mafia during World War 11 and the CIA-Corsican alliance in the early years of the cold war affected the resurrection of the European heroin trade, so the French 2eme Bureau's alliance with the Binh Xuyen allowed Saigon's opium commerce to survive and prosper during the First Indochina War. The 2eme Bureau was not an integral cog in the mechanics of the traffic as MACG had been in the mountains; it remained in the background providing overall political support, allowing the Binh Xuyen to take over the opium dens and establish their own opium references. By 1954 the Binh Xuyen controlled virtually all of Saigon's opium dens and dominated the distribution of prepared opium throughout Cochin China (the southern part of Vietnam). Since Cochin China had usually consumed over half of the monopoly's opium, and Saigonwith its Chinese twin city, Cholon-had the highest density of smokers in the entire colony, (57) the 2eme Bureau's decision to turn the traffic over to the Binh Xuyen guaranteed the failure of the government's antiopium campaign and ensured the survival of mass opium addiction in Vietnam.

The 2eme Bureau's pact with the Binh Xuyen was part of a larger French policy of using ethnic, religious, and political factions to deny territory to the Viet Minh. By supplying these splinter groups with arms and money, the French hoped to make them strong enough to make their localities into private fiefs, thereby neutralizing the region and freeing regular combat troops from garrison duty. But Saigon was not just another clump of rice paddies, it was France's "Pearl of the Orient," the richest, most important city in Indochina. In giving Saigon to the Binh Xuyen, block by block, over a six-year period, the French were not just building up another fiefdom, they were making these bandits the key to their hold on all of Cochin China. Hunted through the swamps as river pirates in the 1940s, by 1954 their military commander was director-general of the National Police and their great chief, the illiterate Bay Vien, was nominated as prime minister of Vietnam. The robbers had become the cops, the gangsters the government.

The Binh Xuyen river pirates first emerged in the early 1920s in the marshes and canals along the southern fringes of Saigon-Cholon. They were a loosely organized coalition of pirate gangs, about two hundred to three hundred strong. Armed with old rifles, clubs, and knives, and schooled in SinoVietnamese boxing, they extorted protection money from the sampans and junks that traveled the canals on their way to the Cholon docks. Occasionally they sortied into Cholon to kidnap, rob, or shake down a wealthy Chinese merchant. If too sorely pressed by the police or the colonial militia, they could retreat through the streams and canals south of Saigon deep into the impenetrable Rung Sat Swamp at the mouth of the Saigon River, where their reputations as popular heroes among the inhabitants, as well as the maze of mangrove swamps, rendered them invulnerable to capture. (58) If the Binh Xuyen pirates were the Robin Hoods of Vietnam, then the Rung Sat ("Forest of the Assassins") was their Sherwood Forest.

Their popular image was not entirely undeserved, for there is evidence that many of the early outlaws were ordinary contract laborers who had fled from the rubber plantations that sprang up on the northern edge of the Rung Sat during the rubber boom of the 1920s. Insufficient food and brutal work schedules with beatings and torture made most of the plantations little better than slave labor camps; many had an annual death rate higher than 20 percent. (59)

But the majority of those who joined the Binh Xuyen were just ordinary Cholon street toughs, and the career of Le Van Vien ("Bay" Vien) was rather more typical. Born in 1904 on the outskirts of Cholon, Bay Vien found himself alone, uneducated and in need of a job after an inheritance dispute cost him his birthright at age seventeen. He soon fell under the influence of a small-time gangster who found him employment as a chauffeur and introduced him to the leaders of the Cholon underworld. (60) As he established his underworld reputation, Bay Vien was invited to meetings at the house of the underworld kingpin, Duong Van Duong ("Ba" Duong), in the hamlet of Binh Xuyen (which later lent its name to the group), just south of Cholon.

The early history of the Binh Xuyen was an interminable cycle of kidnapping, piracy, pursuit, and occasionally imprisonment until late in World War II, when Japanese military intelligence, the Kempeitai, began dabbling in Vietnamese politics. During 1943-1944 many individual gang leaders managed to ingratiate themselves with the Japanese army, then administering Saigon jointly with the Vichy French. Thanks to Japanese protection, many gangsters were able to come out of hiding and find legitimate employment; Ba Duong, for example, became a labor broker for the Japanese, and under their protection carried out some of Saigon's most spectacular wartime robberies. Other leaders joined Japanese-sponsored political groups, where they became involved in politics for the first time. (61) Many of the Binh Xuyen bandits had already taken a crash course in Vietnamese nationalist politics while imprisoned on Con Son (Puolo Condore) island. Finding themselves sharing cells with embittered political prisoners, they participated, out of boredom if nothing else, in their heated political debates. Bay Vien himself escaped from Con Son in early 1945, and returned to Saigon politicized and embittered toward French colonialism. (62)

On March 9, 1945, the fortunes of the Binh Xuyen improved further when the Japanese army became wary of growing anti-Fascist sentiments among their French military and civilian collaborators and launched a lightning preemptive coup. Within a few hours all French police, soldiers, and civil servants were behind bars, leaving those Vietnamese political groups favored by the Japanese free to organize openly for the first time. Some Binh Xuyen gangsters were given amnesty; others, like Bay Vien, were hired by the newly established Vietnamese government as police agents. Eager for the intelligence, money, and men the Binh Xuyen could provide, almost every political faction courted the organization vigorously. Rejecting overtures by conservatives and Trotskyites, the Binh Xuyen made a decision of considerable importance -they chose the Viet Minh as their allies.

While this decision would have been of little consequence in Tonkin or central Vietnam, where the Communist-dominated Viet Minh was strong enough to stand alone, in Cochin China the Binh Xuyen support was crucial. After launching an abortive revolt in 1940, the Cochin division of the Indochina Communist party had been weakened by mass arrests and executions.(63) When the party began rebuilding at the end of World War 11 it was already outstripped by more conservative nationalist groups, particularly politicoreligious groups such as the Hoa Hao and Cao Dai. In August 1945 the head of the Viet Minh in Cochin China, Tran Van Giau, convinced Bay Vien to persuade Ba Duong and the other chiefs to align with the Viet Minh. (64) When the Viet Minh called a mass demonstration on August 25 to celebrate their installation as the new nationalist government, fifteen well-armed, bare-chested bandits carrying a large banner declaring "Binh Xuyen Assassination Committee" joined the tens of thousands of

demonstrators who marched jubilantly through downtown Saigon for over nine hours. (65) For almost a month the Viet Minh ran the city, managing its public utilities and patrolling the streets, until late September, when arriving British and French troops took charge.

World War 11 had come to an abrupt end on August 15, when the Japanese surrendered to the Allies in the wake of atomic attacks on Hiroshima and Nagasaki. Allied commanders had been preparing for a long, bloody invasion of the Japanese home islands, and were suddenly faced with the enormous problems of disarming thousands of Japanese troops scattered across East and Southeast Asia. On September 12 some 1,400 Indian Gurkhas and a company of French infantry under the command of British General Douglas D. Gracey were airlifted to Saigon from Burma. Although he was under strict orders to stay out of politics, General Gracey, an archcolonialist, intervened decisively on the side of the French. When a Viet Minh welcoming committee paid a courtesy call he made no effort to conceal his prejudices. "They came to see me and said 'welcome' and all that sort of thing," he later reported. "It was an unpleasant situation and I promptly kicked them out. (66) Ten days later the British secretly rearmed some fifteen hundred French troops, who promptly executed a coup, reoccupying the city's main public buildings. Backed by Japanese and Indian troops, the French cleared the Viet Minh out of downtown Saigon and began a house-tohouse search for nationalist leaders. And with the arrival of French troop ships from Marseille several weeks later, France's reconquest of Indochina began in earnest. (67)

Fearing further reprisals, the Viet Minh withdrew to the west of Saigon, leaving Bay Vien as military commander of Saigon-Chol on.(68) Since at that time the Binh Xuyen consisted of less than a hundred men, the Viet Minh suggested that they merge forces with the citywide nationalist youth movement, the Avant-Garde Youth. (69) After meeting with Bay Vien, one of the Avant-Garde's Saigon leaders, the future police chief Lai Van Sang, agreed that the merger made sense: his two thousand men lacked arms and money, while the wealthy Binh Xuyen lacked rank and file. (70) It was a peculiar alliance; Saigon's toughest criminals were now commanding idealistic young students and intelligentsia. As British and French troops reoccupied downtown Saigon, the Binh XuYen took up defensive positions along the southern and western edges of the city. Beginning on October 25, French thrusts into the suburbs smashed through their lines and began driving them back into the Rung Sat Swamp. (71) Ba Duong led the amphibious retreat of thousands of Binh Xuyen troops, Avant-Garde Youth, and Japanese deserters deep into the Rung Sat's watery maze. However, they left behind a network of clandestine cells known as "action committees" (formerly "assassination committees") totaling some 250 men.

While Binh Xuyen waterborne guerrillas harassed the canals, the action committees effectively provided intelligence, extorted money, and unleashed political terror. Merchants paid the action committees regular fees for a guarantee of their personal safety, while the famous casino, the Grand Monde, paid $2,600 a day as insurance that Binh Xuyen terrorists would not toss a grenade into its gaming halls. (72) These contributions, along with arms supplies, enabled the Binh Xuyen to expand their forces to seven full regiments totaling ten thousand men, the largest Viet Minh force in Cochin China. (73) In 1947, when the Viet Minh decided to launch a wave of terror against French colonists, the Binh Xuyen action committees played a major role in the bombings, knifings, and assaults that punctuated the daily life of SaigonCholon . (74)

But despite their important contributions to the revolutionary movement, the Binh Xuyen marriage to the Viet Minh was doomed from the very start. It was not sophisticated ideological disputes that divided them, but rather more mundane squabblings over behavior, discipline, and territory. Relations between Binh Xuyen gangs had always been managed on the principle of mutual respect for each chief's autonomous territory. In contrast, the Viet Minh were attempting to build a mass revolution based on popular participation. Confidence in the movement was a must, and the excesses of any unit commander had to be quickly punished before they could alienate the people and destroy the revolution. On the one hand the brash, impulsive bandit, on the other the disciplined party cadre-a clash was inevitable.

A confrontation came in early 1946 when accusations of murder, extortion and wanton violence against a minor Binh Xuyen chieftain forced the Viet Minh commander, Nguyen Binh, to convene a military tribunal. In the midst of the heated argument between the Binh Xuyen leader Ba Duong and Nguyen Binh, the accused grabbed the Viet Minh commander's pistol and shot himself in the head. Blaming the Viet Minh for his friend's suicide, Ba Duong began building a movement to oust Nguyen Binh, but was strafed and killed by a French aircraft a few weeks later, well before his plans had matured. (75)

Shortly after Ba Duong's death in February 1946, the Binh Xuyen held a mass rally in the heart of the Rung Sat to mourn their fallen leader and elect Bay Vien as his successor. Although Bay Vien had worked closely with the Viet Minh, he was now much more ambitious than patriotic. Bored with being king of the mangrove swamps, Bay Vien and his advisers devised three strategems for catapulting him to greater heights: they ordered assassination committees to fix their sights on Nguyen Binh; (76) they began working with the Hoa Hao religious group to forge an anti-French, anti-Viet Minh coalition; (77) and they initiated negotiations with the French 2eme Bureau for some territory in Saigon.

The Viet Minh remained relatively tolerant of Bay Vien's machinations until March 1948, when he sent his top advisers to Saigon to negotiate a secret alliance with Captain Savani of the 2eme Bureau. (78) Concealing their knowledge of Bay Vien's betrayal, the Viet Minh invited him to attend a special convocation at their camp in the Plain of Reeds on May 19, Ho Chi Minh's birthday. Realizing that this was a trap, Bay Vien strutted into the meeting surrounded by two hundred of his toughest gangsters. But while he allowed himself the luxury of denouncing Nguyen Binh to his face, the Viet Minh were stealing the Rung Sat. Viet Minh cadres who had infiltrated the Binh Xuyen months before called a mass meeting and exposed Bay Vien's negotiations with the French. The shocked nationalistic students and youths launched a coup on May 28; Bay Vien's supporters were arrested, unreliable units were disarmed and the Rung Sat refuge was turned over to the Viet Minh. Back on the Plain of Reeds, Bay Vien sensed an ugly change of temper in the convocations, massed his bodyguards, and fled toward the Rung Sat pursued by Viet Minh troops. (79) En route he learned that his refuge was lost and changed direction, arriving on the outskirts of Saigon on June 10. Hounded by pursuing VietMinh columns, and aware that return to the Rung Sat was impossible, Bay Vien found himself on the road to Saigon.

Unwilling to join with the French openly and be labeled a collaborator, Bay Vien hid in the marshes south of Saigon for several days until 2eme Bureau agents finally located him. Bay Vien may have lost the Rung Sat, but his covert action committees remained a potent force in SaigonCholon and made him invaluable to the French. Captain Savani (who had been nicknamed "the Corsican bandit" by French officers) visited the Binh Xuyen leader in his hideout and argued, "Bay Vien, there's no other way out. You have only a few hours of life left if you don't sign With US. (80) The captain's logic was irrefutable; on June 16 a French staff car drove Bay Vien to Saigon, where he signed a prepared declaration denouncing the Communists as traitors and avowing his loyalty to the present emperor, Bao Dai. (81) Shortly afterward, the French government announced that it "had decided to confide the police and maintenance of order to the Binh Xuyen troops in a zone where they are used to operating" and assigned them a small piece of territory along the southern edge of Cholon (82)

In exchange for this concession, eight hundred gangsters who had rallied to Bay Vien from the Rung Sat, together with the covert action committees, assisted the French in a massive and enormously successful sweep through the twin cities in search of Viet Minh cadres, cells, and agents. As Bay Vien's chief political adviser, Lai Huu Tai, explained, "Since we had spent time in the maquis and fought there, we also knew how to organize the counter maquis. (83)

But once the operation was finished, Bay Vien, afraid of being damned as a collaborator, retired to his slender turf and refused to budge. The Binh Xuyen refused to set foot on any territory not ceded to them and labeled an independent "nationalist zone." In order to avail themselves of the Binh Xuyen's unique abilities as an urban counterintelligence and security force, the French were obliged to turn over Saigon-Cholon block by block. By April 1954 the Binh Xuyen military commander, Lai Van Sang, was director-general of police, and the Binh Xuyen controlled the capital region and the sixty-mile strip between Saigon and Cap Saint Jacques. Since the Binh Xuyen's pacification technique required vast amounts of money to bribe thousands of informers, the French allowed them carte blanche to plunder the city. In giving the Binh Xuyen this economic and political control over Saigon, the French were not only eradicating the Viet Minh, but creating a political counterweight to Vietnamese nationalist parties gaining power as a result of growing American pressure for political and military Vietnamization. (84) By 1954 the illiterate, bullnecked Bay Vien had become the richest man in Saigon and the key to the French presence in Cochin China. Through the Binh Xuyen, the French 2eme Bureau countered the growing power of the nationalist parties, kept Viet Minh terrorists off the streets, and battled the American CIA for control of South Vietnam. Since the key to the Binh Xuyen's power was money, and quite a lot of it, their economic evolution bears examination.

The Binh Xuyen's financial hold over Saigon was similar in many respects to that of American organized crime in New York City. The Saigon gangsters used their power over the streets to collect protection money and to control the

transportation industry, gambling, prostitution, and narcotics. But while American gangsters prefer to maintain a low profile, the Binh Xuyen flaunted their power: their green-bereted soldiers strutted down the streets, opium dens and gambling casinos operated openly, and a government minister actually presided at the dedication of the Hall of Mirrors, the largest brothel in Asia.

Probably the most important Binh Xuyen economic asset was the gambling and lottery concession controlled through two sprawling casinos -the Grand Monde in Cholon and the Cloche d'Or in Saigon-which were operated by the highest bidder for the annually awarded franchise. the Grand Monde had been opened in 1946 at the insistence of the governor-general of Indochina, Adm. Thierry d'Argenlieu, in order to finance the colonial government of Cochin China. (85) The franchise was initially leased to a Macao Chinese gambling syndicate, which made payoffs to all of Saigon's competing political forces-the Binh Xuyen, Emperor Bao Dai, prominent cabinet ministers, and even the Viet Minh. In early 1950 Bay Vien suggested to Capt. Antoine Savani that payments to the Viet Minh could be ended if he were awarded the franchise. (86) The French agreed, and Bay Vien's political adviser, Lai Huu Tai (Lai Van Sang's brother), met with Emperor Bao Dai and promised him strong economic and political support if he agreed to support the measure. But when Bao Dai made the proposal to President Huu and the governor of Cochin, they refused their consent, since both of them received stipends from the Macao Chinese. However, the Binh Xuyen broke the deadlock in their own inimitable fashion: they advised the Chinese franchise holders that the Binh Xuyen police would no longer protect the casinos from Viet Minh terrorists (87) kidnapped the head of the Macao syndicate, (88) and, finally, pledged to continue everybody's stipends. After agreeing to pay the government a $200,000 deposit and $20,000 a day, the Binh Xuyen were awarded the franchise on December 31, 1950. (89) Despite these heavy expenses, the award of the franchise was an enormous economic coup; shortly before the Grand Monde was shut down by a new regime in 1955, knowledgeable French observers estimated that it was the most profitable casino in Asia, and perhaps in the world. (90)

Sometime after 1950 the French military awarded the Binh Xuyen another lucrative colonial asset, Saigon's opium commerce. The Binh Xuyen started processing MACG's raw Meo opium and distributing prepared smokers' opium to hundreds of dens scattered throughout the twin cities. (91) They paid a fixed percentage of their profits to Emperor Bao Dai, the French 2eme Bureau, and the MACG commandos. The CIA's Colonel Lansdale later reported that:

"The Binh Xuyen were participating in one of the world's major arteries of the dope traffic, helping move the prize opium crops out of Laos and South China. The profits were so huge that Bao Dai's tiny cut was ample to keep him in yachts, villas, and other comforts in France." (92)

The final Binh Xuyen aset was* prostitution. They owned and operated a wide variety of brothels, all the way from small, intimate villas staffed with attractive young women for generals and diplomats down to the Hall of Mirrors, whose twelve hundred inmates and assemblyline techniques made it one of the largest and most profitable in Asia. (93) The brothels not only provided income, they also yielded a steady flow of political and military intelligence.

In reviewing Bay Vien's economic activities in 1954, (94) the French 2eme Bureau concluded:

"In summary, the total of the economic potential built up by General Le Van (Bay) Vien has succeeded in following exactly the rules of horizontal and vertical monopolization so dear to American consortiums." (95)

"Bay Vien's control over Saigon-Cholon had enabled him to build "a multi-faceted business enterprise whose economic potential constitutes ... one of the most solid economic forces in South Vietnam." (96)

After having allowed the Binh Xuyen to develop this financial empire, the 2eme Bureau witnessed its liquidation during the desperate struggle it waged with the CIA for control of Saiaon and South Vietnam. Between April 28 and May 3, 1955, the Binh Xuyen and the Vietnam ese army (ARVN) fought a savage house-to-house battle for control of SaigonCholon. More troops were involved in this battle than in the Tet offensive of 1968, and the fighting was almost as destructive. (97) In the six days of fighting five hundred persons were killed, two thousand wounded, and twenty thousand left homeless. (98) Soldiers completely disregarded civilians and leveled whole neighborhoods with artillery, mortars, and heavy machine guns. And when it was all over the Binh Xuyen had been driven back into the Rung Sat and Prime Minister Ngo Dinh Diem was master of Saigon.

This battle had been a war by proxy; the Binh Xuyen and Diem's ARVN were stand-ins, mere pawns, in a power struggle between the French 2eme Bureau and the American CIA. Although there were longstanding tactical disagreements between the French and Americans, at the ambassadorial and governmental levels, there was an atmosphere of friendliness and flexibility that was not to be found in their respective intelligence agencies.

Prior to the French debacle at Dien Bien Phu the two governments had cooperated with a minimum of visible friction in Indochina. During the early 1950s the United States paid 78 percent of the cost for maintaining the French Expeditionary Corps and hundreds of American advisers served with French units. After Dien Bien Phu and Geneva, however, the partnership began to crumble.

France resigned herself to granting full independence to her former colony, and agreed at Geneva to withdraw from the northern half of the country and hold an all-Vietnam referendum in 1956-an election the Viet Minh were sure to win-to determine who would rule the unified nation. Under the guidance of Premier Mendes-France, France planned "a precedent-setting experiment in coexistence"; she would grant the Viet Minh full control over Vietnam by adhering strictly to the Geneva Accords, and then work closely with Ho Chi Minh "to preserve French cultural influence and salvage French capital. (99) Needless to say, the French premier's plans did not sit well in a U.S. State Department operating on Secretary John Foster Dulles' anti-Communist first principles. Fundamental policy disagreements began to develop between Washington and Paris, though there was no open conflict.

The Pentagon Papers have summarized the points of disagreement between Washington and Paris rather neatly. All the foregoing tension resolved to two central issues between the United States and France. The first was the question of how and by whom Vietnam's armed forces were to be trained. The second, and more far reaching, was whether Ngo Dinh Diem was to remain at the head of Vietnam's government or whether he was to be replaced by another nationalist leader more sympathetic to Bao Dai and France. (100)

The first question was resolved soon after Special Ambassador Gen. J. Lawton Collins arrived in Vietnam on November 8, 1954. The Americans were already supplying most of ARVN's aid, and French High Commissioner Gen. Paul Ely readily agreed to turn the training over to the Americans.

The second question-whether Diem should continue as premierprovoked the CIA-2eme Bureau war of April 1955. Diem was a political unknown who had acceded to the premiership largely because Washington was convinced that his strong anti-Communist, anti-French beliefs best suited American interests. But the immediate problem for Diem and the Americans was control of Saigon. If Diem were to be of any use to the Americans in blocking the unification of Vietnam, he would have to wrest control of the streets from the Binh Xuyen. For whoever controlled the streets controlled Saigon, and whoever controlled Saigon held the key to Vietnam's rice-rich Mekong Delta.

While the French and American governments politely disavowed any self-interest and tried to make even their most partisan suggestions seem a pragmatic response to the changing situation in Saigon, both gave their intelligence agencies a free hand to see if Saigon's reality could be molded in their favor. Behind the smiles on the diplomatic front, Colonel Lansdale, of the CIA, and the French 2eme Bureau, particularly Captain Savani, engaged in a savage clandestine battle for Saigon.

In the movie version of Graham Greene's novel on this period, *The Quiet American,* Colonel Lansdale was played by the World War II combat hero, Audie Murphy. Murphy's previous roles as the typical American hero in dozens of black hat-white hat westerns enabled him accurately to project the evangelistic anti-Communism so characteristic of Lansdale. What Murphy did not portray was Lansdale's mastery of the CIA's repertoire of "dirty tricks" to achieve limited political ends. When Lansdale arrived in Saigon in May 1954 he was fresh from engineering President Ramon Magsaysay's successful counterinsurgency campaign against the Philippine Communist party. As the prophet of a new counterinsurgency doctrine and representative of a wealthy government, Lansdale was a formidable opponent.

In seeking to depose Bay Vien, Colonel Lansdale was not just challenging the 2eme Bureau, he was taking on Saigon's Corsican community -Corsican businessmen, Corsican colonists, and the Corsican underworld. From the late nineteenth century onward, Corsicans had dominated the Indochina civil service. (101) At the end of World War II, Corsican resistance fighters, some of them gangsters, had joined the regular army and come to Indochina with the Expeditionary Corps. Many remained in Saigon after their enlistment to go into legitimate business or to reap profits

from the black market and smuggling that flourished under wartime conditions. Those with strong underworld connections in Marseille were able to engage in currency smuggling between the two ports. The Marseille gangster Barthelemy Guerini worked closely with contacts in Indochina to smuggle Swiss gold to Asia immediately after World War II. (102) Moreover, Corsican gangsters close to Corsican officers in Saigon's 2eme Bureau purchased surplus opium and shipped it to Marseille, where it made a small contribution to the city's growing heroin industry. (103)

The unchallenged leader of Saigon's Corsican underworld was the eminently respectable Mathieu Franchini. Owner of the exclusive Continental Palace Hotel, Franchini made a fortune playing the piastergold circuit between Saigon and Marseille during the First Indochina War. (104) He became the Binh Xuyen's investment counselor and managed a good deal of their opium and gambling profits. When Bay Vien's fortune reached monumental proportions, Franchini sent him to Paris where "new found Corsican friends gave him good advice about investing his surplus millions." (105) And according to reliable Vietnamese sources, it was Franchini who controlled most of Saigon's opium exports to Marseille. Neither he nor his associates could view with equanimity the prospect of an American takeover.

Many people within the 2eme Bureau had worked as much as eight years building up sect armies like the Binh Xuyen; many Corsicans outside the military had businesses, positions, rackets, and power that would be threatened by a decline in French influence. While they certainly did not share Premier MendesFrance's ideas of cooperation with the Viet Minh, they were even more hostile to the idea of turning things over to the Americans.

When Lansdale arrived in Saigon in May 1954 he faced the task of building an alternative to the mosaic of religious armies and criminal gangs that had ruled South Vietnam in the latter years of the war. Ngo Dinh Diem's appointment as premier in July gave Lansdale the lever he needed. Handpicked by the Americans, Diem was strongly anti-French and uncompromisingly anti-Communist. However, he had spent most of the last decade in exile and had few political supporters and almost no armed forces. Premier in name only, Diem controlled only the few blocks of downtown Saigon surrounding the presidential palace. The French and their clients-ARVN, the Binh Xuyen, and the armed religious sects, Cao Dai and Hoa Hao-could easily mount an anti-Diem coup if he threatened their interests. Lansdale proceeded to fragment his opposition's solid front and to build Diem an effective military apparatus. French control over the army was broken and Col. Duong Van Minh ("Big Minh"), an American sympathizer, was recruited to lead the attacks on the Binh Xuyen. By manipulating payments to the armed religious sects, Lansdale was able to neutralize most of them, leaving the Binh Xuyen as the only French pawn. The Binh Xuyen financed themselves largely from their vice rackets, and their loyalty could not be manipulated through financial pressures. But, deserted by ARVN and the religious sects, the Binh Xuyen were soon crushed.

Lansdale's victory did not come easily. Soon after he arrived he began sizing up his opponent's financial and military strength. Knowing something of the opium trade's importance as a source of income for French clandestine services, he now begin to look more closely at Operation X with the help of a respected Cholon Chinese banker. But the banker was abruptly murdered and Lansdale dropped the inquiry. There was reason to believe that the banker had gotten too close to the Corsicans; involved, and they killed him to prevent the information from getting any further. (106)

An attempted anti-Diem coup in late 1954 led to Lansdale's replacing the palace guard. After the Embassy approved secret funding (later estimated at $2 million), Lansdale convinced a Cao Dai dissident named Trinh Minh The to offer his maquis near the Cambodian border as a refuge in case Diem was ever forced to flee Saigon.(107) When the impending crisis between the French and the Americans threatened Diem's security in the capital, The moved his forces into the city as a permanent security force in February 1955 and paraded 2,500 of his barefoot soldiers through downtown Saigon to demonstrate his loyalty to the premier.(108) The 2eme Bureau was outraged at Lansdale's support for The Practicing what Lansdale jocularly referred to as the "unorthodox doctrine of zapping a commander, (109)The had murdered French General Chanson in 1951 and had further incensed the French when he blew up a car in 1953 in downtown Saigon, killing a number of passersby. 2eme Bureau officers personally visited Lansdale to warn him that they would kill TM, and they "usually added the pious hope that I would be standing next to him when he was gunned down. (110)

On February 11, 1955, the French army abdicated its financial controls and training responsibilities for ARVN to the United States, losing not only the ARVN but control of the Hoa Hao and Cao Dai religious sects as well, Approximately 20,000 of them had served as supplementary forces to the French and Vietnamese army, (111) and had

been paid directly by the 2eme Bureau. Now, with their stipends cut and their numbers reduced, they were to be integrated into ARVN, where they would be controlled by Diem and his American advisers.

Lansdale was given $8.6 million to pay back salaries and "bonuses" to sect commanders who cooperated in "integrating" into the ARVN. (112) Needless to say, this aroused enormous hostility on the part of the French. When Lansdale met with General Gambiez of the French army to discuss the sect problem, the tensions were obvious:

"We sat at a small table in his office.... A huge Alsatian dog crouched under it. Gambiez informed me that at one word from him, the dog would attack me, being a trained killer. I asked Gambiez to please note that my hands were in my pockets as I sat at the table; I had a small 25 automatic pointing at his stomach which would tickle him fatally. Gambiez called off his dog and I put my hands on the table. We found we could work together." (113)

By February the 2eme Bureau realized that they were gradually losing to Lansdale's team, so they tried to discredit him as an irresponsible adventurer in the eyes of his own government by convening an unprecedented secret agents' tribunal. But the session was unsuccessful, and the 2eme Bureau officers were humiliated; their animosity toward Lansdale was, no doubt, intensified. (114)

But the French were not yet defeated, and late in February they mounted a successful counteroffensive. When Diem refused to meet the sects' demands for financial support and integration into ARVN, the French seized the opportunity and brought all the sect leaders together in Tay Ninh on February 22, where they formed the United Front and agreed to work for Diem's overthrow. Money was to be provided by the Binh Xuyen. When a month of fruitless negotiations failed to wring any concessions from Diem, the United Front sent a five-day ultimatum to Diem demanding economic and political reforms. (115) Suddenly the lethargic quadrille of political intrigue was over and the time for confrontation was at hand.

Lansdale was now working feverishly to break up the United Front and was meeting with Diem regularly. (116) With the help of the CIA station chief, Lansdale put together a special team to tackle the Binh Xuyen, the financial linchpin of the United Front. Lansdale recruited a former Saigon police chief named Mai Huu Xuan, who had formed the Military Security Service (MSS) with two hundred to three hundred of his best detectives when the Binh Xuyen took over the police force in 1954. Embittered by four years of losing to the Binh Xuyen, the MSS began a year-long battle with the Binh Xuyen's action committees. Many of these covert cells had been eliminated by April 1955, a factor that Xuan feels was critical in the Binh Xuyen's defeat. (117) Another of Lansdale's recruits was Col. Duong Van Minh, the commander for Saigon-Cholon. Lansdale made ample discretionary funds available to Minh, whom he incorporated in his plans to assault the Binh Xuyen. (118)

The fighting began on March 28 when a pro-Diem paratroop company attacked the Binh Xuyen-occupied police headquarters. The Binh Xuyen counterattacked the following night and began with a mortar attack on the presidential palace at midnight. When French tanks rolled into the city several hours later to impose a cease-fire agreed to by the United States, Lansdale protested bitterly to Ambassador Collins, "explaining that only the Binh Xuyen would gain by a cease fire. (119)

For almost a month French tanks and troops kept the Binh Xuyen and ARVN apart. Then on April 27 Ambassador Collins met with Secretary of State Dulles in Washington and told him that Diem's obstinancy was the reason for the violent confrontation in Saigon. Dismayed, Dulles cabled Saigon that the U.S. was no longer supporting Diem. (120) A few hours after this telegram arrived, Diem's troops attacked Binh Xuyen units, and drove them out of downtown Saigon into neighboring Cholon. Elated by Diem's easy victory, Dulles cabled Saigon his full support for Diem. The Embassy burned his earlier telegram. (121)

During the fighting of April 28 Lansdale remained in constant communication with the presidential palace, while his rival, Captain Savani, moved into the Binh Xuyen headquarters at the Y Bridge in Cholon, where he took command of the bandit battalions and assigned his officers to accompany Binh Xuyen troops in the house-to-house fighting. (122) The Binh Xuyen radio offered a reward to anyone who could bring Lansdale to their headquarters where, Bay Vien promised, his stomach would be cut open and his entrails stuffed with mud.(123)

On May 2 the fighting resumed as ARVN units penetrated Cholon, leveling whole city blocks and pushing the Binh

Xuyen steadily backward. Softened by years of corruption, the Binh Xuyen bandits were no longer the tough guerrillas of a decade before. Within a week most of them had retreated back into the depths of the Rung Sat Swamp.

Although the war between Diem and Bay Vien was over, the struggle between Lansdale and the Corsicans was not quite finished. True to the Corsican tradition, the defeated French launched a vendetta against the entire American community. As Lansdale describes it:

A group of soreheads among the French in Saigon undertook a spiteful terror campaign against American residents. Grenades were tossed at night into the yards of houses where Americans lived. American owned automobiles were blown up or booby-trapped. French security officials blandly informed nervous American officials that the terrorist activity was the work of the Viet Minh. (124)

A sniper put a bullet through Lansdale's car window as he was driving through Saigon, a Frenchman who resembled him was machine-gunned to death in front of Lansdale's house by a passing car. When Lansdale was finally able to determine who the ringleaders were (many of them were intelligence officers), grenades started going off in front of their houses in the evenings. (125)

During his May 8-11, 1955, meeting with French Premier Edgar Faure in Paris, Dulles asserted his continuing support for Diem, and both agreed that France and the United States would pursue independent policies in Indochina. The partnership was over; France would leave, and the United States would remain in Vietnam in order to back Diem. (126)

Diem's victory brought about a three-year respite in large-scale opium trafficking in Vietnam. Without the Binh Xuyen and Operation X managing the trade, bulk smuggling operations from Laos came to an end and distribution in Saigon of whatever opium was available became the province of petty criminals. Observers also noticed a steady decline in the number of opium dens operating in the capital region. But although American press correspondents described the Binh XuyenDiem conflict as a morality play-a clash between the honest, moral Premier Diem and corrupt, dope-dealing "super bandits"-the Binh Xuyen were only a superficial manifestation of a deeper problem, and their eviction from Saigon produced little substantive change. (127)

For over eighty years French colonialism had interwoven the vice trades with the basic fabric of the Vietnamese economy by using them as legitimate sources of government tax revenue. During the late 1940s the French simply transferred them from the legitimate economy to the underworld, where they have remained a tempting source of revenue for political organizations ever since. By exploiting the rackets for the French, the Binh Xuyen had developed the only effective method ever devised for countering urban guerrilla warfare in Saigon. Their formula was a combination of crime and counterinsurgency: control over the municipal police allowed systematic exploitation of the vice trade; the rackets generated large sums of ready cash; and money bought an effective network of spies, informants, and assassins.

The system worked so well for the Binh Xuyen that in 1952 Viet Minh cadres reported that their activities in Saigon had come to a virtual standstill because the bandits had either bought off or killed most of their effective organizers. (128) When the Diem administration was faced with large-scale insurgency in 1958 it reverted to the Binh Xuyen formula, and government clandestine services revived the opium trade with Laos to finance counterinsurgency operations. Faced with similar problems in 1965. Premier Ky's adviser, General Loan, would use the same methods. (129)

Secret War in Burma: The KMT

While the work of French clandestine services in Indochina enabled the opium trade to survive a government repression campaign, some CIA activities in Burma helped transform the Shan States from a relatively minor poppycultivating area into the largest opium-growing region in the world. The precipitous collapse of the Nationalist Chinese (Kuomintang, or KMT) government in 1949 convinced the Truman administration that it had to stem "the southward flow of communism" into Southeast Asia. In 1950 the Defense Department extended military aid to the French in Indochina. In that same year, the CIA began regrouping those remnants of the defeated Kuomintang army in the Burmese Shan States for a projected invasion of southern China. Although the KMT army was to fail in its military operations, it succeeded in monopolizing and expanding the Shan States' opium trade.

The KMT shipped bountiful harvests to northern Thailand, where they were sold to General Phao Sriyanonda of the Thai police, a CIA client. The CIA had promoted the Phao-KMT partnership in order to provide a secure rear area for the KMT, but this alliance soon became a critical factor in the growth of Southeast Asia's narcotics traffic.

With CIA support, the KMT remained in Burma until 1961, when a Burmese army offensive drove them into Laos and Thailand. By this time, however, the Kuomintang had already used their control over the tribal populations to expand Shan State opium production by almost 1,000 percent-from less than 40 tons after World War 11 to an estimated three hundred to four hundred tons by 1962. (130) From bases in northern Thailand the KMT have continued to send huge mule caravans into the Shan States to bring out the opium harvest. Today, over twenty years after the CIA first began supporting KMT troops in the Golden Triangle region, these KMT caravans control almost a third of the world's total illicit opium supply and have a growing share of Southeast Asia's thriving heroin business. (131)

As Mao's revolutionary army pushed into South China in late 1949, Generalissimo Chiang Kai-shek and his Kuomintang regime planned to make craggy Yunnan Province their last bastion. However, the warlord of Yunnan Province, Gen. Lu Han, harbored bitter grievances against Chiang. At the end of World War 11 Lu Han had been ordered to occupy northern Indochina for the Allies while British forces moved into the southern sector. Eager for plunder, Lu Han sent his ragged divisions into Tonkin, where they ravaged the countryside like a plague of locusts. To satiate Lu Han's greed and win his tolerance for the Nationalist movement, Premier Ho Chi Minh organized a "Gold Week" from September 16 to 23, 1945. Viet Minh cadres scoured every village, collecting rings, earrings, and coins from patriotic peasants. When Lu Han stepped off the plane at Hanoi airport on September 18, Ho Chi Minh presented him with a solid gold opium pipe. (132) During Lu Han's absence, Chiang sent two of his divisions to occupy Yunnan. When the Chinese withdrew from Indochina in early June 1946, Chiang ordered Lu Han's best troops to their death on the northern front against the Chinese Communists, reducing the warlord to the status of guarded puppet inside his own fiefdom. (133) (Incidentally, not all of the KMT troops withdrew in early June. The Ninety-third Independent Division delayed its departure from Laos for several weeks to finish collecting the Meo opium harvest. (134))

And so, when the People's Liberation Army entered Yunnan in December 1949, Lu Han armed the population, who drove Chiang's troops out of the cities, and threw the province open to the advancing revolutionary armies. (135) Nationalist Chinese stragglers began crossing into Burma in late 1949, and in January 1950 remnants of the Ninetythird Division, Twenty-sixth Army, and Gen. Li Mi's Eighth Army arrived in Burma. Five thousand of Gen. Li Mi's troops who crossed into Indochina instead of Burma were quickly disarmed by the French and interned on Phu Quoc Island in the Gulf of Thailand until they were repatriated to Taiwan in June 1953. (136)

However, the Burmese army was less successful than the French in dealing with the Chinese. By March 1950 some fifteen hundred KMT troops had crossed the border and were occupying territory between Kengtung City and Tachilek. In June the Burmese army commander for Kengtung State demanded that the KMT either surrender or leave Burma immediately. When Gen. Li Mi refused, the Burmese army launched a drive from Kengtung City, and captured Tachilek in a matter of weeks. Two hundred of Li Mi's troops fled to Laos and were interned, but the remainder retreated to Mong Hsat, about forty miles west of Tachilek and fifteen miles from the Thai border. (137) Since the Burmese army had been tied down for three years in central Burma battling four major rebellions, its Kengtung

contingent was too weak to pursue the KMT through the mountains to Mong Hsat But it seemed only a matter of months until the Burmese troops would become available for the final assault on the weakened KMT forces.

At this point the CIA entered the lists on the side of the KMT, drastically altering the balance of power. The Truman administration, ambivalent toward the conflict in Southeast Asia since it took office in 1945, was shocked into action by the sudden collapse of Chiang Kai-shek's Kuomintang regime. All the government agencies scrambled to devise policies "to block further Communist expansion in Asia, (138) and in April 1950 the Joint Chiefs of Staff (JCS) advised the Secretary of Defense that,

"Resolution of the situation facing Southeast Asia would ... be facilitated if prompt and continuing measures were undertaken to reduce the pressure from Communist China. in this connection, the Joint Chiefs of Staff have noted the evidences of renewed vitality and apparent in creased effectiveness of the Chinese Nationalist forces." (139)

They went on to suggest the implementation of *"a program of special covert operations designed to interfere with Communist activities in Southeast Asia..."* (140) The exact details of the "special covert operations" planned for Burma were not spelled out in the JCS memo or any of the other Pentagon Papers because it was one of the most heavily classified operations ever undertaken by the CIA: the U.S. ambassador to Burma was not told; top ranking officials in the State Department were kept in the dark; and it was even hidden from the CIA's own deputy director for intelligence. (141)

From what can be gleaned from available documents and the events themselves, it seems that the Truman administration feared that Mao was bent on the conquest of Southeast Asia, and would continually probe at China's southern frontier for an opening for his "invading hordes." Although the Truman administration was confident that Indochina could be held against a frontal assault, there was concern that Burma might be the hole in the antiCommunist dike. Couldn't Mao make an end run through Burma, sweep across Thailand, and attack Indochina from the rear? (142) The apparent solution was to arm the KMT remnants in Burma and use them to make the Burma-China borderlands-from Tibet to Thailand-an impenetrable barrier.

The first signs of direct CIA aid to 'the KMT appeared in early 1951, when Burmese intelligence officers reported that unmarked C-46 and C-47 transport aircraft were making at least five parachute drops a week to KMT forces in Mong Hsat. (143) With its new supplies the KMT underwent a period of vigorous expansion and reorganization. Training bases staffed with instructors flown in from Taiwan were constructed near Mong Hsat, KMT agents scoured the Kokang and Wa states along the Burma-China border for scattered KMT survivors, and Gen. Li Mi's force burgeoned to four thousand men. (144) In April 1950 Li Mi led the bulk of his force up the Salween River to Mong Mao in the Wa States, where they established a base camp near the China border. As more stragglers were rounded up, a new base camp was opened at Mong Yang; soon unmarked C-47s were seen making air drops in the area. When Li Mi recruited three hundred troops from Kokang State under the command of the sawbwa's younger sister, Olive Yang, more arms were again dropped to the KMT camp. (145)

In April 1951 the attempted reconquest of Yunnan began when the 2,000 KMT soldiers of the Yunnan Province Anti-Communist National Salvation Army based at Mong Mao crossed the border into China. Accompanied by CIA advisers and supplied by regular airdrops from unmarked C-47s, KMT troops moved northward in two columns, capturing Kengma without resistance. However, as they advanced north of Kengma, the People's Liberation Army (PLA) counterattacked. The KMT suffered huge casualties, and several of their CIA advisers were killed. (146) Li Mi and his Salvation Army fled back to Burma, after less than a week in China. Undeterred by this crushing defeat, however, the General dispatched his two thousandman contingent at Mong Yang into southern Yunnan; they too were quickly overwhelmed and driven back into Burma. (147)

Rather than abandoning this doomed adventure, the CIA redoubled its efforts. Late in 1951 the KMT reopened the old World War II landing strip at Mong Hsat so that it could handle the large two- and fourengine aircraft flying in directly from Taiwan or Bangkok. (148) In November Li Mi flew off to Taiwan for an extended vacation and returned three months later at the head of a CAT (Civil Air Transport, later Air America) airlift, which flew seven hundred regular KMT soldiers from Taiwan to Mong Hsat. (149) Burmese intelligence reported that the unmarked C-47s began a regular shuttle service, with two flights a week direct from Taiwan. A mysterious Bangkok-based American company

named Sea Supply Corporation began forwarding enormous quantities of U.S. arms to Mong Hsat. (150) Burmese Military Intelligence observed that the KMT began sporting brand-new American M- 1 s, .50 caliber machine guns, bazookas, mortars, and antiaircraft artillery. (151) With these lavish supplies the KMT press-ganged eight thousand soldiers from the hardy local hill tribes and soon tripled their forces to twelve thousand men. (152)

While preparing for the Yunnan invasion, the KMT had concentrated their forces in a long, narrow strip of territory parallel to the China border. Since Yunnan's illicit opium production continued until about 1955, the KMT were in a position to monopolize almost all of the province's smuggled exports. The Burmese government reported that, "off and on these KMT guerrillas attacked petty traders plying across the border routes . . . . (153)

After a year-long buildup, Gen. Li Mi launched his final bid to reconquer Yunnan Province. In August 1952, 2,100 KMT troops from Mong Yang invaded China and penetrated about sixty miles before the Chinese army drove them back into Burma. (154) There would be no more invasions. While Gen. Li Mi and his American advisers had not really expected to overrun the vast stretches of Yunnan Province with an army of twelve thousand men, they had been confident that once the KMT set foot in China, the "enslaved masses" would rise up against Mao and flock to Chiang Kai-shek's banner. After three attempts had conspicuously failed to arouse the populace, Gen. Li Mi abandoned the idea of conquering China and resigned himself to holding the line in Burma. The KNIT stopped concentrating their forces in a few bases on the China border and troops spread out to occupy as much territory as possible. With the Burmese army still preoccupied with insurgency in other parts of Burma, the KMT soon became the only effective government in all the Shan States' territories between the Salween River and the China border (Kokang, Wa, and Kengtung states). These territories were also Burma's major opium-producing region, and the shift in KMT tactics allowed them to increase their control over the region's opium traffic. The Burmese government reported:

The KMTs took over the control and administration of circles (districts) and village tracts. They started opening up revenue collection centers, and local people were being subjected to pay gate-fees and ferry fees, in entering their occupied area. Customs duties were also levied on all commodities brought into their territories for trade. The taxes were collected in kind as well as money. . . . By means of threat and coercion, these KMT aggressors forced the local inhabitants to comply with their demands. (155)

The KNIT occupation centralized the marketing structure, using hundreds of petty opium traders, who combed the Shan highlands. The KMT also required that every hill tribe farmer pay an annual opium tax. One American missionary to the Lahu tribesmen of Kengtung State, Rev. Paul Lewis, recalls that the KNIT tax produced a dramatic rise in the amount of opium grown in the highland villages he visited. Tribes had very little choice in the matter, and he can still remember, only too vividly, the agony of the Lahu who were tortured by the KMT for failing to comply with their regulations. (156) Moreover, many Chinese soldiers married Lahu tribeswomen; these marriages reinforced KMT control over the highlands and made it easier for them to secure opium and recruits. Through their personal contact in mountain villages, their powerful army, and their control over the opium-growing regions, the KMT were in an ideal position to force an expansion of the Shan States' opium production when Yunnan's illicit production began to disappear in the early 1950s.

Almost all the KMT opium was sent south to Thailand, either by mule train or aircraft. Soon after their arrival in Burma, the KMT formed a mountain transport unit, recruiting local mule drivers and their animals. (157)Since most of their munitions and supplies were hauled overland from Thailand, the KMT mule caravans found it convenient to haul opium on the outgoing trip from Mong Hsat and soon developed a regular caravan trade with Thailand. Burmese military sources claimed that much of the KMT opium was flown from Mong Hsat in "unmarked" C-47s flying to Thailand and Taiwan. (158) In any case, once the KMT opium left Mong Hsat it was usually shipped to Chiangmai, where a KMT colonel maintained a liaison office with the Nationalist Chinese consulate and with local Thai authorities. Posing as ordinary Chinese merchants, the colonel and his staff used raw opium to pay for the munitions, food, and clothing that arrived from Bangkok at the Chiangmai railhead. Once the materiel was paid for, it was this colonel's responsibility to forward it to Mong Hsat. (159) Usually the KMT dealt with the commander of the Thai police, General Phao, who shipped the opium from Chiangmai to Bangkok for both local consumption and export. (160)

While the three CIA-sponsored invasions of Yunnan at least represented a feebly conceived anti-Communist policy,

the next move defied all logic. With what appeared to be CIA support, the KMT began a full-scale invasion of eastern Burma. In late 1952, thousands of KMT mercenaries forded the Salween River and began a well-orchestrated advance. The Burmese government claimed that this was the beginning of an attempt to conquer the entire country. But in March 1953 the Burmese fielded three crack brigades and quickly drove them back across the Salween. (Interestingly, after a skirmish with the KMT at the Wan Hsa La ferry, Burmese soldiers discovered the bodies of three white men who bore no identification other than some personal letters with Washington and New York addresses.) 161

As a result of the invasion, Burma charged the Chinese Nationalist government with unprovoked aggression before the United Nations in March 1953. While the KMT troops had previously been only a bother -a minor distraction in the distant hills-they now posed a serious threat to the survival of the Union of Burma. Despite the United States' best efforts to sidetrack the issue and Taiwan's denial of any responsibility for Gen. Li Mi, the Burmese produced reams of photos, captured documents, and testimony convincing enough to win a vote of censure for Taiwan. By now the issue had become such a source of international embarrassment for the United States that she used her influence to convene a Four-Nation Military Commission (Burma, the United States, Taiwan, and Thailand) on the problem in Bangkok on May 22. Although all four powers agreed to complete KMT withdrawal from Burma after only a month of negotiations, the KMT guerrillas refused to cooperate and talks dragged on through the summer. Only after Burma again took the issue to the United Nations in September did the Taiwan negotiators in Bangkok stop quibbling and agree to the withdrawal of two thousand KMT troops: the evacuees would march to the BurmaThailand border, be trucked to Chiangrai, Thailand, and flown to Taiwan by General Chennault's CAT.

However, the Burmese were suspicious of the arrangements from the very beginning, and when representatives of the Four-Nation Military Commission arrived in northern Thailand to observe the withdrawal, Thai police commander Phao refused to allow the Burmese delegation to accompany the others to the staging areas. (162) The next problem arose when the first batch of fifty soldiers emerged from the jungle carrying a 9' x 15' portrait of Chiang Kai-shek instead of their guns, thus completely discrediting the withdrawal. U.S. Ambassador to Thailand Gen. William Donovan cabled the U.S. Embassy in Taiwan, demanding that the KMT be ordered to bring out their weapons. On November 9 the U.S. ambassador to Taiwan, Karl L. Rankin, replied that if the United States did not ease its pressure Chiang threatened to expose CIA support of the KMT in Burma. Donovan cabled back that the "Chicoms" and Soviets already knew about the CIA operations and kept up his pressure. When the KMT withdrawal was later resumed, the soldiers carried rusting museum pieces as their arms. (163)

The Burmese observers, now allowed into the staging areas, frequently protested that many of the supposed Chinese looked more like Lahus or Shans. Although other observers ridiculed these accusations, the Burmese were correct, Among the 1,925 "soldiers" evacuated in November-December 1953, there were large numbers of boys, Shans, and Lahus. (164) Today there are an estimated three hundred Lahu tribesmen still living on Taiwan who were evacuated during this period. Although some were recruited by the promise of jobs as generals or jet pilots, most were simply press-ganged from their villages on a quota basis, given Chinese names, dressed in KMT uniforms, and shipped off to Taiwan. Many husbands and wives have been separated for seventeen years, and some of the families have moved to Thailand to await the return of their sons or husbands. So far only two men have come back." (165)

Frustrated with their attempts to remove the KMT through international negotiations, in March 1954 Burma launched its largest military operation against the KMT. After the Burmese air force bombarded Mong Hsat for two days, (166) the army captured the KMT headquarters and drove its two thousand defenders south toward the Thai border. (167) Negotiations were reopened in Bangkok, and during the next two months CAT flew another forty-five hundred KMT troops to Taiwan. On May 30, 1954, Gen. Li Mi announced the dissolution of the Yunnan Province AntiCommunist National Salvation Army. (168) However, there were still six thousand KMT troops left in Burma. Fighting began again a month later, and continued sporadically for the next seven years.

While the continuing struggle faded from American headlines, in June 1955 the Rangoon reported that six hundred KMT troops had been smuggled into the Shan States from Taiwan. (169) A new commander was appointed, and a headquarters complex was opened up at Mong Pa Liao near the Mekong River.170 The KMT continued to rule the hill tribes with an iron hand. In 1957 an American missionary reported:

"For many years there have been large numbers of Chinese Nationalist troops in the area demanding food and money

from the people. The areas in which these troops operate are getting poorer and poorer and some villages are finding it necessary to flee." (171)

Not only did the KMT continue to demand opium from the tribes, but they upgraded their role in the narcotics trade as well. When the Burmese army captured their camp at Wanton in May 1959, they discovered three morphine base refineries operating near a usable airstrip. (172)

Although forgotten by the international press, the KMT guerrilla operations continued to create problems for both the Burmese and Chinese governments. When delegations from the Union of Burma and the People's Republic of China met to resolve a border dispute in the summer of 1960, they also concluded a secret agreement for combined operations against the KMT base at Mong Pa Liao. (173) This base, with a runway capable of handling the largest transport aircraft, was defended by some ten thousand KMT troops entrenched in an elaborate fortifications complex. After weeks of heavy fighting, five thousand Burmese troops and three full People's Liberation Army divisions, totaling 20,000 men, (174) finally overwhelmed the fortress on January 26, 1961. (175) While many of their hill tribe recruits fled into the mountains, the crack KMT units retreated across the Mekong River into northwestern Laos. Burmese officers were outraged to discover American arms of recent manufacture and five tons of ammunition bearing distinctive red, white, and blue labels. (176) In Rangoon 10,000 angry demonstrators marched in front of the U.S. Embassy, and Burma sent a note of protest to the United Nations saying that "large quantities of modern military equipment, mainly of American origin, have been captured by Burmese forces." (177)

State Department officials in Washington disclaimed any responsibility for the arms and promised appropriate action against Taiwan if investigation showed that its military aid shipments had been diverted to Burma. (178) Another round of airlifts to Taiwan began. On April 5 Taiwan announced the end of the flights, declaring that forty-two hundred soldiers had been repatriated. (179) Six days later Taiwan joined the State Department in disavowing any responsibility for the six thousand remaining troops. (180) However, within months the CIA began hiring these disowned KMT remnants as mercenaries for its secret operations in northwestern Laos. (181)

At first glance the history of the KMT's involvement in the Burmese opium trade seems to be just another case of a CIA client taking advantage of the agency's political protection to enrich itself from the narcotics trade. But upon closer examination, the CIA appears to be much more seriously compromised in this affair. The CIA fostered the growth of the Yunnan Province AntiCommunist National Salvation Army in the borderlands of northeastern Burmaa potentially rich opium-growing region. There is no question of CIA ignorance or naivete, for as early as 1952 *The New York Times* and other major American newspapers published detailed accounts of the KMT's role in the narcotics trade. (182) But most disturbing of all is the coincidence that the KMT's Bangkok connection, the commander of the Thai police, General Phao, was the CIA's man in Thailand.

Thailand's Opium: The Fruits of Victory

Government corruption is not just a problem in Thailand, it is a way of life. Like every bureaucracy, the Thai government has elaborate organizational charts marking out neatly delineated areas of authority. To the uninformed observer it seems to function as any other meritocracy, with university graduates occupying government posts, careers advancing step by step, and proposals moving up and down the hierarchy in a more or less orderly fashion. But all of these charts and procedures are a facade, behind which operate powerful military cliques whose driving ambition is to expropriate enough money, power, and patronage to become a government within the government. These cliques are not ideological factions, but groups of plotters united by greed and ambition.

A clique usually has its beginnings in some branch of the military service, where a hard core of friends and relatives begin to recruit supporters from the ranks of their brother officers. Since official salaries have always been notoriously inadequate for the basic needs, not to mention the delusions, of the average officer, each rising faction must find itself a supplementary source of income. (183) While graft within the military itself provides a certain amount of money, all cliques are eventually forced to extend their tentacles into the civilian sector. A clique usually concentrates on taking over a single government ministry or monopolizing one kind of business, such as the rice trade or the lumber industry. By the time a clique matures it has a disciplined pyramid of corruption. At the bottom, minor functionaries engage in extortion or graft, passing the money up the ladder, where leaders skim off vast sums for themselves and divide the remainder among the loyal membership. Clique members may steal from the official government, but they usually do not dare steal from the clique itself; the amount of clique money they receive is rigidly controlled. When a clique grows strong enough to make a bid for national power, it is inevitably forced to confront another military faction. Such confrontations account for nearly all the coups and countercoups that have determined the course of Thai politics ever since the military reduced the king to figurehead status in 1932.

From 1947 to 1957 Thai politics was dominated by an intense rivalry between two powerful cliques: one led by Gen. Phao Sriyanonda, who resembled a cherub with a Cheshire cat smile, and the other by Marshal Sarit Thanarat. Both were catapulted upward by the November 1947 coup, which restored Thailand's wartime leader, Marshal Phibun Songkhram, to power. Too weak to execute the coup himself, Marshal Phibun had recruited two powerful army cliques. One of these was composed mainly of ambitious young army officers led by Sarit; the other was led by the commander in chief of the army, General Phin, and sparked by his aggressive son-in-law, Col. Phao Sriyanonda. (184) Soon after the triumvirate took power, the two army cliciues began to argue over division of the spoils. Military power was divided without too much rancor when Phao became deputy director-general of the National Police. (Phao became director-general in 1951, and his forty thousand police officers were adequate insurance against Sarit's control over the forty-five thousand-man army. (185) And many of the bureaucratic and commercial spoils were divided with equal harmony. However, an exceptionally bitter struggle developed over control of the opium traffic.

The illicit opium trade had only recently emerged as one of the country's most important economic assets. Its sudden economic significance may have served to upset the delicate balance of power between the Phao and Sarit cliques. Although the Opium Monopoly had thrived for almost a hundred years, by the time of the 1947 coup the high cost of imported opium and reasonably strict government controls made it an unexceptional source of graft. However, the rapid decline in foreign opium imports and the growth of local production in the late 1940s and early 1950s suddenly made the opium trade worth fighting over.

At the first United Nations narcotics conference in 1946, Thailand was criticized for being the only country in Southeast Asia still operating a legal government monopoly. (186) Far more threatening than the criticism, however, was the general agreement that all nonmedical opium exports should be ended as soon as possible. Iran had already passed a temporary ban on opium production in April 1946, (187) and although the Thai royal monopoly was able to import sufficient quantities for its customers in 1947, the future of foreign imports was not too promising. (188) Also, smuggled supplies from China were trickling to an end as the People's Republic proceeded in its successful opium eradication campaign. To meet their projected needs for raw opium, the Thai government authorized poppy cultivation in the northern hills for the first time in 1947. The edict attracted a growing number of Meo into Thailand's opium-

growing regions and promoted a dramatic increase in Thai opium production. (189) But these gains in local production were soon dwarfed by the much more substantial increases in the Burmese Shan States. As Iranian and Chinese opium gradually disappeared in the early 1950s, the KMT filled the void by forcing an expansion of production in the Shan States they occupied. Since the KMT were at war with the Burmese and received their U.S. supplies from Thailand, Bangkok became a natural entrepot for their opium. By 1949 most of the Thai monopoly's opium was from Southeast Asia. (190) and in 1954 British customs in Singapore stated that Bangkok had become the major center for international opium trafficking in Southeast Asia. (191) The traffic became so lucrative that Thailand quietly abandoned the antiopium campaign announced in 1948 (all opium smoking was to have ended by 1953). (192)

The "opium war" between Phao and Sarit was a hidden one, with almost all the battles concealed by a cloak of official secrecy. The most comical exception occurred in 1950 as one of General Sarit's army convoys approached the railhead at Lampang is northern Thailand with a load of opium. Phao's police surrounded the convoy and demanded that the army surrender the opium since antinarcotics work was the exclusive responsibility of the police. When the army refused and threatened to shoot its way through to the railway, the police brought up heavy machine guns and dug in for a fire-fight. A nervous standoff continued for two days until Phao and Sarit themselves arrived in Lampang, took possession of the opium, and escorted it jointly to Bangkok, where it quietly disappeared. (193)

In the underground struggle for the opium trade, General Phao slowly gained the upper hand. While the clandestine nature of this "opium war" makes it difficult to reconstruct the precise ingredients in Phao's victory, the critical importance of CIA support cannot be underestimated. In 1951 a CIA front organization, Sea Supply Corporation, began delivering lavish quantities of naval vessels, arms, armored vehicles, and aircraft to General Phao's police force. (194) With these supplies Phao was able to establish a police air force, a maritime police, a police armored division, and a police paratroop unit. General Sarit's American military advisers repeatedly refused to grant his army the large amounts of modem equipment that Sea Supply Corporation gave Phao's police. (195) Since Sea Supply shipments to KMT troops in Burma were protected by the Thai police, Phao's alliance with the CIA also gave him extensive KNIT contacts, through which he was able to build a virtual monopoly on Burmese opium exports. Phao's new economic and military strength quickly tipped the balance of political power in his favor; in a December 1951 cabinet shuffle his clique captured five cabinet slots, while Sarit's faction got only one. (196) Within a year Sarit's rival had taken control of the government and Phao was recognized as the most powerful man in Thailand.

Phao used his new political power to further strengthen his financial base. He took over the vice rackets, expropriated the profitable Bangkok slaughterhouse, rigged the gold exchange, collected protection money from Bangkok's wealthiest Chinese businessmen, and forced them to appoint him to the boards of over twenty corporations. The man whom C. L. Sulzberger of *The New York Times* called "a superlative crook (197) and whom a respected Thai diplomat hailed as the "worst man in the whole history of modem Thailand" (198) became the CIA's most important Thai client. Phao became Thailand's most ardent anti-Communist, and it appears that his major task was to support KMT political aims in Thailand and its guerrilla units in Burma. Phao protected KMT supply shipments, marketed their opium, and provided such miscellaneous services as preventing Burmese observers from going to the staging areas during the November-December 1953 airlifts of supposed KMT soldiers to Taiwan.

In political terms, however, Phao's attempts to generate support for the Kuomintang among Thailand's overseas Chinese community, the richest in Asia, was probably more important. Until 1948 the KMT had been more popular than Mao's Communists among Thailand's Chinese, and had received liberal financial contributions. As Mao's revolution moved toward victory during 1948-1949, Chinese sentiment shifted decisively in favor of the Communists. (200)

But after the Phibun government allied itself with the United States in 1950, it took a harder line, generally urging the Chinese to remain neutral about politics in their mother country. In contrast, General Phao began a campaign to steer the Chinese community back to an active pro-KMT position. Phao's efforts were a part of a larger CIA effort to combat the growing popularity of the People's Republic among the wealthy, influential overseas Chinese community throughout Southeast Asia. The details of this program were spelled out in a 1954 U.S. National Security Council position paper, which suggested:

"Continue activities and operations designed to encourage the overseas Chinese communities in Southeast Asia:

(a) to organize and activate anti-communist groups and activities within their own communities;
(b) to resist the effects of parallel pro-communist groups and activities;
(c) generally, to increase their orientation toward the free world; and,
(d) consistent with their obligations and primary allegiance to their local governments, to extend sympathy and support to the Chinese Nationalist Government as the symbol of Chinese political resistance and as a link in the defense against communist expansion in Asia." (101)

These pressures resulted in a superficial shift to the right among Thailand's Chinese. However, since their support for the KMT was totally dependent on police intimidation, when Phao was weakened by political difficulties in 1955 proKMT activity began to collapse. (202)

By 1955 Phao's National Police Force had become the largest opiumtrafficking syndicate in Thailand, and was intimately involved in every phase of the narcotics traffic; the level of corruption was remarkable even by Thai standards. If the smuggled opium was destined for export, police border guards escorted the KNIT caravans from the ThailandBurma border to police warehouses in Chiangmai. From there police guards brought it to Bangkok by train or police aircraft. Then it was loaded onto civilian coastal vessels and escorted by the maritime police to a mid-ocean rendezvous with freighters bound for Singapore or Hong Kong, (203) However, if the opium was needed for the government Opium Monopoly, theatrical considerations came to the fore, with police border patrols staging elaborate shoot-outs with the KNIT smugglers near the Burma-Thailand frontier. Invariably the KMT guerrillas would drop the opium and flee, while the police heroes brought the opium to Bangkok and collected a reward worth oneeighth the retail value. (204) The opium subsequently disappeared. Phao himself delighted in posing as the leader in the crusade against opium smuggling, (205) and often made hurried, dramatic departures to the northern frontier, where he personally led his men in these desperate gun battles with the ruthless smugglers of slow death. (206)

Opium profits may have helped build General Phao's political empire, but an opium scandal contributed to its downfall. It began as another f Phao's carefully staged opium seizures. During the night of July 9, 1955, asquad of border police crouched in the underbrush at the Mesai River, watching KMT soldiers ferrying twenty tons of opium from Burma into Thailand. (207) When the last bundles were unloaded early the next morning the Thai police burst from the jungle and rushed the smugglers. Miraculously, the KMT soldiers again escaped unharmed. The triumphant police escorted the opium to Bangkok, where General Phao congratulated them for their good work. But for some reason, perhaps it was the huge size of the haul, Phao became overanxious. He immediately signed a request for a reward of $1,200,000 and forwarded it to the Ministry of Finance. Then he rushed across town to the Finance Ministry and, as deputy minister of finance, signed the check. Next, or so he claimed, Phao visited the mysterious "informer" and delivered the money personally. (208) On July 14 General Phao told the press that the unnamed informant had fled the country with his money in fear of his life, and therefore was not available for comment, He also said that most of the twenty tons would be thrown into the sea, though some would be sold to pharmaceutical companies to pay for the reward. (209) Even to the corruptionhardened Thai newsmen, the story seemed too specious to withstand any scrutiny.

Prime Minister Phibun was the first to attack Phao, commenting to the press that the high opium rewards seemed to be encouraging the smuggling traffic. More pointedly he asked why the final reward was so much higher than the one first announced.(210)The police explained that, since they had not had a chance to weigh the opium, they just estimated the reward, and their estimate was too low. Since it was common knowledge that the law prescribed no payments until after weighing, the press jumped on this hapless explanation and proceeded to crucify Phao with it. (211) In August Phao was relieved of his position in the Finance Ministry (212) and left on a tour of Japan and the United States. During his absence, Prime Minister Phibun released the press from police censorship, assumed veto power over all police paramilitary activities, and ordered the police to give up their business positions or quit the force. (213)

Phao returned in late September and delivered a public apology before the National Assembly, swearing that the police were in no way implicated in the twenty-ton opium scandal. (214) But public opinion was decidedly skeptical, and the unleashed press began a long series of exposes on police corruption. General Sarit was particularly bitter toward Phao, and newspapers friendly to his clique began attacking Phao's relationship with the CIA, accusing him of being an American puppet. In November 1956 Phibun made Thailand's break with Phao's pro-KMT police official when he said at a press conference, "The Kuomintang causes too much trouble; they trade in opium and cause Thailand to be blamed

in the United Nations." (215) Some of the press were even bold enough to accuse the CIA's Sea Supply Corporation of being involved in Phao's opium trafficking. (216)As Sarit's fortunes rose, Phao's influence deteriorated so seriously that he felt compelled to try to use the February 1957 elections for a popular comeback. With his profits from the opium trade and other rackets, he organized a political party and began a public speaking campaign. His police issued immunity cards to Bangkok gangsters, and paid them to break up opposition rallies and to beat up unfriendly candidates. In the 1957 balloting Phao's thugs perpetrated an enormous amount of electoral fraud; both during and after the campaign the Bangkok press attacked the police for "hooliganism," opium smuggling, and extortion. (217) Phao did well enough in the elections to be appointed minister of the interior in the succeeding cabinet. But this did him little good, for Sarit was preparing a coup.

On September 16, 1957, tanks and infantry from Sarit's old First Division moved into Bangkok's traditional coup positions. Phao flew off to his numbered bank accounts in Switzerland and Prime Minister Phibun fled to Japan. Sarit moved cautiously to reinforce his position. He allowed a divisive cabinet composed of competing military factions and anti-American liberals to take office, maintaining his control over the military by appointing a loyal follower, Gen. Thanom Kitikhachorn, as minister of defense. Next, Sarit broke the power of the police force. Police armored and paratroop units were disbanded and their equipment turned over to the army, (218) and all of the CIA agents attached to Phao's police force were thrown out of the country. (219) Sarit's long-time follower, Gen. Praphas Charusathien, was made minister of the interior. Loyal army officers were assigned key police positions, where they used an investigation of the opium trade to purge Phao's clique. For example, when police and military units seized six tons of raw opium on the northern frontier in November, they captured five Thai policemen as well. In Bangkok, the new director-general of police, Gen. S. Swai Saenyakorn, explained that five or six gangs that controlled smuggling in the north operated "with police influence behind their backs," and that these arrests were part of a larger campaign to fire or transfer all those involved. (220) General Swai's words took on added meaning when Police Brigadier Gen. Thom Chitvimol was removed from the force and indicted for his involvement in the six-ton opium case. (221)

New elections in December legitimized the anti-Phao coup, and on January 1, 1958, Thanom became prime minister. However, liberals in the cabinet were chafing under Sarit's tight reign, and they began organizing several hundred dissatisfied younger military officers for another coup. But Sarit reorganized his clique into an association known as the Revolutionary Group, and on October 20, 1958, seized power with a bloodless coup. (222) The Revolutionary Group proceeded to rule openly. Now that the police had been rendered inffectual as a power base, Sarit's only major worry was the possibility of a countercoup by the younger colonels and lieutenant colonels whose loyalty to the regime was in doubt. These fears dominated the endless postcoup sessions of the Revolutionary Group, and discussions continued for hours as Sarit and his fellow generals grappled for a solution. They agreed that a coup could be prevented if they recruited the majority of the colonels into their faction by paying them large initial bonuses and regular supplemental salaries. But the Revolutionary Group faced the immediate problem of rapidly assembling millions of *baht* for the large initial bonuses. Obviously, the fastest way to amass this amount of money was to reorganize General Phao's opium trade.

The Revolutionary Group dispatched army and air force officers to Hong Kong and Singapore to arrange large opium deals; police and military officers were sent into northern Thailand to alert mountain traders that there would be a market for all they could buy. As the 1959 spring opium harvest came to an end, the army staged its annual dry-season war games in the north to maximize opium collection. Every available aircraft, truck, and automobile was pressed into service, and the hills of northern Thailand and Burma were picked clean. Soon after the opium had been shipped from Bangkok to prearranged foreign buyers and the flickering flames of the countercoup doused with the opium money, the Revolutionary Group met to discuss whether they should continue to finance their political work with opium profits. Sarit was in favor of the idea, and was not particularly concerned about international opinion. General Praphas, who helped manage the trade for Sarit, agreed with his leader. While most of the group was indifferent, Generals Thanom and Swai were concerned about possible severe international repercussions, General Swai was particularly persuasive, since he was respected by Sarit, who addressed him with the Thai honorific "elder brother." (In contrast, Sarit called the sycophantic Praphas "Porky.") Finally Sarit was persuaded by Swai, and he decreed that the police and military would no longer function as a link between Burma's poppy fields and the ocean-going smugglers on Thailand's southern coast. However, no attempt would be made to stop the enormous transit traffic or punish those who discreetly accepted bribes from Chinese syndicates who inherited the traffic. Although the traffic continued, it was much less profitable for the authorities. In 1959 Sarit's government passed the Harmful Habit-Forming Drugs Act, which read:

Whoever grows, produces, imports or exports or orders the import or export by any means whatsoever of any type of harmful habit-forming drug in violation of this act shall be liable to a term of imprisonment of six months to ten years and a fine equal to ten times the value of such drug but not less than 3,000 baht. (223)

While the laws signaled a crackdown on opium smoking and served to drive the addict population to heroin, it has in no way affected the other aspects of the drug trade; Bangkok remains a major Asian opium capital. Little has changed since General Phao's heyday: today, rather than being directly involved, highranking government leaders are content to accept generous retainers from powerful Bangkok-based Chinese syndicates that have taken full responsibility for managing the traffic.

There can be little doubt that CIA support was an invaluable asset to General Phao in managing the opium traffic. The agency supplied the aircraft, motor vehicles, and naval vessels that gave Phao the logistic capability to move opium from the poppy fields to the sea-lanes. And his role in protecting Sea Supply's shipments to the KMT no doubt gave Phao a considerable advantage in establishing himself as the exclusive exporter of KMT opium.

Given its even greater involvement in the KMT's Shan States opium commerce, how do we evaluate the CIA's role in the evolution of large-scale opium trafficking in the Burma-Thailand region? Under the Kennedy administration presidential adviser Wait W. Rostow popularized a doctrine of economic development that preached that a stagnant, underdeveloped economy could be jarred into a period of rapid growth, an economic "takeoff," by a massive injection of foreign aid and capital, which could then be withdrawn as the economy coasted into a period of self-sustained growth. (224) CIA support for Phao and the KMT seems to have sparked such a "takeoff" in the BurmaThailand opium trade during the 1950s: modern aircraft replaced mules, naval vessels replaced sampans, and well-trained military organizations expropriated the traffic from. bands of illiterate mountain traders.

Never before had the Shan States encountered smugglers with the discipline, technology, and ruthlessness of the KMT. Under General Phao's leadership Thailand had changed from an opium-consuming nation to the world's most important opium distribution center. The Golden Triangle's opium production approached its present scale; Burma's total harvest had increased from less than forty tons (225) just before World War 11 to three hundred to four hundred tons in 1962 (226), while Thailand's expanded at an even greater rate, from 7 tons (227) to over one hundred tons. (228) In a 1970 report the U.S. Bureau of Narcotics concluded:

By the end of the 1950s, Burma, Laos, and Thailand together had become a massive producer, and the source of more than half the world's present illicit supply of 1,250 to 1,400 tons annually. Moreover, with this increase in output the region of the Far East and Southeast Asia quickly became self-sufficient in opium. (229)

But was this increase in opium production the result of a conscious decision by the CIA to support its allies, Phao and the KMT, through the narcotics traffic? Was this the CIA's "Operation X"? There can be no doubt that the CIA knew its allies were heavily involved in the traffic; headlines made it known to the whole world, and Phao was responsible for Thailand's censure by the U.N.'s Commission on Narcotic Drugs. Certainly the CIA did nothing to halt the trade or to prevent its aid from being abused. But whether the CIA actively organized the traffic is something only the Agency itself can answer. In any case, by the early 1960s the Golden Triangle had become the largest single opium-growing region in the world-a vast reservoir able to supply America's lucrative markets should any difficulties arise in the Mediterranean heroin complex. The Golden Triangle had surplus opium; it had well-protected, disciplined syndicates; with the right set of circumstances it could easily become America's major heroin supplier. And those circumstances were soon to develop.

APPENDIX: **Isn't It True That Communist China Is the Center of the International Narcotics Traffic? No**

Ever since the People's Republic of China was founded in 1949, official and unofficial spokesmen in the United States and Taiwan have repeatedly charged that the Chinese Communists were exporting vast quantities of heroin to earn much-needed foreign exchange. The leading American advocate of this viewpoint was the former director of the Federal Bureau of Narcotics (FBN), Harry Anslinger, who joined with Taiwanese officials in vigorously denouncing the People's Republic, and as late as 1961 stated:

"One primary outlet for the Red Chinese traffic has been Hong Kong. Heroin made in Chinese factories out of poppies grown in China is smuggled into Hong Kong and onto freighters and planes to Malaya, Macao, the Philippines, the Hawaiian Islands, the United States, or, going the other direction, India, Egypt, Africa and Europe.

A prime 'target area' in the United States was California. The Los Angeles area alone probably received forty percent of the smuggled contraband from China's heroin and morphine plants. The syndicate crowd does not object to dealing with the Reds, as long as the profits are big in terms of dollars." (230)

While Anslinger has retired from the field, Taiwan officials have continued the attack. In February of 1971 the*Free China Weekly* reported:

"Red China exported some US $800 million worth of narcotics last year. Plantings of poppies are said to be on the increase in Yunnan, whence raw opium moves into the free world via Laos, Burma, and Thailand....

Formerly the mainland exported only opium. Recently some 30 processing plants have been established. Narcotics are now moved out in the less bulky, more profitable form of heroin, morphine and other opium derivatives." (231)

Since all of these accusations name Burma or Hong Kong as the transit point for narcotics from the People's Republic, examination of the traffic in these two areas seems to be the most logical means of confirming or denying these reports.

British customs and police officials consulted in Hong Kong regard the charges as ridiculous and completely unfounded. When the assistant chief preventive officer (equivalent to an American customs official), Mr. Graham Crookdake, was questioned in a recent interview about China's role in the traffic, he responded:

"We've never had a single seizure from China since 1949 and I've been here since 1947. We have customs posts out on the boundary and the search is quite strict. There is only one road and one rail connection so it is quite easy to control." (232)

Although the chaotic situation in the Shan States makes it almost impossible for any outside observer to visit the Burma-China borderlands to investigate the matter, the Shan rebel groups (usually conservative, Christian, and monarchist) who control these areas maintain headquarters in northern Thailand. The authors interviewed four of these leaders in the summer of 1971, and they all asserted that there are absolutely no opium caravans crossing the border into the Shan States from China. Adrian Cowell, a film producer for British television, traveled through the Shan States for five months during 1964-1965 and reported in his television documentary that the rebel leaders "are certain that no Chinese convoys come through their region." (233)

Many of these rebels were employed by the CIA to patrol the Burma-China border or to cross into China on long-range intelligence patrols. From 1962 until 1967 a CIA agent named William Young directed these operations from a secret base in northwestern Laos, and during these five years he never discovered any evidence that opium was coming out of China. Although the border was porous enough for his teams to penetrate after careful planning, it was much too tightly guarded by militia and regular army troops for petty smugglers to travel back and forth with any frequency. In any case, his intelligence teams learned that the Chinese had transformed the patterns of hill tribe agriculture, and opium was no longer a major crop in Yunnan. (234)

Most significantly, now that Mr. Anslinger has retired, the U.S. Bureau of Narcotics has changed its point of view. In a recent report the bureau concluded that there had been two major postwar upheavals in the international opium trade, 'one of which was "the rapid suppression of China's illicit production" in the mid 1950s. (235) Today many federal narcotics agents are openly bitter toward Anslinger for what they now consider to have been the abuse of the bureau's name for the purposes of blatant, inaccurate propaganda. One agent serving in Southeast Asia said in a mid 1971 interview,

Everytime Anslinger spoke anywhere he always said the same thing-"The Chicoms are flooding the world with dope to corrupt the youth of America." . . . It was kind of like the "Marijuana rots your brains" stuff the old FBN put out. It really destroyed our credibility and now nobody believes us. There was no evidence for Anslinger's accusations, but that never stopped him.

How, then, do we account for Taiwan's persistence in damning the People's Republic for its alleged involvement in the narcotics trade? Mr. John Warner, chief of the Bureau of Narcotics' Strategic Intelligence Office, offers this explanation:

Recently we have been getting a number of Congressional inquiries about Chinese Communist involvement in the opium trade. The Taiwanese floated a series of nonattributable articles in the right wing press, quoting statements from British police officers in Hong Kong saying "we have seized five tons of opiates in Hong Kong this year." And the article would then state that this came from Red China. Actually it comes from Bangkok. The real object of this sudden mushrooming of this kind of propaganda is to bar China from the U.N. (236)

5. South Vietnam: Narcotics in the Nation's Service

THE BLOODY Saigon street fighting of April-May 1955 marked the end of French colonial rule and the beginning of direct American intervention in Vietnam. When the First Indochina War-came to an end, the French government had planned to withdraw its forces gradually over a two- or three-year period in order to protect its substantial political and economic interests in southern Vietnam. The armistice concluded at Geneva, Switzerland, in July 1954 called for the French Expeditionary Corps to withdraw into the southern half of Vietnam for two years, until an all-Vietnam referendum determined the nation's political future. Convinced that Ho Chi Minh and the Communist Viet Minh were going to score an overwhelming electoral victory, the French began negotiating a diplomatic understanding with the government in Hanoi. (1) But America's moralistic cold warriors were not quite so flexible. Speaking before the American Legion Convention several weeks after the signing of the Geneva Accords, New York's influential Catholic prelate, Cardinal Spellman, warned that, *"If Geneva and what was agreed upon there means anything at all, it means . . . taps for the buried hopes of freedom in Southeast Asia! Taps for the newly betrayed millions of Indochinese who must now learn the awful facts of slavery from their eager Communist masters!"* (2)

Rather than surrendering southern Vietnam to the "Red rulers' godless goons," the Eisenhower administration decided to create a new nation where none had existed before. Looking back on America's postGeneva policies from the vantage point of the mid 1960s, the Pentagon Papers concluded that South Vietnam "was essentially the creation of the United States":

"Without U.S. support Diem almost certainly could not have consolidated his hold on the South during 1955 and 1956.

Without the threat of U.S. intervention, South Vietnam could not have refused to even discuss the elections called for in 1956 under the Geneva settlement without being immediately overrun by Viet Minh armies.

Without U.S. aid in the years following, the Diem regime certainly, and independent South Vietnam almost as certainly, could not have survived." (3)

The French had little enthusiasm for this emerging nation and its premier, and so the French had to go. Pressured by American military aid cutbacks and prodded by the Diem regime, the French stepped up their troop withdrawals. By April 1956 the once mighty French Expeditionary Corps had been reduced to less than 5,000 men, and American officers had taken over their jobs as advisers to the Vietnamese army.(4) The Americans criticized the french as hopelessly "colonialist" in their attitudes, and French officials retorted that the Americans were naive During this difficult transition period one French official denounced "the meddling Americans who, in their incorrigible guilelessness, believed that once the French Army leaves, Vietnamese independence will burst forth for all to see." (5)

Although this French official was doubtlessly biased, he was also correct. There was a certain naiveness, a certain innocent freshness, surrounding many of the American officials who poured into Saigon in the mid 1950s. The patron saint of America's antiCommunist crusade in South Vietnam was a young navy doctor named Thomas A. Dooley. After spending a year in Vietnam helping refugees in 1954-1955, Dr. Tom Dooley returned to the United States for a whirlwind tour to build support for Premier Diem and his new nation. Dooley declared that France "had a political and economic stake in keeping the native masses backward, submissive and ignorant," and praised Diem as "a man who never bowed to the French." (6) But Dr. Dooley was not just delivering South Vietnam from the "organized godlessness" of the "new Red imperialism," he was offering them the American way. Every time he dispensed medicine to a refugee, he told the Vietnamese "This is American aid." (7) And when the Cosmevo Ambulator Company of Paterson, New Jersey, sent an artificial limb for a young refugee girl, he told her it was "an American leg."(8)

Although Dr. Dooley's national chauvinism seems somewhat childish today, it was fairly widely shared by Americans serving in South Vietnam. Even the CIA's tactician, General Lansdale, seems to have been a strong ideologue. Writing of his experiences in Saigon during this period, General Lansdale later said:

"I went far beyond the usual bounds given a military man after I discovered just what the people on these battlegrounds needed to guard against and what to keep strong.... I took my American beliefs with me into these Asian struggles, as Tom Paine would have done."(9)

The attitude of these crusaders was so strong that it pervaded the press at the time. President Diem's repressive dictatorship became a "one man democracy." *Life* magazine hailed him as "the Tough Miracle Man of Vietnam," and a 1956 Saturday *Evening Post* article began: "Two years ago at Geneva, South Vietnam was virtually sold down the river to the Communists. Today the spunky little Asian country is back on its own feet, thanks to a mandarin in a sharkskin suit who's upsetting the Red timetable! (10)

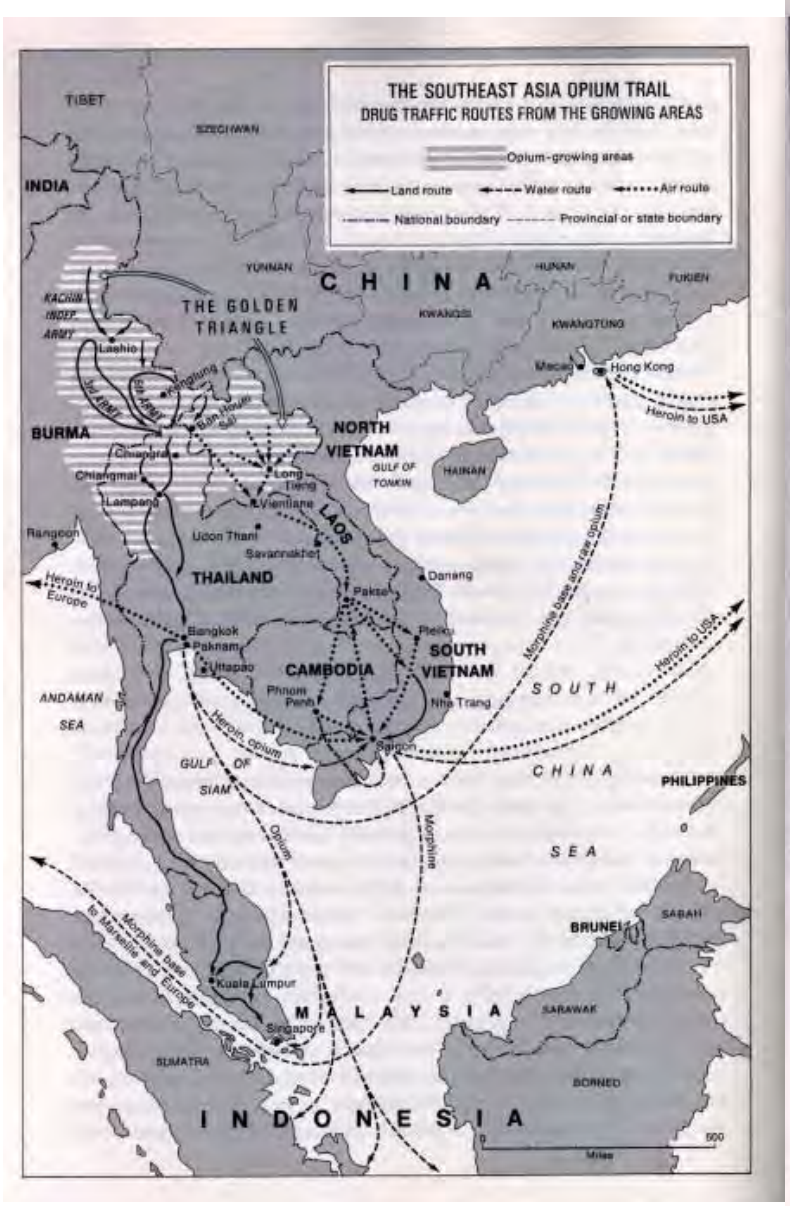
But America's fall from innocence was not long in coming. Only seven years after these journalistic accolades were published, the U.S. Embassy and the CIA-in fact, some of the same CIA agents who had fought for him in 1955-engineered a coup that toppled Diem and left him murdered in the back of an armored personnel carrier. (11) And by 1965 the United States found itself fighting a war that was almost a carbon copy of France's colonial war. The U.S. Embassy was trying to manipulate the same clique of corrupt Saigon politicos that had confounded the French in their day. The U.S. army looked just like the French Expeditionary Corps to most Vietnamese. Instead of Senegalese and Moroccan colonial levies, the U.S. army was assisted by Thai and South Korean troops. The U.S. special forces (the "Green Berets") were assigned to train exactly the same hill tribe mercenaries that the French MACG (the "Red Berets") had recruited ten years earlier.

Given the striking similarities between the French and American war machines, it is hardly surprising that the broad outlines of "Operation X" reemerged after U.S. intervention. As the CIA became involved in Laos in the early 1960s it became aware of the truth of Colonel Trinquier's axiom, *"To have the Meo, one must buy their opium."* (12) At a time when there was no ground or air transport to and from the mountains of Laos except CIA aircraft, opium continued to flow out of the villages of Laos to transit points such as Long Tieng. There, government air forces, this time Vietnamese and Lao instead of French, transported narcotics to Saigon, where parties associated with Vietnamese political leaders were involved in the domestic distribution and arranged for export to Europe through Corsican syndicates. And just as the French high commissioner had found it politically expedient to overlook the Binh Xuyen's involvement in Saigon's opium trade, the U.S. Embassy, as part of its unqualified support of the Thieu-Ky regime, looked the other way when presented with evidence that members of the regime are involved in the GI heroin traffic. While American complicity is certainly much less conscious and overt than that of the French a decade earlier, this time it was not just opium -but morphine and heroin as well-and the consequences were far more serious. After a decade of American military intervention, Southeast Asia has become the source of 70 percent of the world's illicit opium and the major supplier of raw-materials for America's booming heroin market.

The Politics of Heroin in South Vietnam

Geography and politics have dictated the fundamental "laws" that have governed South Vietnam's narcotics traffic for the last twenty years. Since opium is not grown inside South Vietnam, all of her drugs have to be importedfrom the Golden Triangle region to the north. Stretching across 150,000 square miles of northeastern Burma, northern Thailand, and northern Laos, the mountainous Golden Triangle is the source of all the opium and heroin sold in South Vietnam. Although it is the world's most important source of illicit opium, morphine, and heroin, the Golden Triangle is landlocked, cut off from local and international markets by long distances and rugged terrain. Thus, once processed and packaged in the region's refineries, the Golden Triangle's narcotics follow one of two "corridors" to reach the world's markets. The first and most important route is the overland corridor that begins as a maze of mule trails in the Shan hills of northeastern Burma and ends as a four-lane highway in downtown Bangkok. Most of Burma's and Thailand's opium follows the overland route to Bangkok and from there finds its way into international markets, the most important of which is Hong Kong. The second route is the air corridor that begins among the scattered dirt airstrips of northern Laos and ends at Saigon's international airport. The opium reaching Saigon from Burma or Thailand is usually packed into northwestern Laos on muleback before being flown into South Vietnam. While very little opium, morphine, or heroin travels from Saigon to Hong Kong, the South Vietnamese capital appears to be the major transshipment point for Golden Triangle narcotics heading for Europe and the United States.

Since Vietnam's major source of opium lies on the other side of the rugged Annamite Mountains, every Vietnamese civilian or military group that wants to finance its political activities by selling narcotics has to have (1) a connection in Laos and (2) access to air transport. When the Binh Xuyen controlled Saigon's opium dens during the First Indochina War, the French MACG provided these services through its officers fighting with Laotian guerrillas and its air transport links between Saigon and the mountain maquis. Later Vietnamese politicomilitary groups have used family connections, intelligence agents serving abroad, and Indochina's Corsican underworld as their Laotian connection. While almost any high-ranking Vietnamese can establish such contacts without too much difficulty, the problem of securing reliable air transport between Laos and the Saigon area has always limited narcotics smuggling to only the most powerful of the Vietnamese elite.



When Ngo Dinh Nhu, brother and chief adviser of South Vietnam's late president, Ngo Dinh Diem, decided to revive the opium traffic to finance his repression of mounting armed insurgency and political dissent, he used Vietnamese intelligence agents operating in Laos and Indochina's Corsican underworld as his contacts. From 1958 to 1960 Nhu relied mainly on small Corsican charter airlines for transport, but in 1961-1962 he also used the First Transport Group (which was then flying intelligence missions into Laos for the CIA and was under the control of Nguyen Cao Ky) to ship raw opium to Saigon. During this period and the following years, 1965-1967, when Ky was premier, most of the opium seems to have been finding its way to South Vietnam through the Vietnamese air force. By mid 1970 there was evidence that high-ranking officials in the Vietnamese navy, customs, army, port authority, National Police, and National Assembly's lower house were competing with the air force for the dominant position in the traffic. To a casual observer, it must have appeared that the strong central control exercised during the Ky and the Diem administrations had given way to a laissez-faire free-for-all under the Thieu government.

What seems like chaotic competition among poorly organized smuggling rings actually appears to be, on closer examination, a fairly disciplined power struggle between the leaders of Saigon's three most powerful political factions: the air force, which remains under VicePresident Ky's control; the army, navy, and lower house, which are loyal to President Thieu; and the customs, port authority, and National Police, where the factions loyal to Premier Khiem have considerable influence. However, to see through the confusion to the lines of authority that bound each of these groups to a higher power requires some appreciation of the structure of Vietnamese political factions and the traditions of corruption.

Tradition and Corruption in Southeast Asia

As in the rest of Southeast Asia, the outward forms of Western bureaucratic efficiency have been grafted onto a traditional power elite, and the patient is showing all the signs of possible postoperative tissue rejection. While Southeast Asian governments are carbon copies of European bureaucracies in their formal trappings, the elite values of the past govern the behind-the-scenes machinations over graft, patronage, and power. In the area of Southeast Asia we have been discussing, three traditions continue to influence contemporary political behavior: Thailand's legacy of despotic, Hinduized god-kings; Vietnam's tradition of Chinese-style mandarin bureaucrats; and Laos's and the Shan States' heritage of fragmented, feudal kingdoms.

The Hindu world view spread eastward from India into Thailand carrying its sensuous vision of a despotic god-king who squandered vast amounts of the national wealth on palaces, harems, and personal monuments. All authority radiated from his divine, sexually potent being, and his oppressively conspicuous consumption was but further proof of his divine right to power.

After a thousand years of Chinese military occupation, Vietnam bad absorbed its northern neighbor's Confucian ideal of meritocratic government: welleducated, carefully selected mandarins were given a high degree of independent administrative authority but were expected to adhere to rigid standards of ethical behavior. While the imperial court frequently violated Confucian ethics by selling offices to unqualified candidates, the Emperor himself remained piously unaware while such men exploited the people in order to make a return on their investment.

Although Chinese and Indian influence spread across the lowland plains of Vietnam and Thailand, the remote mountain regions of Laos and the Burmese Shan States remained less susceptible to these radically innovative concepts of opulent kingdoms and centralized political power. Laos and the Shan States remained a scattering of minor principalities whose despotic princes and *sawbwas* usually controlled little more than a single highland valley. Centralized power went no further than loosely organized, feudal federations or individualy powerful fiefdoms that annexed a few neighboring valleys.

The tenacious survival of these antiquated political structures is largely due to Western intervention in Southeast Asia during the last 150 years. In the midnineteenth century, European gunboats and diplomats broke down the isolationist world view of these traditional states and annexed them into their farflung empires. The European presence brought radical innovations-modern technology, revolutionary political ideas, and unprecedented economic oppression-which released dynamic forces of social change, While the European presence served initially as a catalyst for these changes, their colonial governments were profoundly conservative, and allied themselves with the traditional native elite to suppress these new social forces-labor unions, tenants' unions, and nationalist intellectuals. And when the traditional elite proved unequal to the task, the colonial powers groomed a new commercial or military class to serve their interests. In the process of serving the Europeans, both the traditional elite and the new class acquired a set of values that combined the worst of two worlds. Rejecting both their own traditions of public responsibility and the Western concepts of humanism, these native leaders fused the crass materialism of the West with their own traditions of aristocratic decadence. The result was the systematic corruption that continues to plague Southeast Asia.

The British found the preservation of the Shan State *sawbwas* an administrative convenience and reversed the trend of gradual integration with greater Burma. Under British rule, the Shan States became autonomous regions and the authority of the reactionary *sawbwas* was reinforced.

In Laos, after denying the local princes an effective voice in the government of their own country for almost fifty years, the French returned these feudalistic incompetents to power overnight when the First Indochina War made it politically expedient for them to Laotianize.

And as the gathering storm of the Vietnamese revolution forced the French to Vietnamize in the early 1950s, they created a government and an army from the only groups at all sympathetic to the French presence -the French-educated, land-owning families and the Catholic minority. When the Americans replaced the French in Indochina in

1955, they confused progressive reform with communism and proceeded to spend the next seventeen years shoring up these corrupted oligarchies and keeping reform governments out of power.

In Thailand a hundred years of British imperial councilors and twenty-five years of American advisers have given the royal government a certain veneer of technical sophistication, but have prevented the growth of any internal revolutions that might have broken with the traditional patterns of corrupted autocratic government.

At the bottom of Thailand's contemporary pyramids of corruption, armies of functionaries systematically plunder the nation and pass money up the chain of command to the top, where authoritarian leaders enjoy an ostentatious life style vaguely reminiscent of the old god-kings. Marshal Sarit, for example, had over a hundred mistresses, arbitrarily executed criminals at public spectacles, and died with an estate of over $150 million. (13) Such potentates, able to control every corrupt functionary in the most remote province, are rarely betrayed during struggles with other factions. As a result, a single political faction has usually been able to centralize and monopolize all Thailand's narcotics traffic. In contrast, the opium trade in Laos and the Shan States reflects their feudal political tradition: each regional warlord controls the traffic in his territory.

Vietnam's political factions are based in national political institutions and compete for control over a centralized narcotics traffic. But even the most powerful Vietnamese faction resembles a house of cards with one mini-clique stacked gracefully, but shakily, on top of another. Pirouetting on top of this latticework is a high-ranking government official, usually the premier or president, who, like the old pious emperors, ultimately sanctions corruption and graft but tries to remain out of the fray and preserve something of an honest, statesmanlike image. But behind every perennially smiling politician is a power broker, a heavy, who is responsible for building up the card house and preventing its collapse. Using patronage and discretionary funds, the broker builds a power base by recruiting dozens of small family cliques, important officeholders, and powerful military leaders. Since these ad hoc coalitions are notoriously unstable (betrayal precedes every Saigon coup), the broker also has to build up an intelligence network to keep an eye on his chief's loyal supporters. Money plays a key role in these affairs, and in the weeks before every coup political loyalties are sold to the highest bidder. Just before President Diem's overthrow in 1963, for example, U.S. Ambassador Lodge, who was promoting the coup, offered to give the plotters "funds at the last moment with which to buy off potential opposition. (14)

Since money is so crucial for maintaining power, one of the Vietnamese broker's major responsibilities is organizing graft and corruption to finance political dealing and intelligence work. He tries to work through the leaders of existing or newly established mini-factions to generate a reliable source of income through officially sanctioned graft and corruption. As the mini-faction sells offices lower on the bureaucratic scale, corruption seeps downward from the national level to the province, district, and village.

From the point of view of collecting money for political activities, the Vietnamese system is not nearly as efficient as the Thai pyramidal structure. Since each layer of the Vietnamese bureaucracy skims off a hefty percentage of the take (most observers feel that officials at each level keep an average of 40 percent for themselves) before passing it up to the next level, not that much steady income from ordinary graft reaches the top. For this reason, large-scale corruption that can be managed by fewer men-such, as collecting "contributions" from wealthy Chinese businessmen, selling major offices, and smuggling-are particularly important sources of political funding. It is not coincidence that every South Vietnamese government that has remained in power for more than a few months since the departure of the French has been implicated in the nation's narcotics traffic.

Diem's Dynasty and the Nhu Bandits

Shortly after the Binh Xuyen gangsters were driven out of Saigon in May 1955, President Diem, a rigidly pious Catholic, kicked off a determined antiopium campaign by burning opium-smoking paraphernalia in a dramatic public ceremony. Opium dens were shut down, addicts found it difficult to buy opium, and Saigon was no longer even a minor transit point in international narcotics traffic. (15) However, only three years later the government suddenly abandoned its moralistic crusade and took steps to revive the illicit opium traffic, The beginnings of armed insurgency in the countryside and political dissent in the cities had shown Ngo Dinh Nhu, President Diem's brother and head of the secret police, that he needed more money to expand the scope of his intelligence work and political repression. Although the CIA and the foreign aid division of the State Department had provided generous funding for those activities over the previous three years, personnel problems and internal difficulties forced the U.S. Embassy to deny his request for increased aid. (16)

But Nhu was determined to go ahead, and decided to revive the opium traffic to provide the necessary funding. Although most of Saigon's opium dens had been shut for three years, the city's thousands of Chinese and Vietnamese addicts were only too willing to resume or expand their habits. Nhu used his contacts with powerful Cholon Chinese syndicate leaders to reopen the dens and set up a distribution network for smuggled opium. (17) Within a matter of months hundreds of opium dens had been reopened, and five years later one *Time-Life* correspondent estimated that there were twenty-five hundred dens operating openly in Saigon's sister city Cholon. (18)

To keep these outlets supplied, Nhu established two pipelines from the Laotian poppy fields to South Vietnam. The major pipeline was a small charter airline, Air Laos Commerciale, managed by Indochina's most flamboyant Corsican gangster, Bonaventure "Rock" Francisci. Although there were at least four small Corsican airlines smuggling between Laos and South Vietnam, only Francisci's dealt directly with Nhu. According to Lt. Col. Lucien Conein, a former high-ranking CIA officer in Saigon, their relationship began in 1958 when Francisci made a deal with Ngo Dinh Nhu to smuggle Laotian opium into South Vietnam. After Nhu guaranteed his opium shipment safe conduct, Francisci's fleet of twin-engine Beechcrafts began making clandestine airdrops inside South Vietnam on a daily basis. (19)

Nhu supplemented these shipments by dispatching intelligence agents to Laos with orders to send back raw opium on the Vietnamese air force transports that shuttled back and forth carrying agents and supplies. (20)

While Nhu seems to have dealt with the Corsicans personally, the intelligence missions to Laos were managed by the head of his secret police apparatus, Dr. Tran Kim Tuyen. Although most accounts have portrayed Nhu as the Diem regime's Machiavelli, many insiders feel that it was the diminutive ex-seminary student, Dr. Tuyen, who had the real lust and capacity for intrigue. As head of the secret police, euphemistically titled Office of Social and Political Study, Dr. Tuyen commanded a vast intelligence network that included the CIA-financed special forces, the Military Security Service, and most importantly, the clandestine Can Lao party. (21) Through the Can Lao party, Tuyen recruited spies and political cadres in every branch of the military and civil bureaucracy. Promotions were strictly controlled by the central government, and those who cooperated with Dr. Tuyen were rewarded with rapid advancement. (22) With profits from the opium trade and other officially sanctioned corruption, the Office of Social and Political Study was able to hire thousands of cyclo-drivers, dance hall girls ("taxi dancers"), and street vendors as part-time spies for an intelligence network that soon covered every block of Saigon-Cholon. Instead of maintaining surveillance on a suspect by having him followed, Tuyen simply passed the word to his "door-to-door" intelligence net and got back precise, detailed reports on the subject's movements, meetings, and conversations. Some observers think that Tuyen may have had as many as a hundred thousand full- and part-time agents operating in South Vietnam. (23) Through this remarkable system Tuyen kept detailed dossiers on every important figure in the country, including particularly complete files on Diem, Madame Nhu, and Nhu himself which he sent out of the country as a form of personal "life insurance. (24)

Since Tuyen was responsible for much of the Diem regime's foreign intelligence work, he was able to disguise his narcotics dealings in Laos under the cover of ordinary intelligence work. Vietnamese undercover operations in Laos were primarily directed at North Vietnam and were related to a CIA program started in 1954. Under the direction of

Col. Edward Lansdale and his team of CIA men, two small groups of North Vietnamese had been recruited as agents, smuggled out of Haiphong, trained in Saigon, and then sent back to North Vietnam in 1954-1955. During this same period Civil Air Transport (now Air America) smuggled over eight tons of arms and equipment into Haiphong in the regular refugee shipments authorized by the Geneva Accords for the eventual use of these teams. (25)

As the refugee exchanges came to an end in May 1955 and the North Vietnamese tightened up their coastal defenses, CIA and Vietnamese intelligence turned to Laos as an alternate infiltration route and listening post. According to Bernard Yoh, then an intelligence adviser to President Diem, Tuyen sent ten to twelve agents into Laos in 1958 after they had completed an extensive training course under the supervision of Col. Le Quang Tung's Special Forces. When Yoh sent one of his own intelligence teams into Laos to work with Tuyen's agents during the Laotian crisis of 1961, he was amazed at their incompetence. Yoh could not understand why agents without radio training or knowledge of even the most basic undercover procedures would have been kept in the field for so long, until he discovered that their major responsibility was smuggling gold and opium into South Vietnam.(26) After purchasing opium and gold, Tuyen's agents had it delivered to airports in southern Laos near Savannakhet or Pakse. There it was picked up and flown to Saigon by Vietnamese air force transports which were then under the command of Nguyen Cao Ky, whose official assignment was shuttling Tuyen's espionage agents back and forth from Laos.(27) Dr. Tuyen also used diplomatic personnel to smuggle Laotian opium into South Vietnam. In 1958 the director of Vietnam's psychological warfare department transferred one of his undercover agents to the Foreign Ministry and sent him to Pakse, Laos, as a consular official to direct clandestine operations against North Vietnam. Within three months Tuyen, using a little psychological warfare himself, had recruited the agent for his smuggling apparatus and had him sending regular opium shipments to Saigon in his diplomatic pouch. (28)

Despite the considerable efforts Dr. Tuyen had devoted to organizing these "intelligence activities" they remained a rather meager supplement to the Corsican opium shipments until May 1961 when newly elected President John F. Kennedy authorized the implementation of an interdepartmental task force report which suggested:

In North Vietnam, using the foundation established by intelligence operations, form networks of resistance, covert bases and teams for sabotage and light harassment. A capability should be created by MAAG in the South Vietnamese Army to conduct Ranger raids and similar military actions in North Vietnam as might prove necessary or appropriate. Such actions should try to avoid the outbreak of extensive resistance or insurrection which could not be supported to the extent necessary to stave off repression.

Conduct overflights for dropping of leaflets to harass the Communists and to maintain the morale of North Vietnamese population . . . . (29)

The CIA was assigned to carry out this mission and incorporated a fictitious parent company in Washington, D.C., Aviation Investors, to provide a cover for its operational company, Vietnam Air Transport. The agency dubbed the project "Operation Haylift." Vietnam Air Transport, or VIAT, hired Col. Nguyen Cao Ky and selected members of his First Transport Group to fly CIA commandos into North Vietnam via Laos or the Gulf of Tonkin. (30)

However, Colonel Ky was dismissed from Operation Haylift less than two years after it began, One of VIAT's technical employees, Mr. S. M. Mustard, reported to a U.S. Senate subcommittee in 1968 that "Col. Ky took advantage of this situation to fly opium from Laos to Saigon. (31) Since some of the commandos hired by the CIA were Dr. Tuyen's intelligence agents, it was certainly credible that Ky was involved with the opium and gold traffic. Mustard implied that the CIA had fired Ky for his direct involvement in this traffic; Col. Do Khac Mai, then deputy commander of the air force, says that Ky was fired for another reason. Some time after one of its two-engine C-47s crashed off the North Vietnamese coast, VIAT brought in four-engine C-54 aircraft from Taiwan. Since Colonel Ky had only been trained in two-engine aircraft he had to make a number of training flights to upgrade his skills; on one of these occasions he took some Cholon dance hall girls for a spin over the city. This romantic hayride was in violation of Operation Haylift's strict security, and the CIA speedily replaced Ky and his transport pilots with Nationalist Chinese ground crews and pilots. (32) This change probably reduced the effectiveness of Dr. Tuyen's Laotian "intelligence activities," and forced Nhu to rely more heavily on the Corsican charter airlines for regular opium shipments.

Even though the opium traffic and other forms of corruption generated enormous amounts of money for Nhu's police

state, nothing could keep the regime in power once the Americans had turned against it. For several years they had been frustrated with Diem's failure to fight corruption, In March 1961 a national intelligence estimate done for President Kennedy complained of President Diem:

"Many feel that he is unable to rally the people in the fight against the Communists because of his reliance on one-man rule, his toleration of corruption even to his immediate entourage, and his refusal to relax a rigid system of controls." (33)

The outgoing ambassador, Elbridge Durbrow, had made many of the same complaints, and in a cable to the secretary of state, he urged tha Dr. Tuyen and Nhu be sent out of the country and their secret police be disbanded. He also suggested that Diem make a public announcement of disbandment of Can Lao party or at least its surfacing, with names and positions of all members made known publicly. Purpose of this step would be to eliminate atmosphere of fear and suspicion and reduce public belief in favoritism and corruption, all of which the party's semi-covert status has given rise to. (34)

In essence, Nhu had reverted to the Binh Xuyen's formula for combating urban guerrilla warfare by using systematic corruption to finance intelligence and counterinsurgency operations. However, the Americans could not understand what Nhu was trying to do and kept urging him to initiate "reforms." When Nhu flatly refused, the Americans tried to persuade President Diem to send his brother out of the country. And when Diem agreed, but then backed away from his promise, the U.S. Embassy decided to overthrow Diem.

On November 1, 1963, with the full support of the U.S. Embassy, a group of Vietnamese generals launched a coup, and within a matter of hours captured the capital and executed Diem and Nhu. But the coup not only toppled the Diem regime, it destroyed Nhu's police state apparatus and its supporting system of corruption, which, if it had failed to stop the National Liberation Front (NLF) in the countryside, at least guaranteed a high degree of "security" in Saigon and the surrounding area.

Shortly after the coup the chairman of the NLF, Nguyen Huu Tho, told an Australian journalist that the dismantling of the police state had been "gifts from heaven" for the revolutionary movement:

"... the police apparatus set up over the years with great care by Diem is utterly shattered, especially at the base. The principal chiefs of security and the secret police on which mainly depended the protection of the regime and the repression of the revolutionary Communist Viet Cong movement, have been eliminated, purged." (35)

Within three months after the anti-Diem coup, General Nguyen Khanh emerged as Saigon's new "strong man" and dominated South Vietnam's political life from January 1964 until he, too, fell from grace, and went into exile twelve months later. Although a skillful coup plotter, General Khanh was incapable of using power once he got into office. Under his leadership, Saigon politics became an endless quadrille of coups, countercoups, and demicoups, Khanh failed to build up any sort of intelligence structure to replace Nhu's secret police, and during this critical period none of Saigon's rival factions managed to centralize the opium traffic or other forms of corruption. The political chaos was so severe that serious pacification work ground to a halt in the countryside, and Saigon became an open city. (36) By mid 1964 NLF-controlled territory encircled the city, and NLF cadres entered Saigon almost at will.

To combat growing security problems in the capital district, American pacification experts dreamed up the Hop Tac ("cooperation") program. As originally conceived, South Vietnamese troops would sweep the areas surrounding Saigon and build a "giant oil spot" of pacified territory that would spread outward from the capital region to cover the Mekong Delta and eventually all of South Vietnam. The program was launched with a good deal of fanfare on September 12, 1964, as South Vietnamese infantry plunged into some NLF controlled pineapple fields southwest of Saigon. Everything ran like clockwork for two days until infantry units suddenly broke off contact with the NLF and charged into Saigon to take part in one of the many unsuccessful coups that took place with distressing frequency during General Khanh's twelve-month interregnum. (37)

Although presidential adviser McGeorge Bundy claimed that Hop Tac "has certainly prevented any strangling siege of Saigon, (38) the program was an unqualified failure. On Christmas Eve, 1964, the NLF blew up the U.S. officers' club in Saigon, killing two Americans and wounding fifty-eight more. (39) On March 29, 1965, NLF sappers blew up the

U.S. Embassy. (40) In late 1965, one U S. correspondent, Robert Shaplen of *The New Yorker*, reported that Saigon's security was rapidly deteriorating:

These grave economic and social conditions [the influx of refugees, etc.] have furnished the Vietcong with an opportunity to cause trouble, and squads of Communist propagandists, saboteurs, and terrorists are infiltrating the city in growing numbers; it is even said that the equivalent of a Vietcong battalion of Saigon youth has been taken out, trained, and then sent back here to lie low, with hidden arms, awaiting orders. . . . The National Liberation Front radio is still calling for acts of terror ("One American killed for every city block"), citing the continued use by the Americans of tear gas and cropdestroying chemical sprays, together with the bombing of civilians, as justification for reprisals . . . . (41)

Soon after Henry Cabot Lodge took office as ambassador to South Vietnam for the second time in August 1965, an Embassy briefer told him that the Hop Tac program was a total failure. Massive sweeps around the capital's perimeter did little to improve Saigon's internal security because

The threat-which is substantial-comes from the enemy within, and the solution does not lie within the responsibility of the Bop Tac Council: it is a problem for the Saigon police and intelligence communities. (42)

In other words, modern counterinsurgency planning with its computers and game theories had failed to do the job, and it was time to go back to the tried-and-true methods of Ngo Dinh Nhu and the Binh Xuyen bandits. When the French government faced Viet Minh terrorist assaults and bombings in 1947, they allied themselves with the bullnecked Bay Vien, giving this notorious river pirate a free hand to organize the city's corruption on an unprecedented scale. Confronted with similar problems in 1965-1966 and realizing the nature of their mistake with Diem and Nhu, Ambassador Lodge and the U.S. mission decided to give their full support to Premier Nguyen Cao Ky and his power broker, Gen. Nguyen Ngoc Loan. The fuzzy-cheeked Ky had a dubious reputation in some circles, and President Diem referred to him as "that cowboy," a term Vietnamese then reserved -,for only the most flamboyant of Cholon gangsters. (43)

The New Opium Monopoly

Premier Ky's air force career began when he returned from instrument flying school in France with his certification as a transport pilot and a French wife. As the Americans began to push the French out of air force advisory positions in 1955, the French attempted to bolster their wavering influence by promoting officers with strong proFrench loyalties to key positions. Since Lieut. Tran Van Ho was a French citizen, he was promoted to colonel "almost overnight" and became the first *ethnic* Vietnamese to command the Vietnamese air force. Lieutenant Ky's French wife was adequate proof of his loyalty, and despite his relative youth and inexperience, he was appointed commander of the First Transport Squadron. In 1956 Ky was also appointed commander of Saigon's Tan Son Nhut Air Base, and his squadron, which was based there, was doubled to a total of thirty-two C-47s and renamed the First Transport Group. (44) While shuttling back and forth across the countryside in the lumbering C-47s may have lacked the dash and romance of fighter flying, it did have its advantages. Ky's responsibility for transporting government officials and generals provided him with useful political contacts, and with thirty-two planes at his command, Ky had the largest commercial air fleet in South Vietnam. Ky lost command of the Tan Son Nhut Air Base, allegedly, because of the criticism about the management (or mismanagement) of the base mess hall by his sister, Madame Nguyen Thi Ly. But he remained in control of the First Transport Group until the anti-Diem coup of November 1963. Then Ky engaged in some dextrous political intrigue and, despite his lack of credentials as a coup plotter, emerged as commander of the entire Vietnamese air force only six weeks after Diem's overthrow. (45)

As air force commander, Air Vice-Marshal Ky became one of the most active of the "young Turks" who made Saigon political life so chaotic under General Khanh's brief and erratic leadership. While the air force did not have the power to initiate a coup singlehandedly, as an armored or infantry division did, its ability to strafe the roads leading into Saigon and block the movement of everybody else's coup divisions gave Ky a virtual veto power. After the air force crushed the abortive September 13, 1964, coup against General Khanh, Ky's political star began to rise. On June 19, 1965, the ten-man National Leadership Committee headed by Gen. Nguyen Van Thieu appointed Ky to the office of premier, the highest political office in South Vietnam. (46)

Although he was enormously popular with the air force, Ky had neither an independent political base nor any claim to leadership of a genuine mass movement when he took office. A relative newcomer to politics, Ky was hardly known outside elite circles. Also, Ky seemed to lack the money, the connections, and the capacity for intrigue necessary to build up an effective ruling faction and restore Saigon's security. But he solved these problems in the traditional Vietnamese manner by choosing a power broker, a "heavy" as Machiavellian and corrupt as Bay Vien or Ngo Dinh Nhu-Gen. Nguyen Ngoc Loan.

Loan was easily the brightest of the young air force officers. His career was marked by rapid advancement and assignment to such technically demanding jobs as commander of the Light Observation Group and assistant commander of the Tactical Operations Center. (47) Loan also had served as deputy commander to Ky, an old classmate and friend, in the aftermath of the anti-Diem coup. Shortly after Ky took office he appointed Loan director of the Military Security Service (MSS). Since MSS was responsible for anticorruption investigations inside the military, Loan was in an excellent position to protect members of Ky's faction. Several months later Loan's power increased significantly when he was also appointed director of the Central Intelligence Organization (CIO), South Vietnam's CIA, without being asked to resign from the MSS. Finally, in April 1966, Premier Ky announced that General Loan had been appointed to an additional post--directorgeneral of the National Police. (48) Only after Loan had consolidated his position and handpicked his successors did he "step down" as director of the MSS and CIO. Not even under Diem had one man controlled so many police and intelligence agencies.

In the appointment of Loan to all three posts, the interests of Ky and the Americans coincided. While Premier Ky was using Loan to build up a political machine, the U.S. mission was happy to see a strong man take command of "Saigon's police and intelligence communities" to drive the NLF out of the capital. Lt. Col. Lucien Conein says that Loan was given whole-hearted U.S. support because

We wanted effective security in Saigon above all else, and Loan could provide that security. Loan's activities were

placed beyond reproach and the whole three-tiered US advisory structure at the district, province and national level was placed at his disposal. (49) The liberal naivete that had marked the Kennedy diplomats in the last few months of Diem's regime was decidedly absent. Gone were the qualms about "police state" tactics and daydreams that Saigon could be secure and politics "stabilized" without using funds available from the control of Saigon's lucrative rackets.

With the encouragement of Ky and the tacit support of the U.S. mission, Loan (whom the Americans called "Laughing Larry" because he frequently burst into a high-pitched giggle) revived the Binh Xuyen formula for using systematic corruption to combat urban guerrilla warfare. Rather than purging the police and intelligence bureaus, Loan forged an alliance with the specialists who had been running these agencies for the last ten to fifteen years. According to Lieutenant Colonel Conein, "the same professionals who organized corruption for Diem and Nhu were still in charge of police and intelligence. Loan simply passed the word among these guys and put the old system back together again. (50)

Under Loan's direction, Saigon's security improved markedly. With the "door-todoor" surveillance network perfected by Dr. Tuyen back in action, police were soon swamped with information. (51) A U.S. Embassy official, Charles Sweet, who was then engaged in urban pacification work, recalls that in 1965 the NLF was actually holding daytime rallies in the sixth, seventh, and eighth districts of Cholon and terrorist incidents were running over forty a month in district 8 alone. (See Map 4, page 111.) Loan's methods were so effective, however, that from October 1966 until January 1968 there was not a single terrorist incident in district 8. (52) In January 1968, correspondent Robert Shaplen reported that Loan "has done what is generally regarded as a good job of tracking down Communist terrorists in Saigon .... (53)

Putting "the old system back together again," of course, meant reviving largescale corruption to finance the cash rewards paid to these part-time agents whenever they delivered information. Loan and the police intelligence professionals systematized the corruption, regulating how much each particular agency would collect, how much each officer would skim off for his personal use, and what percentage would be turned over to Ky's political machine. Excessive individual corruption was rooted out, and Saigon-Cholon's vice rackets, protection rackets, and payoffs were strictly controlled. After several years of watching Loan's system in action, Charles Sweet feels that there were four major sources of graft in South Vietnam: (1) sale of government jobs by generals or their wives, (2) administrative corruption (graft, kickbacks, bribes, etc.), (3) military corruption (theft of goods and payroll frauds), and (4) the opium traffic. And out of the four, Sweet has concluded that the opium traffic was undeniably the most important source of illicit revenue. (54)

As Premier Ky's power broker, Loan merely supervised all of the various forms of corruption at a general administrative level; he usually left the mundane problems of organization and management of individual rackets to the trusted assistants.

In early 1966 General Loan appointed a rather mysterious Saigon politician named Nguyen Thanh Tung (known as "Mai Den" or "Black Mai") director of the Foreign Intelligence Bureau of the Central Intelligence Organization. Mai Den is one of those perennial Vietnamese plotters who have changed sides so many times in the last twenty-five years that nobody really knows too much about them. It is generally believed that Mai Den began his checkered career as a Viet Minh intelligence agent in the late 1940s, became a French agent in Hanoi in the 1950s, and joined Dr. Tuyen's secret police after the French withdrawal. When the Diem government collapsed, he became a close political adviser to the powerful I Corps commander, Gen. Nguyen Chanh Thi. However, when General Thi clashed with Premier Ky during the Buddhist crisis of 1966, Mai Den began supplying General Loan with information on Thi's movements and plans. After General Thi's downfall in April 1966, Loan rewarded Mai Den by appointing him to the Foreign Intelligence Bureau. Although nominally responsible for foreign espionage operations, allegedly Mai Den's real job was to reorganize opium and gold smuggling between Saigon and Laos. (55)

Through his control over foreign intelligence and consular appointments, Mai Den would have had no difficulty in placing a sufficient number of contact men in Laos. However, the Vietnamese military attache in Vientiane, Lt. Col. Khu Duc Nung, (56) and Premier Ky's sister in Pakse, Mrs. Nguyen Thi Ly (who managed the Sedone Palace Hotel), were Mai Den's probable contacts.

Once opium had been purchased, repacked for shipment, and delivered to a pickup point in Laos (usually Savannakhet or Pakse), a number of methods were used to smuggle it into South Vietnam. Although no longer as important as in the past, airdrops in the Central Highlands continued. In August 1966, for example, U.S. Green Berets on operations in the hills north of Pleiku were startled when their hill tribe allies presented them with a bundle of raw opium dropped by a passing aircraft whose pilot evidently mistook the tribal guerrillas for his contact men.(57) Ky's man in the Central Highlands was 11 Corps commander Gen. Vinh Loc.58 He was posted there in 1965 and inherited all the benefits of such a post. His predecessor, a notoriously corrupt general, bragged to colleagues of making five thousand dollars for every ton of opium dropped into the Central Highlands.

While Central Highland airdrops declined in importance and overland narcotics smuggling from Cambodia had not yet developed, large quantities of raw opium were smuggled into Saigon on regular commercial air flights from Laos. The customs service at Tan Son Nhut was rampantly corrupt, and Customs Director Nguyen Van Loc was an important cog in the Loan fund-raising machinery. In a November 1967 report, George Roberts, then chief of the U.S. customs advisory team in Saigon, described the extent of corruption and smuggling in South Vietnam:

"Despite four years of observation of a typically corruption ridden agency of the GVN [Government of Vietnam], the Customs Service, I still could take very few persons into a regular court of law with the solid evidence I possess and stand much of a chance of convicting them on that evidence. The institution of corruption is so much a built in part of the government processes that it is shielded by its very pervasiveness. It is so much a part of things that one can't separate "honest" actions from "dishonest" ones. Just what is corruption in Vietnam? From my personal observations, it is the following:

The very high officials who condone, and engage in smuggling, not only of dutiable merchandise, but undercut the nation's economy by smuggling gold and worst of all, that unmitigated evil--opium and other narcotics;

The police officials whose "check points" are synonymous with "shakedown points";

The high government official who advises his lower echelons of employees of the monthly "kick in" that he requires from each of them; . . .

The customs official who sells to the highest bidder the privilege of holding down for a specific time the position where the graft and loot possibilities are the greatest." (58)

It appeared that Customs Director Loc devoted much of his energies to organizing the gold and opium traffic between Vientiane, Laos, and Saigon. When 114 kilos of gold were intercepted at Tan Son Nhut Airport coming from Vientiane, George Roberts reported to U.S. customs in Washington that "There are unfortunate political overtones and implications of culpability on the part of highly placed personages. (59), (60) Director Loc also used his political connections to have his attractive niece hired as a stewardess on Royal Air Lao, which flew several times a week between Vientiane and Saigon, and used her as a courier for gold and opium shipments. When U.S. customs advisers at Tan Son Nhut ordered a search of her luggage in December 1967 as she stepped off a Royal Air Lao flight from Vientiane they discovered two hundred kilos of raw opium. (61) In his monthly report to Washington, George Roberts concluded that Director Loc was "promoting the day-to-day system of payoffs in certain areas of Customs' activities." (62)

After Roberts filed a number of hard-hitting reports with the U.S. mission, Ambassador Ellsworth Bunker called him and members of the customs advisory team to the Embassy to discuss Vietnamese "involvement in gold and narcotics smuggling." (63) The Public Administration Ad Hoc Committee on Corruption in Vietnam was formed to deal with the problem. Although Roberts admonished the committee, saying "we must stop burying our heads in the sand like ostriches" when faced with corruption and smuggling, and begged, "Above all, don't make this a classified subject and thereby bury it," the U.S. Embassy decided to do just that. Embassy officials whom Roberts described as advocates of "the noble kid glove concept of hearts and minds" had decided not to interfere with smuggling or large-scale corruption because of "pressures which are too well known to require enumeration." (64)

Frustrated at the Embassy's failure to take action, an unknown member of U.S. customs leaked some of Roberts' reports on corruption to a Senate subcommittee chaired by Sen. Albert Gruening of Alaska. When Senator Gruening

declared in February 1968 that the Saigon government was "so corrupt and graft-ridden that it cannot begin to command the loyalty and respect of its citizens," (65) U.S. officials in Saigon defended the Thieu-Ky regime by saying that "it had not been proved that South Vietnam's leaders are guilty of receiving 'rake-offs." (66) A month later Senator Gruening released evidence of Ky's 1961-1962 opium trafficking, but the U.S. Embassy protected Ky from further investigations by issuing a flat denial of the senator's charges. (67)

While these sensational exposes of smuggling at Tan Son Nhut's civilian terminal grabbed the headlines, only a few hundred yards down the runway VNAF C-47 military transports loaded with Laotian opium were landing unnoticed. Ky did not relinquish command of the air force until November 1967, and even then he continued to make all of the important promotions and assignments through a network of loyal officers who still regarded him as the real commander. Both as premier and vice-president, Air Vice-Marshal Ky refused the various official residences offered him and instead used $200,000 of government money to build a modern, air-conditioned mansion right in the middle of Tan Son Nhut Air Base. The "vice-presidential palace," a pastelcolored monstrosity resembling a Los Angeles condominium, is only a few steps away from Tan Son Nhut's runway, where helicopters sit on twentyfourhour alert, and a minute down the road from the headquarters of his old unit, the First Transport Group. As might be expected, Ky's staunchest supporters were the men of the First Transport Group. Its commander, Col. Luu Kim Cuong, was considered by many informed observers to be the unofficial "acting commander" of the entire air force and a principal in the opium traffic. Since command of the First Transport Group and Tan Son Nhut Air Base were consolidated in 1964, Colonel Cuong not only had aircraft to fly from southern Laos and the Central Highlands (the major opium routes), but also controlled the air base security guards and thus could prevent any search of the C-47s. (68)

Once it reaches Saigon safely, opium is sold to Chinese syndicates who take care of such details as refining and distribution. Loan's police used their efficient organization to "license" and shake down the thousands of illicit opium dens concentrated in the fifth, sixth, and seventh wards of Cholon and scattered evenly throughout the rest of the capital district.

Although morphine base exports to Europe had been relatively small during the Diem administration, they increased during Ky's administration as Turkey began to phase out production in 1967-1968. And according to Lt. Col. Lucien Conein, Loan profited from this change:

"Loan organized the opium exports once more as a part of the system of corruption. He contacted the Corsicans and Chinese, telling them they could begin to export Laos's opium from Saigon if they paid a fixed price to Ky's political organization." (69)

Most of the narcotics exported from South Vietnam-whether morphine base to Europe or raw opium to other parts of Southeast Asia-were shipped from Saigon Port on oceangoing freighters. (Also, Saigon was probably a port of entry for drugs smuggled into South Vietnam from Thailand.) The director of the Saigon port authority during this period was Premier Ky's brother-in-law and close political adviser, Lt. Col. Pho Quoc Chu (Ky had divorced his French wife and married a Vietnamese). (70) Under Lieutenant Colonel Chu's supervision all of the trained port officers were systematically purged, and in October 1967 the chief U.S. customs adviser reported that the port authority "is now a solid coterie of GVN [Government of Vietnam military officers. (71) However, compared to the fortunes that could Se made from the theft of military equipment, commodities, and manufactured goods, opium was probably not that important.

Loan and Ky were no doubt concerned about the critical security situation in Saigon when they took office, but their real goal in building up the police state apparatus was political power. Often they seemed to forget who their "enemy" was supposed to be, and utilized much of their police-intelligence network to attack rival political and military factions. Aside from his summary execution of an NLF suspect in front of U.S. television cameras during the 1968 Tet offensive, General Loan is probably best known to the world for his unique method of breaking up legislative logjams during the 1967 election campaign. A member of the Constituent Assembly who proposed a law that would have excluded Ky from the upcoming elections was murdered. (72) widow publicly accused General Loan of having ordered the assassination. When the assembly balked at approving the ThieuKy slate unless they complied with the election law, General Loan marched into the balcony of the assembly chamber with two armed guards, and the opposition evaporated . (73) When the assembly hesitated at validating the fraudulent tactics the Thieu-Ky slate had used to gain

their victory in the September elections, General Loan and his gunmen stormed into the balcony, and once again the representatives saw the error of their ways. (74)

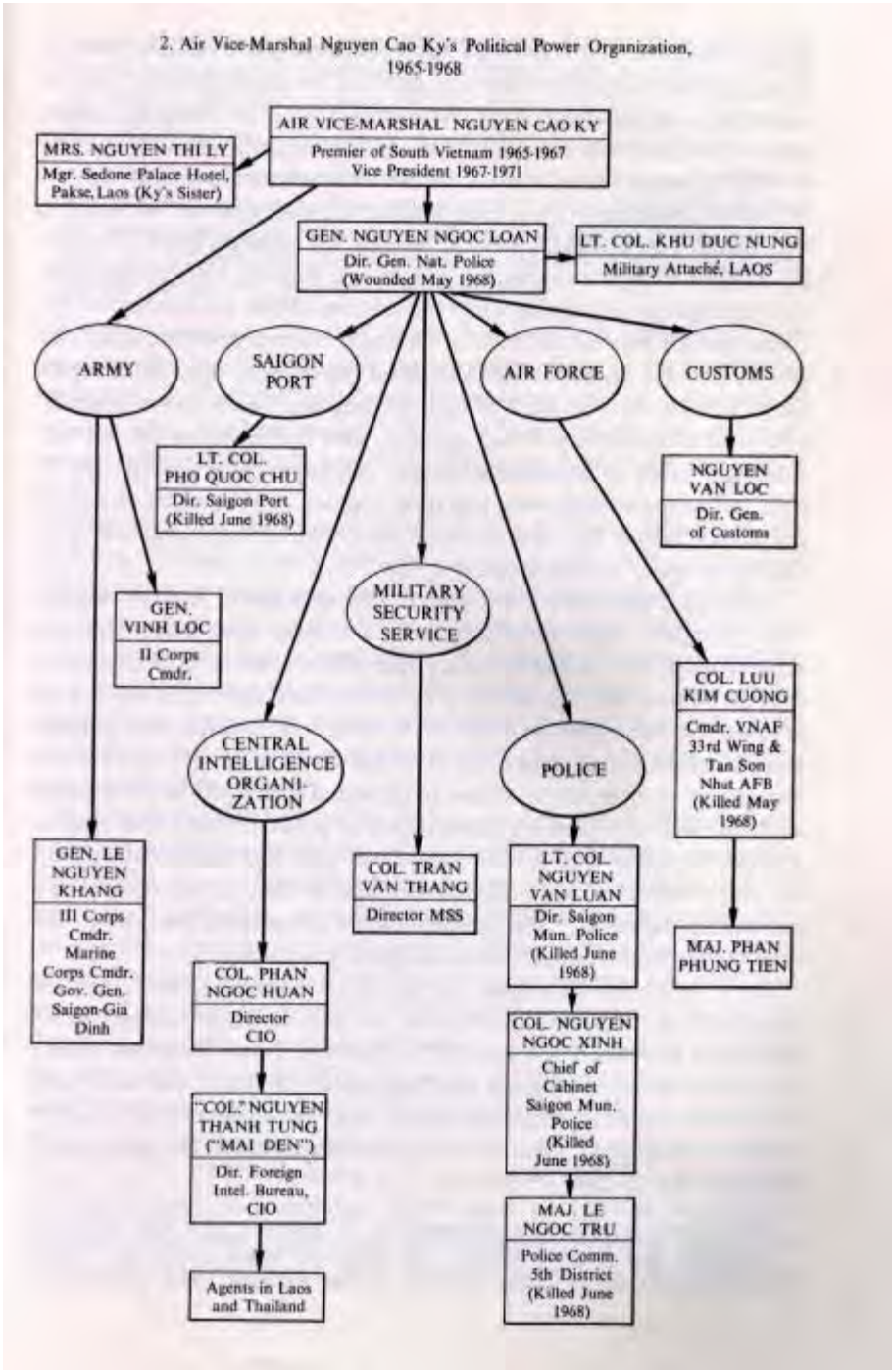
Under General Loan's supervision, the Ky machine systematically reorganized the network of kickbacks on the opium traffic and built up an organization many observers feel was even more comprehensive than Nhu's candestine apparatus. Nhu had depended on the Corsican syndicates to manage most of the opium smuggling between Laos and Saigon, but their charter airlines were evicted from Laos in early 1965. This forced the Ky apparatus to become much more directly involved in actual smuggling than Nhu's secret police had ever been. Through personal contacts in Laos, bulk quantities of refined and raw opium were shipped to airports in southern Laos, where they were picked up and smuggled into South Vietnam by the air force transport wing. The Vietnamese Customs Service was also controlled by the Ky machine, and substantial quantities of opium were flown directly into Saigon on regular commercial air flights from Laos , , Once the opium reached the capital it was distributed to smoking dens throughout the city that were protected by General Loan's police force. Finally, through its control over the Saigon port authority, the Ky apparatus was able to derive considerable revenues by taxing Corsican morphine exports to Europe and Chinese opium and morphine shipments to Hong Kong. Despite the growing importance of morphine exports, Ky's machine was still largely concerned with its own domestic opium market. The GI heroin epidemic was still five years in the future.

The Thieu-Ky Rivalry

Politics built Premier Ky's powerful syndicate, and politics weakened it. His meteoric political rise had enabled his power broker, General Loan, to take control of the police-intelligence bureaucracy and use its burgeoning resources to increase their revenue from the lucrative rackets -which in Saigon always includes the flourishing narcotics trade. However, in 1967 simmering animosity between Premier Ky and Gen. Nguyen Van Thieu, then head of Saigon's military junta, broke into open political warfare. Outmaneuvered by this calculating rival at every turn in this heated conflict, Ky's apparatus emerged from two years of bitter internecine warfare shorn of much of its political power and its monopoly over kickbacks from the opium trade. The Thieu-Ky rivalry was a clash between ambitious men, competing political factions, and conflicting personalities. In both his behind-the-scenes machinations and his public appearances, Air ViceMarshal Ky displayed all the bravado and flair of a cocky fighter pilot. Arrayed in his midnight black jumpsuit, Ky liked to barnstorm about the countryside berating his opponents for their corruption and issuing a call for reforms. While his flamboyant behavior earned him the affection of air force officers, it often caused him serious political embarrassment, such as the time he declared his profound admiration for Adolf Hitler. In contrast, Thieu was a cunning, almost Machiavellian political operator, and demonstrated all the calculating sobriety of a master strategist. Although Thieu's tepid, usually dull, public appearances won him little popular support, years of patient politicking inside the armed forces built him a solid political base among the army and navy officer corps.

Although Thieu and Ky managed to present a united front during the 1967 elections, their underlying enmity erupted into bitter factional warfare once their electoral victory removed the threat of civilian government. Thieu and Ky had only agreed to bury their differences temporarily and run on the same ticket after forty-eight Vietnamese generals argued behind closed doors for three full days in June 1967. On the second day of hysterical political infighting, Thieu won the presidential slot after making a scathing denunciation of police corruption in Saigon, a none-too-subtle way of attacking Loan and Ky, which reduced the air vice-marshal to tears and caused him to accept the number-two position on the ticket. (75) But the two leaders campaigned separately, and once the election was over hostilities quickly revived.

Since the constitution gave the president enormous powers and the vicepresident very little appointive or administrative authority, Ky should not have been in a position to challenge Thieu. However, Loan's gargantuan policeintelligence machine remained intact, and his loyalty to Ky made the vicepresident a worthy rival. In a report to Ambassador Bunker in May 1968, Gen. Edward Lansdale explained the



dynamics of the Thieu-Ky rivalry:

"This relationship may be summed Lip as follows: (I) The power to formulate and execute policies and programs which should be Thieu's as the top executive leader remains divided between Thieu and Ky, athough Thieu has more power than Ky. (2) Thieu's influence as the elected political leader of the country, in terms of achieving the support of the National Assembly and the political elite, is considerably limited by Ky's influence . . . (Suppose, for example, a U.S. President in the midst of a major war had as Vice President a leader who had been the previous President, who controlled the FBI, CIA, and DIA [Defense Intelligence Agency], who had more influence with the JCS [Joint Chiefs of Staff] than did the President, who had as much influence in Congress as the President, who had his own base of political support outside Congress, and who neither trusted nor respected the President.)" (76)

Lansdale went on to say that "Loan has access to substantial funds through extra legal money-collecting systems of the police /intelligence apparatus," (77) which, in large part, formed the basis of Ky's political strength. But, Lansdale added, "Thieu acts as though his source of money is limited and has not used confidential funds with the flair of Ky. (78)

Since money is the key to victory in interfactional contests of this kind, the Thieu-Ky rivalry became an underground

battle for lucrative administrative positions and key police-intelligence posts. Ky had used two years of executive authority as premier to appoint loyal followers to high office and corner most of the lucrative posts, thereby building up a powerful financial apparatus. Now that President Thieu had a monopoly on appointive authority, he tried to gain financial strength gradually by forcing Ky's men out of office one by one and replacing them with his own followers.

Thieu's first attack was on the customs service, where Director Loc's notorious reputation made the Ky apparatus particularly vulnerable. The first tactic, as it has often been in these interfactional battles, was to use the Americans to get rid of an opponent. Only three months after the elections, customs adviser George Roberts reported that his American assistants were getting inside information on Director Loc's activities because "this was also a period of intense inter-organizational, political infighting. Loc was vulnerable, and many of his lieutenants considered the time right for confidential disclosure to their counterparts in this unit."(79) Although the disclosures contained no real evidence, they forced Director Loc to counterattack, and "he reacted with something resembling bravado." (80) He requested U.S. customs advisers to come forward with information on corruption, invited them to augment their staff at Tan Son Nhut, where opium and gold smuggling had first aroused the controversy, and launched a series of investigations into customs corruption. When President Thieu's new minister of finance had taken office, he had passed the word that Director Loc was on the way out. But Loc met with the minister, pointed out all of his excellent anticorruption work, and insisted on staying in office. But then, as Roberts reported to Washington, Thieu's faction delivered the final blow:

"Now, to absolutely assure Loc's destruction, his enemies have turned to the local press, giving them the same information they had earlier given to this unit. The press, making liberal use of innuendo and implication, had presented a series of front page articles on corruption in Customs. They are a strong indictment of Director Loc."(81)

Several weeks later Loc was fired from his job (82) and the way was open for the Thieu faction to take control over the traffic at Tan Son Nhut Airport.

The Thieu and Ky factions were digging in for all-out war, and it seemed that these scandals would continue for months, or even years. However, on January 31, 1968, the NLF and the North Vietnamese army launched the Tet offensive and 67,000 troops attacked 102 towns and cities across South Vietnam, including Saigon itself. The intense fighting, which continued inside the cities for several months, disrupted politics asusual while the government dropped everything to drive the NLF back into the rice paddies. But not only did the Tet fighting reduce much of Saigon-Cholon to rubble, it decimated the ranks of Vice-President Ky's trusted financial cadres and crippled his political machine. In less than one month of fighting during the "second wave" of the Tet offensive, no less than nine of his key fund raisers were killed or wounded.

General Loan himself was seriously wounded on May 5 while charging down a blind alley after a surrounded NLF soldier. An AK-47 bullet severed the main artery in his right leg and he was forced to resign from command of the police to undergo surgery and months of hospitalization. (83) The next day Col. Luu Kim Cuong, commander of the air force transport wing and an important figure in Ky's network, was shot and killed while on operations on the outskirts of Saigon. (84)

While these two incidents would have been enough to seriously weaken Ky's apparatus, the mysterious incident that followed a month later dealt a crippling blow. On the afternoon of June 2, 1968, a coterie of Ky's prominent followers were meeting, for reasons never satisfactorily explained, in a command post in Cholon. At about 6:00 P.M. a U.S. helicopter, prowling the skies above the ravaged Chinese quarter on the lookout for NLF units, attacked the building, rocketing and strafing it. Among the dead were: Lt. Col. Pho Quoc Chu; director of the Saigon port authority and Ky's brother-in-law. Lt. Col. Dao Ba Phuoc, commander of the 5th Rangers, which were assigned to the Capital Military District. Lt. Col. Nguyen Van Luan, director of the Saigon Municipal Police. Major Le Ngoc Tru, General Loan's right-hand man and police commissioner of the fifth district. Major Nguyen Bao Thuy, special assistant to the mayor of Saigon. Moreover, General Loan's brother-in-law, Lt. Col. Van Van Cua, the mayor of Saigon, suffered a shattered arm and resigned to undergo four months of hospitalization. (85)

These represented the financial foundation of Ky's political machine, and once they were gone his apparatus began to crumble. As vicepresident, Ky had no authority to appoint anyone to office, and all of the nine posts vacated by these

casualties, with the exception of the air force transport command, were given to Thieu's men. On June 6 a loyal Thieu follower, Col, Tran Van Hai, was appointed director-general of the National Police and immediately began a rigorous purge of all of Loan's men in the lower echelons. (86) The Saigon press reported that 150 secret police had been fired and a number of these had also been arrested. (87)On June 15 Colonel Hai delivered a decisive blow to Ky's control over the police by dismissing eight out of Saigon's eleven district police commissioners. (88)

As Ky's apparatus weakened, his political fortunes went into a tailspin: loss of minor district and municipal police posts meant he could not collect protection money from ordinary businesses or from the rackets; as the "extra legal money-collecting systems of the police/intelligence apparatus" began to run dry, he could no longer counter President Thieu's legal appointive power with gifts; and once the opposition weakened, President Thieu began to fire many high-ranking pro-Ky police-intelligence officials. (89)

While the quiet desertion of the ant-army bureaucracy to the Thieu machine was almost imperceptible to outside observers, the desertion of Ky's supporters in the National Assembly's cash-and-carry lower house was scandalously obvious. Shortly after the October 1967 parliamentary elections were over and the National Assembly convened for the first time since the downfall of Diem, the Thieu and Ky machines had begun competing for support in the lower house. (90) Using money provided by General Loan, Ky had purchased a large bloc of forty-two deputies, the Democratic Bloc, which included Buddhists, southern intellectuals, and even a few hill tribesmen. Since Thieu lacked Ky's "confidential funds," he had allied himself with a small twenty-one-man bloc, the Independence Bloc, comprised mainly of right-wing Catholics from northern and central Vietnam. (91) Both men were paying each of their deputies illegal supplemental salaries of $4,000 to $6,000 a year, in addition to bribes ranging up to $1,800 on every important ballot. (92) At a minimum it must have been costing Ky $15,000 to $20,000 a month just to keep his deputies on the payroll, not to mention outlays of over $100,000 for the particularly critical showdown votes that came along once or twice a year. In May 1968 General Lansdale reported to Ambassador Bunker that "Thieu's efforts . . . to create a base of support in both Houses have been made difficult by Ky's influence among some important senators . . . and Ky's influence over the Democratic Bloc in the Lower House." (93) However, throughout the summer of 1968 Ky's financial difficulties forced him to cut back the payroll, and representatives began drifting away from his bloc.

As Thieu's financial position strengthened throughout the summer, his assistant in charge of relations with the National Assembly approached a number of deputies and reportedly offered them from $1,260 to $2,540 to join a new pro Thieu faction called the People's Progress Bloc. One deputy explained that "in the last few months, the activities of the lower house have become less and less productive because a large number of deputies have formed a bloc for personal interests instead of political credits." In September *The Washington Post* reported:

"The "Democratic Bloc," loyal to Vice President Ky, now retains 25 out of its 42 members. Thieu and Ky have been privately at odds since 1966. Thieu's ascendancy over his only potential rival has grown substantively in recent months.

The severe blow dealt to the Ky bloc in the House has not been mentioned extensively in the local press except in the daily Xay Dung (To Construct), which is a Catholic, pro-Ky paper." (94)

These realignments in the balance of political power had an impact on the opium traffic. Despite his precipitous political decline, Air ViceMarshal Ky retained control over the air force, particularly the transport wing. Recently, the air force's transport wing has been identified as one of the most active participants in South Vietnam's heroin smuggling (see pages 187-188). Gen. Tran Thien Khiem, minister of the interior (who was to emerge as a major faction leader himself when he became prime minister in September 1969) and a nominal Thieu supporter, inherited control of Saigon's police apparatus, Tan Son Nhut customs, and the Saigon port authority. However, these noteworthy internal adjustments were soon dwarfed in importance by two dramatic developments in South Vietnam's narcotics traffic the increase in heroin and morphine base exports destined for the American market and the heroin epidemic among American GIs serving in South Vietnam.

The GI Heroin Epidemic

The sudden burst of heroin addiction among GIs in 1970 was the most important development in Southeast Asia's narcotics traffic since the region attained self-sufficiency in opium production in the late 1950s. By 1968-1969 the Golden Triangle region was harvesting close to one thousand tons of raw opium annually, exporting morphine base to European heroin laboratories, and shipping substantial quantities of narcotics to Hong Kong both for local consumption and reexport to the United States. Although large amounts of chunky, low-grade no. 3 heroin were being produced in Bangkok and, the Golden Triangle for the local market, there were no laboratories anywhere in Southeast Asia capable of producing the fine-grained, 80 to 99 percent pure, no. 4 heroin. However, in late 1969 and early 1970, Golden Triangle laboratories added the final, dangerous ether precipitation process and converted to production of no. 4 heroin. Many of the master chemists who supervised the conversion were Chinese brought in specially from Hong Kong. In a June 1971 report, the CIA said that conversion from no. 3 to no. 4 heroin production in the Golden Triangle "appears to be due to the sudden increase in demand by a large and relatively affluent market in South Vietnam." By mid April 1971 demand for no. 4 heroin both in Vietnam and the United States had increased so quickly that the wholesale price for a kilo jumped to $1,780 from $1,240 the previous September. (95)

Once large quantities of heroin became available to American GIs in Vietnam, heroin addiction spread like a plague. Previously nonexistent in South Vietnam, suddenly no. 4 heroin was everywhere: fourteen-year old girls were selling heroin at roadside stands on the main highway from Saigon to the U.S. army base at Long Binh; Saigon street peddlers stuffed plastic vials of 95 percent pure heroin into the pockets of GIs as they strolled through downtown Saigon; and "mama-sans," or Vietnamese barracks' maids, started carrying a few vials to work for sale to on-duty GIs. With this kind of aggressive sales campaign the results were predictable: in September 1970 army medical officers questioned 3,103 soldiers of the Americal Division and discovered that 11.9 percent had tried heroin since they came to Vietnam and 6.6 percent were still using it on a regular basis. (96) In November a U.S. engineering battalion in the Mekong Delta reported that 14 percent of its troops were on heroin. (97) By mid 1971 U.S. army medical officers were estimating that about 10 to 15 percent, or 25,000 to 37,000 of the lower-ranking enlisted men serving in Vietnam were heroin users. (98)

As base after base was overrun by these ant-armies of heroin pushers with their identical plastic vials, GIs and officers alike started asking themselves why this was happening. Who was behind this heroin plague? The North Vietnamese were frequently blamed, and wild rumors started floating around U.S. installations about huge heroin factories in Hanoi, truck convoys rumbling down the Ho Chi Minh Trail loaded with cases of plastic vials, and heroin-crazed North Vietnamese regulars making suicide charges up the slopes of Khe Sanh with syringes stuck in their arms. However, the U.S. army provost marshal laid such rumors to rest in a 1971 report, which said in part:

"The opium-growing areas of North Vietnam are concentrated in mountainous northern provinces bordering China. ***Cultivation is closely controlled by the government and none of the crop is believed to be channeled illicitly into international markets.*** *Much of it is probably converted into morphine and used for medical purposes."* (99)

Instead, the provost marshal accused high-ranking members of South Vietnam's government of being the top "zone" in a four-tiered heroinpushing 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 scenes who can manipulate, foster, protect, and promote the illicit traffic in drugs." (100)

But why are these powerful South Vietnamese officials-the very people who would lose the most if the heroin plague forced the U.S. army to pull out of South Vietnam completely-promoting and protecting the heroin traffic? The answer is $88 million. Conservatively estimated, each one of the twenty thousand or so GI addicts in Vietnam spends an

average of twelve dollars a day on four vials of heroin. Added up over a year this comes out to $88 million, an irresistible amount of money in an impoverished, war-torn country.

In probing the root causes of the heroin plague, the mass media have generally found fault with the U.S. army: the senior NCOs and junior officers came down too hard on strong-smelling marijuana and drove the GIs to heroin, which is odorless, compact, and much harder to detect; the GIs were being forced to fight a war they did not believe in and turned to heroin to blot out intense boredom; and finally, the army itself was an antiquated institution from which the GIs wanted to "escape." Much of this is no doubt true, but the emphasis is misplaced. Officers and NCOs had been cracking down on marijuana for several years without the GIs turning to heroin. (101) By 1968 the emotional malaise of the Vietnam GI was already well developed; the race riot in Long Binh stockade and the My Lai massacre were only the most obvious signs of the problem. But there was no serious heroin use until the spring of 1970, when large quantities were being sold everywhere in Vietnam. And the simple fact is that there would have been no epidemic without this well-organized, comprehensive sales campaign. The real root of the problem does not lie with the GI victim or the army's marijuana crackdown, but with those Vietnamese officials who organized and protected the heroin traffic.

The experience of Maj. Gen. John Cushman in IV Corps, the Mekong Delta, demonstrates the extent of official involvement on the part of the Vietnamese army and utter futility of the U.S. army's " cleanup," "crackdown" approach to dealing with the GI heroin epidemic. When Major General Cushman took command of U.S. forces in the Delta in mid 1971 he was shocked by the seriousness of the heroin problem. U.S. army medical doctors estimated that 15 to 20 percent of the GIs in his command were regular heroin users. (102) Cushman made a desperate bid to stem the rising rate of addiction. Prepared with all the precision and secrecy of a top priority offensive, a massive crackdown on drug use began on June 22 at 5:30 A.M.: all troops were confined to base twenty-four hours a day, guard patrols were stiffened, everyone entering base was searched, and emergency medical clinics were opened. The price of a three-dollar vial of heroin shot up to forty dollars on base and three hundred addicts turned themselves in for treatment. However, within six days the MPs' enthusiasm for searches began to wane, and heroin once more became available. On July 4 confinement was terminated and passes for town were reissued. Within a week the price of heroin was down to four dollars, and over half of those who had turned themselves in were back on drugs. (103)

By late July General Cushman realized that he could never solve the problem until the Vietnamese police and army stopped protecting the pushers. Although he wrote the Vietnamese IV Corps commander, General Truong, threatening to withdraw his "personal support" from the war effort unless Vietnamese officers stopped pushing heroin, he realized it was a futile gesture. The problem was not General Truong. Cushman explained, "Truong has a spotless reputation. I haven't heard the slightest whisper of talk that he is anything other than a man of the highest integrity. I personally admire him and I feel the same about his generals." But he could not say the same for the Vietnamese colonels and majors. While Truong himself is not involved, he "is not a free agent" and lacks the authority to stop his third-level commanders from dealing in drugs. (104) Some Vietnamese sources have identified these colonels as men who are loyal to President Thieu's chief military adviser, General Dang Van Quang. (105)

The Cambodian invasion may have been another important factor in promoting the GI heroin epidemic. While this hypothesis can probably never be proven because of the clandestine, fragmented nature of the heroin traffic, it is an interesting coincidence that the invasion occurred in May 1970 and most journalistic accounts and official reports give "spring 1970" or "early 1970" (106) as the starting date for widespread heroin addiction. (Late 1969 is the date usually given for the beginning of small-scale heroin use among GIs.' (107)) The difficulties involved in smuggling between southern Laos and the Vietnamese Central Highlands limited the amount of narcotics that could be brought into Vietnam; the lack of roads and rivers made air transport an absolute necessity, but the rugged mountain terrain and the relative infrequency of flights between these two unpopulated areas required excessively intricate planning.

Since the mid 1950s the Cambodian neutralist ruler, Prince Sihanouk, had remained hostile to the various pro-American South Vietnamese regimes. Vietnamese military transports, naval vessels, or military convoys never entered Cambodia, and most of the gold and narcotics smuggling from Laos avoided this neutralist kingdom. However, less than three months after Sihanouk's ouster in March 1970, the Vietnamese army crashed across the border and VNAF's Fifth Air Division began daily flights to Phnom Penh, Cambodia. Once Cambodia opened up, unlimited quantities of narcotics could be flown from southern Laos to the Cambodian capital, Phnom Penh, on anyone of the hundreds of

commercial, military, or clandestine flights that crowded the airways every day. From there narcotics could easily be forwarded to Saigon by boat, truck, or aircraft. Since the spread of GI heroin addiction seems to have been limited only by the availability of drugs, the improved smuggling conditions that resulted from the Cambodian invasion must have played some role in promoting the GI heroin epidemic.

South Vietnam: Heroin Achieves Full Market Potential

The quantum leap in the size and profitability of South Vietnam's narcotics trade, due both to the new and burgeoning GI market as well as the increased demand on the part of the international narcotics syndicates, resulted in a number of new mini-cliques coming into the traffic. (108)

But by 1970 the traffic appeared to be divided among three major factions: (1) elements in the South Vietnamese air force, particularly the air transport wing; (2) the civil bureaucracy (i.e. police, customs and port authority), increasingly under the control of Prime Minister Khiem's family; and (3) the army, navy and National Assembly's lower house, who answer to President Thieu. In spite, or perhaps because, of the enormous amounts of money involved, there was considerable animosity among these three major factions.

"Involvement" in the nation's narcotics traffic took a number of different forms. Usually it meant that influential Vietnamese political and military leaders worked as consultants and protectors for *chiu chau* Chinese syndicates, which actually managed wholesale distribution, packaging, refining, and some of the smuggling. *(Chiu chau* are Chinese from the Swatow region of southern China, and *chiu chau* syndicates have controlled much of Asia's illicit drug traffic since the mid 1800s and have played a role in China's organized crime rather similar to the Sicilian Mafia in Italy and the Corsican syndicates in France. See Chapter 6 for more details.) The importance of this protection, however, should not be underestimated, for without it the heroin traffic could not continue. Also, powerful Vietnamese military and civil officials are directly involved in much of the actual smuggling of narcotics into South Vietnam. The Vietnamese military has access to aircraft, trucks, and ships that the Chinese do not, and most of the Vietnamese elite have a much easier time bringing narcotics through customs and border checkpoints than their Chinese clients.

The Opium Airlift Command

Of South Vietnam's three major narcotics rings, the air transport wing loyal to Air Vice-Marshal Ky must still be considered the most professional. Although Ky's apparatus lost control over the internal distribution network following his post-Tet political decline in 1968, his faction continues to manage much of the narcotics smuggling between Vietnam and Laos through the air force and its relations with Laotian traffickers. With over ten years of experience, it has connections with the Lao elite that the other two factions cannot even hope to equal. Rather than buying heroin through a maze of middlemen, Ky's apparatus deals directly with a heroin laboratory operating somewhere in the Vientiane region. According to a U.S. police adviser stationed in Vientiane, this laboratory is supposed to be one of the most active in Laos, and is managed by a Chinese entrepreneur named Huu Tim Heng. Heng is the link between one of Laos's major opium merchants, Gen. Ouane Rattikone (former commander in chief of the Laotian army), and the air transport wing heroin ring. (109) From the viewpoint of the narcotics traffic, Huu Tim Heng's most important legitimate commercial venture is the Pepsi-Cola bottling factory on the outskirts of Vientiane. With Prime Minister Souvanna Phourna's son, Panya, as the official president, Heng and two other Chinese financiers began construction in 1965-1966. Although the presence of the prime minister's son at the head of the company qualified the venture for generous financial support from USAID (U.S. Agency for International Development), the plant has still not bottled a single Pepsi after five years of stop-start construction. (110) The completed factory building has a forlorn, abandoned look about it. While Pepsi's competitors are mystified at the company's lac adaisical attitude, the U.S. Bureau of Narcotics has an answer to the riddle. Bureau sources report that Heng has been using his Pepsi operation as a cover for purchases of chemicals vital to the processing of heroin, such as ether and acetic anhydride, and for large financial transactions. (111)

Once the heroin is processed and packaged in large, plastic envelopes, other experienced members of the Ky apparatus take charge of arranging shipment to South Vietnam. Mrs. Nguyen Thi Ly, Ky's elder sister, had directed much of the traffic from the Sedone Palace Hotel in Pakse when her brother was premier, but in 1967 she gave up her position as manager and moved back to Saigon. However, sources in Vientiane's Vietnamese community report that she and her husband have traveled between Saigon, Pakse, and Vientiane at least once a month since they returned to Vietnam. Mrs, Ly purchases heroin produced in Huu Tim Heng's clandestine laboratory and has it shipped to Pakse or Phnom Penh where it is picked up by Vietnamese air force transports. (112)

In addition, the U.S. Bureau of Narcotics believes that General Loan's old assistant, Mai Den, may also be involved in this operation. After General Loan was wounded in May 1968, Mai Den was forced out of his position as director of the CIO's Foreign Intelligence Bureau, and he exiled himself to Bangkok. (113) For two years this wily chameleon had used his CIO agents to weave a net of drug contacts across the Golden Triangle, and the Bureau of Narcotics has reason to believe he may still he using them.

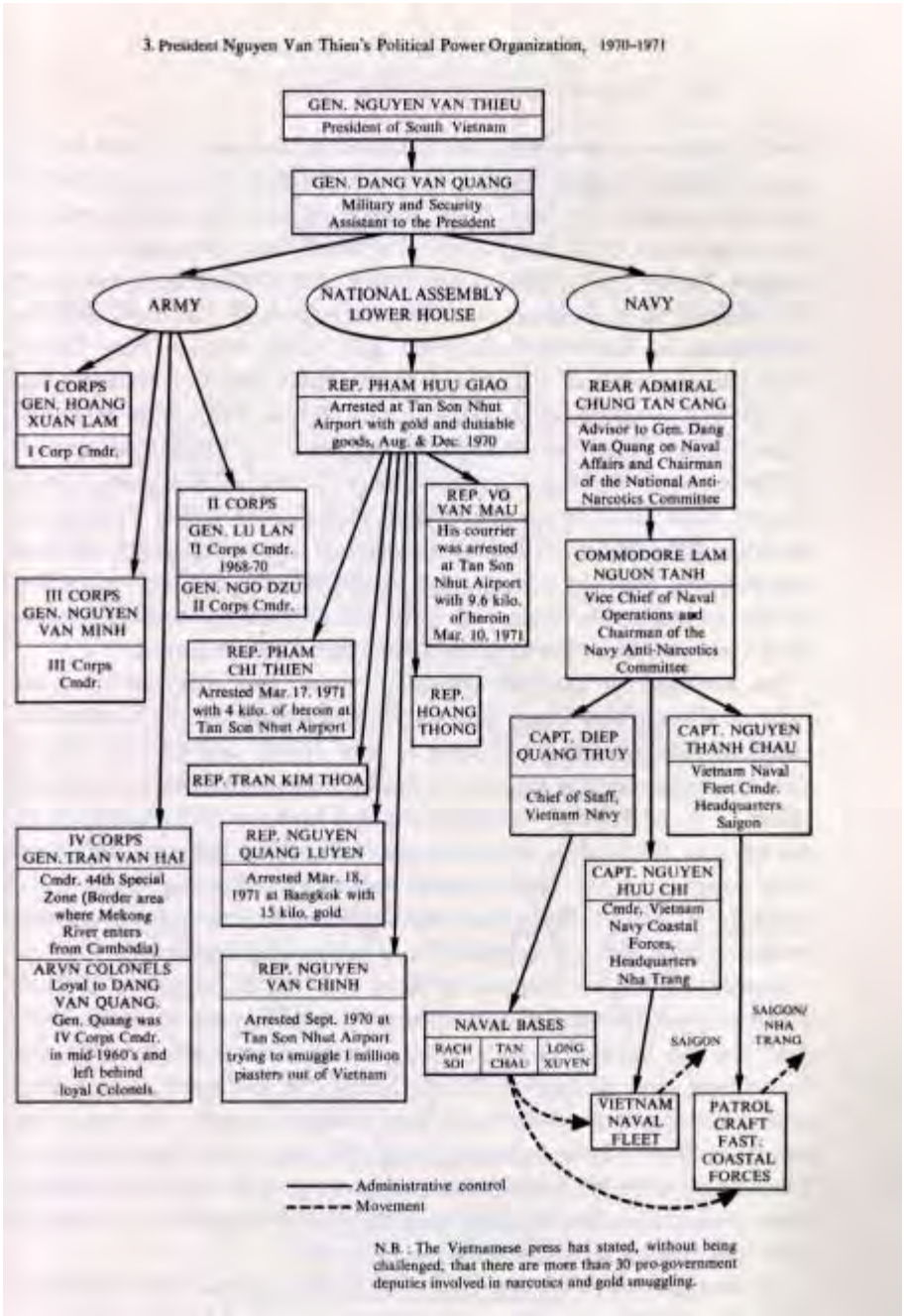
Normally, those air force officers responsible for directing the flow of narcotics to South Vietnam purchase the drugs and have them delivered, often by the Laotian air force, to points in Laos, particularly Pakse, or else across the border in Pleiku Province, South Vietnam, or in Phnom Penh, Cambodia. Most observers feel that the Cambodian capital has prempted Pleiku's importance as a drop point since the Vietnamese air force began daily sorties to Phnom Penh during the 1970 Cambodia invasion. In August 1971 *The New York Times* reported that the director of Vietnam customs *"said he believed that planes of the South Vietnamese Air Force were the principal carriers" of heroin coming into South Vietnam."* (114) While the director is a Thieu appointee and his remark may be politically motivated, U.S. customs advisers, more objective observers, have stated that the air force regularly unloads large quantities of smuggled narcotics at Tan Son Nhut Air Base." (115) Here Air Vice-Marshal Ky reigns like a feudal baron in his airconditioned palace, surrounded by only his most loyal officers. As one U.S. air force adviser put it, "In order to get a job within shooting distance of the Vice Presidential palace a VNAF officer has to be intensely loyal to Ky. (116)

The current commander of Tan Son Nhut and the air force's transport wing (renamed the Fifth Air Division in January 1971) is Col. Phan Phung Tien. Brother-in-law of one of Ky's close political advisers who died in the 1968 "accidents," Col. Tien served under Ky as a squadron commander in the First Transport Group from 1956 to 1960. He has remained one of Ky's most loyal followers, and one U.S. air force adviser recently described him as Ky's

"revolutionary plotter" inside the air force. (117)

Ever since the Cambodia invasion of May 1970, Fifth Air Division C-47, C-119, and C123 transports have been shuttling back and fo th between Phnom Penh and Tan Son Nhut with equipment and supplies for the Cambodian army, while two AC-47 gunships have flown nightly missions to Phnom Penh to provide perimeter defense for the Cambodian capital. (118) All of these flights are supposed to return empty, but the director-general of Vietnam customs believes they are often filled with dutiable goods, gold, and narcotics. The director-general has singled out Colonel Tien for criticism in an interview with *The New York Times* in August 1971, labeling him "the least cooperative in his efforts to narrow the channels through which heroin reached Vietnam. (119) Moreover, Vietnamese police officials report that Colonel Tien is extremely close to some of the powerful Corsican underworld figures who manage hotels and restaurants in Saigon. (120) The accumulation of this kind of evidence has led many informed Vietnamese observers to conclude that Colonel Tien has become a central figure in Vietnam's narcotics traffic.

Thieu Takes Command



In the wake of Air Vice-Marshal Ky's precipitous political decline, ranking military officers responsible to President Thieu appear to have emerged as the dominant narcotics traffickers in South Vietnam. Like his predecessors, President Diem and Premier Ky, President Thieu has studiously avoided involving himself personally in political corruption. However, his power broker, presidential intelligence adviser Gen. Dang Van Quang, is heavily involved in these unsavory activities. Working through highranking army and navy officers personally loyal to himself or President Thieu, General Quang has built up a formidable power base.

Although General Quang's international network appears to be weaker than Ky's, General Ouang does control the Vietnamese navy, which houses an elaborate smuggling organization that imports large quantities of narcotics either by protecting Chinese maritime smugglers or by actually using Vietnamese naval vessels. Ky's influence among high ranking army officers has weakened considerably, and control over the army has now shifted to General Quang. The army now manages most of the distribution and sale of heroin to American GIs. In addition, a bloc of pro-Thieu deputies in the lower house of the National Assembly have been publicly exposed as being actively engaged in heroin smuggling, but they appear to operate somewhat more independently of General Quang than the army and navy.

On the July 15, 1971, edition of the *NBC Nightly News*, the network's Saigon correspondent, Phil Brady, told a nationwide viewing audience that both President Thieu and Vice-President Ky were financing their election campaigns from the narcotics traffic. Brady quoted "extremely reliable sources"(121) as saying that President Thieu's chief intelligence adviser, Gen. Dang Van Quang, was "the biggest pusher" in South Vietnam. (122) Although Thieu's press secretary issued a flat denial and accused Brady of "spreading falsehoods and slanders against leaders in the government, thereby providing help and comfort to the Communist enemy,(123) he did not try to defend General Quang, renowned as one of the most dishonest generals in South Vietnam when he was commander of IV Corps in the Mekong Delta.

In July 1969 Time magazine's Saigon correspondent cabled the New York office this report on Gen. Quang's activities

in IV Corps:

While there he reportedly made millions by selling offices and taking a rake off on rice production. There was the famous incident, described in past corruption files, when Col. Nguyen Van Minh was being invested as a 21st Division commander. He had been Quang's deputy corps commander. At the ceremony the wife of the outgoing commander stood up and shouted to the assembled that Minh had paid Quang 2 million piasters [$7,300] for the position.... Quang was finally removed from Four Corps at the insistence of the Americans. (124)

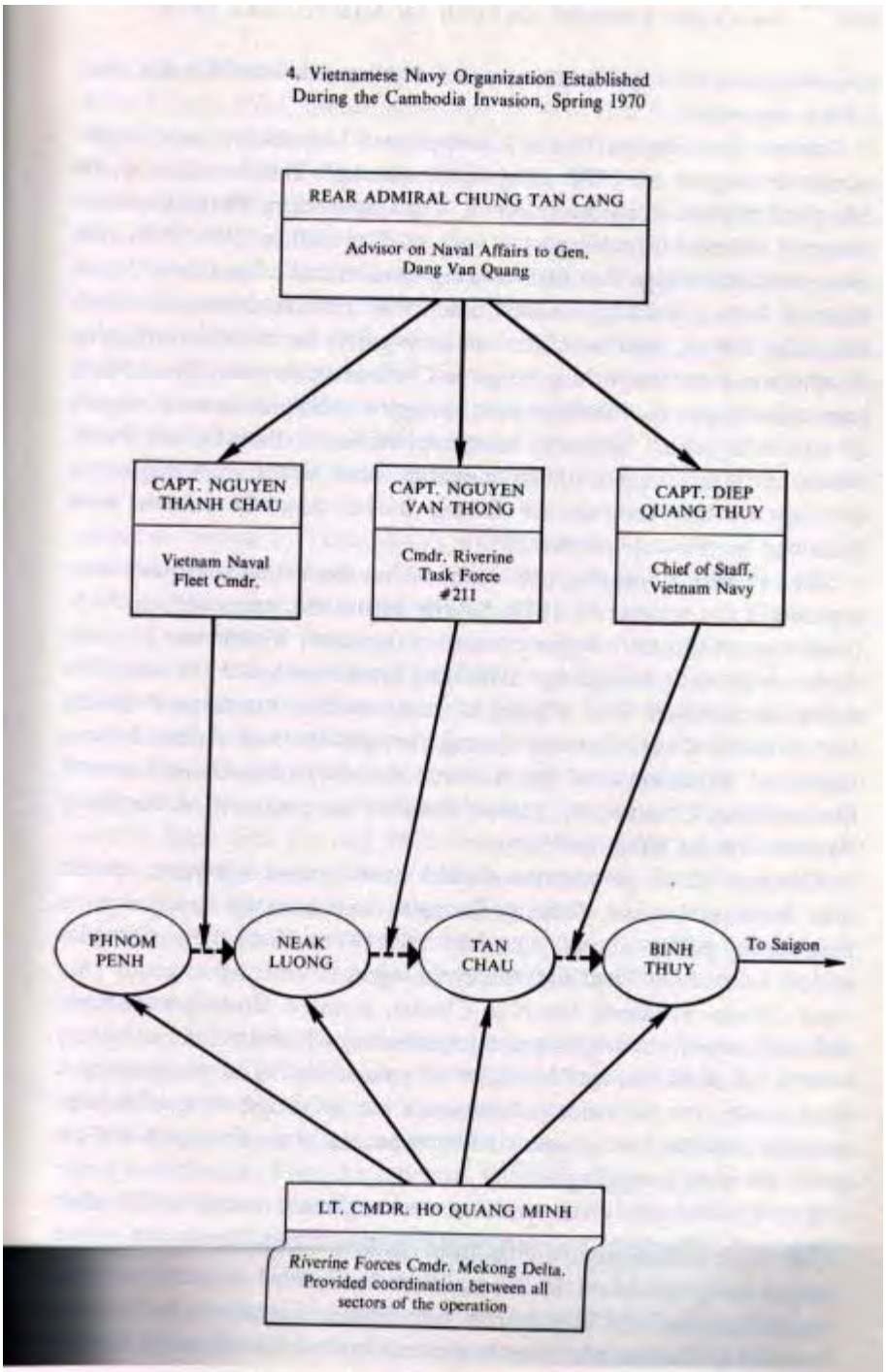
'General Quang was transferred to Saigon in early 1967 and became minister of planning and development, a face-saving sinecure. (125) Soon after President Thieu's election in September 1967, he was appointed special assistant for military and security affairs. (126) General Quang quickly emerged as President Thieu's power broker, and now does the same kind of illicit fund raising for Thieu's political machine that the heavy-handed General Loan did for Ky's. (127)

President Thieu, however, is much less sure of Quang than Premier Ky had been of General Loan. Loan had enjoyed Ky's absolute confidence and was entrusted with almost unlimited personal power. Thieu, on the other hand, took care to build up competing centers of power inside his political machine to keep General Quang from gaining too much power. As a result, Quang has never had the same control over the various pro-Thieu mini-factions as Loan had over Ky's apparatus. As the Ky apparatus's control over Saigon's rackets weakened after June 1968, various pro-Thieu factions moved in. In the political shift, General Quang gained control of the special forces, the navy and the army, but one of the pro-Thieu cliques, that headed by Gen. Tran Thien Khiem, gained enough power so that it gradually emerged as an independent faction itself. (128) However, at the very beginning most of the power and influence gained from Ky's downfall seemed to be securely lodged in the Thieu camp under General Quang's supervision.

There is evidence that one of the first new groups which began smuggling opium into South Vietnam was the Vietnamese special forces contingents operating in southern Laos. In August 1971 *The New York* Times reported that many of the aircraft flying narcotics into South Vietnam "are connected with secret South Vietnamese special forces operating along the Ho Chi Minh Trail network in Laos. (129) Based in Konturn Province, north of Pleiku, the special forces "assault task force" has a small fleet of helicopters, transports, and light aircraft that fly into southern Laos on regular sabotage and long-range reconnaissance forays. Some special forces officers claim that the commander of this unit was transferred to another post in mid 1971 because his extensive involvement in the narcotics traffic risked exposure. (130)

But clandestine forays were a relatively inefficient method of smuggling, and it appears that General Quang's apparatus did not become heavily involved in the narcotics trade until the Cambodian invasion of May 1970. For the first time in years the Vietnamese army operated inside Cambodia; Vietnamese troops guarded key Cambodian communication routes, the army assigned liaison officers to Phnom Penh, and intelligence officers were allowed to work inside the former neutralist kingdom. More importantly, the Vietnamese navy began permanent patrols along the Cambodian stretches of the Mekong and set up bases in Phnom Penh.

The Vietnamese Navy: Up the Creek



The Vietnamese navy utilized the Cambodian invasion to expand its role in the narcotics traffic, opening up a new pipeline that had previously been inaccessible. On May 9 an armada of 110 Vietnamese and 30 American river craft headed by the naval fleet commander, Capt. Nguyen Thanh Chau, crossed the border into Cambodia, speeding up the Mekong in a dramatic V-shaped formation. (131) The next day the commander of Riverine Task Force 211, Capt. Nguyen Van Thong, landed several hundred Vietnamese twenty miles upriver at Neak Luong, a vital ferry crossing on Route I linking Phnom Penh with Saigon. (132) Leaving their American advisers behind here, the Vietnamese arrived at Phnom Penh on May 11, and on May 12 reached Kompong Chain, seventy miles north of the Cambodian capital, thus totally clearing the waterway for their USe. (133) Hailed as a tactical coup and a great "military humanitarian fleet" by navy publicists, the armada also had, according to sources inside the Vietnamese navy, the dubious distinction of smuggling vast quantities of opium and heroin into South Vietnam.

An associate of General Quang's, former navy commander Rear Admiral Chung Tan Cang, rose to prominence during the Cambodian invasion. Admiral Cang had been a good friend of President Thieu's since their student days together at Saigon's Merchant Marine Academy (class of '47). (134) When Admiral Cang was removed from command of the navy in 1965, after being charged with selling badly needed flood relief supplies on the black market instead of delivering them to the starving refugees, (135) Thieu had intervened to prevent him from being prosecuted and had him appointed to a face-saving sinecure. (136)

Sources inside the Vietnamese navy say that a smuggling network which shipped heroin and opium from Cambodia back to South Vietnam was set up among high-ranking naval officers shortly after the Vietnamese navy docked at Phnom Penh. The shipments were passed from protector to protector until they reached Saigon: the first relay was from Phnom Penh to Neak Luong; the next, from Neak Luong to Tan Chau, just inside South Vietnam; the next, from Tan Chan to Binh Thuy. From there the narcotics were shipped to Saigon on a variety of naval and civilian vessels. (137)

As the Cambodian military operation drew to a close in the middle of 1970, the navy's smuggling organization (which had been bringing limited quantities of gold, opium, and dutiable goods into Vietnam since 1968) expanded.

Commo. Lam Nguon Thanh was appointed vice-chief of naval operations in August of 1970. Also a member of Thieu's class at the Merchant Marine Academy (class of '47) Commodore Thanh had been abruptly removed from his post as navy chief of staff in 1966. (138) Sources inside the navy allege that highranking naval officials used three of the Mekong Delta naval bases under Commodore Thanh's command-Rach Soi, Long Xuyen, and Tan Chau-as drop points for narcotics smuggled into Vietnam on Thai fishing boats or Cambodian river sampans. From these three bases, the narcotics were smuggled to Saigon on naval vessels or on "swift boats" (officially known as PCFs, or Patrol Craft Fast). When, as often happened, the narcotics were shipped to Saigon on ordinary civilian sampans or fishing junks, their movements were protected by these naval units. (139)

Some of these smuggling operations within the Vietnamese navy were exposed in the summer of 1971. Shortly before this happened, the U.S. government had finally begun pressuring the South Vietnamese to crack down on the drug smuggling. According to sources inside the navy, the American demands were a cause of some concern for General Quang and Admiral Cang. General Quang thoughtfully had Admiral Cang appointed as chairman of the National AntiNarcotics Committee and his associate, Commodore Thanh, installed as chairman of the Navy Anti-Narcotics Committee. (140)

Although these precautions should have proved adequate, events and decisions beyond General Quang's control nearly resulted in a humiliating public expose. On July 25, 1971, Vietnamese narcotics police, assisted by Thai and American agents, broke up a major *chiu chau* Chinese syndicate based in Cholon, arrested 60 drug traffickers, and made one of the largest narcotics seizures in Vietnam's recent history -51 kilos of heroin and 334 kilos of opium. Hailed in the press as a great victory for the Thieu government's war on drugs, these raids were actually something of a major embarrassment, since they partially exposed the navy smuggling ring. (141)

This Cholon *chiu chau* syndicate was organized in mid 1970 when "Mr. Big" in Bangkok, a *chiu chau* Chinese reputed to be one of the largest drug financiers in Southeast Asia, decided to start dealing in South Vietnam. He contacted a respectable *chiu chau* plastics manufacturer in Cholon, Mr. Tran Minh, and the two soon came to an agree ment. The Vietnamese navy, of course, was to provide protection (see Map 5, page 155). Sometime in mid *1970* a Thai fishing vessel arrived off the coast of Puolo Dama, a tiny Vietnamese island in the Gulf of Siam, with the first shipment. Waiting for the boat was a Vietnamese fishing boat under the command of a *chiu chau* captain named Tang Hai. Hired by Mr. Tran Minh, Tang Hai was the link between the Bangkok and Cholon syndicates. After two hundred kilos of opium had been transferred in mid-ocean, the Vietnamese boat chugged off toward its home port, Rach Gia, about fifty-five miles to the northeast. In Rach Gia, the bundles of opium were loaded onto a river sampan for the voyage to Saigon. Concealed under a layer of coconut shells, the opium appeared to be just another commercial cargo as it wound its way through the maze of canals that led to the docks of Cholon. Once the sampan docked at a wharf in Cholon's seventh district, the cargo was transferred to a microbus, driven to Tran Minh's warehouse in Cholon's sixth district, and eventually dispensed to the opium dens of Saigon-Cholon. All the traffic on these waterways was policed and protected by the Vietnamese navy. Tran Minh's business prospered and the smuggling continued.

By the third shipment Mr. Tran Minh had decided to expand into the GI market, and ordered ten kilos of Double U-0 Globe brand heroin as well as the usual two hundred kilos of opium. For the fourth shipment, Tran Minh was afraid the deliveries might start attracting notice and changed the transfer point to Hon Panjang, an island 115 miles southwest of Rach Gia. By mid *1971* business was going so well that the Cholon syndicate boss ordered a double shipmentfour hundred kilos of opium and sixty kilos of heroin. The heroin alone was worth more than *$720,000* retail, and for the fishing captain Tang Hai and his military protectors at the Rach Soi Naval Base it turned out to be an irresistible temptation.

In early July *1971* Tang Hai kept his appointment with the Thai fishing boat and picked up the cargo near Hon Panjang Island. But instead of returning to Rach Gia, he then proceeded to sail sixty miles north to Phu Quoc Island, where he buried the opium and hid the heroin in some underbrush. Then he returned to Rach Gia and told Mr. Tran Minh's contact man that the shipment had been stolen by the Vietnamese navy. Apparently this was a convincing explanation, and the contact man relayed the news to Cholon. When Mr. Tran Minh agreed to buy back half of the

shipment from the navy for $25,000, Tang Hai returned to Phu Quoc Island, dug up most of the cache, and delivered half of the original shipment to the contact man in Rach Gia after burying the difference near his home. The contact man hired the usual sampan owner to smuggle the drugs to Cholon, but he was robbed, this time for real, by three ARVN corporals only ten miles up the canal from Rach Gia.

The boatman returned to Rach Gia and reported his bad luck to the beleaguered contact man, who dutifully passed the word along to ChoIon. Now $25,000 poorer, Mr. Tran Minh informed Bangkok that he had been robbed twice and could not pay for the shipment. The Bangkok financier, however, immediately assumed that he was being cheated and decided to wipe out the entire Vietnamese syndicate. The Thai fishing captain was selected as the informer, and he approached Col. Pramual Vangibandhu of the Thai Central Narcotics Bureau with a proposition: in exchange for a guarantee of complete immunity and anonymity for the Bangkok syndicate, he would name the two key men in the Saigon operation (which were, in fact, the only names the Bangkok syndicate knew).

Colonel Pramual accepted the offer and contacted U.S. narcotics agent William Wanzeck, asking him to arrange a meeting with the Vietnamese. The two men flew to Saigon, where they met with the head of the Vietnamese Narcotics Police, Redactor Ly Ky Hoang, and U.S. narcotics agent Fred Dick. It was agreed that there should be two simultaneous raids; the Vietnamese National Police would bust the Saigon syndicate while Redactor Hoang, Colonel Pramual, and Fred Dick flew to Rach Gia to arrest Tang Hai and his cohorts.

The two raids were planned for 9:30 A.M. on July 25, less than three weeks after the drugs first arrived off Hon Panjang Island. The Saigon raid came off perfectly, but at Rach Gia, Redactor Hoang found that Tang Hai was not at home. Hoang, who was not in uniform, explained to Tang Hai's sister that the boss, Mr. Tran Minh, had sent him to negotiate for the missing drugs. After fifty minutes of skillful explanations, the sister finally agreed to take Redactor Hoang to a restaurant where her brother was "at a party drinking with some friends." The two of them clambered aboard a sputtering Lambretta taxi and disembarked about thirty minutes later in front of a restaurant in Rach Soi, a small fishing port four miles south of Rach Gia. Inside, Tang Hai was the guest of honor at a boisterous drinking party hosted by the commander of nearby Rach Soi Naval Base, Captain Hai, and attended by twenty well-armed navy officers and sailors.

Explaining that Mr. Tran Minh himself was waiting at Rach Gia, Redactor Hoang suggested that he and Tang Hai go there to discuss buying back the drugs. When the *chiu chau* smuggler replied that he would rather stay at the party, Redactor Hoang elaborated on his story, explaining that the boss was willing to pay $25,000 for the remaining half of the shipment. At this the navy commander insisted that Hoang use his personal jeep and driver to bring Mr. Tran Minh to the party for negotiations.

An hour later Redactor Hoang returned in a police car, accompanied by Colonel Pramual and Fred Dick. While the others waited outside, Redactor Hoang entered the restaurant alone. After suggesting that they step outside for a private word with the boss, he arrested Tang Hai, threw him into the waiting police car, and raced off for Rach Gia. Minutes later the navy officers realized their guest had been arrested, grabbed their guns, and sped off in hot pursuit.

Even though they suspected that the navy posse was not far behind, the multinational police squad stopped enroute to Rach Gia at a house belonging to Tang Hai's cousin to search for a suspected drugs cache. While Dick and Colonel Pramual took Tang Hai inside and proceeded to ransack the house, Redactor Hoang remained in the car a hundred yards down the street, radioing desperately for police assistance. Before he finally realized that the radio was out of order navy jeeps screeched to a halt in front of the house and the officers began spreading out along the opposite side of the street with their guns drawn and aimed at the house.

Hoang was pinned down in the police car, cut off from his friends and feeling rather frightened. Suddenly he spotted a Lambretta minibus coming down the road. He cocked his gun and waited. When the minibus was just abreast of his car, Hoang jumped out, raced alongside the minibus until it was parallel with the house, and then dove through the front door. When he told the others what was happening, Fred Dick started to break out a window with his pistol butt for a shoot-out, but Hoang, who had not seen as many cowboy movies, stopped him.

Fortunately for our heroes, a plainclothes policeman just happened to enter the adjoining iron shop. After Hoang explained the situation, the policeman jumped on his Honda motor bike and puttered off for help. When a well-armed

squad of local police arrived ten minutes later, the naval officers, realizing they were outgunned, reluctantly climbed back in their jeeps and retreated to Rach Soi.

When search of the house turned up nothing, Hoang and the others drove Tang Hai to the Rach Gia police station for interrogation. At first the smuggler refused to talk, but after Hoang, who has considerable ability in these arcane arts, finished with a few minutes of skillful interrogation, he confessed everything-including the location of the drug cache on Phu Quoc Island. While Colonel Pramual and Fred Dick flew Tang Hai out to the island to dig up the cache (112.0 kilos of opium and 3.9 kilos of heroin), Hoang himself arrested the three ARVN corporals who had actually stolen half the shipment and turned them over to the Military Security Service (MSS) for questioning. Sensing that MSS would learn nothing, Hoang ordered the Rach Gia police commander to send a car around to his hotel when the MSS gave up. The military finished six hours of fruitless questioning at 2:00 A.M.; Hoang arrived at police headquarters an hour later and had his answers in only fifteen minutes. The next morning a police squad unearthed 32.7 kilos of heroin and 35.0 kilos of opium near a canal about two hours from Rach Gia. A search of Tang Hai's yard later that day uncovered an additional 7.0 kilos of Double U-0 Globe brand heroin and 88.0 kilos of opium. Meanwhile, back in Bangkok the Thai police held a press conference on July 29, only four days after the first spectacular raids. Nervous over rumors of their involvement in the international traffic, the Thai police were eager to grab credit and add a little luster to their otherwise tawdry reputation. Gen. Nitya Bhanumas, secretary general of the Thai Narcotics Board, reportedly claimed that the information tha led to the seizures came from "informants *he* developed in an investigation *he* directed last month. (142)

When the Vietnamese police picked up their newspapers the next morning, they were outraged. (143) Not only had the Thais claimed credi for what they felt was their work, but the investigation was still continuing and the Vietnamese police feared that the headlines might drive many of the syndicate's members into hiding. The Thai police had only given their Vietnamese counterparts the two names known to Bangkok's "Mr. Big"-Tang Hai and Mr. Tran Minh. Working from the top of the syndicate down, the Vietnamese were just beginning a roundup that eventually netted over sixty middle- and upper-level distributors and scores of street pushers.

According to sources inside the Vietnamese navy, these raids created a near panic in the navy smuggling ring as its leaders scrambled frantically to salvage the situation. Two of the officers involved in the Cambodia invasion command structure were speedily removed about the time that the smuggling ring was exposed. Capt. Nguyen Van Thong was removed from his command of Riverine Task Force 211 and reassigned to a command training course only a few days before the police raids took place. The commander of the coastal patrol force, Capt. Nguyen Huu Chi, was transferred to a staff college for advanced training a scarce two weeks later. (144) Although MSS has arrested the navy officers at Rach Soi directly implicated in the affair, (145) there are reports that highranking military officers are doing their best to protect them, and have managed to make sure that their arrest received almost no mention in the press. (146)

The Vietnamese Army: Marketing the Product

While the Vietnamese navy is involved in drug importing, pro-Thieu elements of the Vietnamese army (ARVN) manage much of the distribution and sale of heroin to GIs inside South Vietnam. But rather than risking exposure by having their own officers handle the more vulnerable aspects of the operation, highranking ARVN commanders generally prefer to work with Cholon's Chinese syndicates. Thus, once bulk heroin shipments are smuggled into the countryeither by the military itself or by Chinese protected by the military-they are usually turned over to Cholon syndicates for packaging and shipment. From Cholon, Chinese and Vietnamese couriers fan out across the country, delivering multikilo lots of heroin to military commanders from the Delta to the DMZ. In three of the four military zones, the local distribution is supervised and protected by high-ranking army officers. (147) In the Mekong Delta (IV Corps) local sales are controlled by colonels loyal to General Quang; in the south central part of the country (II Corps) heroin distribution has become a subject of controversy between two feuding generals loyal to President Thieu, the former II Corps commander Gen. Lu Lan and the present commander Gen. Ngo Dzu; (148) and in northernmost I Corps the traffic is directed by deputies of the corps commander. (149) In June 1971 the chief U.S. police adviser filed a memorandum on Gen. Ngo Dzu's involvement in the heroin trade that describes the relationship between Cholon's Chinese racketeers and Vietnamese generals: (150)

"HEADQUARTERS UNITED STATES MILITARY COMMAND, VIETNAM APO SAN FRANCISCO 96222 Office of the Assistant Chief of Staff, CORDS MACCORDS-PS 10 June 1971

MEMORANDUM FOR RECORD SUBJECT: Alleged Trafficking in Heroin (U)

1. 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. 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 [military police]; 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. 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 the scapegoat should they act.*

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

[signed] Michael G. McCann, Director Public Safety Directorate CORDS

After bulk shipments of heroin have been delivered to cities or ARVN bases near U.S. installations it is sold to GIs through a network of civilian pushers (barracks' maids, street vendors, pimps, and street urchins) or by low-ranking ARVN officers. In Saigon and surrounding 11 Corps most of the heroin marketing is managed by ordinary civilian networks, but as GI addicts move away from the capital to the isolated firebases along the Laotian border and the DMZ, the ARVN pushers become more and more predominant. "How do we get the stuff?" said one GI stationed at a desolate firebase near the DMZ, "just go over to the fence and rap with an ARVN. If he's got it you can make a purchase .

Even at Long Binh, the massive U.S. army installation on the outskirts of Saigon, Vietnamese officers work as pushers. As one GI addict based at Long Binh put it, "You can always get some from an ARVN; not a Pfc., but the officers. I've gotten it from as high as Captain." (152)

The Lower House: Heroin Junkets

Another avenue of the narcotics traffic that has proved embarrassing to President Thieu is the smuggling operations indulged in by pro-Thieu members of the National Assembly's lower house. The buffoonlike ineptness of many of these politicians has turned out to be more of a liability than an asset. At one point in Thieu's rivalry with the increasingly important Prime Minister Khiem, the ease with which these politician smugglers could be exposed created a good many political problems for the Thieu apparatus. While only the slightest hint of the pro-Thieu faction's massive smuggling operation has leaked out of the securityconscious military, the opera bouffe antics of bumbling lower house representatives have rated incredulous headlines around the world. Between September 1970 and March 1971 no less than seven representatives returning from foreign study tours were caught trying to smuggle everything from gold and heroin to Playboy calendars and brassieres into South Vietnam. (153) Foreign observers were genuinely dismayed by the smuggling arrests, but the Vietnamese public simply regarded them as a new low in the lower house's four-year history of bribery, corruption, and scandal. (154)

The outrageous behavior of its representatives on the floor of the house, where insults of every order are freely and openly traded, has cost the lower house any semblance of popular respect among the essentially honest, puritanical South Vietnamese peasants. It is widely regarded as the longest-running comedy show in Saigon. Votes on crucial issues are sold to the highest bidder, and the Saigon press cheerfully keeps a running tally of the going price. In addition to regular monthly stipends and special New Year's bonuses of $350, (155) pro-Thieu representatives have earned up to $1,800 apiece for voting the right way on crucial government measures. (156) In fact, even staunch opposition members vote the right way to pick up a little extra cash when defeat for their side looks inevitable. (157)

In the lower house, President Thieu relies on members of the Independence Bloc to do the bargaining and make the payments, rather than negotiating personally or working through his military advisers. Consisting almost entirely of North Vietnamese Catholic refugees, this bloc has maintained a militantly anti-Communist position since it was formed in 1967. Although the bloc is nominally independent, its leader, Rep. Nguyen Quang Luyen, met with President Thieu soon after it was formed and "verbally agreed" to support the president in exchange for unspecified favors. (158) The bloc has influence far beyond its numerical strength, and all its members occupy key positions as committee chairmen, fund raisers, or whips; with only nineteen members, the Independence Bloc controls six out of the lower house's sixteen committee chairmanships. (159) During the debates over the 1971 election law, for example, it was an Independence Bloc member, Rep. Pliam Huu Giao, who floor managed the passage of article 10. This controversial clause required a minimum of forty Congressional signatures on every nominating petition for the upcoming presidential election and made it possible for President Thieu to eliminate Ky from the running. Early in the debates, Rep. Pham Huu Giao reportedly tied down a few hill tribe votes for as little as $350 apiece and most of the Cambodian minority's ballots for a mere $700 each. (160) However, in the three days of intense bargaining preceding the final balloting, the price jumped from $1,000 to $1,800 for the final handful that completed the proposal's winning tally of seventy-five votes. (161)

Loyalty to Thieu seems to have its benefits. No opposition members have even been implicated in a serious smuggling case. All lower house representatives implicated in the heroin and gold traffic are either present or past members of the Independence Bloc. The reason for this is simple; opposition deputies often lack the necessary capital to finance such trips, and are not guaranteed "courtesy of the port" when they return. However, pro-government deputies who are bankrolled by an official travel grant or savings from months of voting the right way are able to take advantage of their four exit visas per year, a privilege guaranteed I deputies for foreign travel during the legislative holidays. The result has been an orgy of foreign junketeering on the part of pro-government deputies. In 1969-1970 junketeering representatives purchased $821,000 worth of foreign currency for their travels. One prominent progovernment representative was abroad for 119 days in 1969, 98 days in 1970 , and 75 days during the first three months of 1971. (162)

Although most pro-government deputies had usually returned with some form of contraband or undeclared dutiable item, they passed through customs without being checked. (163) Even if a representative was caught, customs officers merely imposed a "fine" and allowed the illegal items to pass through. For example, in August and December 1970

Vietnamese customs officers at Tan Son Nhut Airport discovered gold and dutiable goods in the luggage of Rep. Pham Huu Giao, one of the Thieu regime's most important lower house whips. The representative paid a rather nominal fine, and the whole matter was hushed up until it was revealed during the height of the smuggling controversy several months later. (164)

The tempo of parliamentary smuggling seems to have been intensified by the eruption of the GI heroin epidemic and the liberalization of the assembly's travel laws. In December 1970 a group of pro-Thieu deputies who control the lower house administrative office decided to allow representatives four foreign trips each year instead of two. (165) When the annual January-March legislative holiday started a few weeks later, one Saigon daily reported that a record 140 out of the National Assembly's 190 members would soon be going abroad. (166)

The smuggling bonanza that followed resulted in three sensational customs seizures within ten days of each other in March as the legislators returned one by one to prepare for the upcoming session of the National Assembly.

The first deputy implicated was Rep. Vo Van Mau, a Catholic refugee from North Vietnam and a member of the pro-Thieu Independence Bloc. During Air Vietnam's regular Vientiane-Saigon flight on March 10, a Chinese smuggler transferred a suitcase to one of the stewardesses, Mrs. Nguyen Ngoc Qui. (167) But instead of being waved through customs at Tan Son Nhut, as Air Vietnam stewardesses usually were, Mrs. Qui was subjected to a thorough search, which turned up 9.6 kilos of Laos's most popular export-Double U-0 Globe brand heroin-and a letter addressed to Rep. Vo Van Mau. Showing unusual insensitivity to Representative Mau's high official status, officers of customs' Fraud Repression Division followed up the lead. A search of Representative Mau's offices turned up the Chinese smuggler's identity card. (168) Although a spokesman for Prime Minister Khiem's office later announced that this seizure was being thoroughly investigated "because it appears to implicate directly" a deputy, (169) Representative Mau was never officially charged and quietly faded from view when he failed to stand for reelection several months later.

On March 17 another pro-Thieu representative, Pham Chi Thien, landed at Tan Son Nhut Airport on the 4:30 P.m. flight from Bangkok. Much to Representative Thien's surprise, a customs officer insisted on giving his luggage a thorough search and opened a gift-wrapped box he found in the legislator's suitcase, which turned out to contain four kilos of Double U-0 Globe brand heroin. (170) Announcing his resignation from the lower house a week later, Representative Thien denied that he was "actually" a smuggler and claimed that he had simply agreed to carry a package to Saigon as a favor to "a soft-spoken lady I met in Vientiane." (171) He admitted to accepting money for carrying the package, but denied any knowledge of its contents. (172)

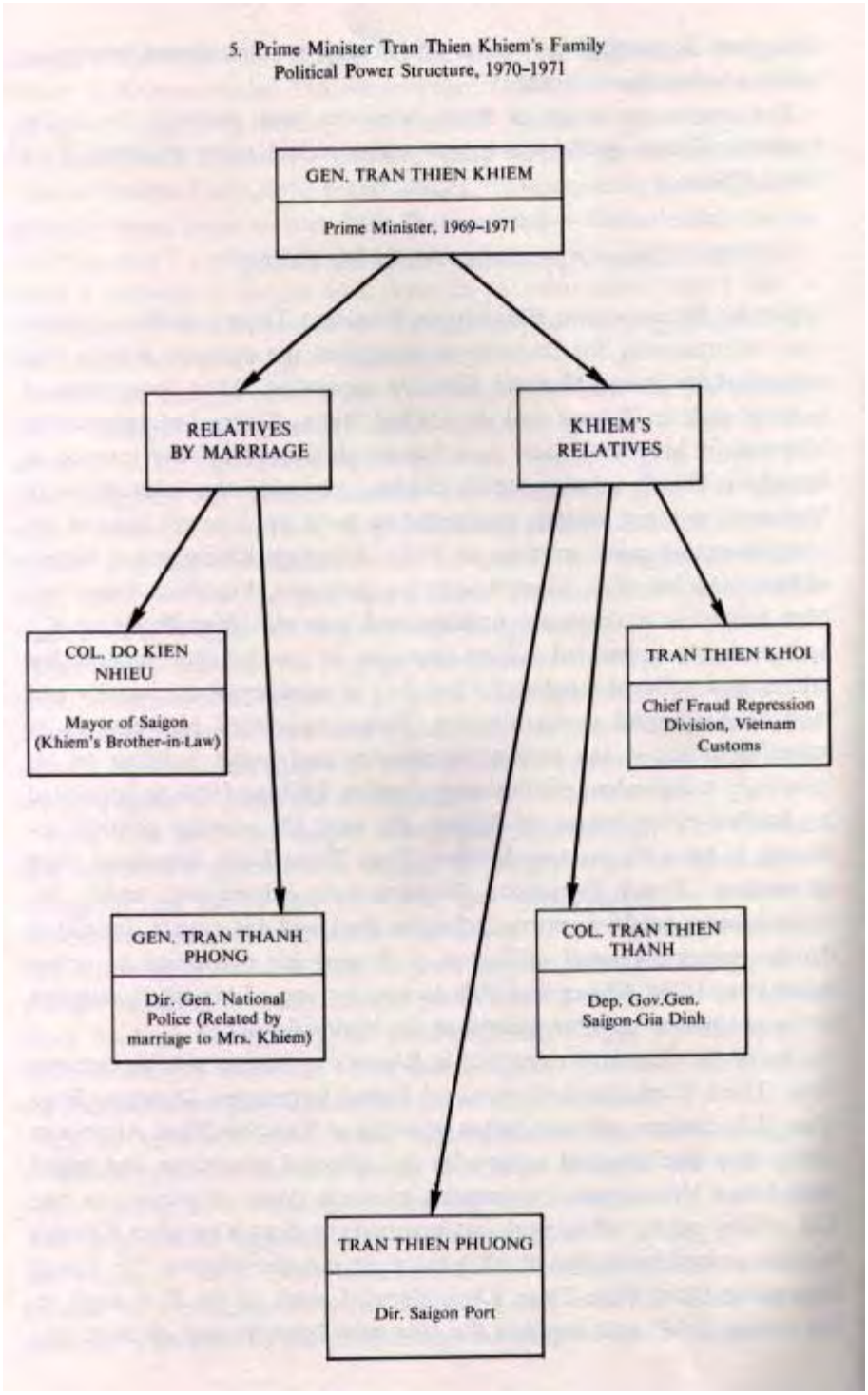
While the charges against Vo Van Mau and Pham Chi Thien, both rather unimportant legislators, caused a certain amount of dismay, the arrest of a third pro-Thieu legislator, Rep. Nguyen Ouang Luyen, for gold smuggling was a major scandal. Representative Luyen was second deputy chairman of the lower house, chairman of the Asian Parliamentary Union, and had been chairman of the pro-Thieu Independence Bloc from 1967 to 1970 (he, too, was a North Vietnamese refugee). As he was boarding a flight for Saigon at the Bangkok Airport on March 18, Thai customs searched his luggage and discovered fifteen kilos of pure gold, worth about $26,000 on Saigon'sblack market. (173) However, the Vietnamese Embassy intervened and secured his immediate release after another legislator traveling with Representative Luyen raced into downtown Bangkok to plead for assistance. (174)

Four days later one Saigon newspaper reported that Thai customs had suspected Representative Luyen of being part of an international smuggling ring for several years but had been maintaining a discreet surveillance because of the sensitive nature of ThaiVietnamese relations. The fifteen kilos seized in Rep. Luyen's luggage were reportedly part of a larger shipment of ninety kilos of gold (worth $158,000 on the Saigon black market) being smuggled piecemeal into Saigon by this ring. (175) Reliable sources inside the lower house report that other members of the Independence Bloc had helped finance this shipment.

By all accounts, lower house representatives had been smuggling narcotics, gold, and dutiable goods into South Vietnam for over three years without such sensational exposes. Arrests were rare, and when they occurred the legislator almost always settled the matter quietly by just paying a "fine." Why had Vietnamese customs officials suddenly become so aggressive, or more pointedly, why was the Thieu faction suddenly subjected to the humiliating

indignity of having three of its staunchest legislative supporters implicated in contraband smuggling within ten days of one another? The answer, as usual in South Vietnam, was political. Ironically, President Thieu's gadfly was his own handpicked prime minister, Tran Thien Khiem.

The Khiem Apparatus: All in the Family



While the Independence Bloc enjoys President Thieu's political protection, unfortunately for these three smugglers the customs service was controlled by Prime Minister Khiem's apparatus. After four years of political exile in Taiwan and the United States, Khiem had returned to Vietnam in May 1968 and was appointed minister of the interior in President Thieu's administration. Khiem, probably the most fickle of Vietnam's military leaders, proceeded to build up a power base of his own, becoming prime minister in 1969. Although Khiem has a history of betraying his allies when it suits his Purposes, President Thieu had been locked in a desperate underground war with Vice-President Ky, and probably appointed Khiem because he needed his unparalleled talents as a political infighter. (176) But first as minister of the interior and later as concurrent prime minister, Khiem appointed his relatives to lucrative offices in the civil administration and began building an increasingly independent political organization. In June 1968 he appointed his brother-in-law mayor of Saigon. He used his growing political influence to have his younger brother, Tran Thien Khoi, appointed chief of customs' Fraud Repression Division (the enforcement arm), another brother made director of Saigon Port and his cousin appointed deputy governor-general of Saigon. Following his promotion to prime minister in 1969, Khicm was able to appoint one of his wife's relatives to the position of director-general of the National Police.

One of the most important men in Khiem's apparatus was his brother, Tran Thien Khoi, chief of customs' Fraud Repression Division. Soon after U.S. customs advisers began working at Tan Son Nhut Airport in 1968, they filed detailed reports on the abysmal conditions and urged their South Vietnamese counterparts to crack down. However, as one U.S. official put it, "They were just beginning to clean it up when Khiem's brother arrived, and then it all went right out the window. (177) Fraud Repression Chief Tran Thien Khoi relegated much of the dirty work to his deputy chief, and together the two men brought any effective enforcement work to a halt. (178) Chief Khoi's partner was vividly described in a 1971 U.S. provost marshal's report:

He has an opium habit that costs approximately 10,000 piasters a day [$35] and visits a local opium den on a

predictable schedule. He was charged with serious irregularities approximately two years ago but by payoffs and political influence, managed to have the charges dropped. When he took up his present position he was known to be nearly destitute, but is now wealthy and supporting two or three wives. (179)

The report described Chief Khoi himself as "a principal in the opium traffic" who had sabotaged efforts to set up a narcotics squad within the Fraud Repression Division. (180) Under Chief Khoi's inspired leadership, gold and opium smuggling at Tan Son Nhut became so blatant that in February 1971 a U.S. customs adviser reported that *". . . after three years of these meetings and countless directives being issued at all levels, the Customs operation at the airport has . . . reached a point to where the Customs personnel of Vietnam are little more than lackeys to the smugglers . . ."* (181) The report went on to describe the partnership between customs officials and a group of professional smugglers who seem to run the airport:

Actually, the Customs Officers seem extremely anxious to please these smugglers and not only escort them past the examination counters but even accompany them out to the waiting taxis. This lends an air of legitimacy to the transaction so that there could be no interference on the part of an over zealous Customs Officer or Policeman who might be new on the job and not yet know what is expected of him. (182)

The most important smuggler at Tan Son Nhut Airport was a woman with impressive political connections:

"One of the biggest problems at the airport since the Advisors first arrived there and the subject of one of the first reports is Mrs. Chin, or Ba Chin or Chin Map which in Vietnamese is literally translated as "Fat Nine." This description fits her well as she is stout enough to be easily identified in any group.... This person heads a ring of 10 or 12 women who are present at every arrival of every aircraft from Laos and Singapore and these women are the recipients of most of the cargo that arrives on these flights as unaccompanied baggage. . . . When Mrs. Chin leaves the Customs area, she is like a mother duck with her brood as she leads the procession and is obediently followed by 8 to 10 porters who are carrying her goods to be loaded into the waiting taxis....

I recall an occasion . . . in July 1968 when an aircraft arrived from Laos.... I expressed an interest in the same type of Chinese medicine that this woman had received and already left with. One of the newer Customs officers opened up one of the packages and it was found to contain not medicine but thin strips of gold.... This incident was brought to the attention of the Director General but the Chief of Zone 2. . . . said that I was only guessing and that I could not accuse Mrs. Chin of any wrong doing. I bring this out to show that ***this woman is protected by every level in the GVN Customs Service."*** (183)

Although almost every functionary in the customs service receives payoffs from the smugglers, U.S. customs advisers believe that Chief Khoi's job is the most financially rewarding. While most division chiefs only receive payoffs from their immediate underlings, his enforcement powers enable him to receive kickbacks from every division of the customs service. Since even so minor an official as the chief collections officer at Tan Son Nhut cargo warehouse kicked back $22,000 a month to his superiors, Chief Khoi's income must have been enormous. (184)

In early 1971 U.S. customs advisers mounted a "strenuous effort" to have the deputy chief transferred, but Chief Khoi was extremely adept at protecting his associate. In March American officials in Vientiane learned that Rep. Pham Chi Thien would be boarding a flight for Saigon carrying four kilos of heroin and relayed the information to Saigon. When U.S. customs advisers asked the Fraud Repression Division to make the arrest (U.S. customs officials have no right to make arrests), Chief Khoi entrusted the seizure to his opium-smoking assistant. The "hero" was later decorated for this "accomplishment," and U.S. customs advisers, who were still trying to get him fired, or at least transferred, had to grit their teeth and attend a banquet in his honor. (185)

Frustrated by months of inaction by the U.S. mission and outright duplicity from the Vietnamese, members of the U.S. customs advisory team evidently decided to take their case to the American public. Copies of the unflattering customs advisory reports quoted above were leaked to the press and became the basis of an article that appeared on the front page of *The New York Times* on April 22, 1971, under the headline, "Saigon Airport a Smuggler's Paradise." (186)

The American response was immediate. Washington dispatched more customs advisers for duty at Tan Son Nhut, and the U.S. Embassy finally demanded action from the Thieu regime. Initially, however, the Saigon government was cool

to the Embassy's demands for a cleanup of the customs' Fraud Repression Division. It was not until the smuggling issue became a political football between the Khiem and Thieu factions that the Vietnamese showed any interest in dealing with the problem.

Tempest in a Teapot: The Thieu-Khiem Squabble

When the enormous political dividends of the Fraud Repression Division were added to Khiem's other sources of power, such as the police and the Saigon port authority, the result was all the strength necessary to form an independent political faction. Prime Minister Khiem's reemergence as something of a political power in his own right seems to have created tensions inside the Thieu organization and produced some heated political infighting.

As relations between the Thieu and Khiem factions soured, the smuggling issue became just another club to use against the competition. As one frank U.S. Embassy official in Saigon put it, *"Our role essentially ends up allowing one faction to use U.S. pressure to force the other faction out of business. And,"* he added rather glumly, *"the way these guys jump on each other so gleefully makes it look like they are really eager to cut themselves in on . . . an enormously lucrative traffic."* (187)

When the Air Vietnam stewardess was arrested with 9.6 kilos of heroin, it was Prime Minister Khiem's office that issued an official statement confirming rumors that a pro-Thieu representative was involved. (188) Furthermore, reliable lower house sources claim that the aggressiveness shown by Chief Khoi's Fraud Repression Division in investigating the case was politically motivated. President Thieu later retaliated. According to one Saigon press report, members of Prime Minister Khiem's cabinet "protested . . . President Thieu's remark that the smuggling involved many high ranking officials who smuggled through the Tan Son Nhut Airport where one of the Prime Minister's brothers was in control." (189) Despite the cabinet's protest, the director-general of customs was dismissed, and in late June Tran Thien Khoi left for a short vacation in Paris. On his return several weeks later, he was transferred to a less lucrative post in the Cholon Customs House. (190) His opium-smoking assistant was likewise transferred, and wound up in the Customs Library, a traditional dumping ground for those in disgrace. (191)

Three months later, the director-general of the National Police, one of Mrs. Khiem's relatives, resigned under pressure. The Saigon press reported that the director-general had been involved in the heroin traffic and was being dismissed as a part of the antinarcotics campaign. Prophetically, one Saigon daily had earlier reported that President Thieu was "taking advantage of the antinarcotics smuggling drive" to force officials out of office and to replace them with his own supporters. (192)Interestingly enough, the new police director-general is Col. Nguyen Khac Binh, a nephew of Mrs. Thieu. (193)

Despite all this political agitation over the narcotics traffic, heroin smuggling continues unabated. U.S. customs advisers have pointed out that commercial air flights have been only one of several routes used to bring narcotics into South Vietnam. Now that airport security has tightened up, smugglers have simply diverted narcotics shipment to other routes, particularly military air bases and coastal and river shipping. (194) Throughout 1971 unlimited quantities of heroin were readily available near every U.S. installation in Vietnam, and there was no appreciable rise in price.

The Mafia Comes to Asia

The flourishing heroin traffic among Vietnam-based GIs was undoubtedly the most important new market for Indochina's drug traffickers, but it was not the only one. As we have already seen, increasingly insurmountable problems in the Mediterranean Basin had forced the American Mafia and the Corsican syndicates of Marseille to look to Southeast Asia for new sources of heroin and morphine base. Faced with the alternative of finding a new source of morphine base or going out of business, the Corsican syndicates of Marseille turned to their associates in Southeast Asia for help. *"There are people who think that once the problem in Turkey is cleaned up, that's the end of the traffic,"* explains John Warner, chief intelligence analyst for the U.S. Bureau of Narcotics. *"But the Corsicans aren't stupid. They saw the handwriting on the wall and began to shift their morphine base sources to Southeast Asia."* (195)

The Corsican narcotics syndicates based in Saigon and Vientiane had been supplying European drug factories with Southeast Asian morphine base for several years, and links with Marseille were already well established. During the First Indochina War (1946-1954) Corsican gangsters in Marseille and Saigon cooperated closely in smuggling gold, currency, and narcotics between the two ports. In 1962 Corsican gangsters in Saigon reported that Paul Louis Levet, a Bangkokbased syndicate leader, was supplying European heroin laboratories with morphine base from northern Thailand. (196) Furthermore, at least four Corsican charter airlines had played a key role in Southeast Asia's regional opium traffic from 1955 to 1965. Although they were forced out of business when the Laotian generals decided to cut themselves in for a bigger share of the profits in 1965, most of the Corsicans had remained in Southeast Asia. They had opened up businesses or taken jobs in Vientiane and Saigon to tide themselves over until something new opened up. (197)

When Gen. Edward G. Lansdale of the CIA returned to Saigon as a special assistant to Ambassador Henry Cabot Lodge in 1965, he quickly learned that his old enemies, the Corsicans, were still in town. During the fighting between the French 2eme Bureau and the CIA back in 1955, the Corsican gangsters had been involved in several attempts on his life. "So I wouldn't have to look behind my back every time I walked down the street," Lansdale explained in a June 1971 interview, "I decided to have a meeting with the Corsican leaders. I told them I wasn't interested in doing any criminal investigations; I wasn't in Vietnam for that. And they agreed to leave me alone. We had some kind of a truce." General Lansdale can no longer recall much of what transpired at that meeting. He remembers that a large-busted French-Vietnarnese named Helene took an active role in the proceedings, that the affair was amicable enough, but not much else. Lansdale later learned that the Corsicans were still heavily involved in the narcotics traffic, but since this was not his responsibility, he took no action. (198)

Most of what Lansdale knew about the Corsicans came from his old friend Lt. Col. Lucien Conein, the CIA agent who had helped engineer President Diem's overthrow in 1963. As a former OSS liaison officer with the French Resistance during World War 11, Conein had some experiences in common with many of Saigon's Corsican gangsters. During his long tours of duty in Saigon, Conein spent much of his time in fashionable Corsican-owned bars and restaurants and was on intimate terms with many of Saigon's most important underworld figures. When Conein left Vietnam several years later, the Corsicans presented him with a heavy gold medallion embossed with the Napoleonic Eagle and the Corsican crest. Engraved on the back of it is Per Tu Amicu *Conein* ("For your friendship, Conein"). Conein proudly explains that this medallion is worn by powerful Corsican syndicate leaders around the world and serves as an identification badge for secret meetings, narcotics drops, and the like. (199)

Through his friendship with the Corsicans, Conein has gained a healthy respect for them. "The Corsicans are smarter, tougher, and better organized that the Sicilians," says Conein. "They are absolutely ruthless and are the equal of anything we know about the Sicilians, but they hide their internal fighting better." Conein also learned that many Saigon syndicate leaders had relatives in the Marseille underworld. These family relations play an important role in the international drug traffic, Conein feels, because much of the morphine base used in Marseille's heroin laboratories comes from Saigon. Corsican smugglers in Saigon purchase morphine base through Corsican contacts in Vientiane and ship it on French merchant vessels to relatives and friends in Ma seille, where it is processed into heroin. (200) "From what I know of them," says Conein, "it will be absolutely impossible to cut off the dope traffic. You can cut it down, but you can never stop it, unless you can get to the growers in the hills." (201)

This pessimism may explain why Conein and Lansdale did not pass on this information to the U.S. Bureau of Narcotics. It is particularly unfortunate that General Lansdale decided to arrange "some kind of a truce" with the Corsicans during the very period when Marseille's heroin laboratories were probably beginning the changeover from Turkish to Southeast Asian morphine base. In a mid-1971 interview, Lieutenant Colonel Conein said that power brokers in Premier Ky's apparatus contacted the leaders of Saigon's- Corsican underworld in 1965-1966 and agreed to let them start making large drug shipments to Europe in exchange for a fixed percentage of the profits. By October 1969 these shipments had become so important to Marseille's heroin laboratories that, according to Conein, there was a summit meeting of Corsican syndicate bosses from around the world at Saigon's Continental Palace Hotel. Syndicate leaders from Marseille, Bangkok, Vientiane, and Phnom Penh flew in for the meeting, which discussed a wide range of international rackets but probably focused on reorganizing the narcotics traffic. (202) According to one well-informed U.S. diplomat in Saigon, the U.S. Embassy has a reliable Corsican informant who claims that similar meetings were also held in 1968 and 1970 at the Continental Palace. Most significantly, American Mafia boss Santo Trafficante, Jr., visited Saigon in 1968 and is believed to have contacted Corsican syndicate leaders there. Vietnamese police officials report that the current owner of the Continental Palace is Philippe Franchini, the heir of Mathieu Franchini, the reputed organizer of currency- and opium-smuggling rackets between Saigon and Marseille during the First Indochina War.

Police officials also point out that one of Ky's strongest supporters in the Air Force, Transport Division Commander Col. Phan Phung Tien, is close to many Corsican gangsters and has been implicated in the smuggling of drugs between Laos and Vietnam.

From 1965 to 1967 Gen. Lansdale's Senior Liaison Office worked closely with Premier Ky's administration, and the general himself was identified as one of the young premier's stronger supporters among U.S. mission personnel. (203) One can only wonder whether Conein's and Lansdale's willingness to grant the Corsicans a "truce" and overlook their growing involvement in the American heroin traffic might not have been motivated by political considerations, i.e., their fear of embarrassing Premier Ky.

Just as most of the Corsican gangsters now still active in Saigon and Vientiane came to Indochina for the first time as camp followers of the French Expeditionary Corps in the late 1940s and early 1950s, the American Mafia followed the U.S. army to Vietnam in 1965. Like any group of intelligent investors, the Mafia is always looking for new financial "frontiers," and when the Vietnam war began to heat up, many of its more entrepreneurial young members were bankrolled by the organization and left for Saigon. Attracted to Vietnam by lucrative construction and service contracts, the mafiosi concentrated on ordinary graft and kickbacks at first, but later branched out into narcotics smuggling as they built up their contacts in Hong Kong and Indochina.

Probably the most important of these pioneers was Frank Carmen Furci, a young mafioso from Tampa, Florida. Although any ordinary businessman would try to hide this kind of family background from his staid corporate associates, Frank Furci found that it impressed the corrupt sergeants, shady profiteers, and Corsican gangsters who were his friends and associates in Saigon. He told them all proudly, "My father is the Mafia boss of Tampa, Florida." (204) (Actually, Frank's father, Dominick Furci, is only a middle-ranking lieutenant in the powerful Florida-based family. Santo Trafficante, Jr., is, of course, the Mafia boss of Tampa. (205)) Furci arrived in Vietnam in 1965 with good financial backing and soon became a key figure in the systematic graft and corruption that began to plague U.S. military clubs in Vietnam as hundreds of thousands of GIs poured into the war zone. (206) A lengthy U.S. Senate investigation later exposed the network of graft, bribes, and kickbacks that Furci and his fellow profiteers employed to cheat military clubs and their GI customers out of millions of dollars. At the bottom of the system were 500,000 bored and homesick GIs who found Vietnamese rice too sticky and the strong fish sauce repugnant.

The clubs were managed by senior NCOs, usually sergeant majors, who had made the army their career and were considered dedicated, trustworthy men. While the officers were preoccupied with giving orders and running a war, the sergeants were left with responsibility for all of the minor details involved in managing one of the largest restauran and night club chains in the world-ordering refrigerators, hiring bands, selecting liquor brands, and negotiating purchasing orders for everything from slot machines to peanuts. Accounting systems were shoddy, and the entire system was pathetically vulnerable to well-organized graft. Seven sergeants who had served together in the Twenty-fourth Infantry Division at Augsburg, Germany, during the early 1960s had discovered this weakness and exploited it

fully, stealing up to $40,000 a month from NCO clubs. (207)

In 1965 these seven sergeants started showing up in Vietnam as mess custodians and club managers at the First Infantry Division, the Americal Division, and U.S. army headquarters at Long Binh. (208) Most important of all, the group's ringleader, Sgt William 0. Wooldridge, was appointed sergeant major of the army in July 1966. As the army's highest-ranking enlisted man, he served directly under the army chief of staff at the Pentagon, where he was in an ideal position to manipulate personnel transfers and cover up the group's activities. (209)

At the top of the system were the civilian entrepreneurs-Frank Furci and his competitor, William J. Crum-who worked as agents for a host of American companies and paid the sergeants lavish kickbacks on huge Army purchase orders for kitchen equipment, snacks, liquo , etc.

Furci was also heavily involved in the currency black market. A U.S. Senate investigation of illegal currency manipulations in Vietnam later showed that he had exchanged $99,200 through a single unauthorized money changer at the black market rate of 300 or 400 piasters to the dollar, considerably more than the official rate of 118 piasters. (210)

Unfortunately for Furci, his competitor, William J. Crum, was also aware of these illegal transactions, and he decided to use this knowledge to force Furci out of business. Frank Furci was simply outclassed by the crippled, half-blind William Crum, an old China hand who has made a profit on almost every war in Asia since 1941. Attracted by the economic potential of the growing Southeast Asia conflict, Crum came out of his milliondollar retirement in Hong Kong and moved to Saigon in 1962. (211)

While the massive U.S. military buildup in 1965 had attracted other commercial agents as well, Crum seemed particularly resentful of Furci, whose competing line of liquor brands, slot machines, and kitchen equipment had "stolen" $2.5 million worth of his business. (212) Crum passed on information about Furci's illegal currency transactions to the Fraud Repression Division of the Vietnamese customs service through a U.S. army general whom Crum was paying $1,000 a month for protection. (213) Vietnamese customs raided Furci's offices in July 1967, found evidence to support the accusations, and later fined him $45,000.(214) Unable to pay such a large fine, Furci left Saigon. Crum later bragged that he had "paid for" the raid that had eliminated his competitor. (215)

Furci moved to Hong Kong and in August opened a restaurant named the San Francisco Steak House with nominal capital of $100,000. (216) More importantly, Furci was instrumental in the formation of Maradern Ltd., a company that the Augsburg sergeants who managed NCO clubs in Vietnam used to increase illegal profits from the military clubs. Although Furci's name does not appear on any of the incorporation papers, it seems that he was the "silent partner" in the classic Mafia sense of the term. (217)

Maradem Ltd, was not a wholesale supplier or retail outlet, but a broker that used its control over NCO clubs and base mess halls to force legitimate wholesalers to pay a fixed percentage of their profits in order to do business.(218) Maradem's competitors were gradually "squeezed out" of business, and in its first year of operation the company did $1,210,000 worth of business with NCO clubs in Vietnam. (219)

By 1968 Frank Furci had gained three years of valuable experience in the shadow world of Hong Kong and Indochina; he was friendly with powerful Corsican syndicate leaders in Saigon and had the opportunity to form similar relationships with *chiu chau* bosses in Hong Kong. (220) Thus, perhaps it is not too surprising that the boss himself, Santo Trafficante, Jr., did Furci the honor of visiting him in Hong Kong in 1968. Accompanied by Frank's father, Dominick Furci, Trafficante was questioned by Hong Kong authorities regarding the purpose of his visit, and according to a U.S. Senate investigation, he explained that "They were traveling around the world together at the time. They stopped to visit Furci, Frank Furci in Hong Kong and to visit his restaurant .... (221)

After a leisurely stopover, Trafficante proceeded to Saigon, (222) where, according to U.S. Embassy sources, he met with some prominent Corsican gangsters. (223) Trafficante was not the first of Lansky's chief lieutenants to visit Hong Kong. In April 1965 John Pullman, Lansky's courier and financial expert, paid an extended visit to Hong Kong, where he reportedly investigated the narcotics and gambling rackets. (224)

Although the few Mafia watchers who are aware of Trafficante's journey to Asia have always been mystified by it, there is good reason to believe that it was a response to the crisis in the Mediterranean drug traffic and an attempt to secure new sources of heroin for Mafia distributors inside the United States. With almost 70 Percent of the world's illicit opium supply in the Golden Triangle, skilled heroin chemists in Hong Kong, and entrenched Corsican syndicates in Indochina, Southeast Asia was a logical choice.

Soon after Trafficante's visit to Hong Kong, a Filipino courier ring started delivering Hong Kong heroin to Mafia distributors in the United States. In 1970 U.S. narcotics agents arrested many of these couriers. Subsequent interrogation revealed that the ring had successfully smuggled one thousand kilos of pure heroin into the United States-the equivalent of 10 to 20 percent of America's annual consumption.

Current U.S. Bureau of Narcotics intelligence reports indicate that another courier ring is bringing Hong Kong heroin into the United States through the Caribbean, Trafficante's territory. From Hong Kong heroin is usually flown to Chile on regular flights and then smuggled across the border into Paraguay in light, private aircraft. (225) In the la e 1960s Paraguay became the major transit point for heroin entering the United States from Latin America; both Hong Kong and Southeast Asian heroin smuggled across the Pacific into Chile and European heroin smuggled across the Atlantic into Argentina are shipped to Paraguay before being forwarded to the United States. Argentina and Paraguay are popular refuges for Marseille gangsters wanted in France for serious crimes. The most prominent of these is Auguste Joseph Ricord, a Marseille-born gangster who worked with the Gestapo during World War 11. Using a variety of means ranging from private aircraft to stuffed artifacts, Ricord is believed to have smuggled some 2.5 billion dollars' worth of heroin into the United States from Argentina and Paraguay in the last five years.(226) Although law enforcement officials have always assumed that Ricord and his associates were being supplied from Marseille, current reports of shipments from Hong Kong and Southeast

Asia to Paraguay have raised the possibility that their sources may have shifted to Asia in recent years. (227) (For heroin routes to the United States through Latin America, see Map 1, page 10.)

The Consequences of Complicity: A Generation of Junkies

In the face of the twin horrors of the Vietnam drug problem-the heroin epidemic among GIs and the growing exports to the United Stateswhat has been the response from American diplomatic and military officials in Vietnam? On the whole, their reaction has been a combination of embarrassment and apathy. Embarrassment, because they are all aware to some degree, even though they will not admit it, that elements of the Vietnamese government they have been praising and defending all these years are pushing heroin to American GIs Apathy because most of them feel that anybody who uses heroin deserves what he gets. Almost all U.S. officials knit their brows, cluck their tongues, and try to look very, very concerned whenever the heroin problem is mentioned, but most simply could not care less. They are in Vietnam to beat the VC, smash the Communists, and defend Democracy; the fact that some of Democracy's proteges are pushing heroin is something they would rather not think about.

In the early years of the Diem administration, American pronouncements about its goals in Vietnam had an almost naively innocent quality about them. President Diem was seen as a middle path of virtuous democracy between the Viet Minh's brutal "Communist dictatorship" on the left and the corrupt, dopedealing Binh Xuyen pirates on the right. When Diem refused to fire his corrupt brother, who had revived the endemic corruption so characteristic of the Binh Xuyen, the U.S. mission helped engineer Diem's downfall in the hope that an honest, efficient government would emerge from the confusion. But as Vietnam's politics proceeded to plunge into chaos and Saigon's security reached the critical level, the U.S. mission saw the light and prayed for the return of another "strong man."

The answer to the American prayer was the Thieu-Ky administration. Although Thieu and Ky devoted too much of their time to fighting each other, the Americans have generally been pleased with their ability to govern with a firm, if despotic, hand. Having learned that this type of heavy-handed government is the only kind compatible with American interests, U.S. officials were hardly going to protest when the close associates of both leaders were involved in systematic corruption, including the narcotics traffic. As long as the narcotics traffic was directed exclusively at Chinese and Vietnamese opium smokers, U.S. congressional complaints about corruption were muted. When in 1968 Senator Albert Gruening accused Air Vice-Marshal Ky of smuggling opium, the U.S. Embassy in Saigon issued a firm, if inaccurate, denial, and the matter was forgotten. (228)But when South Vietnam's narcotics syndicates started cultivating the GI heroin market, the problem was not dismissed so cavalierly. After NBC's Saigon correspondent accused President Thieu's chief adviser, General Quang, of being "the biggest pusher" of heroin to GIs in Vietnam (229) the U.S. Embassy "filed a top level report to Washington saying it *can find no evidence* to support recent charges that President Nguyen Van Thieu and Vice-President Nguyen Cao Ky were involved in or profiting from the drug trade." Simultaneously, U.S. officials defended Thieu and Ky publicly by leaking the Embassy report to members of the Saigon press corps in an offthe-record background briefing. (230)

According to a U.S. Embassy official assigned to the drug problem, the U.S. mission "can find no evidence" because it studiously avoids looking for any. It is an unwritten rule among Embassy officials that nobody can mention the names of high-ranking Vietnamese during discussions of the heroin traffic. The CIA avoids gathering information on high-level involvement, and even in its closed-door sessions with high Embassy officials discusses only minor pushers and addicts.

The U.S. mission's handling of the accusations concerning Gen. Ngo Dzu's involvement in the heroin trade is another case in point. Beginning in January 1971, the U.S. army's Criminal Investigation Division (CID) began gathering detailed information on Gen. Ngo Dzu's involvement in GI heroin traffic. Although these reports were sent to the U.S. Embassy through the proper channels, the U.S. mission did absolutely nothing. (231) When U.S. Congressman Robert H. Steele told a congressional subcommittee in July 1971 that "U.S. military authorities have provided Ambassador Bunker with hard intelligence that one of the chief traffickers is Gen. Ngo Dzu, the commander of 11 Corps, (232) the U.S. mission did its best to discredit the Congressman. Rather than criticizing Gen. Ngo Dzu for pushing heroin, the senior U.S. adviser for 11 Corps declared publicly, *"There is no information available to me that in any shape, manner or fashion would substantiate the charges Congressman Steele has made."* (233) In light of the CID report quoted earlier, the U.S. mission has apparently decided to use any means possible to protect the Thieu regime from

investigation of its involvement in the heroin trade.

While the U.S. Embassy has done its best to shield the Thieu regime from criticism, the Nixon administration and the U.S. military command have tried to defuse public concern over the GI heroin epidemic by minimizing the extent of the problem. The military offers two main arguments to justify its official optimism: (1) the definitive urinalysis test administered to every Vietnam GI just before he returns to the United States has shown that no more than 5.5 percent of all army personnel in Vietnam are heroin users; (2) since only 8.0 percent of the GI addicts in Vietnam inject, or "mainline," the great majority who smoke or snort heroin are not seriously addicted and will have no problern kicking the habit once they return home. (234)

Unfortunately, the army's first supposition is not true. On June 22, 1971, the U.S. military command ordered every GI leaving Vietnam to submit to a sophisticated test that can detect significant amounts of morphine in the body. Any GI who tested positively was confined to a special detoxification center and could not be allowed to return home until he had "dried out" and could pass the test. From the very first, GIs started devising ingenious ways of belting the system. Supervision of the testing centers has been notoriously lax, and many serious addicts pass by bringing a buddy's "clean" urine to the test and substituting it for their own. (235) Since the urinalysis can only detect morphine in the body if the addict has used heroin within the last four or five days, many addicts dry themselves out voluntarily before taking the test. (236) Army nurses have seen addicts who are in the midst of an agonizing withdrawal pass the test. (237) Contrary to popular myth, addicts can control their intake to some extent, and often alternate "sprees" with brief periods of abstinence lasting up to a week, especially the last few days before payday. (238)

Almost every American soldier in Vietnam knows the exact date of his scheduled return to the "world," and most keep a running countdown, which often includes hours and minutes as the time gets shorter. Every GI's DEROS (Date of Expected Return from Overseas) has an historic, even religious quality about it, and the thought of having to stay an extra week, or even a few days more is absolutely intolerable. Most GI addicts accept the pain of voluntary withdrawal in order to pass the test and get on their scheduled flight. Those who are too weak to make it on their own volunteer for the base "amnesty" program.

Many army physicians report a disproportionately high percentage of patients with only a few weeks left in their tours. (239) When one GI was asked why he and his buddies had temporarily given up heroin, he replied, *"The magic word, the absolute magic word, is DEROS."* (240) The short, painful detoxification simply flushes the morphine out of the system but in no way ends the deep psychological craving for heroin. When these men return home they are still "addicts" in every sense of the word.

The army's suggestion that addicts who smoke heroin in Vietnam are somehow less addicted than those who "mainline" back in the United States is patently absurd. While it is true that injection is more potent than smoking, Vietnamese heroin is so pure (90 to 98 percent pure compared to 2 to 10 percent pure in the United States) that smoking one vial of Vietnamese heroin is equivalent to five or six injections of the cut heroin available in the United States. (241) (Almost no Hong Kong addicts "mainline," but that city has the most serious heroin addiction problem in the world.) Most GI addicts in Vietnam have habits that would cost them over two hundred dollars a day back in the United States.

The army makes its absurd claim because it is not willing to admit the catastrophic impact of GI addiction in Vietnam on the worsening heroin crisis back in the United States. Despite President Nixon's promise that "all our servicemen must be accorded the right to rehabilitation," the U.S. military command in Vietnam is discharging between one thousand and two thousand GI addicts a month. These are men who are declar d of negligible value to the United States Army" after failing the urinalysis test twice. Although every GI in Vietnam has been guaranteed the right to declare himself an addict and volunteer for treatment, the army's generosity does not often extend to two-time losers. Once a commanding officer decides that a two-time loser is a hopeless case, the GI addict is flown back to the United States and discharged almost immediately Y. (242)

Virtually none of these addicts are given any follow-up treatme t. In August 1971 the chairman of the House Subcommittee on Public Health, Rep. Paul Rogers, declared that "Veterans Administration hospitals have handled only three referrals out of 12,000 servicemen on heroin . . . in Vietnam. " (243) Left to fend for themselves, many of these

men are returning to their home towns as confirmed addicts and potential pushers. A large percentage of the returning veterans are middle Americans from communities that have always been completely free from heroin addiction and regarded it as a problem unique to the black ghetto. Organized crime had never established a foothold in white middle-class communities, and most law enforcement experts considered them immune to heroin. When GI addicts started coming home to middle America, however, drug experts were frightened that they might be carriers of the heroin plague. In June 1971 one specialist said, "Each addict makes at least four more. He cannot bear his habit alone and is sure to seek recruits even if he is not himself the pusher. This is the emergency we now face. (244)

In Vietnam heroin use is so commonplace among GIs that the traditional middle-class American taboo toward the drug has been broken. A U.S. army survey administered to 1,000 army returnees in March 1971 showed that while only I I percent had used heroin regularly in Vietnam, 22 percent had tried it at least once. (245) For these men heroin is just another narcotic like marijuana, pep pills, or alcohol. In Vietnam soldiers handle heroin so frequently-buying it for themselves, picking up some for a buddy on duty, or selling it for profit-that the idea of pushing heroin once they get home seems natural. "I heard from a few guys who got off it," said one twenty-two-year-old middle American at the Long Binh treatment center. "They said they were still off 'cause it was too expensive, and anyway, they were scared to use the needle. But they said they wanted me to send 'em some scag [heroin] so they could sell it and make some money. You know a jug [vial] over here only costs two dollars, but you can get a hundred dollars for it back in the world." (246) Traveling through Asia on an investigative tour, U.S. Congressman John M. Murphy found "numerous examples of the slick GI who gets discharged, goes home, then comes back to set himself up in the drug traffic." (247)

According to U.S. narcotics agents, one of the more important heroin exporters in Thailand was an ex-serviceman, William Henry Jackson, who managed the Five Star Bar in Bangkok, a hangout for black GIs. Working with other ex-servicemen, Jackson recruited activeduty soldiers going home as couriers and used local GIs "to ship heroin to the United States through the army and air force postal system. (248)One U.S. agent who has arrested several of these ex-GI drug dealers says that, *"Most of these guys say to themselves,* ***'Just as soon as I get $100,000 for a gas station, home, boat, and car in California I'm going to quit.'*** *Most of them are just regular guys."* On April 5, 1971, U.S. customs officials in Fort Monmouth, New Jersey, seized 7.7 kilos of Double U-0 Globe brand heroin in a package mailed from Bangkok, Thailand, through the U.S. military postal system. (249) It had a retail value estimated at $1.75 million. During March and April 1971 U.S. customs seized 248 pieces of mail containing narcotics in the army and air force postal systems. (250)

As the number of American troops in Vietnam rapidly dwindles, there will be a natural tendency to forget the whole nightmarish experience of the Vietnam heroin epidemic. In time the Nixon administration may even claim the end of the GI heroin problem as one of the more solid accomplishments of its Vietnamization program. Despite these fervent hopes, it will probably be a long time before the memory of the Vietnam heroin epidemic can take its richly deserved place in the garbage can of history. For returning GI addicts have come home as carriers of the disease and are afflicting hundreds of communities with the heroin virus. The Golden Triangle heroin laboratories, which had been supplying American soldiers in Vietnam since late 1969, are not going out of business. When the number of GIs in Vietnam declined drastically in 1971, Corsican and Chinese syndicates started shipping Laotian heroin directly to the United States. In April 1971 the Laotian Ambassador to France was apprehended in Paris with sixty kilos of Double U-0 Globe brand heroin destined for the United States. (251) On November 11, 1971, a Filipino diplomat and a Bangkok Chinese merchant were arrested at the Lexington Hotel in New York City with 15.5 kilos of Double U-0 Globe brand shortly after they arrived from Vientiane. (252) Heroin is following the GIs home.

World War I produced a "lost generation" of writers, poets, and artists. World War II gave us a generation of collegians and suburbanites. The Vietnam War seems to be fathering a generation of junkies.

6. Hong Kong: Heir to the Heroin Traffic

IN MANY ways the British crown colony of Hong Kong resembles Marseille. The narrow streets give both cities an oppressive, cramped atmosphere. The waterfront areas blaze with the neon lights of bars, nightclubs, and thinly disguised brothels. Both have a long-standing tradition of random violence and organized crime. Marseille is the heroin laboratory for Turkish opium, and Hong Kong has played a similar role for Southeast Asia. While Western journalists have written endlessly on the skill of Marseille's master chemists, few are aware that Hong Kong's *chiu chau* chemists have a longer tradition, produce a higher grade of heroin and are probably more skilled than their Corsican counterparts. American journalists and narcotics specialists have become so addicted to the idea of Marseille as America's one and only heroin laboratory that few have paid any attention to Hong Kong's flourishing laboratories. However, Hong Kong, along with the Golden Triangle region, seems to be the emerging heroinproducing capital of the world, taking over from a Marseille beset with police crackdowns ever since heroin began to flood all of France in 1969, creating a severe drug problem.

Throughout the 1960s Hong Kong's heroin laboratories produced substantial quantities of pure no. 4 heroinfor the American market. Since Hong Kong police were tied down chasing addicts off the street and the U.S. Bureau of Narcotics paid almost no attention to Asia, there were few seizures of Asian heroin and little awareness of the colony's growing role in the international traffic. It was not until American GIs serving in Vietnam began using alarming quantities of no. 4 heroin refined in the Golden Triangle region that any attention was focused on the Asian heroin trade. And even then there was almost no realization that the heroin used by GIs in Vietnam was manufactured in the Golden Triangle area by Hong Kong chemists who were members of international syndicates far more powerful and better organized than Marseille's Corsican gangs.

Like Frenchmen and Italians, the Chinese tend to group themselves in business and voluntary groups by linguistic dialect and regional origins. Almost all of the gangsters who belong to Hong Kong's dominant heroin syndicates are members of the *chiu chau* dialect group. Their ancestors migrated from the region of Swatow, a city about 170 miles up the coast from the colony. However, the *chiu chau* narcotics syndicates operating in Hong Kong today do not have their origins in either Hong Kong or Swatow, but in Shanghai.

Until it was ceded to Western powers after China's humiliating defeat in the Opium War (1839-1842), Shanghai was little more than a' fishing village. As Western merchants land commercial goods flooded into China in the latter half of the nineteenth century, Shanghai became China's largest and most modern city. But, in reality, it was not a Chinese city. The Chinese imperial government divided much of the city among the British, French, Americans, and other foreign powers, which ran their concessions as they saw fit. Westerners held all the high commercial and municipal offices, and dealt with the Chinese population through a group of Chinese middlemen known as *compradores.* Since the Westerners dealt with almost no Chinese except these agents, there were soon police*compradores,* business *compradores,* and opium *compradores.*

In the so-called International Settlement, a sector administered jointly by the British and other Western powers, a group of *chiu chau* became opium *compradores* soon after the Municipal Opium Monoply was established in the 1840s. (1) Although the franchises for distribution of opium and management of the settlement's smoking dens were formally leased to Western (mainly British) merchants, the *chiu chau compradores* actually policed the smoking dens and sold the opium. Despite their relatively low social status, the *chiu chau* "prospered" from the traffic until 1918, when pressure from the new Chinese Republican government and the newly moralistic British Foreign Office finally forced British merchants to give up their franchises and close the dens. *

Although the chiu *chau* tried to maintain control over Shanghai's illicit traffic, they soon found themselves losing out to a powerful criminal syndicate named the Green Gang. A traditional "patriotic" secret society, the Green Gang had dominated Shanghai's French concession and controlled its opium traffic. When the British decided to abandon the opium trade, the *chiu chau* lost their legitimate cover in the International Settlement, and the Green Gang began to challenge their well-established hegemony over the city's illicit drug traffic. As the battle between the two groups

intensified, smaller gangs joined the fray, and the city's opium traffic dissolved into a costly chaos. Realizing that an equitable division of the spoils would be more profitable for everyone involved, a young Green Gang leader named Tu Yueh-sheng, who had emerged several years earlier as the leader of one of the gang's opium syndicates, mediated between the battling gangs and convinced both sides to form a unified opium cartel. The cartel ended the bitter rivalry by dividing the traffic between the Green Gang and the *chiu chau.* (2) Tu himself became known as "The Opium King," and used the drug business to catapult himself into the front ranks of the Shanghai underworld.

For over thirty years Tu Yueh-sheng's. cartel managed Shanghai's narcotics traffic with admirable efficiency., It not only imposed order on the city's rival gangs, but it demonstrated a keen awareness of international and domestic market potential. In the early 1920s the Shanghai syndicate began promoting the sale of millions of red-colored heroin pills advertised as "antiopium pills" and "the best medicine in the world." Thousands of Chinese opium smokers switched to that Western wonder drug, heroin, and by 1923 the cartel had to import an estimated 10.25 tons of heroin annually from European and Japanese pharmaceutical companies to keep up with consumer demand. After a new Geneva Convention ban on heroin marketing became law in 1928 and European pharmaceutical companies cut off their shipments to Shanghai, the city's drug dealers "began to manufacture heroin illicitly in China itself.(3)Green Gang agents purchased tons of raw opium in the market towns of distant Szechwan Province and shipped it down the Yangtze River to Shanghai, where it was refined into heroin in clandestine laboratories. Syndicate chemists had evidently mastered the new art, for in 1934 the Shanghai Municipal Council reported that heroin use had become so widespread that "it exceeds the smoking of opium itself." The municipal council concluded that this heroin was being manufactured locally, since Shanghai police discovered one clandestine laboratory and another had blown up whena careless chemist mismanaged the volatile ether-precipitation process. (4) The relative cheapness of heroin (60 percent less expensive than an equivalent dose of opium) made these "anti-opium pills" universally popular, and Shanghai heroin became the staple of addicts everywhere in China. During the late 1930s the cartel began to drop this medicinal facade, and addicts switched to straight heroin, mixed with regular tobacco and smoked in cigarettes. In addition, Shanghai became one of America's most important sources of illicit heroin in the 1930s when the American Mafia entered the drug business and their supplies of legal European heroin began to dry up.

But Tu Yueh-sheng was more than just a good businessman. Like such other great criminals of the modern age as Lucky Luciano or Franqois Spirito, Tu was a skilled politician who understood the paramount importance of having reliable protectors in high office. And just as Spirito ingratiated himself with French Fascists by battling Communist street demonstrators in Marseille, so Tu served Chiang Kaislick's Nationalist party by smashing Communist labor unions in Shanghai. And Tu's emergence as a national figure in China is intimately involved with Chiang Kai-shek's rise to power.*

* For more details on Shanghai, see the Appendix by Leonard P. Adams 11.

During the chaotic warlord era of the 1920s, Chiang Kai-shek emerged as the commander of China's new Nationalist army. In 1926 Chiang led his armies on the famous Northern Campaign to establish the authority of the Nationalist government (Kuomintang, KMT) in northern and central China. As Chiang's troops approached China's Industrial capital, Shanghai, in February 1927, the Communist-led labor movement rebelled against the entrenched local warlord in a show of support for the Nationalists. Instead of pressing on toward Shanghai, however, Chiang halted his march while the warlord troops slaughtered the workers. (5) Although Chiang was supported by another Communist uprising when he finally entered Shanghai in late March, he was already determined to crush the Communist labor movement.
* For a more detailed account, see the Appendix by Leonard P. Adams 11.

Unable to rely on his own troops, many of whom were sympathetic to the workers, Chiang met with the Green Gang's leaders, including Tu, soon after he arrived in Shanghai." Then, on the morning of April 12, thousands of Green Gang thugs stormed out of the French concession into Chinese sections of the city and began a reign of terror which ultimately decimated the Communist labor unions. (7)

Tu was rewarded with the rank of major general in the KMT army, and soon became one of Shanghai's most respected citizens. The 1933 edition of *The China Yearbook* described Tu as the "most influential resident, French Concession" and a "well-known public welfare worker." One Chinese historian later commented, "Perhaps for the first time in Chinese history, the underworld gained formal recognition in national politics." (8)

Although much of China's regular commerce was disrupted during World War 11 when the invading Japanese army occupied the addictridden coastal cities, forcing Chiang Kaishek's government into the interior, the opium trade continued unabated with Tu still the reigning "Opium King." Chiang's government at Chungking in the rich opiumgrowing province of Szechwan gave Tu the responsibility for negotiating opium sales across the battlelines.

Writing to his superior officer in October :1943, a U.S. army intelligence officer reported the following about Tu's involvement in the wartime opium trade:

Prior to 1937 Tu Yueh-sheng was one of the three bosses of Shanghai's underworld. He was leader in the Ching Pang (or "Green Circle").... Tu was the "opium king" and having been friendly with Chiang Kai-shek for many years, he was never persecuted by the Chinese authorities. When the Japs invaded Shanghai, Tu pulled out and subsequently settled down in Chungking....

1943-In Chungking Tu became known as a great philanthropist and headed several relief societies. Not until Jan. 1942 was the time ripe for Tu Yueh-sheng to go into action in his particular line of business. Smuggling between occupied and Free China had become so lucrative a business that the Chungking government decided to step in and control it. It was arranged for Tu Yueh-sheng to manage this trade with the enemy through the firing lines, and five banks were ordered to finance Tu's new organization to the tune of 150 million Chinese national dollars.(9)

After World War II, as the Chinese revolution gathered momentum in the late 1940s, Shanghai's gangsters realized it was only a matter of time until the Communist forces would occupy the city. Most of the city's gangsters had participated in the Green Gang's 1927 massacre of Communist supporters, and so almost the entire underworld migrated en masse to Hong Kong from 1947 to 1950. This massive influx of thousands of China's toughest criminals was too much for Hong Kong police to handle, and organized crime flourished on an unprecedented scale. Both the Green Gang and chiu chau syndicates were national organizations, and their Hong Kong branches served as welcoming committees. However, local gang leaders turned the situation to their advantage, and in the case of the Green Gang, and probably the chiu chau as well, usurped the authority of their Shanghai bosses." (10)

Green Gang members had been the most powerful racketeers in Shanghai, and during their first few years in Hong Kong it seemed as though they would dominate the colony's organized crime as well. The Green Gang opened up huge dance halls, organized large-scale prostitution, and committed a series of spectacular robberies. Most important of all, their master chemists began producing abundant supplies of highgrade heroin, which became increasingly popular as the colonial government's antiopium campaign got underway. Before the Shanghai gangsters emigrated to the colony there had been no heroin production and only a moderate level of consumption. The Green Gang's early production was aimed at exiles who had acquired the habit before coming to Hong Kong, but gradually its market expanded to include local opium smokers who switched to heroin because of the colonial government's opium suppression campaign. (11) Green Gang members are well aware of their role in introducing the technology of heroin processing into Hong Kong, and some of the society's older members claim that all of the colony's present chemists were trained by the "one-armed master chemist and his seven Green Gang disciples" who fled from Shanghai in 1949. (12)

Tu Yueh-sheng's cartel had crumbled when the underworld fled Shanghai, and the old chiu chau-Green Gang struggle for the narcotics traffic revived soon after the two groups arrived in Hong Kong. Tu himself moved to Hong Kong in April 1949, but any possible role he might have played as a mediator ended with his death in August 195 (13) In the ensuing struggle, the chiu chau possessed certain advantages that contributed to their decisive victory. The Green Gang, with its predominantly northern Chinese membership, was a relative outsider in Hong Kong. But the chiu chau syndicate had strong local connections: chiu chau dialect speakers comprised 8 percent of the colony's population; there were a number of powerful chiu chau street gangs; (14) and, perhaps the most significant of all, some of the higher Chinese officials in tile Hong Kong police hierarchy were *chiu chau.* Rather than engaging in bloody gun battles or street fights, the *chiu chau* utilized these police connections to eliminate their rivals. Although colonial police have officially ascribed the Green Gang's precipitous decline to a special police squad formed in 1950, (15) in their more candid moments police officers admit that their success was due mainly to tips received from *chiii chau* and other criminal gangs. (16) The police scored their first significant blow in 1952 when they deported reputed Green Gang leader Li Choi-fat. Although Li's arrest shocked his followers into abandoning flamboyant but risky robberies and concentrating on the safer clandestine vice trades, deportations and arrests continued to thin their ranks. (17) By

the mid 1950s the Green Gang's narcotics import and distribution network was shattered, (18) and most of its chemists went to work for the *chiu chau* syndicate. (19) A few independent Green Gang laboratories are still believed to be operating today, but even these depend on the *chiu chau* syndicate for supplies of imported morphine base and for outlets for their finished product.

The *chiu chau's* victory over the Green Gang was only their first step in establishing a complete monopoly over the Hong Kong heroin trade. The Hong Kong syndicate then proceeded to monopolize imports of Thai morphine and opium. Since most of Bangkok's commerce, including the opium traffic, is controlled by *chiu chau* speakers, this was not too difficult. As Iranian, Indian, and mainland Chinese opium disappeared from the market in the mid 1950s, control over the Bangkok drug connection gave the *chiii chau* a total import monopoly. After defeating the Green Gang, the *chiu chau* syndicate had established a virtual monopoly over the manufacture and wholesale distribution phases of the colony's drug traffic. However, retail distribution, the most lucrative phase, was managed by a collection of Cantonese family associations, secret societies, and criminal gangs. When the *chiu chau* first began to edge into this sector of the business, their chances for success appeared limited: the Cantonese comprised over 80 percent of Hong Kong's population and their syndicates were much larger and more powerful. However, in the wake of three days of bloody rioting by Cantonese secret societies in October 1956, the Hong Kong police formed the Triad Society Bureau and declared it a crime for any colony resident to belong to one of these organizations. In the five years following the riots, police arrested 10.500 suspected secret society members and deported 600 more; they thus broke the powerful Cantonese organizations into dozens of impotent splinter groups. (20) Although the weakening of Cantonese secret societies removed an important barrier, the *chiu chau* did not take over retail distribution until the mid 1960s, when the police began a serious effort to close smoking dens and arrest street pushers. But before the significance of the police crackdown can be fully understood, it is necessary to know a little bit about addiction and street pushing in Hong Kong.

With an estimated 100,000 narcotics addicts out of a total population of 4 million,(21) Hong Kong has the highest percentage of drug users anywhere in the world. Most of the addicts are poor wage laborers who live in cramped tenements and sprawling slums, which many social workers consider to be ideal breeding grounds for addiction. (22) About 85 percent of all inmates in the colony's prisons are heroin addicts, and 47 percent of all those sentenced are narcotics offenders. Prison officials have found it impossible to cut off the narcotics supply, and heroin is so common inside the prison that it is used as a form of currency. (23) The colony's addict population is increasing at an alarming rate, and the Hong Kong press noted a sharp rise in teenage addiction in 1970-1971. (24)

Although most of Hong Kong's addicts were opium smokers before World War 11, twenty-five years of police opium suppression have driven most addicts to heroin. By the early 1960s 60 to 70 percent of the colony's addicts were heroin users, and most of those still smoking opium were in their fifties and sixties. (25) As the elderly addicts died off and the young turned exclusively to heroin, the percentage of addicts using heroin increased to an estimated 80 to 90 percent by 1971. But unlike the American addict who has to shoot directly into his veins with a syringe to get any kick at all from the diluted, 5 percent pure heroin he buys on the street, the Hong Kong addict can satisfy his craving by smoking it, since he can buy a much purer grade. The majority of them use a grayish, lumpy brand of no. 3 heroin, which is usually about 40 percent pure. Since its quality is high and its price low, most addicts get high with no. 3 "chasing the dragon" or "playing the mouth organ." The user places several lumps of no. 3 on a piece of aluminum foil and heats it with a lighted match. As it melts and gives off smoke, he sucks in the wavering fumes through a rolledup piece of paper ("chasing the dragon") or through a match box cover ("playing the mouth organ"). About 25 percent of the addict population uses a higher grade of no. 3, known popularly as "White Dragon Pearl." It is about 50 percent pure, and gains its characteristic chalky-white color when cut with a form of barbiturate called "barbitone." The user grinds the white chunks into a granular powder and smokes them in an ordinary tobacco cigarette. Since euphoria builds with the short, staccato bursts of each puff, addicts call this method "shooting the ack-ack gun." (The few Hong Kong addicts who do use the needle usually cannot afford the expensive, powdery no. 4 heroin and content themselves with grinding down "White Dragon Pearl." (26))

Before the police crackdown of the mid 1960s, addicts had the choice of smoking alone or getting high in the more convivial atmosphere of the neighborhood "heroin den." Police were preoccupied with other matters, and pushers were dealing openly in almost every street, factory, and tenement in Hong Kong. However, as the police campaign began, small-time pushers were arrested, the more obvious dens were closed, and the entire structure was driven underground.

Previously, the government had been lax enough so that small pushers could afford to bribe the policemen on the beat. However, when the colonial government and police hierarchy took a harsher attitude toward the narcotics traffic, the small pusher dealing openly on the street became too blatant and a small bribe was no longer worth the risk. As the small Cantonese pushers were driven off the streets, the *chiu chau* syndicates concentrated most of the colony's retail trade in seven high-volume retail distribution centers labeled "drug supermarkets" by one Hong Kong reporter. Since each of these retail centers sells from $150,000 to $300,000 a month worth of heroin (27) the profit margin is large enough to pay the necessary bribes to Chinese and British officers in the Hong Kong police. While the police offensive in no way inhibited the growth of the narcotics traffic, it made many Chinese police sergeants millionaires. The corruption was so pervasive that in August 1969 the mere hint of an anticorruption campaign produced a wave of resignations by senior Chinese detectives and sergeants (28) Reliable Hong Kong sources report that one of the chiu *chau* officers who resigned has invested his fortune of several million dollars in real estate, restaurants, gambling houses, and apartment buildings.

A microcosmic example of the impact of the police crackdown on the colony's narcotics traffic is the growth of the Ma Shan distribution center. Until the mid 1960s the addicts of this region on Hong Kong Island's northeast coast purchased their narcotics from neighborhood street dealers or else smoked in nearby dens. When police swept he. pushers off the streets and closed the dens, a chiu chau gangster bought a small neighborhood den in the Ma Shan area from the local Cantonese secret society and made it the major "drug supermarket" for the northeast coast. Clinging to a clifflike hillside overlooking one of Hong Kong's more comfortable neighborhoods, Ma Shan is a ramshackle sprawl of impoverished squatter shacks. Although not the most convenient location, its elevation and maze of steps and ladders make it almost impossible for the police to launch a surprise raid. While ten guards and scouts patrol the perimeter, the distribution center provides twentyfour-hour service for thousands of addicts. Although Ma Shan is a Cantonese area and all its other rackets are controlled by a local secret society, the chiu chau reap most of the profit from narcotics peddling and only pay the Cantonese a rather nominal rental fee. This story s been repeated with minor variations throughout the entire colony: the chiu chau have penetrated territory traditionally dominated by Cantonese gangs to establish huge narcotics retail distribution operations. (29)

Although the Hong Kong press has exposed their location and importance on a number of occasions, the publicity has only forced the supermarkets either to move several blocks or change buildings; it has yet to result in any major police action. (30) The police concentrate most of their energies on shutting down smaller dens managed by entrepreneurs operating without syndicate protection. Since the police have to raid an occasional den to keep their record clean, syndicates have been known to hire impoverished addicts to do a term in prison and set them up in a fake den for "discovery" by the police. The press are often invited along on these operations, and the hired addicts usually give excellent performances complete with weeping, rage, or feeble escape attempts. (31)

Acquisition of the retail drug traffic has given the chiu chau a total monopoly on Hong Kong's drug traffic. Morphine base and opium are purchased from chiu chau dealers in Bangkok, smuggled into Hong Kong, and refined into heroin by chiu chau chemists. The wholesale distribution is managed by chiu chau, and the "drug supermarkets" are chiu chau owned. Although the chiu chau comprise only 8 percent of the colony's population, Hong Kong police report that a substantial majority of those arrested for trafficking in dangerous drugs are chiu chau. (32) But does this mean that all of Hong Kong's drug traffic from the heroin laboratory to the street-is controlled by a monolithic *chiu chau* syndicate? Is all of Southeast Asia's narcotics traffic controlled by a single *chiu chau* syndicate, a veritable Chinese Mafia?

While decades of painstaking investigation by police agencies and journalists have given us a reasonably clear picture of the Sicilian Mafia and the Corsican syndicates, there is almost no information on the chiu *chau.* Protected from scrutiny by powerful official patrons in Thailand, Laos, Vietnam, and Hong Kong, not even the names of the prominent *chiu chau* narcotics dealers are known to those outside ruling circles. However, recent developments in Southeast Asia's narcotics traffic have revealed a high degree of coordination among *chiu chau* traffickers and point toward the existence of some kind of unified syndicate. There are indications that many of the Golden Triangle laboratories producing heroin for American GIs in Vietnam are staffed by *chiu chau* chemists from Hong Kong. At Nam Keung village on the Lao side of the Mekong river, for example, the local military commander, Maj. Chao La, reported in September 1971 that the nearby heroin laboratory was directed by a chiu *chau* chemist from Hong Kong. (33)

This was not the first time that the *chiu chau* had exported Hong Kong's heroin technology to Southeast Asia. Shortly after the Thai government closed the opium dens and launched a crackdown on opium smokers in 1958, Hong Kong heroin chemists arrived in Thailand, set up heroin laboratories in the Bangkok area and began producing lowgrade, no. 3 heroin for the local Thai market. (34) Since opium's distinctive odor made smokers vulnerable to arrest, within several years the police antiopium campaign forced most Thai opium addicts to become heroin users. The arrival of new *chiu chau* chemists from Hong Kong in 1969-1970 introduced the complex technique for producing highgrade, no. 4 heroin and represented a significant upgrading of the region's heroin industry-and the opening up of a new market, since no. 4 heroin is used almost exclusively by a Western clientele, mainly Americans.

In July 1971 the Vietnamese police broke up a large heroin-smuggling ring in Saigon and arrested over sixty traffickers. All were *chiu chau.* Although the press hailed the arrests as a major victory for the antidrug campaign, Vietnamese police had only been able to make the arrests because the *chiu chau* syndicate leader in Bangkok was convinced that the Saigon operation was cheating him and decided to use the police as "enforcers. (35)

In addition, it appears that the *chiu chau* have played an important role in developing Southeast Asia's illicit traffic and sustaining the mass addiction fostered by old colonial opium monopolies. Through a web of international contacts, the *chiu chau* can provide raw materials, heroin chemists, and managerial skills necessary for the illicit traffic. Usually, they prefer to reach some sort of understanding with local governments, and in many Southeast Asian nations this relationship is so close that the *chiu chau* appear to be operating a semiofficial government franchise. Like most businessmen, they will not set up operations in a country unless business conditions are favorable.

The success of the Singapore government's antinarcotics drive illustrates the importance of international syndicates in maintaining the region's narcotics problem. The city was the major distribution center for the Malayan peninsula to the north and the Indonesian archipelago to the south. It was the regional headquarters of four or five international syndicates. Unlimited drug supplies frustrated government efforts at reducing the addict population; frequent seizures of one thousand to two thousand kilograms (I kilogram=2.2 pounds) by customs and police had little impact on the availability of drugs. (36) Instead of harassing opium addicts and driving them to heroin, the government decided to crack down on the syndicates. In 1962 Special Branch Police arrested the five most powerful syndicate leaders (one of whom was *chiu chau)* and had them deported after an unpublicized hearing. (37) The *chiu chau* gangster went to Bangkok, where he is believed to be involved in the narcotics traffic, and the others scattered across the region. Thereafter, smugglers began avoiding Singapore, and intensified customs searches turned up only small quantities of opium. (38)

Singapore has become the only Southeast Asian nation (except North Vietnam) with a declining number of addicts; in 1947 there were twentyfive thousand registered opium smokers, today there are only an estimated eight thousand drug addicts. Significantly, almost seven thousand of these are forty to sixty years old, a legacy of the colonial era. The e are few teenage addicts and almost no heroin problem. (39) The Singapore example proves conclusively that a Southeast Asian government can reduce its local drug problem and end its role in the international traffic if it is really serious about doing so.

Although not enough is known about *chiu chau* operations in Hong Kong to detail the precise relationships between importers and "drug supermarket" operators, colonial police do know something about the syndicates' leadership and general operating methods. Currently police officials believe that almost all of the city's narcotics are financed and imported by only five *chiu chau* gangsters. (40) The most important of these is a middle-aged *chiu chau*, whom we shall call Hua Ko-jen. He is thought to control about fifty percent of all the morphine and opium imported into Hong Kong. (41) Hua has achieved this preeminence in the narcotics traffic in only six years, and his sudden rise is something of a rags-to-riches story.

His family was so poor that Hua first began work as an ordinary street peddler, but soon was supplementing his income by selling drugs on the side. Hua gradually worked his way up in the drug traffic, becoming a full-time pusher, an opium den guard, and eventually the owner of a prosperous smoking den near the Kowloon nightclub district.(42) When the police crackdown on opium dens in the mid 1960s forced him out of business, Hua was one of the chiu *chau* gangsters who opened a "drug supermarket." From retail distribution he moved into importing, and within several years he had become Hong Kong's most important smuggler of opium and morphine base. (43) With profits from the

narcotics traffic, other members of Hua's family have a piece of "36 Beasts," a Chinese numbers racket. As Hua prospered, he became increasingly concerned about his family's low social status and started to purchase respectability. As a result of his generous contributions to many civic causes, members of his family have been publicly lauded for their services to the colony's youth. Hua himself is fast becoming just another respectable Hong Kong businessman, and has invested his narcotics profits in office buildings, apartments, and restaurants.

Although Hong Kong authorities are well aware of Hua's role in the heroin traffic, they have no way to gather sufficient evidence to convict him before a court of law. Hua maintains no direct contact with the traffic and receives his share of the profits through a string of bank accounts whose trail is buried in hundreds of legitimate domestic and international money transfers. The heroin traffic is so well organized at all levels, and the *chiu chau* are so disciplined and secretive, that Hong Kong authorities despair of ever being able to convict the major traffickers; they have in fact made public admissions of their inability to halt narcotics smuggling. (44) But Hong Kong's drug industry is no longer just a local problem. The inability of the government to slow the narcotics traffic is making the colony increasingly important as a source of heroin for the American market. Today Hong Kong's heroin laboratories are at the end of the opium trail from Southeast Asia and the beginning of a heroin pipeline to the United States.

On September 13, 1971, a small, wooden-hulled Thai fishing trawler left Paknam, Thailand, with a cargo of 1,500 kilograms of raw opium and 260 kilograms of morphine bricks. Its destination was Hong Kong. With favorable sailing conditions, the ship would chug along at five to ten knots an hour and arrive within a week.

This fishing boat is a member of a small but active fleet carrying narcotics between Thailand and Hong Kong. Its journey is the last leg of a voyage that began in the mountains of Burma. Almost all of Hong Kong's narcotics come from Thailand, and are smuggled into the colony on these small trawlers. This is a relatively recent development. Until about five years ago, most drug shipments arrived on regular freighters, concealed in cargo such as refrigerators and lumber. This sort of smuggling was relatively easy for Hong Kong's Preventive Services to detect, and a number of spectacular seizures forced the smugglers to change their tactics. Their present method is virtually arrestproof. When the trawlers leave Paknam they are usually empty, but just before departure time a contact man boards the vessel. The ship then sets a course in an easterly direction, paralleling the Thai coastline until it arrives at a prearranged meeting place known only to the contact man. After coded signals are flashed from ship to shore, a high-powered speed boat darts out from the coastline, transfers the drugs and speeds away with the contact man. (45) By the time the trawler has rounded Vietnam's Camau peninsula and moved into the South China Sea, it has usually been spotted by U.S. navy radar aircraft patrolling the Gulf of Siam. Within minutes after the patrol aircraft lands at its base in Uttapao, Thailand, the trawler's course, heading, and speed are radioed to the United States Navy Market Time Surveillance Patrol in Cam Ranh Bay, Vietnam. Although its primary mission is monitoring freighter traffic bound for Haiphong, North Vietnam, and coastal shipping moving toward South Vietnam, these Lockheed Electras are also responsible for spotting the "dope boats" as they chug northward toward Hong Kong. After the dope boat has been spotted for the last time by another radar patrol in the South China Sea, its course and estimated time of arrival in Hong Kong are radioed to Saigon and forwarded to authorities. (46)

So far this precise information has been of little use to Hong Kong's antismuggling police unit, the Preventive Services. With only six launches to patrol two hundred islands, hundreds of miles of coastlines, and a local fishing fleet of fifteen thousand sampans and junks. (47) Preventive Services has found it impossible to discourage this kind of smuggling even with detailed intelligence on the "dope boats." Once the Thai trawler reaches Hong Kong it ordinarily uses one of three methods for transferring its cargo to a local fishing boat: (I) it can bury it on the beach of a deserted island; (2) make a direct transfer in Chinese waters, where Hong Kong authorities cannot follow; or (3) drop the narcotics into the shallow coastal waters in watertight steel drums. If pursued by an official launch, the trawler simply retreats to international waters and waits until the understaffed Preventive Services gives up its surveillance. Once the local fishing boat makes the pickup it usually hauls the cargo into port by towing it underneath the water line in heavy steel drums. If an official launch comes after them the crew simply cuts the line and lets the cargo sink to the bottom of the ocean. (48)

Once safely in Hong Kong, the morphine base goes to one of the ten or so heroin laboratories usually operating at any given time. While the largest laboratories may have as many as seven workers and produce up to fifty pounds of heroin a day, most have only three or four employees processing about ten pounds a day. (49) Even the most unskilled

of Hong Kong's heroin chemists can manage the relatively simple chemical process required to produce an adequate grade of no. 3, and most of the morphine smuggled into the colony is used to manufacture the chunky, low-grade brands favored by local addicts.

For the United States the critical question is, of course, how much of Hong Kong's efficient heroin industry is producing the powdery no. 4 used by American addicts, and what percentage of this output is going to the United States? It is impossible to make precise estimates when dealing with such a clandestine business, but there is every indication that Hong Kong has become a major supplier for the U.S. market. Although any chemist can go through the rather simple operations to produce no. 3, the production of the fluffy white no. 4 grade of heroin requires a final, dangerous step, which demands a great deal of extra skill. The chemist has to precipitate the grayish, lumpy no. 3 through a solution of ether and alcohol. (50) Unless properly handled, the ether forms a volatile gas. In 1970 one Hong Kong laboratory exploded when the chemist became a bit careless and the ventilation fan shorted out during the ether process. The chemist and several assistants escaped, leaving a rather badly burned co-worker lying in the smoldering rubble. (51) This final stage is not only dangerous, but it doubles the time required to complete the processing; a laboratory that can produce a batch of no. 3 in six hours requires twelve to fifteen hours for the same amount of no. 4. Despite all the extra risk and time involved, no. 4's only real advantage is its high degree of water solubility, which makes it easier to inject with a syringe. Since very few of the colony's addicts inject their heroin (and almost none of those who do can afford the more expensive no. 4), Hong Kong officials are unanimous in asserting that there is no local market for no. 4.

However, a good deal of no. 4 heroin is being produced in Hong Kong. The Government Chemist's Office reports that many of the heroin laboratories they have examined in the course of police investigations over the last ten years have been producing impressive quantities of no. 4. They have also been struck by the absence of any no. 4 in the confiscated street packets they test for the police in narcotics possession cases. Their conclusion is the obvious one: large quantities of no. 4 are being produced for export. (52) Members of the narcotics police concur with this, and add that the U.S. Bureau of Narcotics has so far not heeded their warnings on the growing importance of Hong Kong's heroin exports. (53)

Since the Hong Kong narcotics police were preoccupied with chasing pushers and addicts off the streets and the U.S. Bureau of Narcotics was woefully understaffed in Asia, it was not until recently that any substantial quantities of heroin from Hong Kong were intercepted. The first breakthrough came in January 1967, when a series of coordinated police raids in Miami, New York, and Sydney, Australia, netted an entire smuggling ring operating out of Hong Kong. Its organizers were retired Australian policemen, and eleven of the fifteen arrested persons were Australians as well. (54) The ring had been operating for almost a year using standard "body packs" and a sophisticated duplicate passport system to bring $22.5 million worth or heroin into the United States.

Subsequent interrogation of the Australian suspects revealed that the ringleaders had been hired by one of Hong Kong's big five *chiu chau* syndicate leaders to smuggle heroin into the United States. Every two weeks a group of couriers with duplicate passports flew to Hong Kong from Sydney, where they each picked up five to six kilograms of undiluted no. 4 heroin. After concealing the heroin underneath their clothing by taping the plastic-wrapped packets to their chests and stomachs, they usually caught a flight direct to London, where they disembarked. There they switched to the second passport. Once this second passport was stamped by British customs, they caught another flight to New York and passed through U.S. customs as ordinary, pot-bellied businessmen flying direct to New York from Australia with a brief stopover in London. Most New York authorities would be suspicious of a passport that showed a Hong Kong stopover. Those who entered the United States through Honolulu had no need for the duplicate passport, since it was common enough for Australians en route to the United States to stop off in Hong Kong. (55) Their profits were enormous; a kilogram of heroin the Australians bought from the Hong Kong chiu*chau* for $1,600 was sold to American distributors for $34,000. (56)

Although these arrests drew a good deal of attention from the press, U.S. narcotics officials regarded the Australian ring as a freak phenomenon with little more than curiosity value. It was not until three years later, when an even larger Hong Kong-based smuggling ring was broken up, that they began to pay serious attention to Hong Kong. In 1970 federal narcotics agents launched a coordinated series of arrests at airports across the United States that netted a group of Filipino couriers as they stepped off various trans-Pacific flights. All were carrying "body packs" of no. 4 Hong

Kong heroin to be delivered to Mafia contact men in the United States.

Although the Filipino ring was also working for one of Hong Kong's *chiu chau* syndicate leaders, their operations were much more extensive than those of the Australian group. While the Australians usually only had three or four couriers in the air at the same time, the Filipinos "shotgunned" as many as eight couriers on a single run. During a twelvemonth period in 1969-1970, the Filipinos smuggled an estimated one thousand kilograms of Hong Kong heroin into the United States. (57) This amount alone accounts for *at least 10* to 20 percent of all the heroin consumed in the United States in an entire year. Since Hong Kong's heroin was manufactured from Burmese and Thai opium, this was hard evidence that Southeast Asia was fast becoming the major source of America's heroin supply. (58)

However, the official wisdom of the day held that Southeast Asia only accounts for 5 percent of America's heroin. The Bureau of Narcotics was convinced that 80 percent was refined from Turkish opium and 15 percent from Mexican, and had been concentrating almost all its investigative efforts in these areas. (59) But suddenly it was faced with a single Southeast Asian smuggling ring that had been supplying a substantial part of America's annual dosage. And the Filipinos were only messenger boys for one of five *chiu chau* syndicate leaders in Hong Kong. Why couldn't the other four syndicate leaders have courier organizations just as big, or even bigger?

Questions like this soon prompted a reorganization of the Bureau of Narcotics' international enforcement effort and intelligence gathering techniques. Unprecedented quantities of heroin were flooding into the United States in the late 1960s, and top-level agents had become concerned that their old methods no longer seemed to have any effect. As one U.S. narcotics agent explained in a November 1971 interview:

In 1961 when we ... seized fifteen kilos there was street panic in New York City. Junkies were lined up in front of doctors' offices begging for the stuff. Even as late as 1965, when we seized fifteen or sixteen kilos, it had the same effect. Now we seize five hundred kilos in three weeks, and it has no effect whatsoever.

Yet at the same time these massive quantities of heroin were pouring into the United States, Turkey-the alleged producer of 80 percent of the opium that entered America in the form of heroin-abolished poppy cultivation in fourteen out of its twenty-one opium-producing provinces and reduced total official output by over 70 percent between 1967 and 1971. (60) (See Map 1, page 11, for abandoned growing areas in Turkey.) It was evident that major changes were taking place in the international traffic, and the bureau established a special research and analysis division to deal with this. Its chief, Mr. John Warner, explained in an October 1971 interview:

"We found we knew very little about the actual pattern of drug trafficking. We were saying that 80 percentof the narcotics entering the U.S. came from Turkey and only 5 percent came from Southeast Asia. In fact, this was based on ignorance. So a year ago we created the Strategic Intelligence Office to find out what was really going on.

The bureau has not yet abandoned its emphasis on Turkey, but increased intelligence and enforcement work are already starting to produce results in Southeast Asia and Hong Kong. Although it has not yet produced any arrests, current investigative work seems to indicate that the Australian and Filipino groups were only two of a number of courier rings the chiu chau have been using. Recent intelligence has shown that the chiu chau syndicate is using a new group of couriers to smuggle large quantities of heroin into the United States through an incredible maze of commercial air routes: Hong Kong to Okinawa, Okinawa to Buenos Aires, Buenos Aires to Paraguay, Paraguay to Panama City, and Panama City to Los Angeles (see Map 1 on pages 10- 11).

There is speculation that this new route from Hong Kong may be contributing to the growing amounts of heroin entering the United States from Latin American." (61)

Yet, despite the increased enforcement effort and mounting evidence of Southeast Asia's growing role in the international heroin traffic, the U.S. State Department has not yet broken its addiction to the myth of Turkey's importance. Convinced that the root of the problem still lies in the Mediterranean, and unwilling to suffer the political consequences of thinking otherwise, America's diplomats have so far been reluctant to apply the same political leverage in Southeast Asia as they have in France and Turkey. It is undeniable that the State Department and the Bureau of Narcotics have made enormous strides in repressing the opium traffic in Turkey and Europe. But it is also true that the Mediterranean's loss is Southeast Asia's gain.

7. The Golden Triangle: Heroin Is Our Most Important Product

"LADIES AND GENTLEMEN," announced the genteel British diplomat, raising his glass to offer a toast, "I give you Prince Sopsaisana, the uplifter of Laotian youth." The toast brought an appreciative smile from the lips of the guest of honor, cheers and applause from the luminaries of Vientiane's diplomatic corps gathered at the send-off banquet for the Laotian ambassador-designate to France, Prince Sopsaisana. His appointment was the crowning achievement in a brilliant career. A member of the royal house of Meng Khouang, the Plain of Jars region, Prince Sopsaisana was vice-president of the National Assembly, chairman of the Lao Bar Association, president of the Lao Press Association, president of the Alliance Francaise, and a member in good standing of the Asian People's Anti-Communist League. After receiving his credentials from the king in a private audience at the Luang Prabang Royal Palace on April 8, 1971, the prince was treated to an unprecedented round of cocktail parties, dinners, and banquets. (1) For Prince Sopsaisana, or Sopsai as his friends call him, was not just any ambassador; the Americans considered him an outstanding example of a new generation of honest, dynamic national leaders, and it was widely rumored in Vientiane that Sopsai was destined for high office some day.

The send-off party at Vientiane's Wattay Airport on April 23 was one of the gayest affairs of the season. Everybody was there: the cream of the diplomatic corps, a bevy of Lao luminaries, and, of course, you-know who from the American Embassy. The champagne bubbled, the canapes were flawlessly French, and Mr. Ivan Bastouil, *charge d'affaires* at the French Embassy, *Lao Presse* reported, gave the nicest speech. (2) Only after the plane had soared off into the clouds did anybody notice that Sopsai had forgotten to pay for his share of the reception. When the prince's flight arrived at Paris's Orly Airport on the morning of April 25, there was another reception in the exclusive VIP lounge. The French ambassador to Laos, home for a brief visit, and the entire staff of the Laotian Embassy had turned out. (3) There were warm embraces, kissing on both cheeks, and more effusive speeches. Curiously, Prince Sopsaisana insisted on waiting for his luggage like any ordinary tourist, and when the mountain of suitcases finally appeared after an unexplained delay, he immediately noticed that one was missing. Angrily Sopsai insisted his suitcase be delivered at once, and the French authorities promised, most apologetically, that it would be sent round to the Embassy just as soon as it was found. But the Mercedes was waiting, and with flags fluttering, Sopsai was whisked off to the Embassy for a formal reception.

While the champagne bubbled at the Laotian Embassy, French customs officials were examining one of the biggest heroin seizures in French history: the ambassador's "missing" suitcase contained sixty kilos of high-grade Laotian heroin worth $13.5 million on the streets of New York,(4) its probable destination. Tipped by an unidentified source in Vientiane, French officials had been waiting at the airport. Rather than create a major diplomatic scandal by confronting Sopsai with the heroin in the VIP lounge, French officials quietly impounded the suitcase until the government could decide how to deal with the matter.

Although it was finally decided to hush up the affair, the authorities were determined that Sopsaisana should not go entirely unpunished. A week after the ambassador's arrival, a smiling French official presented himself at the Embassy with the guilty suitcase in hand. Although Sopsaisana had been bombarding the airport with outraged telephone calls for several days, he must have realized that accepting the suitcase was tantamount to an admission of guilt and flatly denied that it was his. Despite his protestations of innocence, the French government refused to accept his diplomatic credentials and Sopsai festered in Paris for almost two months until he was finally recalled to Vientiane late in June.

Back in Vientiane the impact of this affair was considerably less than earthshaking. The all-powerful American Embassy chose not to pursue the matter, and within a few weeks everything was conveniently forgotten (5) According to reports later received by the U.S. Bureau of Narcotics, Sopsai's venture had been financed by Meo Gen. Vang Pao, commander of the CIA's Secret Army, and the heroin itself had been refined in a laboratory at Long Tieng, which happens to be the CIA's headquarters for clandestine operations in northern Laos.(6) Perhaps these embarrassing facts may explain the U.S. Embassy's lack of action.

In spite of its amusing aspects, the Sopsaisana affair provides sobering evidence of Southeast Asia's growing

importance in the international heroin trade. In addition to growing over a thousand tons of raw opium annually (about 70 percent of the world's total illicit opium. (7) Southeast Asia's Golden Triangle region has become a mass producer of high-grade no. 4 heroin for the American market. Its mushrooming heroin laboratories now rival Marseille and Hong Kong in the quantity and quality of their heroin production.

As America confronted the heroin epidemic in mid 1971, governme t leaders and massmedia newsmen reduced the frightening complexities of the international drug traffic to a single sentence. Their soothing refrain ran something like this: 80 percent of America's heroin begins as raw opium on the slopes of Turkey's craggy Anatolian plateau, is refined into heroin in the clandestine laboratories of Marseille, and smuggled into the United States by ruthless international syndicates.

If any of the press had bothered to examine this statement they might have learned that it was based largely on a random guess by the French narcotics police, (8) who had eleven officers, three automobiles, and a miserable budget with which to cover all of southern France! (9) If they had probed further they might have discovered this curious anomaly: that although Southeast Asia produced 70 percent of the world's illicit opium, it was credited with being the source of only 5 percent of America's heroin supply, while Turkey, with only 7 percent of the world's illicit opium, was allegedly responsible for 80 percent of our heroin. (10)

The truth, as it often is, was rather embarrassing. To summarize, Turkey's opium production had declined sharply in the late 1960s, and international drug syndicates had turned to Southeast Asia as an alternate source of raw materials. Southeast Asia's Golden Triangle-comprising the rugged Shan hills of northeastern Burma, the mountain ridges of northern Thailand, and the Meo highlands of northern Laos-had become the world's largest source of opium, morphine, and heroin. Its narcotics were flooding into the United States through Hong Kong, Latin America, and Europe. The sudden increase in Southeast Asian heroin exports to the United States was fueling a heroin epidemic among American youth. Since some American allies in Southeast Asia were managing the traffic and U.S. policies had contributed to its growth, the Nixon administration was hardly anxious to spark a heated political controversy by speculating openly on Southeast Asia's growing importance in America's heroin traffic.

In the 1960s a combination of factors-American military intervention, corrupt national governments, and international criminal syndicates -pushed Southeast Asia's opium commerce beyond self-sufficiency to export capability. Production of cheap, low-grade no. 3 heroin (3 to 6 percent pure) had started in the late 1950s when the Thai government launched an intensive opium suppression campaign that forced most of her opium habitues to switch to heroin. By the early 1960s large quantities of cheap no. 3 heroin were being refined in Bangkok and northern Thailand, while substantial amounts of morphine base were being processed in the Golden Triangle region for export to Hong Kong and Europe. However, none of the Golden Triangle's opium refineries had yet mastered the difficult technique required to produce high-grade no. 4 heroin (90 to 99 percent pure).

In late 1969 opium refineries in the Burma-Thailand-Laos tri-border region, newly staffed by skilled master chemists from Hong Kong, began producing limited supplies of high-grade heroin for the tens of thousands of alienated GIs serving in South Vietnam. The U.S. military command in Saigon began getting its first reports of serious heroin addiction among isolated units in early 1970. By September or October the epidemic was fully developed: seemingly unlimited quantities of heroin were available at every U.S. installation from the Mekong Delta in the south to the DMZ in the north.

When rapid U.S. troop withdrawls in 1970-1972 reduced the local market for the Golden Triangle's flourishing heroin laboratories, Chinese, Corsican, and American syndicates began sending bulk shipments of no. 4 heroin directly to the United States. As a result of these growing exports, the wholesale price for a kilo of pure no. 4 heroinat Golden Triangle laboratories actually *increased* by 44 percent-from $1,240 in September 1970 to $1,780 in April 1971-despite a 30 percent *decline* in the number of GIs serving in Vietnam during the same period. (11) Moreover, the rapid growth of exports to the United States has spurred adramatic leap in the price of raw opium in the Golden Triangle. One American trained anthropologist who spent several years studying hill tribes in northern Thailand reports that "between 1968 and early 1970 . . . the price of raw opium at the producing village almost doubled from $24 to $45 a kilogram. (12) While the growing rate of addiction among remaining U.S. troops in Vietnam probably accounted for some increased demand, increased exports to the American domestic market provided the major impetus behind the price

rise. Significantly, it was in April 1971 that the first bulk shipments of Laotian heroin were intercepted in Europe and the United States. On April 5 U.S. customs officials seized 7.7 kilos of Double U-0 Globe brand heroin at Fort Monmouth, New Jersey, (13) and on April 25 French authorities seized Prince Sopsaisana's 60 kilos at Orly Airport.

In 1970-1971 U.S. law enforcement officials became alarmed over the greatly increased heroin supplies available to America's addict population. Massive drug seizures of unprecedented size and value did not even make the "slightest ripple" in the availability or price of heroin .(14) Knowing that Turkey's opium production was declining, U.S. narcotics experts were mystified and began asking themselves where all this heroin was coming from.(15) The answer, of course, is the Golden Triangle.

The CIA, in its 1971 analysis of narcotics traffic in the Golden Triangle reported that the largest of the region's seven heroin factories, located just north of Ban Houei Sai, Laos, "is believed capable of processing some 100 kilos of raw opium per day."(16) In other words, the factory is capable of producing 3.6 tons of heroin a year-an enormous output, considering that American addicts only consume about 10.0 tons of heroin annually. Moreover, none of this production is intended for Asian addicts: as we have already mentioned, high-grade no. 4 heroin is too expensive for them; and they either smoke opium or use the inexpensive low-grade no. 3 heroin. In Bangkok, for example, one gram of no. 4 heroin costs sixteen times more than one gram of no. 3. (17) The only market outlets for these heroin laboratories are in the well-heeled West: Europe, with a relatively small addict population, and the United States, which has a large and rapidly increasing addict population.

U.S. military and political activities had played a significant role in shaping these developments. Although opium production continued to increase in Burma and Thailand, there were no major changes in the structure of the traffic during the 1960s. Still enjoying tacit CIA support for their counterinsurgency work, Nationalist Chinese (KMT) military caravans continued to move almost all of Burma's opium exports into northern Thailand, where they were purchased by a Chinese syndicate for domestic distribution and export to Hong Kong or Malaysia. The Shan national revolutionary movement offered a brief challenge to KMT hegemony over the opium trade, but after their most powerful leader was defeated in the 1967 Opium War, the Shan threat evaporated.

After the 1967 Opium War, the KMT solidified its control over the BurmaThailand opium trade. Almost none of the seven hundred tons of raw opium harvested annually in Burma's Shan and Kachin states reaches world markets through any of Burma's ports: instead, it is packed across the rugged Shan hills by mule caravan to the tri-border junction of Burma, Thailand, and Laos. This area is the beginning of two pipelines into the illicit international markets: one shoots across Laos to Saigon, the other heads due south through central Thailand to Bangkok." (18)(For smuggling routes, see Map)

Although Shan rebel bands and Burmese self-defense forces collect a heavy tax from tribal opium farmers and itinerant small merchants who transport raw opium to major Shan States market towns, they control very few of the caravans carrying raw opium south to refineries in the tri-border area, In 1967 one CIA operatiye reported that 90 percent of Burma's opium harvest was carried by Nationalist Chinese army mule caravans based in northern Thailand, 7 percent by Shan armed bands, and about 3 percent by Kachin rebels.(19)

Thailand's northern hill tribes harvest approximately two hundred tons of opium annually, according to a 1968 U.S. Bureau of Narcotics estimate. (20) The Thai government reports that KMT military units and an allied group of Chinese hill traders control almost all of the opium commerce in northern Thailand.

In Laos, CIA clandestine intervention produced changes and upheavals in the narcotics traffic. When political infighting among the Lao elite and the escalating war forced the small Corsican charter airlines out of the opium business in 1965, the CIA's airline, Air America, began flying Meo opium out of the hills to Long Tieng and Vientiane. CIA cross-border intelligence missions into China from Laos reaped an unexpected dividend in 1962 when the Shan rebel leader who organized the forays for the agency began financing the Shan nationalist cause by selling Burmese opium to another CIA protege, Laotian Gen. Phoumi Nosavan. The economic alliance between General Phoumi and the Shans opened up a new trading pattern that diverted increasingly significant quantities of Burmese opium from their normal marketplace in Bangkok. In the late 1960s U.S. air force bombing disrupted Laotian opium production by forcing the majority of the Meo opium farmers to become refugees. However, flourishing Laotian heroin

laboratories, which are the major suppliers for the GI market in Vietnam, simply increased their imports of Burmese opium through already established trading relationships.

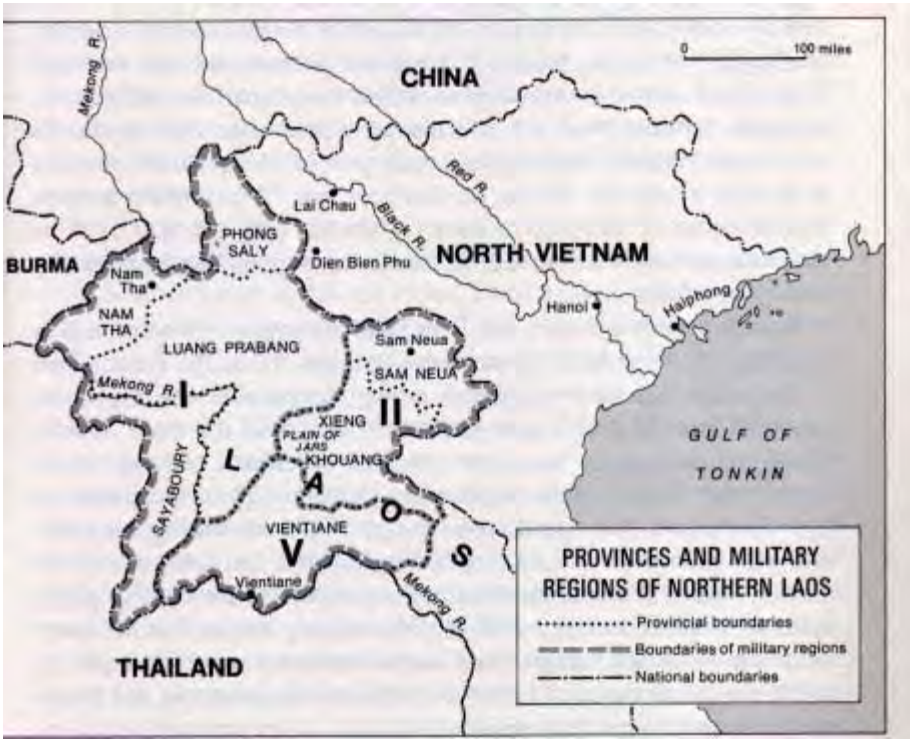
The importance of these CIA clients in the subsequent growth of the Golden Triangle's heroin trade was revealed, inadvertently, by the agency itself when it leaked a classified report on the Southeast Asian opium traffic to *The New York Times*. The CIA analysis identified twenty-one opium refineries in the tri-border area where Burma, Thailand, and Laos converge, and reported that seven were capable of producing 90 to 99 percent pure no. 4 heroin.Of these seven heroin refineries, "the most important are located in the areas around Tachilek, Burma; Ban Houei Sai and Nam Keung in Laos; and Mae Salong in Thailand." (21)

Although the CIA did not bother to mention it, many of these refineries are located in areas totally controlled by paramilitary groups closely identified with American military operations in the Golden Triangle area. Mae Salong is headquarters for the Nationalist Chinese Fifth Army, which has been continuously involved in CIA counterinsurgency and intelligence operations since 1950. According to a former CIA operative who worked in the area for a number of years, the heroin laboratory at Nam Keung is protected by Maj. Chao La, commander of Yao mercenary troops for the CIA in northwestern Laos. One of the heroin laboratories near Ban Houei Sai reportedly belongs to Gen. Ouane Rattikone, former commander in chief of the Royal Laotian Army-the only army in the world, except for the U S. army, entirely financed by the U.S. government.(22) The heroin factories near Tachilek are operated by Burmese paramilitary units and Shan rebel armies who control a relatively small percentage of Burma's narcotics traffic. Although few of these Shan groups have any relation to the CIA today, one of the most important chapters in the history of the Shan States' opium trade involves a Shan rebel army closely allied with the CIA. (For location of these laboratories, see Map)

Other sources have revealed the existence of an important heroin laboratory operating in the Vientiane region under the protection of Gen. Ouane Rattikone. Finally, the U.S. Bureau of Narcotics has reports that Gen. Vang Pao, commander of the CIA's Secret Army, has been operating a heroin factory at Long Tieng, headquarters for CIA operations in northern Laos. (23)

Thus, it is with something more than idle curiosity that we turn to an examination of CIA clandestine operations and the concurrent growth of the narcotics traffic in the Golden Triangle.

Laos:
Land of the Poppy



Laos is one of those historical oddities like Monaco, Andorra, and Lichtenstein which were somehow left behind when petty principalities were consolidated into great nations. Although both nineteenth-century empire builders and cold war summit negotiators have subscribed to the fiction of Laotian nationhood out of diplomatic convenience, this impoverished little kingdom appears to lack all of the economic and political criteria for nationhood. Not even the Wilsonian principle of ethnic determinism that Versailles peacemakers used to justify the carving up of the Austro-Hungarian Empire after World War I validate Laos's existence. Some 8.0 million Lao live in northeast Thailand, but there are only about 1.5 million Lao in Laos. With a total population of between 2 and 3 million and singularly lacking in natural resources, Laos has been plagued by fiscal problems ever since independence in 1954. Unable to finance itself through corporate, mineral, or personal taxes, the Royal Laotian government has filled its coffers and lined its pockets by legalizing or tolerating what its neighbors have chosen to outlaw, much like needy principalities the world over. Monaco gambles, Macao winks at the gold traffic, and the Laotian government tolerates the smuggling of gold, guns, and opium.

While the credit card revolution has displaced paper currency in most of suburban America, peasants and merchants in underdeveloped countries still harbor a healthy distrust for their nations' technicolor currency, preferring to store their hard-earned savings in gold or silver. Asian governments have inadvertently fostered illicit gold trafficking either by imposing a heavy revenueproducing duty on legal gold imports or else limiting the right of most citizens to purchase and hold gold freely; thus, an illicit gold traffic flourishes from Pakistan to the Philippines. Purchased legally on the European market, the gold is flown to Dubai, Singapore, Vientiane, or Macao, where local governments have imposed a relatively low import duty and take little interest in what happens after the tax is paid.

Laos's low duty on imported gold and its government's active participation in the smuggling trade have long made it the major source of illicit gold for Thailand and South Vietnam. Although Laos is the poorest nation in Southeast Asia, Vientiane's licensed brokers have imported from thirty-two to seventy-two tons of gold a year since the American buildup in Vietnam began in 1965. As thousands of free-spending GIs poured into Vietnam during the early years of the war, Saigon's black market prospered and Laos's annual gold imports shot up to seventytwo tons by 1967.(24) The 8.5 percent import duty provided the Royal Lao government with more than 40 percent of its total tax revenues, and the Finance Ministry could not have been happier. (25) However, in 1968 the Tet offensive and the international gold crisis slowed consumer demand in Saigon and plunged the Laotian government into a fiscal crisis. Prime Minister Souvanna Phouma went before the National Assembly and explained that because of the downward trend in the gold market, "one of our principle sources of income will not reach our expectations this year." Faced with what the prime minister described as "an extremely complex and difficult situation," Finance Minister Sisouk na Champassak privately suggested that the government might seek an alternate source of revenue by taxing the clandestine opium trade. (26) When the establishment of a gold market in Singapore in 1969 challenged Laos's position as the major gold entrepot in

Southeast Asia and forced the Finance Ministry to drop the import duty from 8.5 to 5.5 percent in 1970, (27) Sisouk na Champassak told a BBC reporter, "The only export we can develop here is opium, and we should increase our production and export of it." (28)

As minister of finance and acting minister of defense, Sisouk is one of the most important government officials in Laos, and his views on the opium trade are fairly representative of the ruling elite. Most Laotian leaders realize that their nation's only valuable export commodity is opium, and they promote the traffic with an aggressiveness worthy of Japanese electronics executives or German automobile manufacturers. Needless to say, this positive attitude toward the narcotics traffic has been something of an embarrassment to American advisers serving in Laos, and in deference to their generous patrons, the Laotian elite have generally done their best to pretend that opium trafficking is little more than a quaint tribal custom.(29) As a result, violent coups, assassinations, and bitter political infighting spawned by periodic intramural struggles for control of the lucrative opium traffic have often seemed clownlike or quixotic to outside observers. But they suddenly gain new meaning when examined in light of the economics and logistics of the opium trade.

Since the late 1950s the opium trade in northern Laos has involved both the marketing of the locally grown produce and the transit traffic in Burmese opium. Traditionally most of Laos's domestic production has been concentrated in the mountains of northeastern Laos, although it is now greatly reduced because of massive U.S. bombing and a vigorous opium eradication program in Pathet Lao liberated zones(30) Designated on Royal Lao Army maps as Military Region 11, this area comprises the Plain of Jars and most of the Meo highlands that extend from the northern rim of the Vientiane Plain to the border of North Vietnam. While northwestern Laos also has extensive poppy cultivation, opium production has never achieved the same high level as in the northeast; soil conditions are not as favorable, the traffic has not been as well organized, and tribal populations are more scattered. For example, there are between 150,000 and 200,000 Meo living in the northeast, but only about 50,000 Meo in the northwest. As a result, the opium trade in northwestern Laos, now known as Military Region 1, was always secondary in importance during the colonial era and the early years of the postcolonial opium traffic. However, in the mid 1960s Shan and Nationalist Chinese opium caravans began crossing the Mekong into Laos's extreme northwest with large quantities of Burmese opium. As dozens of refineries began springing up along the Laotian bank of the Mekong to process the Burmese opium, the center of Laos's opium trade shifted from the Plain of Jars to Ban Houei Sai in northwestern Laos.

The mountains of northern Laos are some of the most strikingly beautiful in the world. Shrouded with mile-high clouds during the rainy season, they are strongly reminiscent of traditional Chinese scroll paintings. Row upon row of sharp ridges wind across the landscape, punctuated by steep peaks that conjure up images of dragons' heads, towerin monuments, or rearing horses. The bedrock is limestone, and centuries of wind and rain have carved an incredible landscape from this porous, malleable material. And it is the limestone mountains that attract the Meo opium farmers. The delicate opium poppy, which withers and di s in strongly acidic soil, thrives on limestone soil. Tribal opium farmers are well aware of the poppy's need for alkaline soil, and tend to favor mountain hollows studded with limestone outcroppings as locations for their poppy fields.

But the mountain terrain that is so ideal for poppy cultivation makes long-range travel difficult for merchant caravans. When the French tried to encourage hill tribe production during the colonial era, they concentrated most of their efforts on Meo villages near the Plain of Jars, where communications were relatively well developed, and they abandoned much of the Laotian highlands to petty smugglers. Desperate for a way to finance their clandestine operations, French intelligence agencies expropriated the hill tribe opium trade in the last few years of the First Indochina War and used military aircraft to link the Laotian poppy fields with opium dens in Saigon. But the military aircraft that had overcome the mountain barriers for Laotian merchants were withdrawn in 1954, along with the rest of the French Expeditionary Corps, and Laos's opium trade fell upon hard times.

Corsican Aviation Pioneers: "Air Opium," 1955-1965

After France's military withdrawal in 1954, several hundred French war veterans, colonists, and gangsters stayed on in Laos. Some of them, mainly Corsicans, started a number of small charter airlines, which became colorfully and collectively known as "Air Opium." Ostensibly founded to supply otherwise unavailable transportation for civilian businessmen and diplomats, these airlines gradually restored Laos's link to the drug markets of South Vietnam that had vanished with the departure of the French air force in 1954. At first, progress was hampered by unfavorable political conditions in South Vietnam, and the three fledgling airlines that pioneered these new routes enjoyed only limited success (31)

Perhaps the most famous of the early French opium pilots was Gerard Labenski. His aircraft was based at Phong Savan on the Plain of Jars, where he managed the Snow Leopard Inn, a hotel that doubled as a warehouse for outgoing opium shipments (32).Another of these aviation pioneers was Rene "Babal" Enjabal, a former French air force officer whose airline was popularly known as "Babal Air Force"(33) The most tenacious member of this shadowy trio was Roger Zoile. His charter airline was allied with Paul Louis Levet's Bangkok-based Corsican syndicate.

Levet was probably the most important Marseille underworld figure regularly supplying European heroin laboratories with morphine base from Southeast Asia in the late 1950s. Levet arrived in Saigon in 1953-1954 and got his start smuggling gold and piasters on the Saigon-Marseille circuit. After the gold traffic dried up in 1955, hebecame involved in the opium trade and moved to Bangkok, where he established the Pacific Industrial Company. According to a U.S. Bureau of Narcotics report filed in 1962, this company was used as a cover to smuggle substantial quantities of morphine base from northern Thailand to heroin laboratories in Europe. Through a network of four prominent Corsican gangsters based in Vientiane, Phnom Penh, and Saigon, Levet used Zoile's airline to move morphine base from the Golden Triangle region to seaports in Thailand and Indochina(34) There was an enormous amount of shipping between Southeast Asia and Europe, and so arranging for deliveries presented no problem. Saigon was particularly convenient as a transshipment point, since substantial numbers of French freighters carrying corsican crews still sailed direct to Marseille. Even though Levet's syndicate was preoccupied with the European traffic, it also had a share of the regional opium trade.(35)

Although all these men were competent pilots and committed opium smugglers, the South Vietnamese government had adopted an intolerant attitude toward the opium traffic that seriously hampered their operations. In 1955 South Vietnam's puritanical President Diem closed most of Saigon's opium dens and announced his determination to eradicate the drug traffic. Denied secure access to Saigon, the Corsican air smugglers had to devise an elaborate set of routes, transfers, and drop zones, which complicated their work and restricted the amount of narcotics they could ship. However, only three years later President Diem's chief adviser, Ngo Dinh Nhu, reopened the dens to finance his secret police and became a silent partner in a Corsican charter airline. (36)

Named Air Laos Commerciale, the airline was managed by the most powerful member of Saigon's Corsican underworld, Bonaventure "Rock" Francisci. Tall and strikingly handsome, Francisci sported a thin, black moustache and a natural charm that won friends easily. Beginning in 1958 Air Laos Commerciale made daily flights from its headquarters at Vientiane's Wattay Airport, picking up three hundred to six hundred kilos of raw opium from secondary, Laotian airports (usually dirt runways in northern Laos) and delivering the cargo to drop points in South Vietnam, Cambodia, and the Gulf of Siam. While these opium deliveries were destined for Southeast Asian consumers, he also supplied Corsican heroin manufacturers in Marseille. Although a relative latecomer to the field, Bonaventure Francisci's airline had important advantages that other Corsican airlines lacked. His rivals had to take elaborate precautions before venturing into South Vietnam, but, thanks to his relationship with Nhu, Francisci's aircraft shuttled back and forth to convenient drop zones just north of Saigon. (37)

With easy access to Saigon's market restored, opium production in northern Laos, which had declined in the years 1954-1958, quickly revived. During the opium season, Corsican charter companies made regular flights from Phong Savan or Vientiane to isolated provincial capitals and market towns scattered across northern Laos-places such as Sam Neua, Phong Saly, Muong Sing, Nam Tha, Sayaboury, and Ban Houei Sai. Each of these towns served as a center for local opium trade managed by resident Chinese shopkeepers. Every spring these Chinese merchants loaded their horses or mules with salt, thread, iron bars, silver coins, and assorted odds and ends and rode into the surrounding hills to

barter with hundreds of hill tribe opium farmers for their tiny bundles of raw opium. (38) Toward the end of every harvest season Corsican aircraft would land near these towns, purchase the opium, and fly it back to Phong Savan or Vientiane, where it was stored until a buyer in Saigon, Singapore, or Indonesia placed an order. (39)

Francisci also prospered, and by 1962 he had a fleet of three new twin-engine Beechcrafts making hundreds of deliveries a month. With his debonair manner he became something of a local celebrity. He gave interviews to the Vientiane press corps, speaking proudly of his air drops to surrounded troops or his services for famous diplomats. When asked about the opium business, he responded, "I only rent the planes, I don't know what missions they're used for." (40)

But unfortunately for Francisci's public relations, one of his pilots was arrested in 1962 and Air Laos Commerciale's opium smuggling was given international publicity. The abortive mission was piloted by Rene Enjabal, the retired air force officer who had founded Babal Air Force. In October 1962 Enjabal and his mechanic took off from Vientiane's Wattay Airport and flew south to Savannakhet where they picked up twenty-nine watertight tin crates, each packed with twenty kilos of raw opium and wrapped in a buoyant life belt. Enjabal flew south over Cambodia and dropped the six hundred kilos to a small fishing boat waiting at a prearranged point in mid-ocean. On the return flight to Vientiane, Enjabal fell asleep at the controls of his plane, drifted over Thailand, and was forced to land at a Thai air force base by two Thai T-28 fighters. When his "military charter" orders from the Lao government failed to convince Thai authorities he was not a spy, Enjabal confessed that he had been on an opium run to the Gulf of Siam. Relieved that it was nothing more serious, his captors allowed him to return to Vientiane after serving a nominal six-week jail sentence. While Enjabal was being browbeaten by the Thai, the opium boat moved undisturbed across the Gulf of Siam and delivered its cargo to smugglers waiting on the east coast of the Malayan peninsula. Although Enjabal had earned a paltry fifteen dollars an hour for his trouble, Francisci may have grossed up to twenty thousand dollars for his role in this nautical adventure. (41)

While this -unfortunate incident cost Francisci most of his legitimate business, it in no way hampered his opium smuggling. Even though Enjabal's downfall was the subject of a feature article in *Life* magazine, Francisci continued to operate with the same brash self-confidence. And with good reason. For not only was he protected by South Vietnam's most powerful politician, Ngo Dinh Nhu, he was allied with the allpowerful Guerini syndicate of Marseille. During the period these Corsican airlines operated in Laos, the Guerini brothers were the unchallenged masters of the French underworld, and lords of a criminal empire that stretched across the globe. (42) All of Francisci's competitors suffered mysterious accidents and sudden arrests, but he operated with absolute impunity. These political connections gave him a decisive advantage over his competitors, and he became Indochina's premier opium smuggler. Like the Guerini brothers in Marseille, Francisci despised competition and used everything from plastique explosives to the South Vietnamese police to systematically eliminate all his rivals.

Francisci's first victim was none other than the catnapping Rene Enjabal. On November 19, 1959, Vietnamesepolice raided a remote dirt runway near Ban Me Thuot in the Central Highlands shortly after a twin-engine Beechcraft belonging to Rene Enjabal landed carrying 293 kilos of Laotian opium. After arresting the pilot and three henchmen waiting at the airstrip, the Vietnamese impounded the aircraft. (43) With the loss of his plane, Enjabal had no alternative. Within several months he was flying for the man who in all Probability was the architect of his downfall-Bonaventure "Rock" Francisci. (44) The Vietnamese took no legal action against Enjabal and released the pilot, Desclerts, after a relatively short jail term. Desclerts returned to France and, according to a late 1971 report,is working with Corsican syndicates to ship bulk quantities of heroin to the United States. (45)

After Enjabal's airline collapsed, Francisci's most important competitor for the lucrative South Vietnamese market was Gerard Labenski, one of Air Opium's earliest pioneers, whom many considered the best bush pilot in Laos. Francisci bitterly resented his competition, and once tried to eliminate Labenski by blowing up his Cessna 195 with plastique as it sat on the runway at Phong Savan. When that failed, Francisci used his contacts with the South Vietnamese government to have his rival's entire seven-man syndicate arrested. On August 25, 1960, shortly after he landed near the town of Xuan Loc, fortyfive miles north of Saigon with 220 kilos of raw opium, Vietnamese police descended on Labenski's entire syndicate, arrested him and impounded his aircraft. Labenski and his chief Saigon salesman, Francois Mittard, were given five-year jail sentences, the others three years apiece. (46)

After languishing in a Vietnamese prison for more than two years, Labenski and Mittard were so embittered at Francisci's betrayal that they broke the Corsican rule of silence and told U.S. narcotics investigators everything they knew about his syndicate, claiming that their arrests had been engineered by Francisci to force them out of business. But Francisci was too well protected to be compromised by informers, and Air Laos Commerciale continued flying until 1965, when political upheavals in Laos forced all the Corsican airlines out of business. As for Mittard and Labenski, they were released from prison in 1964 and left Saigon almost immediately for Laos. (47)

While Enjabal and Labenski concentrated on local markets, Paul Louis Levet's Bangkok-based syndicate competed directly with Francisci for the European market. His Corsican rivals always considered Levet the "most shrewd of all the persons smuggling opium out of Laos," but he, too, was forced out of business by police action. On July 18, 1963, Levet received a telegram from Saigon that read, Everything OK. Try to have friend meet me in Saigon the 19th. Am in room 33 Continental Hotel. [signed] Poncho.

The wire was a prearranged signal. Levet and his assistant, Michel Libert, packed eighteen kilos of Burmese opium into a brown suitcase, put it in the trunk of Levet's blue Citroen sedan, and drove out to Bangkok's Don Muang Airport. Just as they were making the transfer to a courier who was ticketed on a regular commercial flight to Saigon, Thai police closed in. The unfortunate Libert was given five years in prison, but Levet was released for "lack of evidence" and deported. Levet disappeared without a trace, while Libert, after serving his full jail term, left for Laos, where he resumed an active role in Indochina's Corsican underworld.

While Francisci is the only one of these Corsican racketeers believed to have been allied with Ngo Dinh Nhu, all of the charter airlines had to reach an accommodation with the Laotian government. All airports in Laos are classified as military terminals, and permission to take off and land requires an order from the Royal Laotian Army. Opium runs were usually classified as requisition militaire-military charters-and as such were approved by the Laotian high command. One Time correspondent who examined Air Laos Commerciale's log books in November 1962 noted that a high percentage of its flights were listed as *requisition militaire.* (48)

Despite the destructive infighting of the various Corsican airlines, they proved to be reliable opium suppliers, and the Laos-Saigon opium commerce flourished. Guaranteed reliable access to international markets, Laos's opium production climbed steadily during the ten-year period that the Corsicans controlled its opium economy; in 1953 Laos's annual harvest was estimated at 50 tons of raw opium, but in 1968 it had expanded to 100-150 tons. (49) Moreover, these syndicates, most notably Francisci's and Levet's, made regular morphine base shipments from Southeast Asia to heroin laboratories in Italy, Germany, and Marseille. Although Southeast Asian morphine still accounted for a relatively small proportion of European heroin production in the late 1950s and early 1960s, these shipments established the first links of what was to be a veritable pipeline between the Golden Triangle's poppy fields and Marseille's heroin laboratories-links that would take on added importance as Turkey's opium production ebbed toward abolition in the late 1960s.

Although they were forced out of business in 1965 when Laotian Gen. Ouane Rattikone decided to monopolize the trade, these syndicates later served as the link between Laotian heroin laboratories and American distributors when Golden Triangle laboratories began producing no. 4 heroin in the early 1970s.

Gen. Phourni Nosavan: "Feudalism Is Still with US"

According to Gen. Ouane Rattikone, the man who issued the *"requisition militaire"* and controlled much of the opium traffic was Gen. Phoumi Nosavan, CIA protege and political leader of the Laotian right wing. (50) Phoumi Nosavan was just another ambitious young colonel in 1958 when an unexpected electoral victory by the leftist Pathet Lao movement brought a neutralist government to power and panicked the U.S. mission. Horrified at the thought that Laos might eventually go left, the U.S. mission decided that special measures were called for. Almost immediately the CIA financed the formation of a right-wing coalition, and several weeks later the State Department plunged the neutralist government into a fiscal crisis by cutting off all aid. Little more than three months after the elections Prime Minister Souvanna Phourna and his neutralist government resigned. When a right-wing government took office the new prime minister, Phoui Sananikone, declared, *"We are anticommunists."* (51)

Col. Phoumi Nosavan was one of the bright young men the CIA picked to organize the right wing. Backed by the CIA, Phourni became a cabinet minister in February 1959 and a general several months later. (52) With his personal CIA agent always by his side, General Phoumi went on to plot coups, rig elections, and help the CIA build up its Secret Army; in short, he became the major pawn in the CIA's determined effort to keep Laos's government militantly antiCommunist. However, in 1961 the Kennedy administration opted for a neutralist coalition rather than risk an armed confrontation with the Soviet Union over Laos, and General Phoumi was ordered to merge his right-wing government into a tripartite coalition. When General Phoumi refused despite personal appeals from President Kennedy and the assistant secretary of state, the State Department had his personal CIA agent transferred out of the country and in February 1962 cut off the $3 million a month aid it had been supplying his government. (53)

Desperate for funds but determined not to resign, Pboumi turned to the opium traffic as an alternate source of funds for his army and government. Although he had controlled the traffic for several years and collected a payoff from both Corsican and Chinese smugglers, he was not actively involved, and his percentage represented only a small share of the total profits. Furthermore, Laotian opium merchants were still preoccupied with marketing locally grown opium, and very little Burmese opium was entering international markets through Laos. The obvious solution to General Phoumi's fiscal crisis was for his government to become directly involved in the import and export of Burmese opium. This decision ultimately led to the growth of northwest Laos as one of the largest heroin-producing centers in the world.

Adhering to his nation's feudal traditions, General Phoumi delegated responsibility for the task to Gen. Ouane Rattikone, commander of Military Region I and warlord of northwestern Laos. General Ouane recalls that he was appointed chairman of the semiofficial Laotian Opium Administration in early 1962 and charged with the responsibility of arranging Burmese opium imports. (54) Working through a commander in the Secret Army in Ban Houei Sai, he contacted a Shan rebel leader employed by the Agency in the Golden Triangle region who arranged the first deliveries of Burmese opium several months later. (55) General Ouane is proud of this historic achievement, for these were the first major opium caravans to cross the Mekong River into Laos.

When asked whether he exported the Burmese opium by dropping it in the Central Highlands of South Vietnam, General Ouane responded:

No, that is stupid and done only by small merchants and not great merchants. . . . We rented Dakotas [C-47s] from the civil aviation companies and then dropped the opium into the Gulf of Siam. The opium was wrapped in four or five layers of plastic and then attached to floats. It was dropped to small fishing boats, taken to fishing ports in South Vietnam, and then it disappeared. We are not stupid; we are serious merchants. (56)

General Ouane says these early shipments were quite profitable, and claims that they provided General Phourni with an average income of about $35,000 a month during 1962.

But despite General Ouane's best efforts, a series of military and financial reverses soon forced General Phourni to merge his right-wing government into the tripartite coalition. Phoumi's government had simply ordered the National Bank to print more money when American aid was cut off in February; the foreign exchange backing for Laotian

currency declined by 30 percent in six Months and consumer prices in Vientiane jumped by 20 percent. General Phoumi had gone on a whirlwind tour of Asia's anti-Communist nations to appeal for aid, but only South Korea was willing to help. (57) When his rightist troops suffered a disastrous defeat at Nam Tha, northwestern Laos, in May 1962, General Phourni acknowledged his failure and in June merged his government into a neutralist coalition headed by Prime Minister Souvanna Phourna.

But the price of General Phourni's compliance came high. Although he yielded some of his political power, he demanded compensatory economic concessions from the neutralist government. Bartering away several powerful ministries, Phourni retained control over the Finance Ministry and won the right to monopolize much of Vientiane's thriving consumer economy. With the prime minister's tacit consent, he established a variety of lucrative monopolies over the capital's vice trades and legitimate commercial activities. (58)

One of his enterprises was an offensive but profitable gambling casino in downtown Vientiane that one journalist described as "an ugly, fivestory building that stank like an Indonesian urinal." When he announced plans to erect similar monstrosities in every major Laotian city, the king categorically refused to allow one in Luang Prabang, the royal capital, and local authorities in Thakhek raised equally vehement objections. But Phourni was not daunted by these minor reverses in the establishment of his financial empire. Gold trafficking was even more lucrative than gambling, and the Ministry of Finance granted General Phourni's Bank of Laos a monopoly on the import of gold, which netted him from $300,000 to $500,000 a year. (59)

The opium trade, however, was the most profitable of all ventures. General Phoumi opened a seedy, ramshackle opium den in Vientiane that could accommodate 150 smokers. To ward off any possible criticism from his free world allies, Phourni had a sign hung over the entrance to his palace of dreams "Detoxification Clinic." When a French journalist asked Prime Minister Souvanna Phourna why this eyesore was allowed to remain open, he replied, "Feudalism is still with US." (60)

Although Phoumi had abandoned his plans for fiscal independence from the United States, Gen. Ouane Rattikone continued to manage the Laotian Opium Administration with considerable success. Larger Shan caravans were entering northwestern Laos every year, and from 1962 to 1964 profits on exports to South Vietnam tripled. According to the Laotian Opium Administration's ledger, which General Ouane now stores in an upstairs closet of his Vientiane villa, November 1963 was a typical month: 1,146 kilos of raw opium were shipped to South Vietnam, netting $97,410. (61)

But Phourni's parsimonious management of his monopolies produced serious tensions in the right-wing camp, and were a major cause of the April 19, 1964, coup that toppled him from power. Not only did he monopolize the most lucrative portions of Vientiane's economy, but he refused to share his profits with the other right-wing generals.

The commander of the Vientiane Military Region, Gen. Kouprasith Abbay, considered the capital his rightful economic preserve, and was bitterly resentful toward Phourni. Gen. Ouane Rattikone harbored somewhat similar feelings: more than seven years after the coup, the genial, rotund General Ouane still knits his brow in anger when he recalls that Phourni paid him a monthly salary of two hundred dollars to manage an opium administration making more than a million dollars a year. (62) Moreover, Phourni's "understanding" with Prime Minister Souvanna Phourna had softened his hostility toward the neutralist government; and this cost him a great deal of political influence among the extreme right wing, which included both Kouprasith and Ouane.

Although the ostensible motivation for the right-wing coup of April 19, 1964, was to eliminate the neutralist army and make the prime minister more responsive to the right wing, the generals seem to have devoted most of their energy to breaking up Phourni's financial empire. (63) The coup began at 4:00 A.m. as General Kouprasith's troops seized the city, captured most of the neutralist army officers, and placed the prime minister under house arrest. There was no resistance and virtually no bloodshed. While the threat of a U.S. aid cutoff convinced Kouprasith and Ouane to release the prime minister from house arrest, nothing could deter them from stripping Phourni of his power. (64) On May 2 General Phourni resigned his portfolio as minister of defense. That same day, the Ministry of Finance cancelled the import license for Sogimex Company, one of Phourni's businesses, which had enjoyed a monopoly on the import of all alcoholic beverages. The Revolutionary Committee closed his gambling casino, and the Ministry of Finance broke the Bank of Laos's monopoly on gold imports. (65)

But in the best comic opera tradition, General Phoumi tried to recoup his lost empire by launching a countercoup on February 2, 1965. After four separate groups of soldiers wearing three different color-coded scarves charged about Vientiane firing off heavy artillery and machine guns for four or five days, Phourni finally gave up and fled to Thailand. (66) The situation was so confusing that General Ouane and General Kouprasith held a press conference on February 8 to proclaim their victory and to explain that there had most definitely been a coup-their coup. (67)

As the victors, Kouprasith and Ouane divided up what remained of General Phourni's financial empire. While Kouprasith inherited most of the fallen general's real estate holdings, brothels, and opium dens in the Vientiane region, General Ouane assumed full control over the opium trade in northwestern Laos.

Ouane's accession to Phourni's former position in the drug trade brought an end to the activities of the Corsican "Air Opium" charter airlines. Unwilling to tolerate any competition, General Ouane refused to issue them *requisitions militaires*, thereby denying them access to Laotian airports. This made it impossible for the Corsican airlines to continue operating and forced them out of the opium transport business. (68) However, General Ouane had seriously overestimated his air logistic capabilities, and the move produced a major crisis for Laos's opium trade.

As it turned out, Ouane probably could not have picked a worse time to force the Corsicans out of business. Laotian military airpower was at a premium in 1964 and 1965: bombing operations along the Ho Chi Minh Trail were just getting underway; Lao T-28 fighters were being used in clandestine reprisal raids against North Vietnam; and renewed fighting on the Plain of Jars required lavish air support. (69) The commander of the Laotian air force was determined to give these military operations top priority, and refused to allocate air transports for General Ouane's opium runs to Ban Houei Sai.

In the Meo highlands of northeastern Laos the situation was even more critical. Capture of the Plain of Jars by Pathet Lao rebels in 1964 restricted government aircraft to temporary dirt landing strips on the surrounding mountain ridges. Heavy C-47 transports were almost useless for this kind of flying, and the Laotian air force had almost no light observation planes. Wartime conditions had increased Meo dependence on poppy cultivation, and the lack of air transport created serious economic problems for hill tribe opium farmers. Since the CIA was using the Meo population to combat Pathet Lao forces in the mountains of northeastern Laos, the prosperity and well being of this tribe was of paramount importance to the agency's success. By 1965 the CIA had created a Meo army of thirty thousand men that guarded radar installations vital to bombing North Vietnam, rescued downed American pilots, and battled Pathet Lao guerrillas.

Without air transport for their opium, the Meo faced economic ruin. There was simply no form of air transport available in northern Laos except the CIA's charter airline, Air America And according to several sources, Air America began flying opium from mountain villages north and east of the Plain of Jars to Gen. Vang Pao's headquarters at Long Tieng. (70)

Air America was known to be flying Meo opium as late as 1971. Meo village leaders in the area west of the Plain of Jars, for example, claim that their 1970 and 1971 opium harvests were bought up by Vang Pao's officers and flown to Long Tieng on Air America UH-lH helicopters. This opium was probably destined for heroin laboratories in Long Tieng or Vientiane, and ultimately, for GI addicts in Vietnam. (71)

The U.S. Embassy in Vientiane adopted an attitude of benign neglect toward the opium traffic. When one American journalist wrote the Embassy complaining that Laotian officials were involved in the drug trade, U.S. Ambassador G. McMurtrie Godley responded in a letter dated December 2, 1970:

"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% of narcotics which are, unfortunately, illegally imported to Great Britain and the US. As you undoubtedly are already aware, our government is making every effort to contain this traffic and I believe the Narcotics Bureau in Washington D.C. can give you additional information if you have some other inquiries." (72)

But the latest information available to Ambassador Godley should have indicated that most of the heroin being used by American GIs in Vietnam was coming from Laotian laboratories. The exact location of Laos's flourishing laboratories was common knowledge among even the most junior U.S. bureaucrats.

To Americans living in cities and suburbs cursed with the heroin plague, it may seem controversial, even shocking, that any U.S. government agency would condone any facet of the international drug traffic. But when viewed from the perspective of historical precedent and the demands of mountain warfare in northern Laos, Air America's involvement and the U.S. Embassy's tolerant attitude seem almost inevitable. Rather than sending U.S. combat troops into Laos, four successive American Presidents and their foreign policy advisers worked through the CIA to build the Meo into the only effective army in Laos. The fundamental reason for American complicity in the Laotian opium traffic lies in these policy decisions, and they can only be understood in the context of the secret war in Laos.

Secret War, Secret Strategy in Laos

Noting with alarm the renewed guerrilla activity in South Vietnam and Laos in the late 1950s, American intelligence analysts interpreted these reports as the first signs of Communist plans for the subversion and conquest of Southeast Asia. And so CIA operations with Meo guerrillas in Laos began in 1959 as a part of a regional intelligence gathering program. General Edward G. Lansdale, who directed much of the Defense Department's strategic planning on Indochina during the early years of the Kennedy administration, recalls that these hill tribe operations were set up to monitor Communist infiltration:

"The main thought was to have an early warning, trip-wire sort of thing with these tribes in the mountains getting intelligence on North Vietnamese movements. This would be a part of a defensive strategy of saving the riceproducing lowlands of Thailand and Vietnam by scaling off the mountain infiltration routes from China and North Vietnam." (73)

In the minds of geopolitical strategists in the CIA's Special Operations division, potential infiltration routes stretched from the Shan hills of northeastern Burma, through the rugged Laotian mountains, and southward into the Central Highlands of South Vietnam. According to one retired CIA operative, Lt. Col. Lucien Conein, Agency personnel were sent to Laos in 1959 to supervise eight Green Beret teams then training Meo guerrillas on the Plain of Jars. (74) In 1960 and 1961 the CIA recruited elements of Nationalist Chinese paramilitary units based in northern Thailand to patrol the ChinaBurma border area (75) and sent Green Berets into South Vietnam's Central Highlands to organize hill tribe commando units for intelligence and sabotage patrols along the Ho Chi Minh Trail. (76) Finally, in 1962 one CIA operative based in northwestern Laos began sending trained Yao and Lahu tribesmen into the heart of China's Yunnan Province to monitor road traffic and tap telephones. (77)

While the U.S. military sent half a million troops to fight a conventional war in South Vietnam, the mountain war has required only a handful of American personnel. *"I always felt,"* said General Lansdale, *"that a small group of Americans organizing the local population was the way to counter Communist wars of national liberation."* (78)

American paramilitary personnel in Laos have tended to serve long tours of duty, some of them for a decade or more, and have been given an enormous amount of personal power. If the conventional war in South Vietnam is best analyzed in terms of the impersonal bureaucracies that spewed out policies and programs, the secret war in Laos is most readily understood through the men who fought it.

Three men, perhaps more than any of the others, have left their personal imprint on the conduct of the secret war: Edgar Buell, Anthony Poe, and William Young. And each in his own way illustrates a different aspect of America's conscious and unconscious complicity in the Laotian opium traffic.

William Young, perhaps one of the most effective agents ever, was born in the Burmese Shan States, where his grandfather had been a missionary to the hill tribes. Arriving in Burma at the turn of the century, Grandfather Young opened a Baptist mission in Kengtung City and began preaching to the nearby Lahu bill tribes. Although they understood little of his Christian message, a local oracle had once prophesied the coming of a white deity, and the Lahu decided that Reverend Young was God. (79) His son, Harold, later inherited his divinity and used it to organize Lahu intelligence gathering forays into southern China for the CIA during the 1950s. When William was looking for a job in 1958 his father recommended him to the CIA, and he was hired as a confidential interpreter-translator. A skilled linguist who spoke five of the local languages, he probably knew more about mountain minorities than any other American in Laos, and the CIA rightly regarded him as its "tribal expert." Because of his sophisticated understanding of the hill tribes, he viewed the opium problem from the perspective of a hill tribe farmer. Until a comprehensive crop substitution program was initiated, he felt nothing should be done to interfere with the opium traffic. In a September 1971 interview, Young explained his views:

"Every now and then one of the James Bond types would decide that the way to deal with the problem was to detonate or machine-gun the factories. But I always talked them out of it. As long as there is opium in Burma somebody will market it. This kind of thing would only hurt somebody and not really deal with the problem." (80)

If William Young was too sympathetic toward the hill tribes to interfere with the opium trade, Anthony Poe was indifferent to the problem. A marine in the Pacific during World War 11, Poe joined the CIA's Special Operations division sometime after the war and quickly earned a reputation as one of its crack clandestine warfare operatives in Asia. (81) Just prior to his arrival in Southeast Asia, he played an important role in the CIA's Tibetan operations. When the CIA decided to back Tibet's religious ruler, the Dalai Lama, in his feud with Peking, Anthony Poe recruited Khamba tribesmen in northeastern India, escorted them to Camp Hate in Colorado for training, and accompanied them into Tibet on long-range sabotage missions. (82) His first assignment in Indochina was with anti-Sihanouk mercenaries along the Cambodian border in South Vietnam, and in 1963 Poe was sent to Laos as chief adviser to Gen. Vang Pao. (83) Several years later he was transferred to northwestern Laos to supervise Secret Army operations in the three-border area and work with Yao tribesmen. The Yao remember "Mr. Tony" as a drinker, an authoritarian commander who bribed and threatened to get his way, and a mercurial leader who offered his soldiers 500 kip (one dollar) for an ear and 5,000 kip for a severed head when accompanied by a Pathet Lao army cap. (84) His attitude toward the opium traffic was erratic. According to a former Laos USAID official, Poe refused to allow opium on his aircraft and once threatened to throw a Lao soldier, with half a kilo of opium, out of an airborne plane. At the same time, he ignored the prospering heroin factories along the Mekong River, and never stopped any of Ouane Rattikone's officers from using U.S.-supplied facilities to manage the drug traffic.

The most curious of this CIA triumvirate is Edgar "Pop" Buell, originally a farmer from Steuben County, Indiana. Buell first came to Laos in 1960 as an agricultural volunteer for International Voluntary Services (IVS), a Bible Belt edition of the Peace Corps. (85) He was assigned to the Plain of Jars, where the CIA was building up its secret Meo army, and became involved in the Agency's activities largely through circumstance and his own God-given anti-Communism. As CIA influence spread through the Meo villages ringing the Plain of Jars, Buell became a one-man supply corps, dispatching Air America planes to drop rice, meat, and other necessities the CIA had promised to deliver."(86) Buell played the innocent country boy and claimed his work was humanitarian aid for Meo refugees. However, his operations were an integral part of the CIA program.

As part of his effort to strengthen the Meo economy and increase the tribe's effectiveness as a military force, Buell utilized his agricultural skills to improve Meo techniques for planting and cultivating opium. *"If you're gonna grow it, grow it good,"* Buell told the Meo, *"but don't let anybody smoke the stuff."* Opium production increased but, thanks to modern drugs that Buell supplied the Meo, local consumption for medicinal purposes declined. (87) Thus, more opium than ever was available for the international markets.

Since there were too few U.S. operatives to assume complete responsibility for daily operations in the hills of Laos, the CIA usually selected one leader from every hill tribe as its surrogate commander. The CIA's chosen ally recruited his fellow tribesmen as mercenaries, paid their salaries with CIA money, and led them in battle. Because the CIA only had as much influence with each tribe as its surrogate commander, it was in the agency's interest to make these men local despots by concentrating military and economic power in their hands. During the First Indochina War, French commandos had used the same technique to build up a force of six thousand Meo guerrillas on the Plain of Jars under the command of Touby Lyfoung. Recognizing the importance of opium in the Meo economy, the French flew Meo opium to Saigon on military transports and reinforced Touby Lyfoung's authority by making him their exclusive opium broker.

But when the CIA began organizing its Meo army in 1960, only six years after the French disbanded theirs, it found Touby unsuitable for command. Always the consummate politician, Touby had gotten the best of the bargain from the French and had never committed his troops to a head-on fight. As one Meo veteran fondly remembers, *"Touby always told us to fire a few shots and run."*The CIA wanted a real slugger who would take casualties, and in a young Meo officer named Vang Pao they found him.

Touby had once remarked of Vang Pao, *"He is a pure military officer who doesn't understand that after the war there is a peace. And one must be strong to win the peace."* (88), For Vang Pao, peace is a distant, childhood memory. Vang Pao saw battle for the first time in 1945 at the age of thirteen, while working as an interpreter for French commandos who had parachuted onto the Plain of Jars to organize anti-Japanese resistance. (89) Although he became a lieutenant in the newly formed Laotian army, Vang Pao spent most of the First Indochina War on the Plain of Jars with Touby Lyfoung's Meo irregulars. In April 1954 he led 850 hill tribe commandos through the rugged mountains of Sam Neua

Province in a vain attempt to relieve the doomed French garrison at Dien Bien Phu.

When the First Indochina War ended in 1954, Vang Pao returned to regular duty in the Laotian army. He advanced quickly to the rank of major and was appointed commander of the Tenth Infantry Battalion, which was assigned to the mountains east of the Plain of Jars. Vang Pao had a good enough record as a wartime commando leader; in his new command Vang Pao would first display the personal corruption that would later turn him into such a despotic warlord.

In addition to his regular battalion, Vang Pao was also commander of Meo self-defense forces in the Plain of Jars region. Volunteers had been promised regular allotments of food and money, but Vang Pao pocketed these salaries, and most went unpaid for months at a time. When one Meo lieutenant demanded that the irregulars be given their back pay, Vang Pao shot him in the leg. That settled the matter for the moment, but several months later the rising chorus of complaints finally came to the attention of Provincial Army Commander Col. Kham Hou Boussarath. In early 1959, Colonel Kham Hou called Vang Pao to his headquarters in Meng Khouang, and ordered him to pay up. Several days later thirty of Vang Pao's soldiers hidden in the brush beside the road tried to assassinate Colonel Kham Hou as he was driving back from an inspection tour of the frontier areas and was approaching the village of Lat Houang. But it was twilight and most of the shots went wild. Kham Hou floored the accelerator and emerged from the gantlet unscathed.

As soon as he reached his headquarters, Colonel Kham Hou radioed a full report to Vientiane. The next morning Army Chief of Staff Ouane Rattikone arrived in Meng Khouang. Weeping profusely, Vang Pao prostratedhimself before Ouane and begged for forgiveness. Perhaps touched by this display of emotion or else influenced by the wishes of U.S. special forces officers working with the Meo, General Ouane decided not to punish Vang Pao. However, most of the Laotian high command seemed to feel that his career was now finished. (90)

But Vang Pao was to be rescued from obscurity by unforeseen circumstances that made his services invaluable to the Laotian right wing and the CIA.

About the same time that Vang Pao was setting up his abortive ambush, Gen. Phoumi Nosavan was beginning his rise to power. In the April 1959 National Assembly elections, Phoumi's candidates scored victory after victory, thus establishing him as Laos's first real strong man. However, the election was blatantly rigged, and aroused enormous resentment among politically aware elements of the population. The American involvement in election fixing was obvious, and there were even reports that CIA agents had financed some of the vote buying. (91)

Angered by these heavy-handed American moves, an unknown army officer, Capt. Kong Le, and his paratroop battalion launched an unexpected and successful coup on August 8, 1960. After securing Vientiane and forcing Phourni's supporters out of power, Kong Le turned the government over to the former neutralist prime minister, Souvanna Phouma, on August 16. Souvanna announced that he would end the simmering civil war by forming a neutralist government that would include representatives from left, right, and center. The plan was on theverge of success when General Phoumi suddenly broke off negotiations in early September and returned to his home in Savarmakhet, where he announced the formation of the Revolutionary Committee. (92) Perhaps not altogether unexpectedly, dozens of unmarked Air America transports began landing at Savarmakhet loaded with arms, soldiers, and American advisers (93) and Laos was plunged into a threeway civil war. The CIAbacked right wing was in Savarmakhet, the neutralists were in Vientiane, and the leftist Pathet Lao was in the forests of Sam Neua Province (the extreme northeast). Everything in between was virtually autonomous, and all three factions competed for territory and influence in the undeclared provinces.

While the right-wingers quickly consolidated their hold over the south, the neutralists initially gained the upper hand in Xieng Khouang Province, which included the Plain of Jars. This success strengthened the neutralist position considerably; with three major roads meeting on the plain, Xieng Khouang was the strategic key to northeastern Laos. The influential Meo leader Touby Lyfoung was minister of justice for the neutralist government, and seemed to be working closely with Prime Minister Souvanna Phouma. (94) The neutralist position in the northeast further improved when the newly appointed commander of Military Region 11 (Sam Neua and Xieng Khouang provinces), Col. Kham Hou, declared his loyalty to the neutralist government on September 28. (95)

General Phourni's camp was extremely worried about its lack of support in strategic MR 11. After Col. Kham Hou

rebuffed their overtures, Phourni's agents reportedly contacted Vang Pao in late September. They promised him financial support if he would lead a Meo coup against the neutralists, thus bringing MR It into the rightist orbit. According to Laotian army sources, Vang Pao radioed Savarmakhet on October 1 or 2, requesting money and arms from General Phourni. On October 5, an unmarked Air America transport from Savannakhet dropped thirty rightist paratroopers and several hundred rifles to Vang Pao's supporters on the Plain of Jars. Later that day Vang Pao called a meeting of local Meo leaders at the village of Lat Houang. Surrounded by the paratroopers, Vang Pao told a crowd of about three hundred to four hundred Meo that he supported General Phourni and promised guns for all those who joined him in the fight against the neutralists. (96)

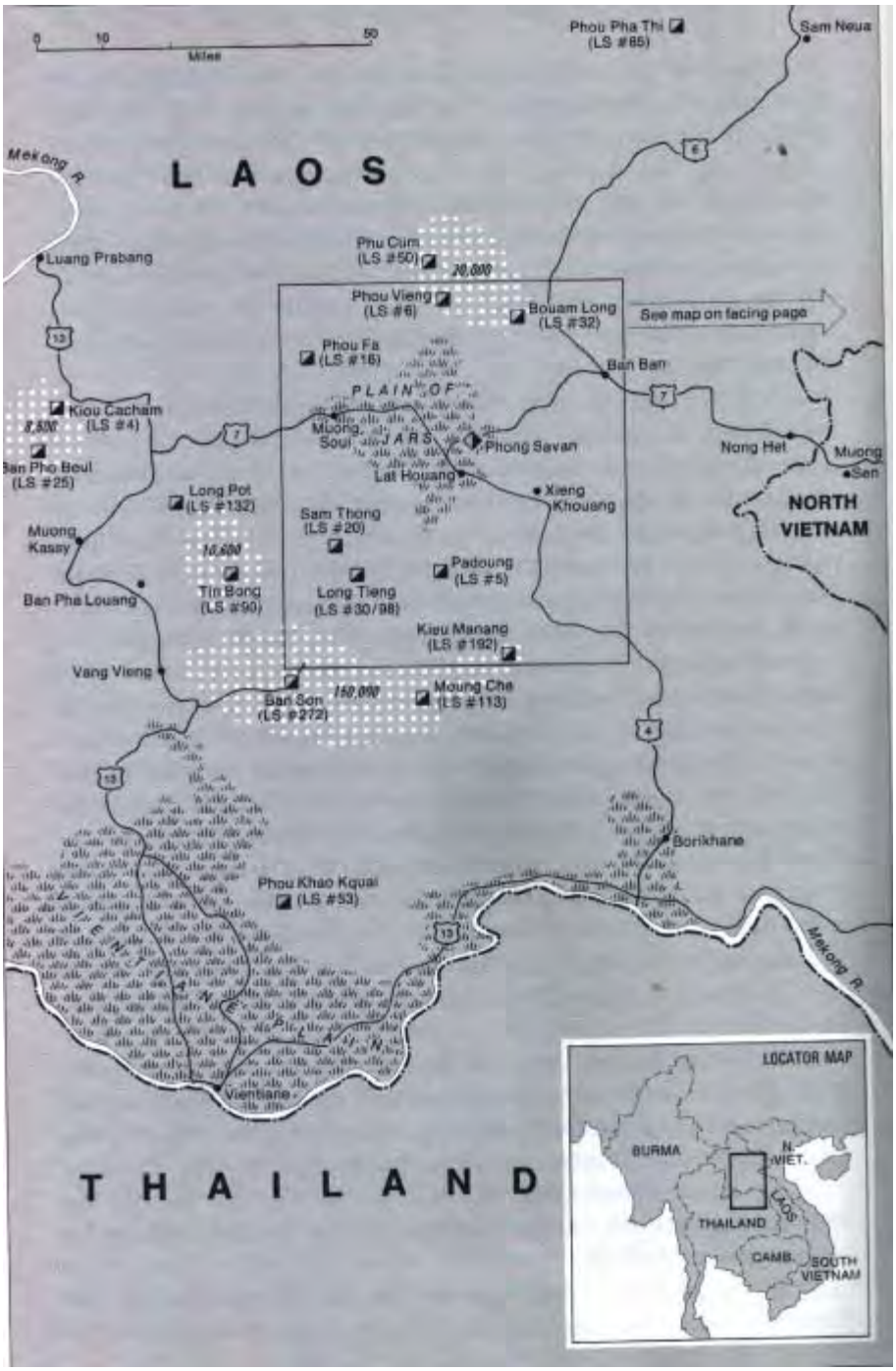
When word of the incipient Meo revolt reached Vientiane, Prime Minister Souvanna Phourna sent his minister of justice, Meo leader Touby Lyfoung, up to the Plain of Jars to negotiate with Vang Pao. Instead of dissuading Vang Pao, however, Touby diplomatically bowed to superior force and joined him. Using his considerable talents as a negotiator, Touby met with Col. Kham Hou and urged him not to interfere with the Meo revolt. Unwilling to engage in unnecessary slaughter and somewhat sympathetic to the right wing, Col. Kham Hou agreed not to fight, (97) thus effectively conceding control of the Plain of Jars to the right wing.

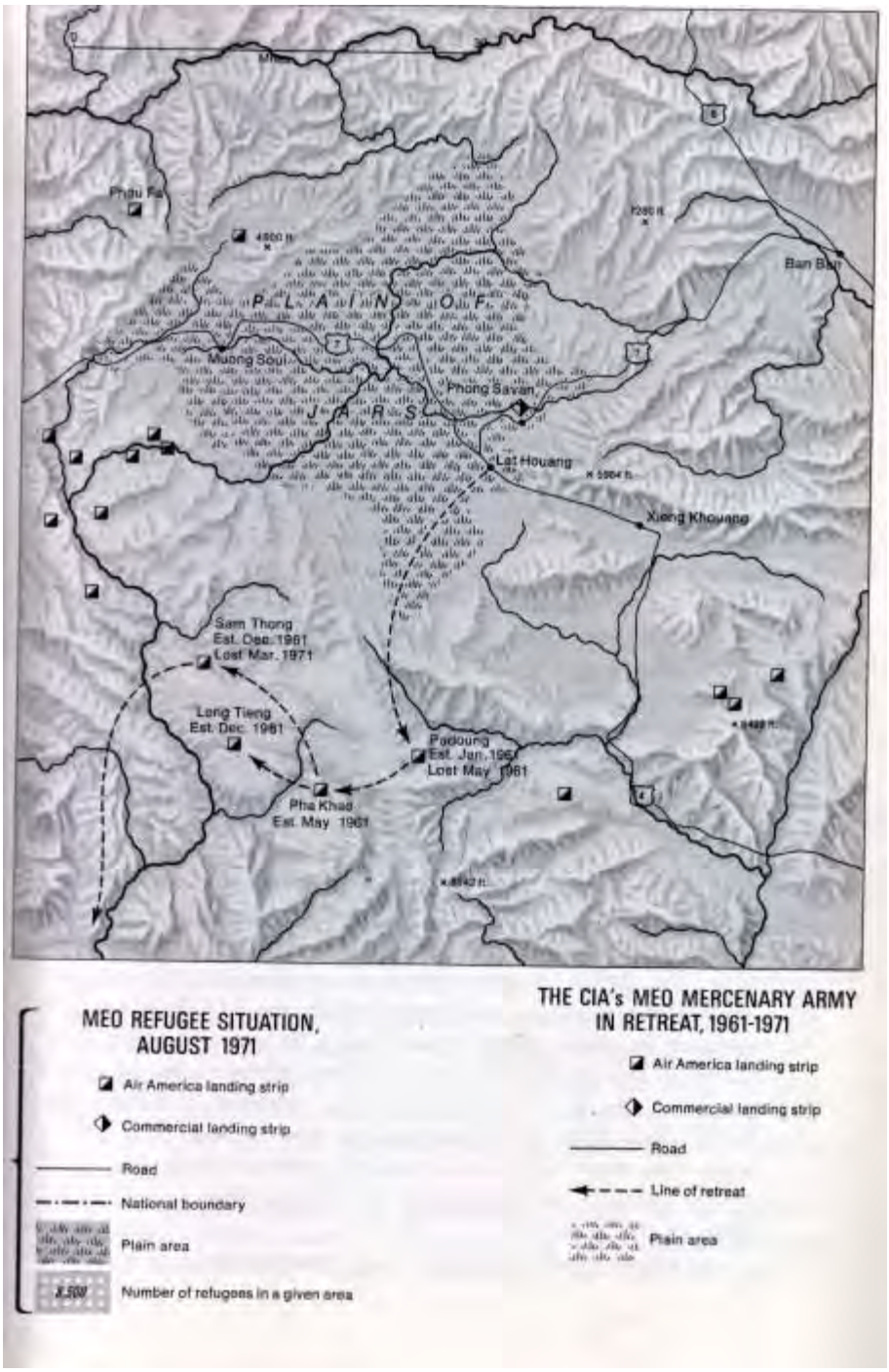
Confused by the murky situation, Souvanna Phourna dispatched another emissary, General Amkha, the inspector general of the neutralist army, on October 7. But the moment General Amkha stepped off the plane, Vang Pao arrested him at gunpoint and had him flown to Savannakhet, aboard an unidentified transport, where he remained in prison for almost three years on General Phourni's orders. That same day Touby was "invited" to Savarmakhet and left on a later flight. When Col. Kham Hou resigned from command shortly thereafter, General Phoumi rewarded Vang Pao by appointing him commander of Xieng Khouang Province. (98)

In late November General Phourni's army began its drive for Vientiane, Laos's administrative capital. Advancing steadily up the Mekong River valley, rightist forces reached the outskirts of the city on December 14 and evicted Capt. Kong Le's paratroopers after three days of destructive street fighting. While Kong Le's Paratroopers beat a disciplined retreat up Route 13 toward the royal capital of Luang Prabang, General Phoumi was a bit lax in pursuit, convinced that Kong Le would eventually be crushed by the rightist garrisons guarding the royal capital.

About a hundred miles north of Vientiane there is a fork in the road: Route 13 continues its zigzag course northward to Luang Prabang, while Route 7 branches off in an easterly direction toward the Plain of Jars. Rather than advancing on Luang Prabang as expected, Kong Le entered the CIA-controlled Plain of Jars on December 31, 1960. While his troops captured Muong Soui and attacked the airfield at Phong Savan, Pathet Lao guerrillas launched coordinated diversionary attacks along the plain's northeastern rim. Rightist defenses crumbled, and Phourni's troops threw away their guns and ran. (99) As mortar fire came crashing in at the end of the runway, the last Air America C-47 took off from the Plain of Jars with Edgar Buell and a contingent of U.S. military advisers. (100)

Lt. Col. Vang Pao was one of the few commanders who did not panic at the Kong Le and Pathet Lao coordinated offensive. While Phourni's regular army troops ran for the Mekong, Vang Pao led several thousand Meo soldiers and refugees out of the plain on an orderly march to Padoung, a four-thousand-foot mountain, twelve miles due south. Vang Pao was appointed commander of Military Region II and established his headquarters at Padoung. (101)


0 10 50
Miles
Phou Pha Thi (LS #85)
Sam Neua
Mekong R.
L A O S
Luang Prabang
Phu Cum (LS #50)
70,000
Phou Vieng (LS #6)
Bouam Long (LS #32)
See map on facing page
Phou Fa (LS #16)
Ban Ban
P L A I N O F
J A R S
Kiou Cacham (LS #4)
Muong Soui
Phong Savan
Nong Het
Muong Sen
Ban Pho Beul (LS #25)
Lat Houang
Xieng Khouang
Long Pot (LS #132)
NORTH VIETNAM
Sam Thong (LS #20)
Muong Kassy
10,500
Padoung (LS #5)
Tin Bong (LS #90)
Long Tieng (LS #30/98)
Ban Pha Louang
Kieu Manang (LS #192)
Vang Vieng
Ban Son (LS #272)
150,000
Moung Che (LS #113)
Borikhane
Phou Khao Kquai (LS #53)
Mekong R.
Vientiane
T H A I L A N D
LOCATOR MAP
BURMA
N. VIET.
LAOS
THAILAND
CAMB.
SOUTH VIETNAM



With General Phourni once more in control of Vientiane and a joint Pathet Laoneutralist force occupying the strategic Plain of Jars, the center of CIA activity shifted from Savannakhet to Padoung. In January 1961 the CIA began sending Green Berets, CIA-financed Thai police commandos, and a handful of its own agents into MR 11 to build up an effective Meo guerrilla army under Vang Pao. William Young was one of the CIA operatives sent to Padoung in January, and because of his linguistic skills, he played a key role in the formation of the Secret Army. As he recollected ten years later, the basic CIA strategy was to keep the Pathet Lao bottled up on the plain by recruiting all of the eligible young Meo in the surrounding mountains as commandos.

To build up his army, Vang Pao's officers and the CIA operatives, including William Young, flew to scattered Meo villages in helicopters and light Heliocourier aircraft. Offering guns, rice, and money in exchange for recruits, they leapfrogged from village to village around the western and northern perimeter of the Plain of Jars. Under their supervision, dozens of crude landing strips for Air America were hacked out of the mountain forests, thus linking these scattered villages with CIA headquarters at Padoung. Within a few months Vang Pao's influence extended from Padoung north to Phou Fa and east as far as Bouam Long.(102) However, one local Meo leader in the Long Pot

region west of the Plain of Jars says that the Meo recruiting officers who visited his village used threats as well as inducements to win a declaration of loyalty. *"Vang Pao sent us guns,"* he recalled. *"If we did not accept his guns he would call us Pathet Lao. We had no choice. Vang Pao's officers came to the village and warned that if we did not join him he would regard us as Pathet Lao and his soldiers would attack our village."* (103)

Meo guerrilla operations on the plain itself had begun almost immediately; Meo sappers blew up bridges and supply dumps while snipers shot at neutralist and Pathet Lao soldiers. After four months of this kind of harassment, Capt. Kong Le decided to retaliate. (104) In early May 1961, Pathet Lao and neutralist troops assaulted the northern flank of Padoung mountain and began shelling the CIA base camp. After enduring an intense enemy mortar barrage for over two weeks, the CIA decided to abandon the base, and Vang Pao led his troops to a new headquarters at Pha Kbao, eight miles to the southwest. (105) Following close behind came Edgar Buell, leading some nine thousand Meo civilians. While Vang Pao's hardy troops made the transfer without incident, hundreds of civilians, mainly children and elderly, died in a forced march through the jungle. (106)

The only official report we have on Meo operations was written by Gen. Edward G. Lansdale of the CIA in July 1961 for foreign policy officials in the Kennedy administration. In it he discusses the Agency's clandestine warfare potential in Indochina. *"Command control of Meo operations is exercised by the Chief CIA Vientiane with the advice of Chief MAAG Laos [U.S. army advisers],"* reported Lansdale. Although there were only nine CIA operations officers and nine Green Berets in the field, *"CIA control in the Meo operations has been reported as excellent."* In addition, there were ninety-nine Thai police commandos working with the Meo under CIA control. So far nine thousand Meo had been *"equipped for guerrilla operations,"* but Lansdale felt that at least four thousand more of these *"splendid fighting men"* could be recruited. However, there was one major problem:

"As Meo villages are over-run by Communist forces and as men leave foodraising duties to serve as guerillas, a problem is growing over the care and feeding of non-combat Meos. CIA has given some rice and clothing to relieve this problem. Consideration needs to be given to organized relief, a mission of an ICA ["humanitarian" foreign aid] nature, to the handling of Meo refugees and their rehabilitation." (107)

To solve this critical problem, the CIA turned to Edgar Buell, who set out on a fifty-eight-day trek around the perimeter of the plain to arrange for delivery of "refugee" supplies. (108)

In July 1962 the United States and the Soviet Union signed the Geneva Agreements on Laos, and thus theoretically terminated their military operations in that chaotic kingdom. Although American Green Berets and military advisers were withdrawn by October as specified, the CIA devised a number of clever deceptions to continue its clandestine activities. All of the CIA operatives moved to adjacent areas of Thailand, but returned almost every day by helicopter or plane to direct guerrilla operations. Civilian personnel (not covered by the Geneva Agreements) were recruited for clandestine work. In December 1962, for example, Buell trained Meo guerrillas in demolition techniques and directed the dynamiting of six bridges and twelve mountain passes along Route 7 near Ban Ban. (109) The U.S. Embassy declared that Air America flights to Meo villages, which carried munitions as well as refugee supplies, were "humanitarian" aid and as such were exempted from the Geneva Agreements. (110)

After a relatively quiet year in 1962, the CIA went on the offensive throughout northern Laos in 1963-1964. In the northwest, William Young, assisted by IVS volunteer Joseph Flipse, led Yao commandos in an attack on Pathet Lao villages east of Ban Houei Sai. One American who took part in the offensive recalls that Pathet Lao troops had been inactive since the Geneva Agreements were signed and feels that the CIA offensive shattered the cease-fire in the northwest. In the northeast the CIA took the war to the enemy by expanding Meo commando operations into Sam Neua Province, a Pathet Lao stronghold for nearly fifteen years. (111)

Anthony Poe became the new CIA man at Long Tieng, Vang Pao's headquarters since mid 1962, and organized the offensive into Sam Neua Province. Rather than attacking towns and villages in the valleys where the Pathet Lao were well entrenched, the CIA concentrated on the mountain ridges populated by Meo tribesmen. Using Air America's fleet of helicopters and light aircraft, Anthony Poe led hundreds of Meo guerrillas in a lightning advance that leaped from mountain to mountain into the heart of Sam Neua Province. As soon as a village was captured and Pathet Lao cadres eliminated, the inhabitants were put to work building a crude landing strip, usually five hundred to eight hundred feet

long, to receive the airplanes that followed in the conqueror's wake carrying Edgar Buell's "refugee" supplies. These goods were distributed in an attempt to buy the hearts and minds of the Meo.

Within a matter of months a fifty-mile-long strip of territory-stretching from the northeastern rim of the Plain of Jars to Phou Pha Thi mountain, only fifteen miles from the North Vietnamese border-had been added to Vang Pao's domain. Over twenty new aircraft landing strips dotted the conquered corridor, linking Meo villages with CIA headquarters at Long Tieng. Most of these Meo villages were perched on steep mountain ridges overlooking valleys and towns controlled by the Pathet Lao. The Air America landing strip at Hong Non, for example, was only twelve miles from the limestone caverns near Sam Neua City where the Pathet Lao later housed their national headquarters, a munitions factory, and a cadre training school. (112)

As might be expected, the fighting on the Plain of Jars and the opening of these landing strips produced changes in northeastern Laos's opium traffic. For over sixty years the Plain of Jars had been the hub of the opium trade in northeastern Laos. When Kong Le captured the plain in December 1960, the Corsican charter airlines abandoned Phong Savan Airport for Vientiane's Wattay Airport. The old Corsican hangout at Phong Savan, the Snow Leopard Inn, was renamed "Friendship Hotel." It became headquarters for a dozen Russian technicians sent to service the aging Ilyushin transports ferrying supplies from Hanoi for the neutralists and Pathet Lao. (113)

No longer able to land on the Plain of Jars, the Corsican airlines began using Air America's mountain landing strips to pick up raw opium. (114) As Vang Pao circled around the Plain of Jars and advanced into Sam Neua Province, leaving a trail of landing strips behind him, the Corsicans were right behind in their Beechcrafts and Cessnas, paying Meo farmers and Chinese traders a top price for raw opium. Since Kong Le did not interfere with commercial activity on the plain, the Chinese caravans were still able to make their annual journey into areas controlled by Vang Pao. Now, instead of delivering their opium to trading centers on the plain, most traders brought it to Air America landing strips serviced by the Corsican charter airlines. (115) Chinese caravans continued to use the Plain of Jars as a base until mid 1964, when the Pathet Lao drove Kong Le off the plain and forced them into retirement.

When the Laotian government in the person of Ouane Rattikone jealously forced the Corsicans out of business in 1965, a serious economic crisis loomed in the Meo highlands. The war had in no way reduced Meo dependence on opium as a cash crop, and may have actually increased production. Although thousands of Meo men recruited for commando operations were forced to leave home for months at a time, the impact of this loss of manpower on opium production was minimal. Opium farming is women's work. While men clear the fields by slashing and burning the forest, the tedious work of weeding and harvesting is traditionally the responsibility of wives and daughters. Since most poppy fields last up to five or ten years, periodic absences of the men had little impact on poppy production. Furthermore, the CIA's regular rice drops removed any incentive to grow rice, and freed their considerable energies for full-time poppy cultivation. To make defense of the civilian population easier, many smaller refugee villages had been evacuated, and their populations concentrated in large refugee centers. Good agricultural land was at a premium in these areas, and most of the farmers devoted their labors to opium production simply because it required much less land than rice or other food crops. (116)

Meo villages on the southern and western edges of the plain were little affected by the transportation problem caused by the end of the Corsican flights. Following the demise of the Chinese merchant caravans in mid 1964, Vang Pao's commandos dispatched Meo military caravans from Long Tieng into these areas to buy up the opium harvest. Since there were daily flights from both Sam Thong and Long Tieng to Vientiane, it was relatively easy to get the opium to market. However, the distances and security problems involved in sending caravans into the northern perimeter of the plain and in the Sam Neua area were insuperable, and air transport became an absolute necessity. With the Corsicans gone, Air America was the only form of air transport available. (117) And according to Gen. Ouane Rattikone, then commander in chief of the Laotian army, and Gen. Thao Ma, then Laotian air force commander, Air America began flying Meo opium to markets in Long Tieng and Vientiane. (118)

Air logistics for the opium trade were further improved in 1967 when the CIA and USAID (United States Agency for International Development) gave Vang Pao financial assistance in forming his own private airline, Xieng Khouang Air Transport. The company's president, Mr. Lo Kham Thy, says the airline was formed in late 1967 when two C-47s were acquired from Air America and Continental Air Services. The company's schedule is limited to shuttle flights between

Long Tieng and Vientiane that carry relief supplies and an occasional handful of passengers. Financial control is shared by Vang Pao, his brother, his cousin, and his father-in-law. (119) According to one former USAID employee, USAID supported the project because officials hoped it would make Long Tieng the commercial center of the northeast and thereby reinforce Vang Pao's political position. The USAID officials involved apparently realized that any commercial activity at Long Tieng would involve opium, but decided to support the project anyway. (120) Reliable Meo sources report that Xieng Khouang Air Transport is the airline used to carry opium and heroin between Long Tieng and Vientiane. (121)

Despite repeated dry season offensives by the Pathet Lao, the CIA's military position in the northeast remained strong, and Vang Pao's army consolidated and expanded upon gains it had made during the early years of the war. However, in January 1968 Pathet Lao and North Vietnamese forces mounted a general offensive that swept Vang Pao's mercenaries out of Sam Neua Province. The key to the Pathet Lao victory was the capture of the CIA's eagle-nest bastion, Phou Pha Thi, on March 11. The U.S. air force had built a radar guidance center on top of this 5,680-foot mountain in 1966 "to provide more accurate guidance for all-weather bombing operations" over North Vietnam. (122) Only seventeen miles from the North Vietnamese border, Pha Thi had become the eyes and ears of the U.S. bombing campaign over Hanoi and the Red River Delta. (123) (Interestingly, President Johnson announced a partial bombing halt over North Vietnam less than three weeks after the radar installation at Pha Thi was destroyed.) Vang Pao attempted to recapture the strategic base late in 1968, but after suffering heavy losses he abandoned it to the North Vietnamese and Pathet Lao in January 1969. (124)

The loss of Sam Neua in 1968 signaled the first of the massive Meo migrations that eventually made much of northeastern Laos a depopulated free fire zone and drastically reduced hill tribe opium production. Before the CIA-initiated Meo guerrilla operations in 1960, MR 11 had a hill tribe population of about 250,000, most of them Meo opium farmers evenly scattered across the rugged highlands between the Vientiane Plain and the North Vietnamese border. (125) The steady expansion of Vang Pao's influence from 1961 to 1967 caused some local concentration of population as small Meo villages clustered together for selfdefense. However, Meo farmers were still within walking distance of their poppy fields, and opium production continued undiminished.

When Vang Pao began to lose control of Sam Neua in early 1968, the CIA decided to deny the population to the Pathet Lao by evacuating all the Meo tribesmen under his control. By 1967 U.S. air force bombing in northeastern Laos was already heavy, and Meo tribesmen were willing to leave their villages rather than face the daily horror of life under the bombs. Recalling Mao Tse-tung's axiom on guerrilla warfare, Edgar Buell declared, "If the people are the sea, then let's hurry the tide south. (126) Air America evacuated over nine thousand people from Sam Neua in less than two weeks. They were flown to Buell's headquarters at Sam Thong, five miles north of Long Tieng, housed temporarily, and then flown to refugee villages in an adjacent area west of the Plain of Jars. (127)

During the next three years repeated Pathet Lao winter-spring offensives continued to drive Vang Pao's Meo army further and further back, forcing tens of thousands of Meo villagers to become refugees. As the Pathet Lao's 1970 offensive gained momentum, the Meo living north and west of the plain fled south, and eventually more than 100,000 were relocated in a crescent-shaped forty-mile-wide strip of territory between Long Tieng and the Vientiane Plain. When the Pathet Lao and the North Vietnamese attacked Long Tieng during the 1971 dry season, the CIA was forced to evacuate some fifty thousand mercenary dependents from Long Tieng valley into the overcrowded Ban Son resettlement area south of Long Tieng. By mid 1971 USAID estimated that almost 150,000 hill tribe refugees, of which 60 percent were Meo, had been resettled in the Ban Son area. (128)

After three years of constant retreat, Vang Pao's Meo followers are at the end of the line. Once a prosperous people living in small villages surrounded by miles of fertile, uninhabited mountains, now almost a third of all the Meo in Laos, over ninety thousand of them, are now packed into a forty-mile-long dead end perched above the sweltering Vientiane Plain. The Meo are used to living on mountain ridges more than three thousand feet in elevation where the temperate climate is conducive to poppy cultivation, the air is free of malarial mosquitoes, and the water is pure. In the refugee villages, most of which are only twenty-five hundred feet in elevation, many Meo have been stricken with malaria, and lacking normal immunities, have become seriously ill. The low elevation and crowded conditions make opium cultivation almost impossible, and the Meo are totally dependent on Air America's rice drops. If the North Vietnamese and Pathet Lao capture Long Tieng and advance on Vientiane, the Meo will probably be forced down onto

the Vientiane Plain, where their extreme vulnerability to tropical disease might result in a major medical disaster.

The Ban Son resettlement area serves as a buffer zone, blocking any Pathet Lao and North Vietnamese enemy advance on Vientiane. If they choose to move on Vientiane they will have no choice but to fight their way through the resettlement area. Meo leaders are well aware of this, and have pleaded with USAID to either begin resettling the Meo on the Vientiane Plain on a gradual, controlled basis or shift the resettlement area to the east or west, out of the probable line of an enemy advance. (129)

Knowing that the Meo fight better when their families are threatened, USAID has refused to accept either alternative and seems intent on keeping them in the present area for a final, bloody stand against the North Vietnamese and Pathet Lao. Most of the Meo have no desire to continue fighting for Gen. Vang Pao. They bitterly resent his more flamboyant execsses-person ally executing his own soldiers, massive grafting from the military payroll, and his willingness to take excessive casualties -and regard him as a corrupt warlord who has grown rich on their suffering.(130) But since USAID decides where the rice is dropped, the Meo have no choice but to stand and fight.

Meo losses have already been enormous. The sudden, mass migrations forced by enemy offensives have frequently exceeded Air America's logistic capacity. Instead of being flown out, many Meo have had to endure long forced marches, which produce 10 percent fatalities under the best of conditions and 30 percent or more if the fleeing refugees become lost in the mountain forests. Most of the mercenary dependents have moved at least five times and some villages originally from Sam Neua Province have moved fifteen or sixteen times since 1968.(131) Vang Pao's military casualties have been just as serious: with only thirty thousand to forty thousand men under arms, his army suffered 3,272 men killed and 5,426 wounded from 1967 to 1971. Meo casualties have been so heavy that Vang Pao was forced to turn to other tribes for recruits, and by April 1971 Lao Theung, the second largest hill tribe in northern Laos, comprised 40 percent of his troops. (132) Many of the remaining Meo recruits are boy soldiers. In 1968 Edgar Buell told a *New Yorker* correspondent that:

"A short time ago we rounded up three hundred fresh recruits. Thirty per cent were fourteen years old or less, and ten of them were only ten years old. Another 30 per cent were fifteen or sixteen. The remaining 40 per cent were forty-five or over. Where were the ones in between? I'll tell you-they're all dead." (133)

Despite the drop in Meo opium production after 1968, General Vang Pao was able to continue his role in Laos's narcotics trade by opening a heroin laboratory at Long Tieng. According to reliable Laotian sources, his laboratory began operations in 1970.When a foreign Chinese master chemist arrived at Long Tieng to supervise production. It has been so profitable that in mid 1971 Chinese merchants in Vientiane reported that Vang Pao's agents were buying opium in Vientiane and flying it to Long Tieng for processing.(134)

Although American officials in Laos vigorously deny that either Vang Pao or Air America are in any way involved, overwhelming evidence to the contrary challenges these pious assertions. Perhaps the best way of understanding the importance of their role is to examine the dynamics of the opium trade in a single opium-growing district.

Long Pot Village: Rendezvous with Air America

Long Pot District, thirty miles northwest of Long Tieng, was one of the last remaining areas in northeastern Laos where the recent history of the opium traffic could be investigated. Located forty miles due west of the Plain of Jars, it was close enough to Long Tieng to be a part of Gen. Vang Pao's domain but far enough away from the heavy fighting to have survived and tell its story. Viewed from Highway 13, which forms its western boundary, Long Pot District seems a rugged, distant world. Phou Phachau mountain, casting its shadow over the entire district, juts more than sixty-two hundred feet into the clouds that perennially hover about its peak during the misty rainy season from May to October. Steep ridges radiate outward from Phou Phachau and lesser peaks, four thousand and five thousand feet high, form hollows and valleys that gouge the district's hundred square miles of territory. The landscape was once verdant with virgin hardwood forests, but generations of slash-and-burn agriculture by hill tribe residents have left many of the ridges and valleys covered with tough, chest-high savanna grass. (135)

The district's twelve villages, seven Meo and five Lao Theung, cling to ridges and mountain crests, where they command a watchful view of the surrounding countryside. The political center of the district is the village of Long Pot, a Meo community of fortyseven wooden, dirtfloored houses and some three hundred residents. It is not its size, but its longevity which makes Long Pot village important. Founded in the latter half of the nineteenth century, it is one of the oldest Meo villages in northeastern Laos. Its leaders have a tradition of political power, and the highest-ranking local official, District Officer Ger Su Yang, resides in Long Pot village. While most Meo are forced to abandon their villages every ten or twenty years in search of new opium fields, Long Pot village is surrounded by a surplus of fertile, limestone-laden slopes that have allowed its inhabitants to remain in continuous residence for three generations. Moreover, Long Pot village's high altitude is ideal for poppy cultivation; the village itself is forty-two hundred feet high and is surrounded by ridges ranging up to fifty-four hundred feet. The Yunnan variety of the opium poppy found in Southeast Asia requires a temperate climate; it can survive at three thousand feet, but thrives as the altitude climbs upward to five thousand feet.

Despite all the damage done by over ten years of constant warfare, opium production in Long Pot village had not declined. In an August 1971 interview, the district officer of Long Pot, Ger Su Yang, said that most of the households in the village had been producing about fifteen kilos of opium apiece before the fighting began, and had maintained this level of production for the last ten years. However, rice production had declined drastically.(136) During a time of war, when the Meo of Long Pot might have been expected to concentrate their dwindling labor resources on essential food production, they had chosen instead to continue cash-crop opium farming. Guaranteed an adequate food supply by Air America's regular rice drops, the villagers were free to devote all their energies to opium production. And since Vang Pao's officers have paid them a high price for their opium and assured them a reliable market, the farmers of Long Pot village have consistently tried to produce as much opium as possible.

In the past rice has always been the Meo's most important subsistence crop and opium their traditional cash crop. However, opium and rice have conflicting crop cycles and prosper in different kinds of fields. Because the average Meo village has a limited amount of manpower, it is only capable of clearing a few new fields every year, and therefore must opt for either opium or rice. When the opium price is high Meo farmers concentrate their efforts on the opium crop and use their cash profits to buy rice, but if the price drops they gradually reduce poppy cultivation and increase subsistence rice production. With rice from Air America and good opium prices from Vang Pao's officers, the farmers of Long Pot had chosen to emphasize opium production. (137)

Every spring, as the time for cutting new fields approaches, each household sends out a scouting party to scour the countryside for suitable field locations. Since Long Pot Meo want to plant opium, they look for highly alkaline soil near the ridgeline or in mountain hollows where the opium poppies prosper, rather than mid-slope fields more suitable for rice. The sweeter "taste" of limestone soil can actually be recognized by a discriminating palate, and as they hike around the nearby mountains Meo scouts periodically chew on a bit of soil to make sure that the prospective site is alkaline enough. (138)

Meo farmers begin clearing their new fields in March or April. Using iron-bitted axes, the men begin chopping away at timber stands covering the chosen site. Rather than cutting through the thick roots or immense trunks of the larger trees, the Meo scale the first twenty feet of the trunk, balance themselves on a slender notched pole, and cut away only the top of the tree. A skilled woodsman can often fell three or four smaller trees with a single blow if be topples a large tree so that it knocks down the others as it crashes to the ground. The trees are left on the ground to dry until April or early May, when the Meo are ready for one of the most awesome spectacles in the mountainsthe burn-off. (139)

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When the timber has become tinderbox dry, the villagers of Long Pot form fire brigades and gather near the fields on the chosen day. While the younger men of the village race down the slope igniting the timber as they come, others circle the perimeter, lighting stacked timber and brush on the edge of the field. The burn-off not only serves the purpose of removing fallen timber from the field, but it also leaves a valuable layer of ash, which contains phosphate, calcium, and potassium, scattered evenly across the field. (140)

Even though the fields are ready for planting as soon as the burn-off is completed, the poppy's annual cycle dictates that its planting be delayed until September. If the land is left unplanted, however, it loses valuable minerals through erosion and becomes covered with a thick crop of weeds. Here it might seem logical to plant dry upland rice, but since rice is not harvested until November, two months after the poppies should have been planted, the Meo instead plant a hardy variety of mountain corn that is harvested in August and early September. The corn keeps the ground clear of weeds during the summer, and provides fodder for the menagerie of hogs, mountain ponies, chickens, and cows whose wanderings turn Long Pot village into a sea of mud every rainy season. (141)

Once the corn has been picked in August and early September, Meo women begin chopping and turning the soil with a heavy, triangular hoe. Just before the poppy seeds are sown broadcast across the surface of the ground in September, the soil must be chopped fine and raked smooth with a bamboo broom. In November women thin out the poppies, leaving the healthier plants standing about six inches apart. At the same time tobacco, beans, spinach, and other vegetables are planted among the poppies; they add minerals to the soil and supplement the Meo diet. (142)

The poppies are thinned again in late December and several weeks later the vegetables are picked, clearing the ground and allowing the poppy to make its final push. By January the bright red and white poppy flowers will start to appear and the harvest will begin, as the petals drop away exposing an eggshaped bulb containing the resinous opium. Since most farmers stagger their plantings to minimize demands on their time during the busy harvest season and reduce the threat of weather damage, the harvest usually continues until late February or early March. (143)

To harvest the opium, Meo farmers tap the poppy's resin much like a Vermont maple sugar farmer or a Malaysian rubber farmer harvest their crops. An opium farmer holds the flower's egg-sized bulb with the fingers of one hand while he uses a three-bladed knife to incise shallow, longitudinal slits on its surface. The cuttings are made in the cool of the late afternoon. During the night the opium resin oozes out of the bulb and collects on its surface. Early the next morning, before the sun drys the moist sap, a Meo woman scrapes the surface of the bulb with a flexible rectangular blade and deposits the residue in a cup hanging around her neck. When she has finished harvesting a kilo of the dark, sticky sap she wraps it in banana leaves and ties the bundle with string.

By the time the harvest is finished, the forty-seven households in Long Pot village have collected more than seven hundred kilos of raw opium. (144) Since Golden Triangle opium is usually 10 percent morphine by weight, the Long Pot harvest will yield roughly seventy kilos of pure morphine base after it has been boiled, processed, and pressed into bricks. Once the morphine has been chemically bonded with acetic anhydride in one of the region's many heroin laboratories, Long Pot's innocent opium harvest becomes seventy kilos of highgrade no. 4 heroin.

While international criminal syndicates reap enormous profits from the narcotics traffic, the Meo farmers are paid relatively little for their efforts. Although opium is their sole cash crop and they devote most of their effort to it, Meo farmers only receive $400 to $600 for ten kilos of raw opium. After the opium leaves the village, however, the value of those ten kilos begins to spiral upward, Ten kilos of raw opium yield one kilo of morphine base worth $500' in the Golden Triangle. After being processed into heroin, one kilo of morphine base becomes one kilo of no. 4 heroin worth $2,000 to $2,500 in Bangkok. In San Francisco, Miami, or New York, the courier delivering a kilo of heroin to a wholesaler receives anywhere from $18,000 to $27,000. Diluted with quinine or milk sugar, packaged in forty-five thousand tiny gelatin capsules and sold on the streets for $5 a shot, a kilo of heroin that began as $500 worth of opium back in Long Pot is worth $225 '000. (145)

In the 1950s Long Pot's farmers had sold their opium to Chinese caravans from the Plain of Jars that passed through the area several times during every harvest season. Despite the occupation of the plain by neutralist and Pathet Lao forces in 1960 and 1961, Chinese caravans kept coming and opium growers in Long Pot District continued to deal with them.

According to Long Pot's district officer, Ger Su Yang, the Chinese merchant caravans disappeared after the 1964-1965 harvest, when heavy fighting broke out on the plain's western perimeter, But they were replaced by Meo army caravans from Long Tieng. Commanded by lieutenants and captains in Vang Pao's army, the caravans usually consisted of half a dozen mounted Meo soldiers and a string of shaggy mountain ponies loaded with trade goods. When the caravans arrived from Long Tieng they usually stayed at the district officer's house in Long Pot village and used it as a headquarters while trading for opium in the area. Lao Theung and Meo opium farmers from nearby villages, such as Gier Goot and Thong Oui, carried their opium to Long Pot and haggled over the price with the Meo officers in the guest corner of Ger Su Yang's house. (146) While the soldiers weighed the opium on a set of balance scales and burned a small glob to test its morphine content (a good burn indicates a high morphine content), the farmer inquired about the price and examined the trade goods spread out on the nearby sleeping platform (medicines, salt, iron, silver, flashlights, cloth, thread, etc.). After a few minutes of carefully considered offers and counteroffers, a bargain was struck. At one time the Meo would accept nothing but silver or commodities. However, for the last decade Air America has made commodities so readily available that most opium farmers now prefer Laotian government currency. (Vang Pao's Meo subjects are unique in this regard. Hill tribesmen in Burma and Thailand still prefer trade goods or silver in the form of British India rupees, French Indochina piasters, or rectangular bars.) (147)

To buy up opium from the outlying areas, the Meo soldiers would leave Long Pot village on short excursions, hiking along the narrow mountain trails to Meo and Lao Theung villages four or five miles to the north and south. For example, the headman of Nam Suk, a Lao Theung village about four miles north of Long Pot, recalls that his people began selling their opium harvest to Meo soldiers in 1967 or 1968. Several times during every harvest season, five to eight of them arrived at his village, paid for the opium in paper currency, and then left with their purchases loaded in backpacks. Previously this village had sold its opium to Lao and Chinese merchants from Vang Vieng, a market town on the northern edge of the Vientiane Plain. But the Meo soldiers were paying 20 percent more, and Lao Theung farmers were only too happy to deal with them. (148)

Since Meo soldiers paid almost sixty dollars a kilo, while merchants from Vang Vieng or Luang Prabang only paid forty or fifty dollars, Vang Pao's officers were usually able to buy up all of the available opium in the district after only a few days of trading. Once the weight of their purchases matched the endurance limits of their rugged mountain ponies, the Meo officers packed it into giant bamboo containers, loaded it on the ponies and headed back for Long Tieng, where the raw opium was refined into morphine base. Meo army caravans had to return to Long Pot and repeat this procedure two or three times during every season before they had purchased the district's entire opium harvest.

However, during the 1969-1970 opium harvest the procedure changed. Long Pot's district officer, Ger Su Yang, described this important development in an August 19, 1971, interview:

"Meo officers with three or four stripes [captain or major] 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 [swinging his arm in a semicircle in the direction of Gier Goot, Long Makkhay and Nam Pac], then come back here and radioed Long Tieng to send another helicopter for them. They take the opium back to Long Tieng.

Ger Su Yang went on to explain that the helicopter pilots were always Americans, but it was the Meo officers who stayed behind to buy up

the opium. The headman of Nam Ou, a Lao Theung village five miles north of Long Pot, confirmed the district officer's account; he recalled that in 1969-1970 Meo officers who had been flown into Tam Son village by helicopter hiked into his village and purchased the opium harvest. Since the thirty households in his village only produced two or three kilos of opium apiece, the Meo soldiers continued on to Nam Suk and Long Pot." (149)

Although Long Pot's reluctant alliance with Vang Pao and the CIA at first brought prosperity to the village, by 1971 it was weakening the local economy and threatening Long Pot's very survival. The alliance began in 1961 when Meo officers visited the village, offering money and arms if they joined with Vang Pao and threatening reprisals if they remained neutral. Ger Su Yang resented Vang Pao's usurpation of Touby Lyfoung's rightful position as leader of the Meo, but there seemed no alternative to the village declaring its support for Vang Pao. (150) During the 1960s Long Pot had become one of Vang Pao's most loyal villages. Edgar Buell devoted a good deal of his personal attention to winning the area over, and USAID even built a school in the village. (151) In exchange for sending less than twenty soldiers to Long Tieng, most of whom were killed in action, Long Pot village received regular rice drops, money, and an excellent price for its opium.

But in 1970 the war finally came to Long Pot. With enemy troops threatening Long Tieng and his manpower pool virtually exhausted, Vang Pao ordered his villages to send every available man, including even the fifteen-year-olds. Ger Su Yang complied, and the village built a training camp for its sixty recruits on a nearby hill. Assisted by Meo officers from Long Tieng, Ger Su Yang personally supervised the training, which consisted mainly of running up and down the hillside. After weeks of target practice and conditioning, Air America helicopters began arriving late in the year and flew the young men off to battle.

Village leaders apparently harbored strong doubts about the wisdom of sending off so many of their young men, and as early rumors of heavy casualties among the recruits filtered back, opposition to Va g Pao's war stiffened. When Long Tieng officials demanded more recruits in January 1971 the village refused. Seven months later Ger Su Yang expressed his determination not to sacrifice any more of Long Pot's youth:

"Last year I sent sixty [young men] out of this village. But this year it's finished. I can't send any more away to fight.... The Americans in Long Tieng said I must send all the rest of our men. But I refused. So they stopped dropping rice to us. The last rice drop was in February this year." (152)

In January Long Tieng officials warned the village that unless recruits were forthcoming Air America's rice drops would stop. Although Long Pot was almost totally dependent on the Americans for its rice supply, hatred for Vang Pao was now so strong that the village was willing to accept the price of refusal. "Vang Pao keeps sending the Meo to be killed," said Ger Su Yang. "Too many Meo have been killed already, and he keeps sending more. Soon all will be killed. but Vang Pao doesn't care." But before stopping the shipments Long Tieng officials made a final offer. "If we move our village to Ban Son or Tin Bong [another resettlement area] the Americans will give us rice again," explained Ger Su Yang. "But at Ban Son there are too many Meo, and there are not enough rice fields. We must stay here, this is our home."153

When the annual Pathet Lao-North Vietnamese offensive began in January 1971, strong Pathet Lao patrols appeared in the Long Pot region for the first time in several years and began making contact with the local population. Afraid that the Meo and Lao Theung might go over to the Pathet Lao, the Americans ordered the area's residents to move south and proceeded to cut off rice support for those who refused to obey. (154) A far more powerful inducement was added when the air war bombing heated up to the east of Long Pot District and residents became afraid that it would spread to their villages. To escape from the threat of being bombed, the entire populations of Phou Miang and Muong Chim, Meo villages five miles east of Long Pot, moved south to the Tin Bong resettlement area in early 1971. At about the same time, many of the Meo residents of Tam Son and eight families from Long Pot also migrated to Tin Bong. Afraid that Pathet Lao patrols operating along Route 13 might draw air strikes on their villages, the Meo of Sam Poo Kok joined the rush to Tin Bong, while three Lao Theung villages in the same general area-Nam Suk, Nam Ou and San Pakau-moved to a ridge opposite Long Pot village. Their decision to stay in Long Pot District rather than move south was largely due to the influence of Ger Su Yang. Determined to remain in the area, he used all his considerable prestige to stem the tide of refugees and retain enough population to preserve some semblance of local autonomy. Thus rather than moving south when faced with the dual threat of American air attacks and gradual starvation, most of the villagers abandoned their houses in January and hid in the nearby forest until March.

While U.S. officials in Laos claim that hill tribes move to escape slaughter at the hands of the enemy, most of the people in Long Pot District say that it is fear of indiscriminate American and Laotian bombing that has driven their neighbors south to Tin Bong. These fears cannot be dismissed as ignorance on the part of "primitive" tribes; they have watched the air war at work and they know what it can do. From sunrise to sunset the mountain silence is shattered every twenty or thirty minutes by the distant roar of paired Phantom fighters enroute to targets around the Plain of Jars. Throughout the night the monotonous buzz of prowling AC-47 gunships is broken only when their infrared sensors sniff warm mammal flesh and their miniguns clatter, spitting out six thousand rounds a minute. Every few days a handful of survivors fleeing the holocaust pass through Long Pot relating their stories of bombing and strafing. On August 21, 1971, twenty exhausted refugees from a Lao Theung village in the Muong Soui area reached Long Pot village. Their story was typical. In June Laotian air force T-28s bombed their village while they fled into the forest. Every night for two months AC-47 gunships raked the ground around their trenches and shallow caves. Because of the daylight bombing and nighttime strafing, they were only able to work their fields in the predawn hours. Finally, faced with certain starvation, they fled the Pathet Lao zone and walked through the forest for eleven days before reaching Long Pot. Twice during their march the gunships found them and opened fire. (155)

When Ger Su Yang was asked which he feared most, the bombing or the Pathet Lao, his authoritative confidence disappeared and he

replied in an emotional, quavering voice, The bombs! The bombs! Every Meo village north of here [pointing to the northeast] has been bombed. Every village! Everything! There are big holes [extending his arms] in every village. Every house is destroyed. If bombs didn't hit some houses they were burned. Everything is gone. Everything from this village, all the way to Muong Soui and all of Xieng Khouang [Plain of Jars] is destroyed. In Xieng Khouang there are bomb craters like this [stretching out his arm, stabbing into the air to indicate a long line of craters] all over the plain. Every village in Meng Khouang has been bombed, and many, many people died. From here . . . all the mountains north have small bombs in the grass. They were dropped from the airplanes.(156)

Although opium production in Long Pot village had not yet declined, by August 1971 there was concern that disruption caused by the escalating conflict might reduce the size of the harvest. Even though the village spent the 1970-1971 harvest season hiding in the forest, most families somehow managed to attain their normal output of fifteen kilos. Heavy fighting at Long Tieng delayed the arrival of Air America helicopters by several months, but in May 1971 they finally began landing at Long Pot carrying Meo army traders, who paid the expected sixty dollars for every kilo of raw opium. (157)

However, prospects for the 1971-19 2 opium harvest were looking quite dismal as planting time approached in late August. There were plenty of women to plant, weed, and harvest, but a shortage of male workers and the necessity of hiding in the forest during the past winter had made it difficult for households to clear new fields. As a result, many farmers were planting their poppies in exhausted soil, and they only expected to harvest half as much opium as the year before.

However, as the war mounted in intensity through 1971 and early 1972, Long Pot District's opium harvest was drastically reduced and eventually destroyed. USAID officials reported that about forty-six hundred hill tribesmen had left the district in January and February 1971 and moved to the Tin Bong refugee area to the south, where there was a shortage of land. (158) Some of the villages that remained, such as the three Lao Theung villages near Long Pot village, were producing no opium at all. Even Long Pot village had lost eight of its households during the early months of 1971. Finally, on January 4, 1972, Allied fighter aircraft attacked Long Pot District. In an apparent attempt to slow the pace of a Pathet Lao offensive in the district, the fighters napalmed the district's remaining villages, destroying Long Pot village and the three nearby Lao Theung villages. (159)

Gen. Ouane Rattikone: The Vientiane Connection

Gen. Ouane Rattikone could not have foreseen the enormous logistical problem that would be created by his ill-timed eviction of the Corsican charter airlines in 1965. While use of Air America aircraft solved the problem for Gen. Vang Pao by flying Meo opium out of northeastern Laos, in the northwest Ouane had to rely on his own resources. Eager to establish an absolute monopoly over Laos's drug traffic, he had been confident of being able to expropriate two or three C-47s from the Laotian air force to do the job. But because of the intensification of the fighting in 1964-1965, Ouane found himself denied access to his own military aircraft. Although he still had control over enough civilian air transport to carry the local harvest and some additional Burmese imports, he could hardly hope to tap a major portion of Burma's exports unless he gained control over two or three air force C-47 transports. General Ouane says that in 1964 he purchased large quantities of Burmese opium from the caravans that entered Laos through the Ban Houei Sai region in the extreme northwest, but claims that because of his transportation problem no large Shan or Nationalist Chinese opium caravans entered northwestern Laos in 1965. (160)

Shortly after Gen. Phoumi Nosavan fled to Thailand in February 1965, General Ouane's political ally, General Kouprasith, invited the commander of the Laotian air force, Gen. Thao Ma, to Vientiane for a friendly chat. Gen. Thao Ma recalls that he did not learn the purpose of the meeting until he found himself seated at lunch with General Ouane, General Kouprasith, and Gen. Oudone Sananikone. Gen. Kouprasith leaned forward and, with his friendliest smile, asked the diminutive air force general, "Would you like to be rich?" Thao Ma replied, "Yes. Of course." Encouraged by this positive response, General Kouprasith proposed that he and General Ouane pay Thao Ma I million kip ($2,000) a week and the air force allocate two C-47 transports for their opium-smuggling ventures. To their astonishment, Thao Ma refused; moreover, he warned Kouprasith and Ouane that if they tried to bribe any of his transport pilots he would personally intervene and put a stop to it. (161)

Very few Laotian generals would have turned down such a profitable offer, but Gen. Thao Ma was one of those rare generals who placed military considerations ahead of his political career or financial reward. As the war in South Vietnam and Laos heated up during 1964, Laotian air force T-28s became the key to clandestine air operations along the North Vietnamese border and the Ho Chi Minh Trail. Gen. Thao M took personal command of the squadrons bombing the Ho Chi Minh Trail and providing close air support for Secret Army operations in the northeast. (162) But his proudest accomplishment was the invention of an early version of what later became the AC-47 gunship. Aware that the Pathet Lao often attacked at night when his T-28 fighters were grounded, Thao Ma began looking for a way to provide nighttime air support for government forces and came up with the idea of arming his C-47 transports with .50 caliber machine guns. In 1964 he reduced the air force's logistic capacity by converting a number of his transports into gunships. Thus, when Kouprasith and Ouane demanded two C-47s in early 1965, Thao Ma felt there were none to spare and refused. (163)

Despite further offers and heavy political pressure, Thao Ma's intransigence continued. In 1966 Ouane was still without access to air transport and again no major Shan or Nationalist Chinese opium caravans entered northwestern Laos. Evidently the economic loss of two successive Burmese opium harvests, and the dire prospect of continued losses, convinced Ouane and Kouprasith that the Laotian air force badly needed a new commander.

In May 1966 Gen. Thao Ma was summoned to Vientiane from his headquarters in Savannakhet for a harsh dressing down by the high command. The transport section of the air force was severed from his command and he was ordered to move his headquarters to Vientiane. (164) Fearing assassination at the hands of General Kouprasith if he moved to Vientiane, Thao Ma appealed for a six-month delay and began spending most of his time at the air base in Luang Prabang. (165) As the transfer date approached, Thao Ma sought desperately for an alternative. He begged the Americans, Capt. Kong Le, and the king to intercede on his behalf, but to no avail. (166) Friend and foe alike report that he was in a state of near panic by October, and Thao Ma himself remembers that he was functioning in a dazed stupor. (167) Thus, a coup seemed his only way out.

At 7:00 A.M. on October 22, six T-28 fighters took off from Savannakliet and headed north for Vientiane. At 8:20 A.M. the squadron reached the Laotian capital and the first bomb scored a direct hit on General Kouprasith's office at

general staff headquarters. The T-28s strafed and bombed the headquarters compound extensively. Two munitions dumps at Wattay Airport on the outskirts of Vientiane were destroyed. The squadron also rocketed General Kouprasith's home at Chinaimo army camp, but all the missiles were wide of the mark and the general was unharmed. (168) Over thirty people were killed and dozens more were wounded. (169)

The squadron flew back to Savarmakhet, and Vientiane waited nervously for a second round of attacks. After receiving numerous appeals from both Lao and American officials to end his revolt and go into exile, Gen. Thao Ma and ten of his best pilots took off from Savannakhet at 1:45 A.M. October 23, and flew to Thailand, where they were granted political asylum. (170)

Although his coup was primarily an act of revenge, Thao Ma had apparently expected that his friend Kong Le, the neutralist army general, would seize Vientiane and oust the generals once Kouprasith was dead. (171) However, Kong Le was having his own problems with Kouprasith and, unknown to Thao Ma, had left for Bangkok five days before to meet with CIA officials. Shortly after the T-28s struck Vientiane, Thai officials placed Kong Le under house arrest in Bangkok and Kouprasith ordered Laotian border guards to arrest him if he tried to return. Kong Le became a political exile in Paris, and his neutralist army fell under rightist control. (172) Soon after Thao Ma flew into exile, a pliant, right-wing general was appointed air force commander.

With an ample supply of C-47 transports and helicopters now assured, General Ouane proceeded to contact Chinese and Shan opium brokers in the tri-border area, and placed a particularly large order with a fastrising young Shan warlord named Chan Shee-fu. (173) As the Lahu and Wa hill tribes of northeastern Burma finished harvesting opium in the early months of 1967, Chan Shee-fu's traders and brokers began buying up all the opium they could find. By June he had assembled one of the largest single shipments on recordsixteen tons of raw opium. When the caravan set out across the rugged Shan highlands for its destination near Ban Houei Sai, Laos, about two hundred miles away, its three hundred pack horses and five hundred armed guards marched single file in a column that extended over a mile along the narrow mountain trails.

But this monumental caravan was to spark off a bloody confrontation that made headlines all over the world as the " 1967 Opium War." While the war in the papers struck most readers as a colorful anachronism, the war in reality was a struggle for control of Burma's opium exports, which at that time amounted to about five hundred tons of raw opium annually-more than one-third of the world's total illicit supply. Consequently, each group's share of Burma's opium exports and its role in the Golden Triangle's heroin trade were largely determined by the war and its aftermath. All of the combatants were well aware of what was at stake, and threw everything they could muster into the battle.

The confrontation started off with the KMT (Nationalist Chinese army units) based in northern Thailand deciding to send more than a thousand soldiers into Burma to head off Chan Shee-fu's caravan. The KMT had been worried for some time that the rising young Shan warlord might threaten their fifteen-year domination of the opium trade, and this mammoth caravan was a serious threat. But the Shan caravan eluded Nationalist Chinese forces, fled across the Mekong into Laos, and dug in for a fight at Ban Khwan, a lumber town twenty miles northwest of Ban Houei Sai. After several days of indecisive fighting between he Chinese and Shans, Gen. Ouane Rattikone entered the lists. Displaying an aggressiveness rare among Laotian army commanders, General Ouane bombed both sides with a squadron of T-28s and swept the field of battle with the Second Paratroop Battalion. While his friends and enemies fled in disorder, General Ouane's troops scooped up the sixteen tons of raw opium and delivered it to the victorious general, presumably free of charge. Almost two hundred people, mainly Shans and Chinese, died in the fighting.

As a result of General Ouane's victory, the KMT lost many of i s profitable prerogatives to the general. They had nevertheless crushed Chan Shee-fu's bid for supremacy, even though they had not completely destroyed him. After the battle General Ouane emerged as one of the most, important heroin manufacturers in the Golden Triangle, since his share of the Burmese opium trade increased considerably.

Although it was a relatively minor military action compared to the battles raging elsewhere in Indochina, the 1967 Opium War captured the imagination of the American press. However, all of the accounts studiously avoided any serious discussion of the Golden Triangle opium trade, and emphasized the sensational. Using a cliche-studded prose usually reserved for the sports page or travel section, the media rambled on about wild animals, primitive tribes,

desperadoes of every description, and the mysterious ways of the Orient. But despite its seductively exotic aspects, the 1967 Opium War remains the most revealing episode in the recent history of the Golden Triangle opium trade.

After the abolition of government opium monopolies in the 1940s and 1950s, the Golden Triangle's drug trade disappeared behind the velvet curtain of government secrecy and it became increasingly difficult to verify official involvement or the extent of the traffic. Suddenly the curtain was snatched back, and there were eighteen hundred of the distinguished General Ouane's best troops battling fourteen hundred well-armed Nationalist Chinese soldiers (supposedly evacuated to Taiwan six years before) for sixteen tons of opium. But an appreciation of the subtler aspects of this sensational battle requires some background on the economic activities of the KMT units based in Thailand, the Shan rebels in Burma, and in particular, the long history of CIA operations in the Golden Triangle area.

The CIA in Northwest Laos: Prelude to the 1967 Opium War

CIA paramilitary operations in northwestern Laos began in 1959, but they were poorly planned and achieved far less than the ambitious Meo program in the northeast. During the five-month battle for Nam Tha City in early 1962, a team of twelve U.S. Green Berets were active in the area as advisers to the beleaguered rightist army. What little work they did with the local hill tribes was cut short in May 1962 when the frightened garrison abandoned the city and retreated toward the Mekong River in complete disorder.(174)

Afraid that the Communists were about to overrun all of Nam Tha Province, the CIA assigned William Young to the area in mid 1962. Young was instructed to build up a hill tribe commando force for operations in the tri-border area since regular Laotian army troops were ill-suited for military operations in the rugged mountains. Nam Tha's ethnic complexity and the scope of clandestine operations made paramilitary work in this province far more demanding than Meo operations in the northeast. (175)

Nam Tha Province probably has more different ethnic minorities per square mile than any other place on earth, having been a migration crossroads for centuries for tribes from southern China and Tibet. Successive waves of Meo and Yao tribesmen began migrating down the Red River valley into North Vietnam in the late 1700s, reaching Nam Tha in the mid nineteenth century. (176) Nam Tha also marks the extreme southeastern frontier for advancing Tibeto-Burman tribes, mainly Akha and Lahu, who have been moving south, with glacierlike speed, through the China-Burma borderlands for centuries. Laotian officials believe that there may be as many as thirty different ethnic minorities living in the province.

Nam Tha Province itself was tacked onto Laos in the late nineteenth century when Europe's imperial real estate brokers decided that the Mekong River was the most convenient dividing line between British Burma and French Indochina. Jutting awkwardly into Thailand, Burma, and China, it actually looks on maps as if it had been pasted onto Laos. There are very few Lao in Nam Tha, and most of the lowland valleys are inhabited by Lu, a Tai- peaking people who were once part of a feudal kingdom centered in southern Yunnan.

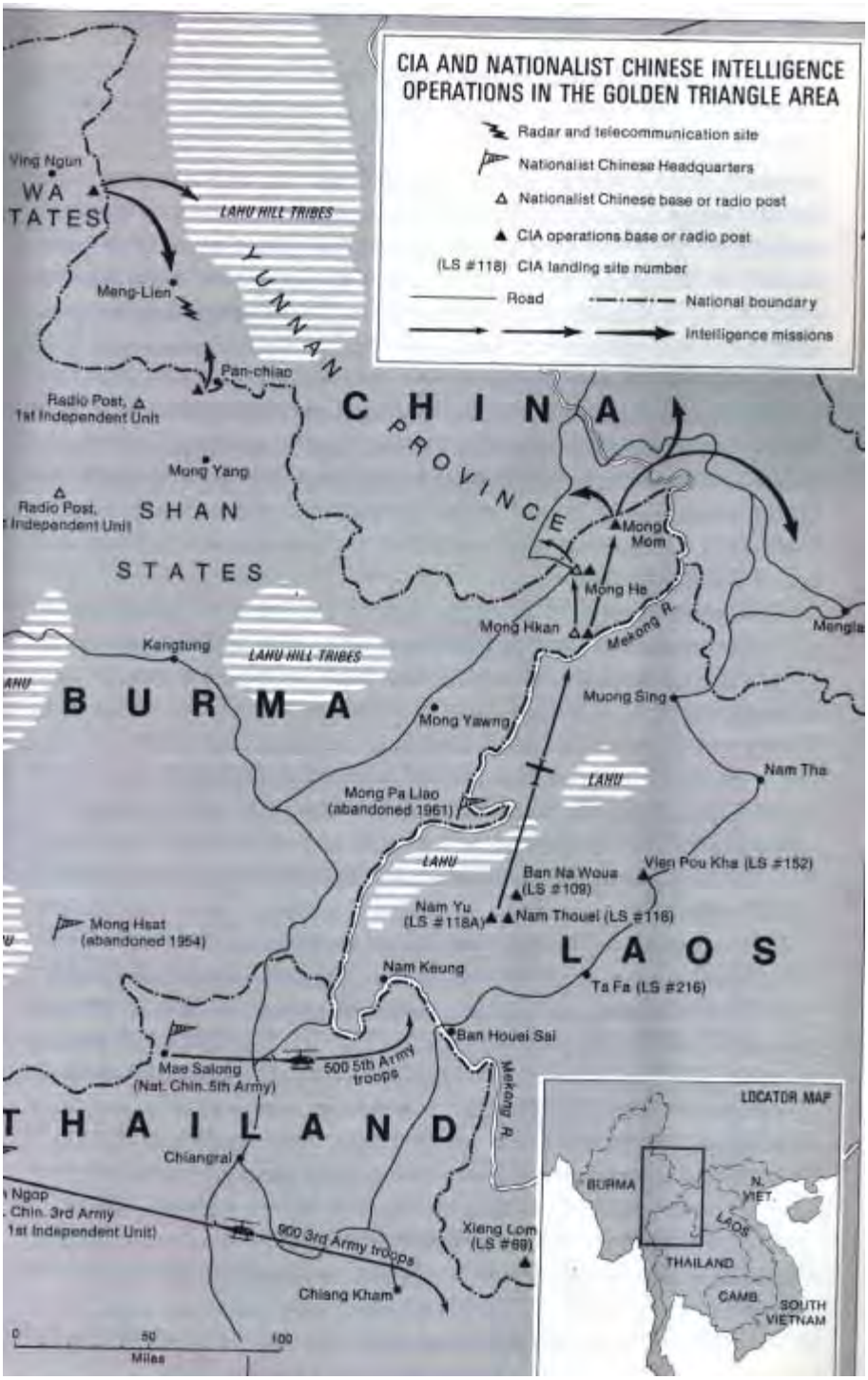
With thirty tribal dialects and languages, most of them mutually unintelligible, and virtually no Lao population, Nam Tha Province had been a source of endless frustration for both French and American counterinsurgency specialists.

With his knowledge of local languages and his remarkable rapport with the mountain minorities, William Young was uniquely qualified to overcome these difficulties. Speaking four of the most important languages-Lu, Lao, Meo, and Lahu-Young could deal directly with most of the tribesmen in Nam Tha. And since Young had grown up in Lahu and Shan villages in Burma, he actually enjoyed the long months of solitary work among the hill tribes, which might have strained the nerves of less acculturated agents. Rather than trying to create a tribal warlord on the Vang Pao Young decided to build a pan-tribal army under the command of a joint council composed of one or two leaders from every tribe. Theoretically the council was supposed to have final authority on all matters, but in reality Young controlled all the money and made all the decisions. However, council meetings did give various tribal leaders a sense of participation and greatly increased the efficiency of paramilitary operations. Most importantly, Young managed to develop his pan-tribal council and weaken the would-be Yao warlord, Chao Mai, without alienating him from the program. In fact, Chao Mai remained one of Young's strongest supporters, and his Yao tribesmen comprised the great majority of the CIA mercenary force in Nam Tha. (177)

Although his relationships with hill tribe leaders were quite extraordinary, William Young still used standard CIA procedures for "opening up" an area to paramilitary operations. But to organize the building of runways, select base sites, and perform all the other essential tasks connected with forging a counterguerrilla infrastructure, Young recruited a remarkable team of sixteen Shan and Lahu operatives he called "the Sixteen Musketeers," whose leader was a middle-aged Shan nationalist leader, "General" U Ba Thein. (178)

With the team's assistance, Young began "opening up" the province in mid 1962. By late 1963 he had built up a network of some twenty dirt landing strips and a guerrilla force of six hundred Yao commandos and several hundred additional troops from the other tribes. But the war in northwestern Laos had intensified and large-scale refugee

relocations had begun in late 1962 when Chao Mai and several thousand of his Yao followers abandoned their villages in the mountains between Nam Tha City and Muong Sing, both of Which were under Pathet Lao control, and moved south to Ban Na Woua and Nam Thouei, refugee centers established by the Sixteen Musketeers. (179) (See Map 9, page 303, for locations of these towns.) The outbreak of fighting several months later gradually forced tribal mercenaries and their families, particularly the Yao, out of the Pathet Lao zone and into refugee camps. (180)



Instead of directing rice drops and refugee operations personally, Young delegated the responsibility to a pistol-packing community development worker named Joseph Flipse (who, like Edgar Buell, was an IVS volunteer). While Flipse maintained a humanitarian showplace at Nam Thouei complete with a hospital, school, and supply warehouse, William Young and the Sixteen Musketeers opened a secret base at Nam Yu, only three miles away, which served as CIA headquarters for cross-border intelligence forays deep into southern China. (181) The Dr. Jekyll-Mr. Hyde relationship between Nam Thouei and Nam Yu in northwestern Laos was very similar to the arrangement at Sam Thong and Long Tieng in northeastern Laos: for almost a decade reporters and visiting Congressmen were taken to Sam Thong to see all the wonderful things Edgar Buell was doing to save the poor Meo from Communist genocide, but were flatly denied access to CIA headquarters at Long Tieng. (182)

However, just as the operations were getting under way, CIA policy decisions and local opium politics combined to kill this enthusiasm and weaken the overall effectiveness of bill tribe operations. A series of CIA personnel transfers in 1964 and 1965 probably did more damage than anything else. When Young became involved in a heated jurisdictional dispute with Thai intelligence officers in October 1964, the CIA pulled him out of Nam Tha and sent him to Washington, D.C., for a special training course. High-ranking CIA bureaucrats in Washington and Vientiane had long been dissatisfied with the paucity of "Intel-Coms" (intelligence communications) and in-depth reports they were getting from Young, and apparently used his squabble with the Thais as a pretext for placing a more senior agent in charge of operations in Nam Tha. After Young's first replacement, an operative named Objibway, died in a helicopter crash in the summer of 1965, Anthony Poe drew the assignment. (183)

Where William Young had used his skill as a negotiator and his knowledge of minority cultures to win compliance from hill tribe leaders, Anthony Poe preferred to use bribes, intimidation, and threats. The hill tribe leaders,

particularly Chao Mai, were alienated by Poe's tactics and became less aggressive. Poe tried to rekindle their enthusiasm for combat by raising salaries and offering cash bonuses for Pathet Lao ears. (184) But as a former USAID official put it, *"The pay was constantly going up, and the troops kept moving slower."* (185)

Gen. Ouane Rattikone's monopolization of the opium trade in Military Region 1, northwestern Laos, dealt another major blow to Chao Mai's enthusiasm for the war effort. Chao Mai had inherited control over the Yao opium trade from his father, and during the early 1960s he was probably the most important opium merchant in Nam Tha Province. Every year Chao Mai sold the harvest to the Chinese merchants in Muong Sing and Ban Houei Sai who acted as brokers for the Corsican charter airlines. With his share of the profits, Chao Mai financed a wide variety of social welfare projects among the Yao,. from which he derived his power and prestige. However, when General Ouane took over the Laotian opium trade in 1965, he forced all of his competitors, big and little, out of business. One USAID official who worked in the area remembers that all the hotels and shops in Ban Houci Sai were crowded with opium buyers from Vientiane and Luang Prabang following the 1963 and 1964 harvest seasons. But in 1965 the hotels and shops were empty and local merchants explained that, "there was a big move on by Ouane to consolidate the opium business." General Ouane's strategy for forcing his most important competitor out of business was rather simple-, after Chao Mai had finished delivering most of the Yao opium to General Ouane's broker in Ban Houei Sai, who had promised to arrange air transport to Vientiane, the Lao army officer simply refused to pay for the opium. There was absolutely nothing Chao Mai could do, and he was forced to accept the loss. Needless to say, this humiliating incident further weakened his control over the Yao, and by the time he died in April 1967 most of his followers had moved to Nam Keung where his brother Chao La was sitting out the war on the banks of the Mekong. (186)

After Chao Mai's death, Anthony Poe tried in vain to revitalize tribal commando operations by appointing his brother, Chao La, commander of Yao paramilitary forces. Although Chao La accepted the position and participated in the more spectacular raids, such as the recapture of Nam Tha city in October 1967, he has little interest in the tedium of day-to-day operations which are the essence of counterguerrilla warfare. Unlike Chao Mai, who was a politician and a soldier, Chao La is a businessman whose main interests are his lumber mill, gunrunning and the narcotics traffic. In fact, there are some American officials who believe that Chao La only works with the CIA to get guns (which he uses to buy opium from Burmese smugglers) and political protection for his opium refineries. (187)

Although William Young was removed from command of paramilitary operations in 1964, the CIA had ordered him back to Nam Tha in August 1965 to continue supervising the Yao and Lahu intelligence teams, which were being sent deep into Yunnan Province, China. Wedged between China and Burma, Nam Tha Province is an ideal staging ground for cross-border intelligence patrols operating in southern China. The arbitrary boundaries between Burma, China, and Laos have absolutely no meaning for the hill tribes, who have been moving back and forth across the frontiers for centuries in search of new mountains and virgin forests, As a result of these constant migrations, many of the hill tribes that populate the Burma-China borderlands are also found in Nam Tha Province. (188) Some of the elderly Lahu and Yao living in Nam Tha were actually born in Yunnan, and many of the younger generation have relatives there. Most importantly, both of these tribes have a strong sense of ethnic identity, and individual tribesmen view themselves as members of larger Yao and Lahu communities that transcend national boundaries. (189) Because of the ethnic overlap between all three countries, CIA-trained Lahu and Yao agents from Nam Tha could cross the Chinese border and wander around the mountains of Yunnan tapping telephone lines and monitoring road traffic without being detected.

After a year of recruiting and training agents, William Young had begun sending the first Lahu and Yao teams into China in 1963. Since the CIA and the Pentagon were quite concerned about the possibility of Chinese military intervention in Indochina, any intelligence on military activity in southern China was valued and the cross-border operations were steadily expanded. By the time Young quit the CIA in 1967, he had opened three major radio posts within Burma's Shan States, built a special training camp that was graduating thirty-five agents every two months, and sent hundreds of teams deep into Yunnan. While Young's linguistic abilities and his understanding of hill tribe culture had made him a capable paramilitary organizer, it was his family's special relationship with the Lahu that enabled him to organize the cross-border operations. The Sixteen Musketeers who recruited most of the first agents were Lahu, the majority of the tribesmen who volunteered for these dangerous missions were Labu, and all the radio posts inside the Shan States were manned by Lahu tribesmen. (190)

This special relationship with the Lahu tribe dates back to the turn of the century, when the Rev. William M. Young opened an American Baptist Mission in the Shan States at Kengtung City and began preaching the gospel in the marketplace. While the Buddhist townspeople ignored Reverend Young, crowds of curious Lahu tribesmen, who had come down from the surrounding hills to trade in the market, gathered to listen. None of the Lahu were particularly interested in the God named Jesus Christ of which he spoke, but were quite intrigued by the possibility that Reverend Young himself might be God. A popular Lahu prophet had once told his followers:

"We may not see God, no matter how we search for him now. But, when the time is fulfilled, God will search for us and will enter our homes. There is a sign and when it appears, we will know that God is coming. The sign is that white people on white horses will bring us the Scriptures of God." (191)

Reverend Young was a white American, wore a white tropical suit, and like many Baptist missionaries, carried his Bible wherever he went. As word of the White God spread through the hills, thousands of Lahu flocked to Kengtung, where Reverend Young baptized them on the spot. When Reverend Young reported 4,419 baptisms for the year 1905-1906 (an all-time conversion record for the Burma Baptist Mission), mission officials became suspicious and a delegation was sent to investigate. Although the investigators concluded that Reverend Young was pandering to pagan myths, Baptist congregations in the United States were impressed by his statistical success and had already started sending large contributions to "gather in the harvest." Bowing to financial imperatives, the Burma Baptist Mission left the White God free to wander the bills. (192)

After twenty years of work in Kengtung, Reverend Young turned the mission over to younger missionaries and carried the gospel on to the Lahu of Yunnan. Lahu tribesmen from Yunnan had been coming to Kengtung for a number of years to 4 see the White God, and Reverend Young was eager to harvest the waiting souls in China. After opening two missions in western Yunnan and converting thousands, he retired and left Burma in 1932. When he died four years later one of his fellow missionaries hailed him as a pioneer who single-handedly *"pushed back the frontiers of Baptist Mission work to cover an area of 100,000 square miles."* (193)

His sons remained to carry on his work, and in 1935 Harold Young established a mission in the Wa States. He had inherited his father's semidivine charisma and quickly added thousands of Wa to the lists of instant Christians. (194) After World War II, the newly independent Burmese government became suspicious of his relations with minority dissidents and he was forced to leave the country. He moved to Chiangmai, Thailand, where he became curator of the local zoo. (195) Despite the superficiality of many Lahu conversions, two generations of missionary work by the Young family left behind a strong church; in 1950 the American Baptist Mission estimated that out of sixty-six thousand Lahu in northeastern Burma, twenty-eight thousand were Christians. (196)

Harold's move to Chiangmai marked the beginning of the second chapter in the history of the Young family's special relationship with the Lahu tribe. After the establishment of the People's Republic of China in 1949, the CIA rearmed remnants of the Nationalist Chinese army who had fled into the Shan States and launched three abortive invasions into western Yunnan on the theory that the Chinese masses would rally to their banners. The CIA needed detailed information on Chinese troop movements in Yunnan's border areas and hired Harold Young to gather this intelligence. Young contacted a Shan Christian in Kengtung named U Ba Thein, and asked him to organize a team of Lahu Christians for intelligence work inside China. Since U Ba Thein had commanded a Lahu paramilitary unit for British intelligence during World War II, he was more than competent to direct the operation. U Ba Thein recruited a group of Christian Lahu and sent them to Chiangmai where Harold Young's eldest son, Gordon, trained them in radio transmission and repairs. Once the training was completed, they hiked back into the Shan States and began the operation in the Burma-China borderlands, paying particular attention to a Chinese telecommunications base at Meng-Lien that was then under construction. All the intelligence information was radioed back to Chiangmai in Lahu, translated by Gordon Young and handed over to a local CIA operative who was working undercover as the American vice-consul. (197)

The Lahu intelligence operations continued for almost six years until the outbreak of the Shan national revolution forced U Ba Thein to leave Burma in 1958. During the last twenty-five years of their colonial rule, the British had separated the Shan States from the rest of Burma and administered them as an autonomous federation, governing indirectly through the *sawbwas,* the traditional feudal princes. (198) In order to induce the *sawbwas* to join the newly

independent Union of Burma, the government's 1947 constitution reconfirmed their traditional prerogatives and granted them administrative autonomy with the right to secession after ten years. However, the Burmese began to revoke some of the *sawbwas'* prerogatives during the early 1950s, and as the constitutionally guaranteed secession date approached (January 4, 1958) many of the *sawbwas* began to advocate independence. (199)The Burmese response was forceful repression, and by late 1958 there were small Shan rebel guerrilla armies in the hills. When the Burmese government abolished the last of the *sawbwas'* prerogatives in 1959, the rebellion intensified. The final break came in 1962 when the commander in chief of the Burmese army, Gen. Ne Win, who had just seized power through a military coup, arrested many of the *sawbwas* who were then negotiating with the civilian government. (200)

As treasurer of Kengtung State, U Ba Thein was intensely loyal to its popular young*sawbwa*, Sao Sai Long, and played an important role in the early stages of the Shan independence movement. Burmese intelligence officials became suspicious of his activities, and U Ba Thein soon realized that it was only a matter of time until they arrested him. (201) After closing the treasury offices one Friday afternoon in January 1958, he stuffed the state pension funds into a canvas sack and fled into the hills. (202)

When U Ba Thein showed up at Harold Young's home in Chiangmai several weeks later, Gordon found him a hiding place in the nearby mountains and supplied him with food. After he came out of hiding four months later, he decided that there were too many Burmese agents in Chiangmai and moved to Muong Sing, Laos, where he remained for the next three and a half years, buying arms for Shan insurgents with the Kengtung pension funds, and trying, without much success, to organize an effective guerrilla army. (203)

Through his work for the CIA, U Ba Thein's cross-border intelligence missions became inextricably interwoven with the fabric of the Burmese opium trade, and he became involved in a series of arms-for-opium deals between General Ouane and the Shans.

Since the Pathet Lao occupied the entire Laotian-Chinese frontier area, CIA tribal intelligence teams had to pass through the Burmese Shan States before entering Yunnan (instead of crossing the border directly from Nam Tha Province). As a result, the CIA had to depend on Shan rebels to guide its teams up to the Chinese border, protect its forward radio posts inside the Shan States and provide transportation between these radio posts and its forward bases in Nam Tha. Almost every aspect of these intelligence missions was somehow involved with the logistics of the Burmese opium trade.

A brief review of the cross-border missions' operating procedures illustrates the peculiar symbiosis between opium and espionage in the Burmese Shan States. In general, the modus operandi of cross-border patrols changed very little from the time William Young initiated them in 1962 until President Nixon ordered them stopped in August 1971. (204)

Once prospective agents were recruited, they were sent to secret camps not far from Nam Yu for two months of rigorous training. While the CIA planned the curriculum, Thai special forces provided most of the actual instructors.(205) After that the prospective agents were sent to the Thai special forces camp at Phitsanulok for four to five months of instruction in codes, radio transmission, and radio repair. (206)

Finally, the tribal agents were flown back to Nam Yu, the nerve center of cross-border espionage, and divided into five- to fifteen-man teams. From Nam Yu the teams were flown fifty-five miles due north and dropped off on the Laotian bank of the Mekong River. After inflating their rubber rafts, the teams paddled across the Mekong and hiked three miles through the Burmese jungle until they reached the joint Nationalist ChineseCIA base near Mong Hkan. Of the five bases the CIA maintains along the Burma-China border, Mong Hkan is by far the most exotic. It was originally established by a KMT intelligence force, the First Independent Unit, to serve as a base for its own cross-border forays into Yunnan, and as a radio post for transmitting information on the availability of opium to KMT military caravans based at Mae Salong in northern Thailand. When the CIA began sending its reconnaissance patrols into Yunnan, the First Independent Unit agreed to share the base and Young opened a radio post manned by Lahu agents. According to Young, Mong Hkan was something of a "little Switzerland." Soon after the CIA arrived, British, Thai, Laotian, and even a few Indian intelligence agents began showing up to "see what they could skim off the top." (207)

From Mong Hkan, the CIA teams hiked north for several days to one of two forward bases only a few miles fro m the

border-a joint CIAKMT radio post at Mong He and a CIA station at Mong Mom. The teams usually spent about three or four months inside China.

Using light-weight, four-pound radios with a broadcast radius of four hundred miles, the teams transmitted their top priority data directly to a powerful receiver at Nam Yu or to specially equipped Air America planes that flew back and forth along the LaotianChinese border. Once these messages were translated at Nam Yu, they were forwarded to Vientiane for analysis and possible transmission to CIA headquarters in Langley, Virginia. The radio messages also served to pinpoint every team's position, all carefully recorded on a huge relief map of Yunnan Province mounted in a restricted operations room at Nam YU. (208)

During the period that William Young directed cross-border espionage, the CIA maintained two independent listening posts much deeper inside the Shan States, in addition to the bases it operated jointly with the KMT. Both of these posts-one located ten miles north of Mong Yang and the other five miles east of Ving Ngun-were extremely close to the Chinese border. Each was manned by twenty to thirty Lahu and Wa operatives who mounted lateral patrols along the border, went into China on reconnaissance missions, and maintained radio contact with Nam Yu. (209)

Since Mong Yang is about 80 miles from CIA headquarters at Nam Yu and Ving Ngun is over 180 miles away, the Agency found it had to rely on U Ba Thein's guerrilla armies to protect these bases from Burmese army patrols and government self-defense forces. U Ba Thein feels that his guerrillas provided an invaluable service for the CIA, pointing out that these posts were maintained with only twenty to thirty men, whereas KNIT radio posts in the same areas that were not protected by the rebels needed a minimum of a hundred men.

Rather than sending Air America helicopters so far into unknown, hostile territory to keep these bases supplied, the CIA relied on Shan rebel opium caravans. Since these caravans usually returned from their frequent trips to northern Thailand and Laos with a relatively lighter load of arms and ammunition, they were happy to pick up some extra money by carrying suppliesarms, ammunition, money, and radiosto the CIA's forward listenin post, thus saving the CIA the risk of sending Air America helicopters into far-off, unknown, and hostile territory. (210)

Gen. U Ba Thein: Reaping the Whirlwind

Unlike many of the minority leaders who serve the CIA in the Golden Triangle region, U Ba Thein is not a mere mercenary. At the peak of his power in the mid 1960s, he was one of the most important Shan revolutionary leaders. Most of the things he did, including his work for the CIA, were designed to further the cause. While most guerril a leaders in the Third World would hardly consider the CIA a partner in national liberation, U Ba Thein viewed the Agency as his natural ideological ally. Most of the Shan rebels are anti-Communist monarchists, and the Burmese government they are fighting is Marxist oriented and socialistic. The Shan rebel leaders look on theBurmese as aggressors who have expropriated their mineral wealth, but they remember the British colonial administrators with a certain fondness for having built schools and kept the Burmese at a safe distance. Like many of his generation, U Ba Thein was educated in British schools, converted to Christianity, and learned to think of white men as his protectors. He said he was fighting for Shan independence, but he also wanted to place his independent nation under the protection of Britain or the United States. in September 1971 he told the authors of his political aspirations:

"We want to be independent from the Burmese, but we are very poor and will need help. We have many minerals in the Shan States and perhaps the British or Americans will come and help develop these for us. You know, sir, we have given Bill Young twenty mineral samples to send to the U.S. to be analyzed. Then if we can get Britain or the U.S. to come in and hold hands with us we can stand independent."(211)

U Ba Thein enjoyed organizing commando operations for British intelligence during World War 11 because he was secure in the knowledge that a great white empire was behind him. When he began building up a Shan revolutionary movement in 1958, his first thought was to seek aid from the Americans.

Soon after U Ba Thein fled from Burma and arrived in Muong Sing, Laos, in mid 1958, he contacted Dr. Tom Dooley, a sort of middle American Albert Schweitzer who was operating a free clinic for the natives in nearby Nam Tha, and asked him to get aid for the Shans from the U.S. Embassy or the CIA. But although Dr. Dooley was fast becoming the patron saint of America's antiCommunist crusade in Southeast Asia, he was no gunrunner. U Ba Thein eventually became associated with a fledgling rebel group called the Youth party, but in general he accomplished very little during his first two years in Muong Sing. (212)

However, in 1961 U Ba Thein and another leader of the Youth party, "General" Sao Gnar Kham, decided to break with the party's incompetent leader and form the Shan National Army, a loose coalition that eventually included most of the rebel bands operating in Kengtung State. While U Ba Thein was not an exceptional leader, Sao Gnar Kharn was one of the very few genuinely charismatic commanders the Shan rebellion has yet produced. Before joining the rebel movement, he was a practicing Buddhist monk in Kengtung City. There he used his remarkable personal magnetism to solicit donations for the construction of orphanages. When the Shan secessionist movement began in 1958, Gnar Kharn made the mistake of openly expressing his sympathies for the dissidents and was arrested. After receiving a hideously severe beating he fled into the hills to join the guerrillas, taking the orphanage donations with him.(213) When the Shan National Army (SNA) was formed, Gnar Kham's leadership abilities made him the obvious choice for commander, and U Ba Thein became deputy commander,

During its first year, SNA operations were severely hampered by a lack of money and arms. In late 1961 their fortunes were at a low ebb: their absconded funds were running low, few of the independent rebel bands seemed willing to join the SNA, and they desperately needed modern automatic weapons. At this particular moment in history the interests of the Shan National Army complemented those of Gen. Ouane Rattikone, and the opium-arms traffic that later made Laos a major heroin -processing center was born. As head of General Phoumi's secret Opium Administration, Ouane was charged with the responsibility for importing large quantities of Burmese opium. General Phourni had an ample supply of surplus weapons, since the rightist army was receiving large shipments of modem arms from the CIA, and its generals inflated the troop roster in order to pad the payroll. For their part, Gnar Kham and U Ba Thein had contacts with rebel groups in Kengtung State who were trading the local opium they collected as taxes for overpriced World War I rifles and would welcome a better bargain.

What role, if any, did William Young and the CIA play in bringing the two parties together? First, it is important to note that the Kengtung rebels and General Ouane had known of each other for a number of years. When General Ouane was Pathet Lao commander in northwestern Laos during the 1940s, he was once forced to retreat into Kengtung State, where he was given asylum by the sawbwa. The incident left General Ouane with a lasting affection for the Shans, and he kept in sporadic contact over the years. William Young says that Gnar Kham pleaded with him to arrange air transportation to Vientiane so that he could meet with General Ouane, but Young insists that he had no authorization for such trips and denied the request. Young adds, however, that General Ouane found out about the situation independently and ordered the Secret Army commander for northwestern Laos to begin making arms available to the SNA in exchange for Burmese opium. Sometime later Ouane himself flew up to Ban Houei Sai and met with Gnar Kharn to finalize the arrangements. (214) U Ba Thein generally concurs with Young's account, but adds that Young knew about the arrangement, saw the stolen arms and opium being exchanged, and never made any move to stop it. Since the Americans had denied his formal requests for military aid, U Ba Thein assumed that their benign neglect of the opium-arms trade was another form of repayment for all the services the SNA was providing the Agency. (215) In fact, the security of CIA's listening posts near Mong Yang and Ving Ngun did depend on the Shans having good automatic weapons and the Agency's logistics link with these two bases was the SNA opium caravans. Young admits that he adopted a posture of benign neglect toward the traffic, but denies any personal wrongdoing, claiming that this was the CIA policy throughout northern Laos. The CIA was afraid that pressure on local mercenary commanders to get out of the traffic might damage the effectiveness of paramilitary work. (216)

Once matters were finally settled with General Ouane and a steady stream of Shan opium and U.S. arms began moving in and out of Ban Houei Sai, Gnar Kham and U Ba Thein launched an ambitious attempt to forge a unified guerrilla army out of Kengtung State's potpourri of petty warlords. In late 1962 Gnar Kham and U Ba Thein left Ban Houei Sai and moved across the Mekong River into Thailand where they laid the foundation for their modern, unified army.(217) (See Map 9 on page 303.)

Under Gnar Kham and U Ba Thein's supervision, the opium-arms commerce produced a marked improvement in Shan military capabilities and a dramatic shift in the balance of forces in Kengtung State. In 1962 most of the rebel units in Kengtung were little more than bands of outlaws hiding in the most remote mountains. After gathering opium taxes from the few villages under their control, each of the local commanders led a caravan to Gnar Kham's forward caravan camp at Huei Krai, Thailand, and used the opium to buy U.S. automatic weapons from the Laotian army. With more weapons, the rebel groups were able to take control of additional opium-growing villages before the next year's harvest was in. More opium taxes meant more automatic weapons from U Ba Thein's rear-area headquarters near Ban Houei Sai, which in turn meant control over more villages and still more opium. The symbiotic cycle of opium and arms spiraled upward into a military whirlwind that swept the Burmese army out of the countryside into a few wellguarded cities. By 1965 the SNA's seven major local commanders had an estimated five thousand soldiers under their command and controlled most of Kengtung State's twelve thousand square miles. (218)

The importance of the opium-arms dynamic in building up the SNA is illustrated by the military impact of the 1964-1965 opium harvest in Mong Yang and Kengtung districts. The two SNA commanders who controlled the mountains around Kengtung City, Major Samlor and Maj. Tsai Noie, finished collecting the first round of their opium tax in January 1965. To protect themselves from the Burmese army and the KNIT, they merged into a single caravan of ten mules carrying 650 kilos of raw opium and set off for northern Thailand with a combined force of two hundred armed men. After crossing the border into Thailand, they unloaded their cargo at Gnar Kham's camp in the mountains and sold it to a merchant in the nearby town of Mae Sai for $28 a kilo, a rather low price. Then they purchased sixty rifles in Ban Houei Sai (paying $125 for an ordinary rifle and $150 for a U.S. M-1 or M-2), and had them smuggled across the river into Chiang Khong and delivered to Gnar Kham's camp. While the group's leader was in Chiang Khong supervising the opium-arms transfer, they visited William Young at the CIA bungalow and briefed him on the situation in their areas of the Shan States. (219) When the caravan returned to Kengtung District in March, the two commanders divided the sixty rifles evenly. These thirty rifles represented an important addition to Major Samlor's arsenal of eighty rifles, four Bren automatics, and one mortar, and an equally important supplement to Maj. Tsai Noie's collection of fifty rifles, two Brens, and a homemade bazooka.

During the 1964-1965 harvest the SNA commander for the Mong Yang region, Maj. Saeng Wan, sent two large caravans to northern Thailand, which earned over $25,000 and brought back 120 rifles, some mortars, and several

heavy machine guns. Before these two caravans returned, he had had only 280 armed men, one heavy machine gun, and four Bren automatics to protect the entire Mong Yang region, which included the nearby CIA listening post. (220)

While opium was indeed the miracle ingredient that rushed vital arms and money into the SNA's system, it was also a poison that weakened its military effectiveness and finally destroyed the fragile coalition. There was enough opium in even the smallest district in Kengtung State to buy arms and equipment for a rebel army and make its leader a wealthy man. As a result, rebel commanders became preoccupied with protecting territorial prerogatives and expanding their personal fiefs. Instead of sending troops into an adjoining area to launch a joint operation against the Burmese, SNA commanders kept every man on patrol inside his own territory to collect the opium tax and keep his greedy comrades at a safe distance. A British journalist who spent five months in Kengtung State with the SNA in 1964-1965 reported that:

". . . it would be far more accurate to describe the SNA as a grouping of independent warlords loosely tied into a weak federation with a president as a figurehead. This president has influence through the facilities he offers for selling opium and buying guns and because he presents a front to the outside world, but it is unlikely he will ever wield effective power unless he becomes the channel for outside aid in the forms of guns or money." (221)

The lucrative opium traffic turned into a source of internal corruption alienating commanders from their troops and prompting ranking officers to fight each other for the spoils. Shan troops frequently complained that they were left at Gnar Kham's mountain camp to feed the mules, while their leaders were off in the fleshpots of Chiangmai wasting opium profits on whores and gambling instead of buying arms. Often, as soon as a rebel group grew large enough to be militarily effective, the second in command killed his leader or else split the force in order to increase his personal share of the profits.

Not surprisingly, it was this type of dispute that ultimately destroyed the Shan National Army. U Ba Thein had been concerned about Sao Gnar Kham's enormous popularity and his control over the opium traffic for several years. Evidently there were repeated disagreements among various leaders over the opium profits. In December 1964 the charismatic commander in chief of the SNA was shot and killed at the Huei Krai caravan station. Some sources claim that it was an opium profit dispute that led to the murder. (222)

U Ba Thein was selected commander in chief of the SNA at a meeting of the local commanders in February 1965, but he lacked the personal magnetism and leadership abilities that Gnar Kham. had used to maintain some semblance of unity within the strife-torn coalition. Afraid that he would suffer a fate similar to Gnar Kham's, U Ba Thein refused to venture out of his headquarters either to meet with subordinates or to travel through Kengtung State for a firsthand look at the military situation. Local commanders began to break away from the coalition and the SNA gradually dissolved; by 1966 these leaders were marketing their own opium and U Ba Thein had become a forgotten recluse surrounded by a dwindling number of bodyguards. Six years after Gnar Kham's death, five of his seven local commanders had either been captured, forced into retirement, or killed by their own men, while the remaining two have become mercenary warlords, professional opium smugglers.

But even well before Gnar Kham's death, other Shan rebel armies had already begun to play an even more important role in the region's opium trade. While the history of the SNA's involvement in the opium traffic is important because of its relationship with Gen. Ouane Rattikone, its caravans probably never carried more than I percent of the Burmese opium exported to Thailand and Laos. (223) In fact, the only Shan warlord who ran a truly professional smuggling organization capable of transporting large quantities of opium was the notorious Chan Shee-fu. A half-Shan, half-Chinese native of Lashio District in the northern Shan States, Chan Shee-fu became involved in opium trafficking in 1963, when the Burmese government began authorizing the formation of local self-defense forces (called Ka Kwe Ye [or KKYJ, in Burmese) to combat the Shan rebels. While the Burmese government gave its militia no money, rations, or uniforms, and only a minimum of arms, it compensated for this stinginess by giving them the right to use all government-controlled roads and towns in the Shan States for opium smuggling.

In 1963 Chan Shee-fu was authorized to form a militia of several hundred men, and being a young man of uncommon ambition, he quickly parlayed a number of successful opium shipments to Thailand into a well-armed militia of eight hundred men. After severing his ties with the Burmese army in 1964, Chan Sheefu abandoned his bases at Lashio and

Tang Yang and shifted his headquarters eastward to Ving Ngun in the Wa States (one of the most bountiful opiumgrowing regions in Burma), where he established an independent fiefdom. He ruled the Ving Ngun area for two years, and his ruthlessness commanded the respect of even the wild Wa, whose unrelenting headhunting habits had forced both the British and Burmese to adopt a more circumspect attitude. To increase his share of the profits, he built a crude refinery (one of the very few then operating in the Shan States) for processing raw opium into morphine bricks. In 1966 he rejoined the government militia, and using the government's *laissez passer* to increase his opium shipments to Thailand, he expanded his army to two thousand men. Unlike the SNA, which could never mobilize more than two hundred or three hundred of its troops at any one time, Chan Shee-fu ruled his army with an iron hand and could rely on them to do exactly what he ordered. (224)

Despite the size and efficiency of his army, Chan Shee-fu still controlled only a relatively small percentage of the total traffic. In fact, a CIA study prepared by William Young in 1966-1967 showed that Shan caravans carried only 7 percent of Burma's exports, the Kachin Independence Army (the dominant rebel group in Burma's Kachin State) 3 percent, and the KMT an overwhelming 90 percent. (225) Even though the KMT's position seemed statistically impregnable, Chan Shee-fu's precipitous rise had aroused considerable concern among the KMT generals in northern Thailand. And when his massive sixteen-ton opium caravan began rolling south toward Ban Houei Sai in June 1967, the KMT realized that its fifteen-year monopoly over the Burmese opium trade was finally being challenged. The situation provoked a serious crisis of confidence in the KMT's mountain redoubts, which caused a major internal reorganization.

The KNIT in Thailand: Guardian at the Northern Gate

Although KMT armies control about 90 percent of Burma's opium trade, they have not maintained any major bases inside the Shan States since 1961. After five thousand Burmese army troops and twenty thousand Communist Chinese troops launched a "surprise assault" on KMT headquarters at Mong Pa Liao, Kengtung State, in January 1961, most of the ten thousand KMT defenders fled across the Mekong into northwestern Laos and took refuge at Nam Tha City. Five tons of U.S. ammunition were discovered at Mong Pa Liao, and on February 16 the Burmese air force shot down an American-made Liberator bomber making supply drops to KMT holdouts inside Burma. (226) Apparently embarrassed by these incidents, the U.S. State Department offered to assist in the repatriation of KMT troops to Taiwan, and on March 14 the evacuation began. About forty-two hundred KMT regulars were flown from Nam Tha City to Ban Houei Sai, ferried across the Mekong, and trucked to Chiangrai, where they boarded flights for Taiwan. On April 12 the airlift came to an end, and Taiwan disclaimed any responsibility for the "few" who remained. (227)

Actually, some two thousand to three thousand KMT regulars had been left behind in Laos and they were hired by the CIA to strengthen the rightist position in the area. According to William Young, these troops were placed under the nominal command of General Phourni Nosavan and became the "Bataillon Speciale I I 1." They remained at Nam Tha until the rightist garrison began to collapse in mid 1962, and then they moved across the Mekong River into Thailand. With the full knowledge and consent of the Thai government, the KMTestablished two new bases on the top of jungle-covered mountains just a few miles from the Burmese border and resumed their involvement in the opium trade. (228)

Instead of hampering their commercial activities, the move to Thailand actually increased the KMT's overall importance in the Golden Triangle's opium trade. Not only did the KMT maintain their hold on Burma's opium, but they increased their share of the traffic in northern Thailand. In 1959 the Thai government had outlawed the growing and smoking of opium, and many Thai hill traders, fearful of police action, were in the process of quitting the opium trade. Most small towns and villages in the foothills of northern Thailand that had prospered as opium-trading centers for the last twelve years experienced a microrecession as their local opium merchants were forced out of business. While the lack of reliable data and official obfuscation makes it difficult to describe this transition for the whole of northern Thailand, an Australian anthropologist has provided us with a portrait of the rise and fall of a Thai opium-trading village named Ban Wat. (229)

Situated about three miles from the base of Thailand's western mountain range, with easy access to two mountain trails leading upward into the opium-growing villages, Ban Wat was an ideal base of operations for wandering mountain traders. Moreover, the village was only fifteen miles from Chiangmai, Thailand's northernmost rail terminus, so it was also accessible to merchants and brokers coming up from Bangkok.

Ban Wat's merchants first became involved in the opium trade in the 1920s, when four or five Meo villages were built in the nearby mountain districts. However, the Meo population was quite small, and their poppy cultivation was still secondary to subsistence rice production. Most of Ban Wat's traders were buying such small quantities of opium from the Meo that they sold it directly to individual addicts in the nearby valley towns. No big brokers came to Ban Wat from Bangkok or Chiangmai, though one Ban Wat trader occasionally bothered to smuggle a bit of opium down to Bangkok on the train. (230)

Once the Thai government decided to encourage poppy cultivation in 1947, however, the opium trade began to boom, and the village experienced unprecedented prosperity, becoming one of the largest opium markets in northern Thailand. The edict drew many Meo farmers into the nearby mountains, giving Ban Wat traders access to a large supply. Much of Ban Wat's active male population became involved in the opium trade as porters, mule skinners, or independent merchants. During the harvesting and planting season the Meo needed rice to feed themselves. The Ban Wat traders purchased rice in the Chiangmai market and sold it to the Meo on credit. When the opium harvest began, the traders returned to the Meo villages to collect their debts and also to trade silver, salt, rice, and manufactured goods for Meo opium.

While the abolition of legalized opium trading in 1959 has in no way hindered the continued expansion of Thailand's

production, it was a disaster for Ban Wat. At the height of the opium boom there were twenty major opium traders operating out of Ban Wat; by 1968 there was only one. Two local merchants went broke when the police confiscated their opium, and another was ruined when his Meo customers moved to another province without paying their debts. These examples served to chasten Ban Wat's merchant community, and many traders quit the opium trade. (231)

The vacuum was not filled by other Thai traders, but by the KMT armies and an auxiliary of Yunnanese mountain traders. When the KMT and its civilian adherents were forced completely out of Burma in 1961, the entire commercial apparatus moved its headquarters into northern Thailand. (232) In 1965 a census of the most important Yunnanese villages in northern Thailand showed a total population of sixty-six hundred. (233) As the Thai traders were gradually forced out of business after 1959, the KMT and its civilian auxiliaries were uniquely qualified centrally organized military to take over the opium trade. With their structure, the KNIT was in an ideal position to keep track of migrating Meo clans and make sure that they paid their debts in full. With their military power, the KNIT could protect the enormous capital tied up in the merchant caravans from bandits and keep the exactions of the Thai police to a minimum.

The Yunnanese traders were the vanguard of the KMT's commercial conquest, infiltrating the mountain villages and imposing a form of debt slavery on hill tribe opium farmers. They opened permanent stores in most of the large opium-producing villages and sold such tantalizing items as flashlights, canned goods, silver ornaments, cloth, salt, and shoes. A 1962 report by the Thai Ministry of the Interior described the impact of this "commercial revolution":

"The increasing demand for merchandise deriving from outside has given a corresponding impetus to the raising of cash crops. There can be no doubt that the cultivation of poppy and the production of raw opium is by far the most profitable economic activity known to the hill peoples at present.... The shopkeepers and travelling merchants in the hills compete with each other to get hold of the product, readily granting credit for later sales of opium." (234)

Toward the end of the harvest season, when the Yunnanese merchants have finished buying up most of the opium in their area, armed KNIT caravans go from village to village collecting it. American missionaries who have seen the KMT on the march describe it as a disconcerting spectacle. As soon as the caravan's approach is signaled, all the women and children flee into the forest, leaving the men to protect the village. Once the opium is loaded onto the KMT's mules, the caravan rides on and the people come back out of the forest. The Ministry of the Interior's 1962 report described the KMT-Yunnanese logistics in some detail:

The key men of the opium traffic in the hills of Northern Thailand are the traders who come from outside the tribal societies.... On the basis of our observations in numerous villages of the 4 tribes we studied we have proof that the overwhelming majority of them are Haw [Yunnanesel....

Usually the Haw traders know each other personally, even if living in hill villages 200 km. [125 miles) and more apart. Most we encountered regard the village of Ban Yang, near Amphur Fang, as their central place [near KMT Third Army headquarters]. Quite a few of them will return to this place, after the closing of the trading season....

There seems to be a fair understanding among all the Haw in the hills and a remarkable coherence or even silent organization.

The Haw traders keep close contacts with the armed bands [KM'fl that dwell in fortified camps along the Burmese frontier. It is reported that they (the KMTJ give armed convoy to opium caravans along the jungle trails to the next reloading places. (235)

The fortified camps mentioned in the Ministry of the Interior's report above are the KNIT Fifth Army headquarters on Mae Salong mountain, about thirty miles northwest of Chiangrai, and the KNIT Third Army headquarters at Tam Ngop, a rugged mountain redoubt fifty miles west of Chiangrai. Although KNIT forces had always maintained a unified command structure in Burma, it established these two separate headquarters after moving to Thailand; this was symptomatic of deep internal divisions. For reasons never fully explained, Taiwan ordered its senior commander home in 1961 and subsequently cut back financial support for the remaining troops. Once external discipline was removed, personal rivalries between the generals broke the KNIT into three separate commands: Gen. Tuan Shi-wen formed the Fifth Army with eighteen hundred men; Gen. Ly Wen-huan became commander of the Third Army, a lesser force of

fourteen hundred men; and Gen. Ma Ching-kuo and the four hundred intelligence operatives under his command broke away to form the First Independent Unit. (236) Since Gen. Ma Ching-kuo's First Independent Unit remained under the overall supervision of President Chiang Kai-shek's son, Chiang Chingkuo, in Taiwan, financial support for its intelligence operations inside China and Burma was continued. (237) As a result, its commander General Ma could afford to remain above the bitter rivalry between General Tuan and General Ly, and came to act as mediator between the two. (238)

After Taiwan cut off their money, Generals Tuan and Ly were forced to rely exclusively on the opium traffic to finance their military operations. *"Necessity knows no law,"* General Tuan told a British journalist in 1967. *"That is why we deal with opium. We have to continue to fight the evil of Communism, and to fight you must have an army, and an army must have guns, and to buy guns you must have money. In these mountains the only money is opium."* (239) To minimize the possibility of violence between their troops, the two generals apparently agreed to a division of the spoils and used the Salween River to demarcate their respective spheres of influence inside the Shan States; General Tuan sends his caravans into Kengtung and the southern Wa States east of the Salween, while General Ly confines his caravans to the west bank of the river. (240)

While the SNA's local commanders were little more than petty smugglers, General Tuan and General Ly have become the robber barons of one of Southeast Asia's major agro-businesses. Their purchasing network covers most of the Shan States' sixty thousand square miles, and their caravans haul approximately 90 percent of Burma's opium exports from the Shan highlands to entrepots in northern Thailand. To manage this vast enterprise, the KMT generals have developed a formidable private communications network inside the Shan States and imposed a semblance of order on the once chaotic bill trade. On the western bank of the Salween General Ly has organized a string of seven radio posts that stretch for almost 250 miles from Third Army headquarters at Tam Ngop in northern Thailand to Lashio in the northern Shan States. (241) On the eastern bank, General Tuan maintains a network of eleven radio posts supplemented by the First Independent Unit's four forward listening posts along the Burma-China border. (242)

Each radio post is guarded by eighty to one hundred KMT soldiers who double as opium brokers and purchasing agents; as the planting season begins, they canvass the surrounding countryside paying advances to village headmen, negotiating with Shan rebels, and buying options from local opium traders. By the time the KMT caravans begin rolling north from Tam Ngop and Mae Salong in October or November, each of the radio posts has transmitted an advance report on the size and value of the harvest in its area to their respective KMT headquarters. Thus, KMT commanders are in a position to evaluate the size of the upcoming harvest in each district and plan a rough itinerary for the caravans. (243)

The enormous size of the KMT caravans makes this advance planning an absolute necessity. While most Shan rebel caravans rarely have more than fifty pack animals, the smallest KMT caravan has a hundred mules, and some have as many as six hundred. (244) The commander of a Shan rebel army active in the area west of Lashio reports that most KMT Third Army caravans that pass through his area average about four hundred mules. (245) Since an ordinary pack animal can carry about fifty kilos of raw opium on one of these long trips, a single caravan of this size can bring back as much as twenty tons of raw opium. Despite the large number of Shan rebels and government militia prowling the mountains, KMT caravans can afford to travel, with a minimum of armed guards (usually about three hundred troops, or only one man for every one or two mules) because they carry portable field radios and can signal their scattered outposts for help if attacked. Scouts are sent out well ahead of the column to look for possible trouble. Since most of the mule drivers and guards are vigorous young tribesmen recruited from northern Thailand, KMT caravans are able to move fast enough to avoid ambush. Moreover, the KMT carry an impressive arsenal of 60 mm. mortars, .50 caliber machine guns, 75 mm. recoilless rifles, and semiautomatic carbines, which is usually ample deterrence for both poorly armed Shan rebels and crack Burmese army units.

The caravans begin moving south in October or November and stopping at large hill tribe villages, market towns, and KMT outposts to pick up waiting shipments of opium. Although there are KMT caravans plodding across the Shan highlands throughout most of the year, most caravans seem to be going north from October through March (which includes the harvest season) and riding south from March through August. General Ly's Third Army caravans usually go as far north as Lashio District, about 250 miles from Tam Ngop, where they pick up opium brought down from Kachin State and northern Shan districts by itinerant merchants. (246) General Tuan's Fifth Army caravans used to go

all the way to Ving Ngun, about 170 miles north of Mae Salong, until 1969, when the Burmese Communist party began operating in the southern Wa States. Since then KMT caravans have been relying on itinerant merchants to bring Kokang and Wa states opium out of these Communist-controlled areas. (247)

When the KMT caravans begin to head back to Thailand, they are often joined by smaller Shan rebel or merchant caravans, who travel with them for protection. Predatory bands of Shan rebels, government militia (KKY), and Burmese army troops prowl the hills. According to one Shan rebel leader, a caravan has to have an absolute minimum of fifty armed men to survive, but with two hundred armed men it is completely safe unless somethingunusual happens. Since the smaller groups cannot afford a sufficient quantity of automatic weapons to protect themselves adequately (in mid 1971 an M-16 cost $250 to $300 in Chiangmai), many prefer to ride with the KMT even though they have to pay a protection fee of $9 per kilo of opium (a high fee considering that a kilo of opium retailed for $60 in Chiangmai in 1967). (248)

As a service to the Thai government, the KMT Third and Fifth armies act as a border patrol force along the rugged northern frontier and use their authority to collect a "duty" of $4.50 on every kilo of opium entering Thailand. (249) In 1966-1967 the CIA reported that KMT forces patrolled a seventy-five-mile stretch of borderland in Chiangmai and Chiangrai provinces (250) but in mid 1971 Shan rebel leaders claimed that KMT revenue collectors covered the entire northern border all the way from Mae Sai to Mae Hong Son. Although the rugged mountain terrain and maze of narrow horse trails would frustrate the best ordinary customs service, very few Shan caravans can ever enter Thailand without paying tax to the KMT. With their comprehensive radio and intelligence network, the KMT spot most caravans soon after they begin moving south and usually have a reception committee waiting when one crosses into Thailand. (251) (See Map 11, page 335.)

Not having to rely on opium for funds like the Third and Fifth armies, the First Independent Unit gives top priority to its military mission of cross-border espionage, and regards opium smuggling as a complementary but secondary activity. Most importantly from Taiwan's perspective, the First Independent Unit has helped perpetuate the myth of Generalissimo Chiang Kai-shek's imminent "return to the mainland" by launching repeated sabotage raids into southern China. (252)

General Tuan's Fifth Army has provided considerable support for General Ma's intelligence operations, and on at least one occasion his troops participated in a full-scale raid into southern China. In exchange for such assistance, General Tuan's troops were allowed to use the First Independent Unit's listening posts as opium-trading centers. (253) While Gen. Tuan is rather tight-lipped about his involvement in the opium trade, he is extremely proud of his vanguard position in the anti-Communist crusade. Describing himself as the "watchdog at the northern gate," General Tuan likes to regale his visitors with stories about his exploits battling Mao Tse-tung during the 1930s, fighting the Japanese during World War 11, and raiding Yunnan Province in more recent years. Although the sixty-one-year-old general spends most of his time in Chiangmai enjoying the vast personal fortune he has amassed from the opium business, he still likes to think of himself as a diehard guerrilla fighter and launches an occasional raid into China to polish up his image. (254)

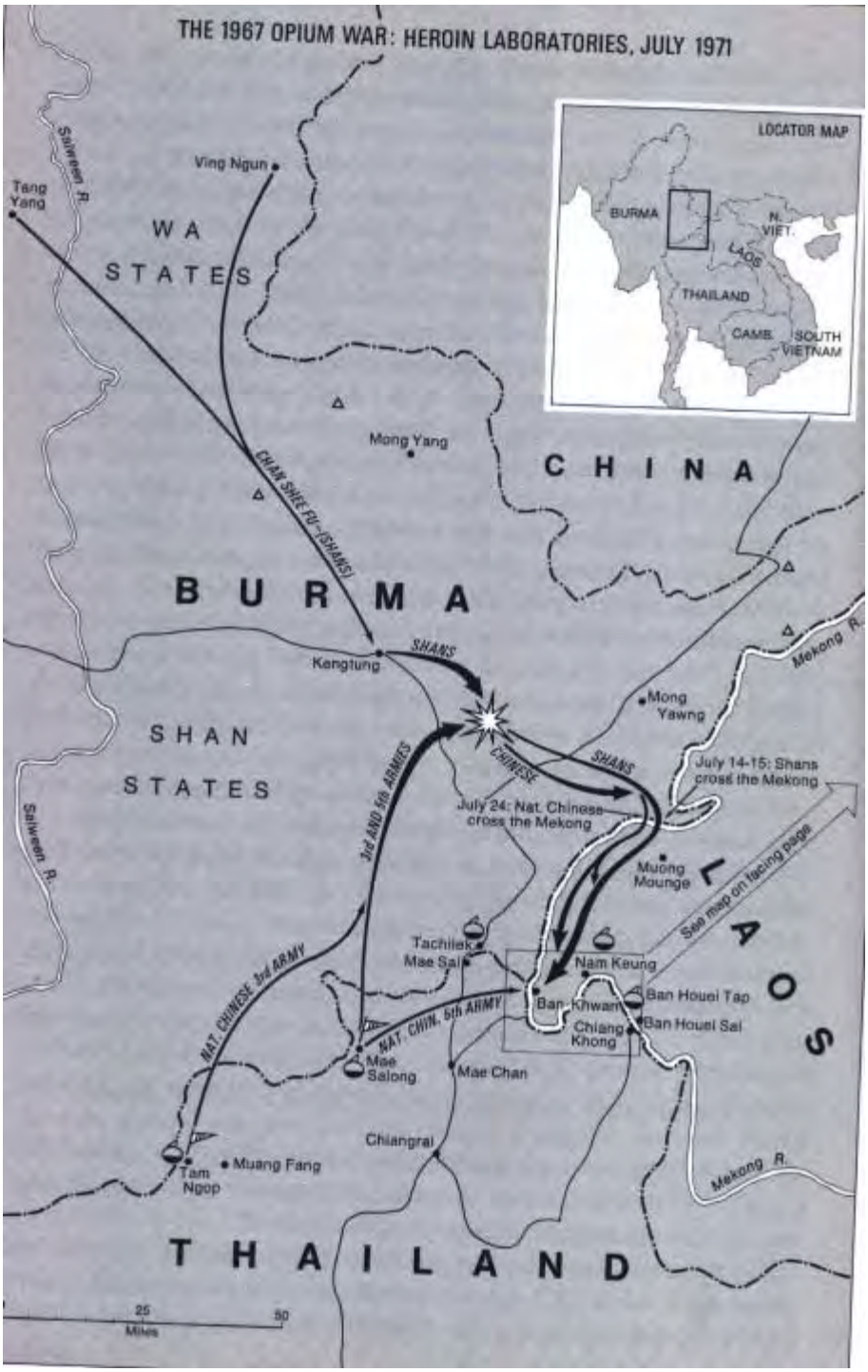
Since General Ma was the only one of the three generals who enjoyed Taiwan's full support, he emerged as the senior KNIT commander in the Golden Triangle region. Although a number of serious disputes had poisoned relations between General Tuan and General Ly, General Ma had remained on good terms with both. At the urging of high command on Taiwan, General Ma began acting as a mediator shortly after the KNIT moved to Thailand, but with little success. Taiwan was hoping to reestablish a unified command under General Ma, but Generals Tuan and Ly saw little to be gained from giving up their profitable autonomy. (255) Although the battle at Ban Khwan would heal this rift, for the moment, the situation remained static.

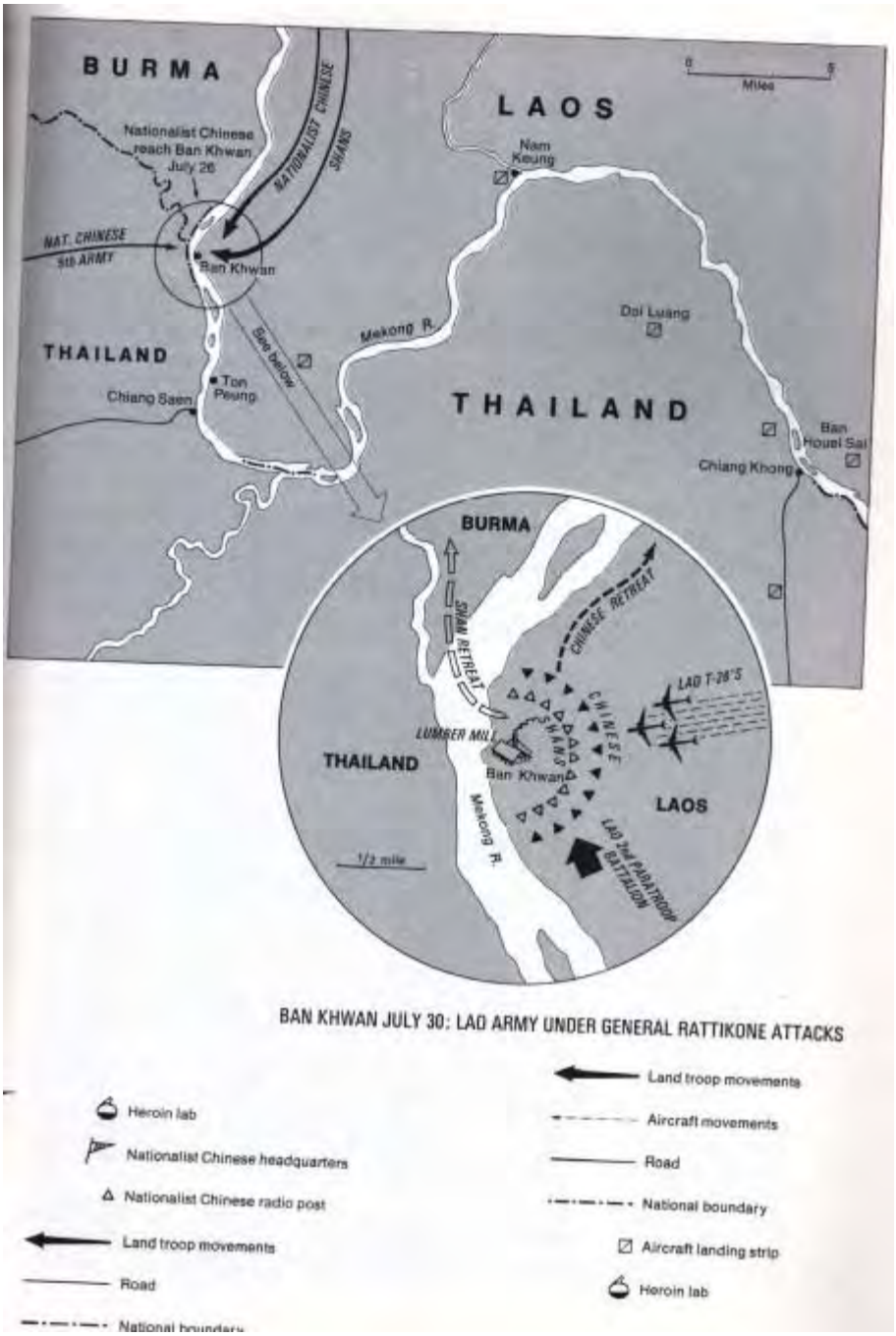
Battle at Ban Khwan: The Challenge of Chan Shee-Fu

General Ma had his chance as mediator in early 1967 when Generals Tuan and Ly began receiving disturbing information about Chan Sheefu's activities in the Shan States. The KMT's radio network was sending back reports that the Shan warlord's brokers were buying up unprecedented quantities of opium in the northern Shan and Wa states. In February, Chan Shee-fu had delivered a de facto declaration of war when he demanded that KNIT caravans trading in the Wa States pay him the same transit tax that his caravans had to pay the KNIT whenever they crossed into Thailand or Laos. (256) When Chan Shee-fu's caravan of three hundred mules assembled in June it was carrying sixteen tons of raw opium worth $500,000 wholesale in Chiangmai. (257) With his share of the profits, Chan Shee-fu could purchase at least one thousand new carbines and expand his army from two thousand to three thousand men-a force almost equal in size to the combined thirty-two hundred troops of the KMT Third and Fifth armies. If Chan Shee-fu's caravan reached Laos, the fifteen-year dominance of the KNIT would be in jeopardy. The point was not lost on the KNIT generals, and through General Ma's mediation, the two feuding generals agreed to resolve their differences and form a combined army to destroy Chan Shee-fu. (258)

In June the main body of Chan Shee-fu's convoy left Ving Ngun and set out on a two-hundred-mile trek toward Ban Khwan, a small Laotian lumber town on the Mekong River which Gen. Ouane Rattikone had designated the delivery point when he placed an advance order for this enormous shipment with Chan Sheefu's broker, a Chinese merchant from Mae Sai, Thailand. The caravan was to deliver the opium to the general's refinery at Ban Khwan. As the heavily loaded mules plodded south through the monsoon downpours, the convoy was joined by smaller caravans from market towns like Tang- Yang, so that by the time it reached Kengtung City its single-file column of five hundred men and three hundred mules stretched along the ridgelines for over a mile.(259)

From the moment the caravan left Ving Ngun, it was kept under surveillance by the KMT's intelligence network, and the radio receivers at Mae Salong hummed with frequent reports from the mountains overlooking the convoy's line of march. After merging their crack units into a thousand-man expeditionary corps, Generals Tuan and Ly sent their forces into the Shan States with orders to intercept the convoy and destroy it.(260) Several days later the KNIT expeditionary force ambushed Chan Shee-fu's main column east of Kengtung City near the Mekong River, but his rearguard counterattacked and the opium caravan escaped. (261) After crossing the Mekong into Laos on July 14 and 15, Chan Shee-fu's troops hiked down the old caravan trail from Muong Mounge and reached Ban Khwan two days later. (262)


THE 1967 OPIUM WAR: HEROIN LABORATORIES, JULY 1971
LOCATOR MAP
BURMA
N. VIET.
LAOS
THAILAND
CAMB.
SOUTH VIETNAM
Ving Ngun
Tang Yang
Salween R.
WA STATES
Mong Yang
CHINA
CHAN SHEE FU—SHANS
BURMA
Kengtung
SHANS
Mekong R.
Mong Yawng
SHAN STATES
CHINESE
SHANS
July 14-15: Shans cross the Mekong
July 24: Nat. Chinese cross the Mekong
3rd AND 5th ARMIES
Muong Mounge
See map on facing page
Tachilek
Mae Sai
Nam Keung
Ban Houei Tap
Ban Khwan
Chiang Khong
Ban Houei Sai
NAT. CHINESE 3rd ARMY
NAT. CHIN. 5th ARMY
Mae Salong
Mae Chan
Chiangrai
Muang Fang
Tam Ngop
Mekong R.
THAILAND
25
50
Miles



Shortly after they arrived, the Shan troops warned the Laotian villagers that the KMT were not far behind and that there would probably be fighting. As soon as he heard this news, the principal of Ban Khwan's elementary school raced downriver to Ton Peung, where a company of Royal Laotian Army troops had its field headquarters. The company commander radioed news of the upcoming battle to Ban Houei Sai and urged the principal to evacuate his village. During the next ten days, while Ban Khwan's twenty families moved all their worldly possessions across the Mekong into Thailand, Chan Shee-fu's troops prepared for a confrontation. (263)

Ban Khwan is hardly a likely battlefield: the village consists of small clearings hacked out of a dense forest, fragile stilted houses and narrow winding lanes, which were then mired in knee-deep, monsoon-season mud. A lumber mill belonging to General Ouane sat in the only large clearing in the village, and it was here that the Shans decided to make their stand. In many ways it was an ideal defensive position: the mill is built on a long sand embankment extending a hundred feet into the Mekong and is separated from the surrounding forest by a lumberyard, which had become a moatlike sea of mud. The Shans parked their mules along the embankment, scoured the nearby towns for boats, and used cut logs lying in the lumberyard to form a great semicircular barricade in front of the mill. (264)

The KNIT expeditionary force finally reached Ban Khwan on July 26 and fought a brief skirmish with the Shans in a small hamlet just outside the village. That same day the Laotian army's provincial cornmander flew up from Ban Houei Sai in an air force helicopter to deliver a personal message from General Ouane: he ordered them all to get out of Laos. The KNIT scornfully demanded $250,000 to do so, and Chan Shee-fu radioed his men from Burma, ordering them to stay put. After several hundred reinforcements arrived from Mae Salong, the KNIT troops attacked the Shan barricades on July 29 Since both sides were armed with an impressive array of .50 caliber machine guns, 60 mm. mortars, and 57 mm. recoilless rifles, the firefight was intense, and the noise from it could be heard for miles. However, at 12:00 noon on July 30 the staccato chatter of automatic weapons was suddenly interrupted by the droning roar of six T-28 prop fighters flying low up the Mekong River and then the deafening thunder of the fivehundredpound bombs that came crashing down indiscriminately on Shans and KNIT alike.

General Ouane, apparently somewhat disconcerted by the unforeseen outcome of his dealings with Chan Shee-fu, had decided to play the part of an outraged commander in chief defending his nation's territorial integrity. With Prime Minister Souvanna Phourna's full consent he had dispatched a squadron of T-28 fighters from Luang Prabang and airlifted the crack Second Paratroop Battalion (Capt. Kong Le's old unit) up to Ban Houei Sai. General Ouane took personal command of the operation and displayed all of the tactical brilliance one would expect from a general who had just received his nation's highest state decoration, "The Grand Cross of the Million Elephants and the White Parasol" (266)

Once the Second Paratroop Battalion had gone upriver to Ban Khwan and taken up a blocking position just south of the battlefield, the T-28s began two solid days of bombing and strafing at the rate of four or five squadron sorties daily. To ensure against a possible retaliatory attack on Ban Houei Sai, General Ouane ordered two marine launches to patrol the upper reaches of the Mekong near Ban Khwan. Finally, two regular Laotian infantry battalions began moving down the old caravan trail from Muong Mounge to cut off the only remaining escape route. (267)

Under the pressure of the repeated bombing attacks, the four hundred surviving Shans piled into the boats tied up along the embankment and retreated across the Mekong into Burma, leaving behind eighty-two dead, fifteen mules, and most of the opium. (268) Lacking boats and unwilling to abandon their heavy equipment, the KMT troops fled north along the Mekong, but only got six miles before their retreat was cut off by the two Laotian infantry battalions moving south from Muong Mounge. When the Shans and KMT had abandoned Ban Khwan, the Second Paratroop Battalion swept the battlefield, gathered up the opium and sent it downriver to Ban Houei Sai. Reinforcements were flown up from Vientiane, and superior numbers of Laotian army troops surrounded the KMT. (269) Following two weeks of tense negotiations, the KNIT finally agreed to pay General Ouane an indemnity of $7,500 for the right to return to Thailand. (270) According to Thai police reports, some seven hundred KMT troops crossed the Mekong into Thailand on August 19, leaving behind seventy dead, twenty-four machine guns, and a number of dead mules. Although the Thai police made a pro forma attempt at disarming the KMT, the troops clambered aboard eighteen chartered buses and drove off to Mae Salong with three hundred carbines, seventy machine guns, and two recoilless rifles. (271)

Gen. Ouane Rattikone was clearly the winner of this historic battle. His troops had captured most of the sixteen tons of raw opium, and only suffered a handful of casualties. Admittedly, his lumber mill was damaged and his opium refinery had been burned to the ground, but this loss was really insignificant, since General Ouane reportedly operated another five refineries between Ban Khwan and Ban Houei Sai. (272) His profits from the confiscated opium were substantial, and displaying the generosity for which he is so justly famous, he shared the spoils with the men of the Second Paratroop Battalion. Each man reportedly received enough money to build a simple house on the outskirts of Vientiane. (273) The village of Ban Khwan itself emerged from the conflagration relatively unscathed; when the people started moving back across the Mekong River three days after the battle, they found six burned-out houses, but other than that suffered no appreciable JOSS. (274)

At the time it was fought, the 1967 Opium War struck most observers, even the most sober, as a curious historical anachronism that conjured up romantic memories of China's warlords in the 1920s and bandit desperadoes of bygone eras. However, looking back on it in light of events in the Golden Triangle over the last five years-particularly the development of large-scale production of no. 4 heroin-the 1967 Opium War appears to have been a significant turning point in the growth of Southeast Asia's drug traffic. Each group's share of Burma's opium exports and its subsequent role in the growth of the Golden Triangle's heroin industry were largely determined by the historic battle and its

aftermath. KMT caravans still carry the overwhelming percentage of Burma's opium exports, and Shan caravans have continued to pay the KMT duty when they enter Thailand. Chan Shee-fu, of course, was the big loser; he left $500,000 worth of raw opium, thousands of dollars in arms and mules, and much of his prestige lying in the mud at Ban Khwan. Moreover, Chan Shee-fu represented the first and last challenge to KNIT control over the Shan States opium tradeand that challenge was decisively defeated. Since the destruction of Chan Sheefu's convoy, Shan military leaders have played an increasingly unimportant role in their own opium trade; Shan caravans usually have less than a hundred mules, and their opium refineries are processing only a small percentage of the opium grown in the Shan States. However, General Ouane's troops won the right to tax Burmese opium entering Laos, a prerogative formerly enjoyed by the KMT, and the Ban Houei Sai region later emerged as the major processing center for Burmese opium.

Survival of the Fittest

Although the 1967 Opium War strengthened the KMT's position inside the Shan States, it complicated the KMT's amicable relations with its host, the Thai government. Ever since the mid 1950s, when the Thai police commander, General Phao, became notorious as one of the major opium traffickers in Southeast Asia, the Thai government has been extremely sensitive about covering up its involvement in the opium trade. When the KMT moved to Thailand in 1962, the government labeled them "civilian refugees" and claimed that their organized military units had been broken up. (275)The KMT reinforced this face-saving fiction by isolating themselves in their mountain redoubts and wearing civilian clothes whenever they went into nearby towns. On the whole, the Thai government was quite successful in convincing the world that the KMT Third and Fifth armies no longer existed. Only five months before the battle, for example, a full-fledged U.N. investigating team spent two months examining the drug problem in Thailand without discovering any substantial evidence of KMT activity. (276) When the 1967 Opium War shattered this carefully constructed myth, the Thai government claimed that it was being "invaded" by the KMT and dispatched several thousand troops to Chiangmai to defend the northern frontier. (277)

In order to ensure that it would not be similarly embarrassed in the future, the Thai government placed the KMT's fortified camps under the supervision of the Royal Army, and KMT generals became accountable to the high command in Bangkok for every move in and out of their headquarters. Aside from these rather limited gestures, however, the Thai government made no effort to weaken the KMT. In fact, the Thai military has moved in the opposite direction by granting the Third and Fifth armies official status as legitimate paramilitary forces. Although the KMT had been responsible for security in the northern frontier areas for a number of years without receiving official recognition, the recent outbreak of the "Red" Meo revolt in Nan and Chiangrai provinces has brought about a gradual reversal of this nonrecognition policy.

The "Red" Meo revolt began in May 1967 when Thai officials visited the same Meo village in Chiangrai Province on three separate occasions to collect pavoffs; for letting the Meo farmers clear their opium fields. The Meo paid off the first two visitors, but when the Provincial Police showed up to collect their rake-off the Meo attacked them. The next day sixty police returned to the village and burned it to the ground. Although there was no further violence, this incident apparently convinced counterinsurgency strategists in Bangkok that the Meo in Chiangrai and adjoining Nan Province were about to revolt. (278) In October the Thai army and police initiated a series of heavy-handed "Communist suppression operations" that provoked a major uprising. To reduce its mounting casualties, the army began napalming selected villages and herding their inhabitants into guarded relocation centers in early 1968. The revolt spread rapidly, and as the army had to withdraw into a series of fortified positions in June, the air force was unleashed over the insurgent areas, which had been declared free fire zones. By 1970 guerrillas were beginning to sortie out of their mountain "liberated zones," attacking lowland villages and ambushing cars along the highways.(279)

It was obvious to many Thai and American counterinsurgency planners that troops had to go in on the ground to clean up guerrilla mountain sanctuaries before the insurgency spread into the lowlands, However, as their earlier performances had shown, the Thai army was ill suited for mountain warfare. (280) The Thai military, with American financial support, turned to the KMT for help. In the past, General Tuan had claimed credit for keeping Chiangrai. Province free from "communist terrorists. (281)The KMT had all the necessary skills for mountain warfare that the Thai army so obviously lacked: they understood small unit tactics, had twenty years' experience at recruiting hill tribe paramilitary forces, and could converse with the hill tribes in their own languages or Yunnanese, which many tribesmen spoke fluently. (282) But most important of all, the KMT knew how to pit tribe against tribe. While the Thai military had tried to get Meo to fight Meo with little success, General Tuan recruited Akha, Lisu, and Lahu from western Chiangrai Province and sent them to fight Meo in eastern Chiangrai. In December 1969 General Tuan ordered five hundred of these polyglot Fifth Army troops into the mountains just north of Chiang Khong, near the Mekong, to attack the "Red" Meo, and General Ly sent nine hundred of his Third Army troops in an adjoining clump of mountains to the east of Chiang Kham. (283) By mid 1971 two Thai air force UH-IH helicopters were shuttling back and forth between the KMT camps and Thai army bases in eastern Chiangrai. A special photo reconnaissance lab was working round the clock, and a ranking Thai general had been placed in command. When asked what he was doing in Chiang Khong, General Krirksin replied, *"I cannot tell you, these are secret operations."* (284) However, the senior KMT

officer at Chiang Khong, Col. Chen Mo-sup, insisted that his forces had the "Red" Meo on the run and claimed that his troops had killed more than 150 of them.(285)

Even though the KMT have now been integrated into the Thai counterinsurgency establishment, the government has made no appreciable effort to reduce their involvement in the opium trade. In mid 1971 the CIA reported that Mae Salong, KMT Fifth Army headquarters, was the home of one of the "most important" heroin laboratories in the Golden Triangle, and in April 1972 NBC news reported that a laboratory was operating at Tam Ngop, the KMT Third Army headquarters .286 In addition, reliable Shan rebel leaders say that KMT caravans are still operating at full strength, the opium duty is being collected, and no Shan army is even close to challenging the KMT's hegemony.

The Shan Rebellion: The Road to Chaos

For Chan Shee-fu the 1967 Opium War marked the beginning of the end. Far more importantly for the Shan movement as a whole, his defeat represented the last significant attempt by any rebel leader to establish himself as something more than just another petty warlord. After his troops retreated across the Mekong from Ban Khwan, Chan Shee-fu remained in the mountains near the Thai border, reportedly waiting for another crack at the KMT. (287)However for reasons never satisfactorily explained, the second battle never took place, and he returned to the northern Shan States in late 1967. Since Chan Shee-fu had lost a considerable amount of money, arms, and prestige at Ban Khwan, his troops began to drift away, and by late 1968 he had considerably less than a thousand men under arms.(288) Apparently convinced that another stint as a guerrilla would revive his sagging fortunes, Chan Shee-fu began making contact with a number of Shan rebel leaders. When Burmese military intelligence learned that he was engaged in serious negotiations with the rebels, they had him arrested and sent off to a Rangoon jail for an indefinite period of confinement. (289) Many of his officers and men were arrested as well, but Shan rebel leaders claim that several hundred more are still actively battling government forces in the northern Shan States. (290)

But there is a moral to this story. The rise and fall of Chan Shee-fu and the Shan National Army shows how difficult it is going to be for any Shan military leader to restore order in the strife-torn Shan States. Rather than producing an independent, unified Shan land, the Shan rebellion seems to have opened a Pandora's box of chaos that has populated the countryside with petty warlords and impoverished the people. When the rebellion began in 1958, there were only three or four rebel groups active in the entire Shan States. In mid 1971 one Shan rebel leader estimated that there were more than a hundred different armed bands prowling the highlands. But he cautioned that this was probably a conservative estimate, and added that "it would take a computer to keep track of them all. (291) Most of these armed groups are extremely unstable; they are constantly switching from rebel to militia (KKY) status and back again, splitting in amoebalike fashion to form new armies, or entering into ineffectual alliances. Moreover, the situation gets more chaotic every year as succeeding opium harvests pump more and more weapons into the Shan States. In the early 1960s the SNA was content with semiautomatic U.S. M-1 or M-2 carbines, but seven years later every armed band has to have its quotient of fully automatic M16s in order to survive. Although the SNA never managed to impose effective discipline on its local commanders, it achieved a level of unity that has yet to be equaled. Since its demise

in 1965-1966, the military situation in the Shan States has become much more chaotic. In 1968 another faction made an attempt at drawing the movement together by establishing "the Shan Unity Preparatory Committee." It issued a few pompous communiques warning about threats of communism or offering a cease-fire, but collapsed after a few acrimonious meetings in Chiangmai, Thailand. (292)

Although most Shan rebel leaders speak loftily about millions of oppressed peasants flocking to their side, a few of the franker ones admit that people have become progressively alienated from the independence movement. Repeated taxation at gunpoint by roving Shan warlords has discouraged most forms of legitimate economic activity and reduced the peasants to a state of poverty. Salt prices have skyrocketed in the hills, and goiter is becoming a serious problem. In some of the more distant areas essential medicines like quinine have not been available for years. Vaccination programs and qualified medical treatment have almost disappeared.

Ironically, the political chaos, which has damaged most other forms of agriculture and commerce, has promoted a steady expansion of opium production in the Shan States. Since opium buys more guns and am munition in Thailand than any other local product, Shan rebels and the local militia (KKY) have imposed a heavy opium tax on mountain

villages under their control. While mountain farmers sell all the opium they can produce to merchants who regularly visit their villages, the insurgency makes it difficult and dangerous to venture into the market towns to sell other agricultural commodities. Moreover, the Burmese government controls very few of the poppy-growing areas, and is therefore in no position to discourage opium production. Other nations can be pressured into abolishing poppy cultivation, but Burma can honestly claim that it is powerless to deal with the problem. If the present political situation continues, and there is every indication that it will, the Shan States will be growing vast quantities of opium long after the poppy has disappeared from Turkey or Afghanistan.

The Shan States' political tradition of being divided into thirty-four small principalities ruled over by autocratic sawbwas is only partly responsible for the lack of unity among present-day rebel leaders. Laos, for example, shares the same tradition of small valley principalities, but the Pathet Lao have managed to form a strongly unified national liberation movement.

Indeed, there are more important reasons for the chaotic political conditions inside the Shan States. The Shan rebellion and its accompanying chaos could not have survived had not the CIA, the KMT, and the Thai government intervened. None of these groups is particularly interested in the establishment of an independent Shan nation. However, each of them has certain limited political or military interests that have been served by providing the Shans with a limited amount of support and keeping the caldron bubbling. Although it is most definitely not in the KMT's interests for a powerful Shan leader like Chan Shee-fu to develop, the chaotic conditions promoted by dozens of smaller rebel groups are absolutely vital to their survival. The KMT Third and Fifth armies are only able to send their large, lightly guarded caravans deep into the Shan States because the Burmese army is tied down fighting the insurgents. The KMT recognizes the importance of this distraction and has financed a number of small Shan rebel groups. However, the KMT tries to keep the Shan armies small and weak by explicitly refusing to allow any Shan opium caravan larger than one hundred mules to enter Thailand. This policy was evidently adopted after the 1967 Opium War. (293) Perhaps the most notable victim of this new policy was the Shan State Army (SSA). Founded by students from Mandalay and Rangoon Universities, it began operating in the mountains west of Lashio in 1958 (294) but did not start smuggling opium until five years later. After shipping 160 kilos of raw opium to Thailand in 1964, the Shan State Army increased its shipments year by year, reaching a peak of 1,600 kilos in 1967. But with the exception of 80 kilos it managed to slip by the KMT in 1969, this was its last shipment of opium to Thailand. Relations between the KMT and SSA had never been good, but the KMT embargo on SSA opium smuggling brought relations to a new low. When the KMT Third Army tried to establish a radio post in SSA territory in late 1969, the two groups engaged in a series of indecisive running battles for over three months. (295)

The CIA has played an equally cynical role inside the Shan States. Although it too has no real interest in an independent Shan land, the CIA has supported individual rebel armies in order to accomplish its intelligence gathering missions inside China. Without the CIA's tolerance of its opium-arms traffic, the Shan National Army could never have occupied so much of Kentung State. However, the CIA refused to grant the SNA enough direct military aid to drive the Burmese out of the state and reestablish public order. During the 1950s the CIA had tried to turn the eastern Shan States into an, independent strategic bastion for operations along China's southern frontier by using KMT troops to drive the Burmese army out of the area. But after the KMT were driven out of Burma in 1961, the CIA apparently decided to adopt a lower profile for its clandestine operations. While direct military support for the SNA might have produced new diplomatic embarrassments, an informal alliance and the resulting breakdown of public order in Kengtung were entirely compatible with CIA interests. After the SNA forced the Burmese army into the cities and towns, the CIA's forward radio posts floated securely in this sea of chaos while its cross-border espionage teams passed through Burma virtually undetected. (296)

In the final analysis, the Thai government probably bears the major responsibility for the chaos. Most Thai leaders have a deep traditional distrust for the Burmese, who have frequently invaded Thailand in past centuries. No Thai student graduates from elementary school without reading at least one gruesome description of the atrocities committed by Burmese troops when they burned the royal Thai capital at Ayuthia in 1769. Convinced that Burma will always pose a potential threat to its security, the Thai government has granted asylum to all of the insurgents operating along the Burma-Thailand border and supplied some of the groups with enough arms and equipment to keep operating. This low level insurgency keeps the Burmese army tied down defending its own cities, while the chaotic military situation in Burma's borderland regions gives Thailand a reassuring buffer zone. Although Thai leaders have

given Rangoon repeated assurances that they will not let Burmese exiles "abuse their privileges" as political refugees, they have opened a number of sanctuary areas for guerrillas near the Burmese border. (297) The Huei Krai camp north of Chiangrai has long been the major sanctuary area for Shan rebels from Kengtung State. The area surrounding KMT Third Army headquarters at Tam Ngop is the most important sanctuary for rebel armies from northeastern Burma: Gen. Mo Heng's Shan United Revolutionary Army, Brig. Gen. Jimmy Yang's Kokang Revolutionary Force, Gen. Zau Seng's Kachin Independence Army, Gen. Jao Nhu's Shan State Army, and General Kyansone's Pa-0 rebels are all crowded together on a few mountaintops under the watchful eye of KMT General Ly. Entrances to these camps are tightly guarded by Thai police, and the guerrillas have to notify Thai authorities every time they enter or leave. Even though activities at these camps are closely watched, Shan rebel leaders claim that Thai authorities have never made any attempt to interfere with their opium caravans. While foreign journalists are barred, Chiangmai opium buyers are free to come and go at will. (298)

In an effort to cope with an impossible situation, the Burmese government has adopted a counterinsurgency program that has legitimized some aspects of the opium trade and added to the general political instability. The Burmese army has organized local militia forces (KKY), granted them the right to use government-controlled towns as opiumtrading centers and major highways as smuggling routes and has removed all restrictions on the refining of opium. It is their pious hope that the local militias' natural greed will motivate them to battle the rebels for control of the opium hills. The logic behind this policy is rather simple; if the local militia control most of the opium harvest, then the rebels will not have any money to buy arms in Thailand and will have to give up their struggle. Despite its seductive simplicity, the program has had a rather mixed record of success. While it has weaned a number of rebel armies to the government side, just as many local militia have become rebels. On the whole, the program has compounded the endemic warlordism that has become the curse of the Shan States without really reducing the level of rebel activity.

In addition, the Burmese government has sound economic reasons for tolerating the opium traffic. After seizing power from a civilian government in 1962, Commander in Chief of the Army Gen. Ne Win decreed a series of poorly executed economic reforms, which crippled Burma's foreign trade and disrupted the consumer economy. After eight years of the "Burmese Way to Socialism," practically all of the consumer goods being sold in Burma's major cities--everything from transistor radios and motor bikes to watches, pens, and toothpaste-were being smuggled across the border from Thailand on mule caravans. On the way down to Thailand, Shan smugglers carry opium, and on the way back they carry U.S. weapons and consumer goods. By the time a bottle of Coca-Cola reaches Mandalay in northern Burma it can cost a dollar, and a Japanese toothbrush goes for $3.50 in Rangoon. (299) Afraid of straining the patience of its already beleaguered consumers, the Burmese government has made no real effort to close the black markets or stop the smuggling. Opium has become one of the nation's most valuable export commodities, and without it the consumer economy would grind to a complete halt.

The opium traffic itself has contributed to the chaotic conditions inside the Shan States by changing the military leaders from legitimate nationalist rebels into apolitical mercenaries. The case of Maj. On Chan is perhaps the most striking example. During the early 1960s he joined the Shan National Army and remained one of its more effective local commanders until the coalition split apart in 1965-1966. After deserting from the SNA, On Chan and about three hundred of his men were hired as mercenaries by the CIA and moved across the Mekong into northwestern Laos, where they fought in the Secret Army, disguised as local Lu militia. Two or three years later On Chan and his men deserted the Secret Army and moved back into the Shan States. With the ample supply of arms and ammunition be brought back to Burma, On Chan carved an independent fief out of eastern Kengtung. He has remained there ever since, trading in opium and fighting only to defend his autonomy. (300)

Since the Burmese army offers such convenient opium-trading facilities, corrupted rebel leaders frequently desert the cause for the more comfortable life of a government militia commander. While Chan Sheefu is the most notorious example of this kind of Shan military leader, the case of Yang Sun is much more typical. Yang Sun started his career in the opium trade as a government militia leader, but switched to the rebel side in the mid 1960s and opened a base camp in the Huei Krai region of northern Thailand. Several years later he changed his allegiance once more and soon became the most powerful government militia leader in Kengtung State. Although rebel leaders have tried to woo him back to their side, he is making so much money from the opium traffic as a militia leader that he has consistently brushed their overtures aside.

Thanks to the good graces of the Burmese army, Yang Sun patrols a strategic piece of geography between Kengtung City and the Thai border. Caravans traveling along government-controlled roads from the opium-rich Kokang and Wa states to the north have to pass through this area on their way to opium refineries in the three-border region to the south. Caravans belonging to both Law Sik Han, a powerful militia leader from Kokang, and Bo Loi Oo, the influential Wa States' militia commander, are required to stop in Kengtung City to have their opium weighed and taxed by Yang Sun before they can proceed down the road to their private opium refineries in Tachilek. In addition, Yang Sun's troops provide armed escorts between Kengtung City and the border for private merchant caravans out of the Kokang and Wa states. For a nominal fee of six dollars per kilo of opium, merchants are guaranteed safe conduct by the Burmese government and protection from bandits and rebels. (301)

Although some of the opium carried by Shan rebels and the KMT is smuggled across the border in raw form, most of the militia's opium is processed into smoking opium, morphine, or heroin at Shan militia (KKY) refineries in the Tachilek 'area before being shipped into nearby Thailand. Yang Sun operates a large opium refinery about six miles north of Tachilek capable of producing both no. 3 and no. 4 heroin. (302) This laboratory is only one of fourteen in the Tachilek region, which, according to a 1971 CIA report, processed a total of thirty tons of raw opium during 1970. (303) While this represents a considerable increase from the mid 1960s when Chan Shee-fu's morphine factory at Ving Ngun was the only known refinery, thirty tons of raw opium is still only a tiny fraction of Burma's total estimated exports of five hundred tons. The relative weakness of Burma's processing industry is one of the legacies of Chan Shee-fu's defeat in the 1967 Opium War. Since KMT caravans have continued to ship about 90 percent of the Shan States' opium to Thailand and Laos for processing in their own refineries or transshipment, the growth of Tachilek's laboratories has been hampered by a shortage of raw materials.

Until public order is restored to the Shan States, there is absolutely no chance that Burma's opium production can be eradicated or its heroin laboratories shut down. It seems highly unlikely that the squabbling Shan rebels will ever be capable of driving the Burmese army completely out of the Shan States. It seems even more unlikely that the profitoriented militia commanders would ever be willing to divert enough effort from their flourishing opium businesses to make a serious effort at cleaning the rebels out of the hills. Despite its claim of success, the Burmese army is even further away from victory than it was a decade ago.

If we eliminate the Burmese army and the Shan military groups, there are only two possible contenders for ultimate control over the Shan States-the Burmese Communist party and a coalition of right-wing rebels led by Burma's former prime minister U Nu. A year after he fled to Thailand in April 1969, U Nu concluded an alliance with Mon and right-wing Karen insurgents active in the Burma-Thailand frontier areas and announced the formation of a revolutionary army, the United National Liberation Front (UNLF). (304) To raise money U Nu and his assistants (among them William Young, now retired from the CIA) circled the globe, contacting wealthy financiers and offering future guarantees on lucrative oil and mineral concessions in exchange for cash donations. Burma's future was mortgaged to the hilt, but by the end of 1970 U Nu had a war chest of over $2 million. (305)

With the tacit support of the Thai government, U Nu built up his guerrilla army inside Thailand: three major bases were opened up along the Thailand-Burma border at Mae Hong Son, Mae Sariang and Mae Sot. (306) Recognizing Burma's ethnic diversity, U Nu divided the eastern part of the country into three separate military zones: the Mon and Burmese areas in the southeast, the Karen region in the east, and the Shan and Kachin states in the northeast. (307)

While the UNLF alliance gave U Nu a strong basis for operations in the Mon and Karen areas, he has almost no influence in the northeast. There are so many Shan armies that it would be meaningless to ally with any one of them, and they arc so divided among themselves that forming a coalition required special tactics. (308) Instead of allying with established rebel groups as they had done with the Mons and Karens, U Nu and his assistants assigned William Young and Gen. Jimmy Yang the task of building an independent rebel force inside the Shan States.

A member of Kokang State's royal family, Jimmy Yang began organizing guerrilla resistance in 1962. Since his family had worked closely with the KMT for more than a decade, he was able to finance his infant rebellion by sending caravans loaded with Kokang opium to Thailand under the protection of General Ly's Third Army. After three years of fighting in Kokang, Jimmy and some of his men moved to northern Thailand and built a base camp in the shadow of General Ly's headquarters at Tam Ngop. While his men raised chickens and smuggled opium in the mountains, Jimmy

moved down to Chiangmai and became assistant manager of the most luxurious tourist hotel in northern Thailand, the Rincome Hotel.

Jimmy had known U Nu in Rangoon, and when the former prime minister first arrived in Thailand Jimmy renewed the friendship by soliciting a $10,000 contribution for democracy's cause from General Ly. (309) U Nu returned the favor several months later by appointing Brig. Gen. Jimmy Yang commander of the UNLF's northern region, the Kachin and Shan States, and reportedly allocated $200,000 from the war chest to build up an effective Shan army. (310)

Rather than trying to build up the five-thousand-man army he thought would be necessary to steamroll the hundred or so armed bands that roamed the hills, Jimmy decided to forge an elite strike force of about a hundred men to guarantee his security while he traveled through the strife-torn Shan States negotiating with bandits, opium armies, rebels, and government militia. In exchange for their allegiance, he planned to offer them officers' commissions and government jobs in U Nu's administration-to-be. By scrupulously avoiding the opium traffic and relying on U Nu's war chest for financial support, Jimmy hoped to remain aloof from the opium squabbles and territorial disputes that had destroyed past coalitions. Once the fighting was over, Jimmy intended to return the sawbwas to power. They would appeal to their dutiful subjects to come out of the hills; the rebels would lay down their arms and order would be restored. (311)

To implement his plan, Jimmy recruited about a hundred young Shans and equipped them with some of the best military equipment available on Chiangmai's black market: U.S. M-2 carbines at $150 apiece, M-16 rifles at $250 each, U.S. M-79 grenade launchers at $500 apiece, highgrade U.S. jungle uniforms, and Communist Chinese tennis sneakers. General Ly contributed some Nationalist Chinese training manuals on jungle warfare. Confidently, Jimmy set September 1971 as his target date for jumping off into the Shan States, but almost from the beginning his program was hampered by the same problems that had destroyed similar efforts in the past. When September 1971 finally arrived, Jimmy's men were deserting, potential alliances had fallen through, and he had been forced to postpone his departure indefinitely. (312)

Jimmy Yang's men deserted because of the same type of racial and political conflicts that had promoted disunity among previous Shan armies. While almost all his troops were Shans, Jimmy's instructors, like himself and most residents of Kokang, were *ethnic* Chinese. Since ethnic chauvinism is the most important tenet of Shan nationalist ideology, internal discord was almost inevitable.

In April 1971 Jimmy's deputy commander, a Shan named Hsai Kiao, met with members of U Nu's revolutionary government in Bangkok and presented Shan grievances. U Nu's assistants offered no major concessions, and several weeks later Hsai Kiao moved to Chiangrai, opening his own camp in the Huei Krai area. Shan recruits continued to desert to Hsai Kiao, and by September U Nu's northern command was a complete shambles. Jimmy was losing his men to Hsai Kiao, but Hsai Kiao, lacking any financial backing whatsoever, was sending them off to work in the mines at Lampang to raise money, Hsai Kiao plans to save enough money to buy a shipment of automatic weapons in Laos, pack them into the Shan States, and trade them for opium. With the profits from the opium-arms trade he eventually hopes to build up a large enough army to drive the Burmese out of Kengtung State. (313)

While Jimmy Yang's troop training program had its problems, his attempts at forging political alliances with local warlords encountered an insuperable obstacle-William Young. After he finished a fund-raising tour in the United States, William Young returned to Chiangmai and began building support for U Nu among the hill tribes of the eastern Shan States. Prior to making contact with Lahu and Wa leaders, Young spent months gathering precise data on every armed band in the eastern Shan States. He concluded that there were about seventeen thousand Lahu and Wa tribesmen armed with modern weapons. If only a fraction of these could be mobilized, U Nu would have the largest army in eastern Burma. (314)

Young began sending personal representatives to meet with the more important tribal leaders and arranged round table discussions in Chiangmai. In the mountains north of Kengtung City, the Young name still commands respect from Lahu and Wa Christians, and the enthusiastic response was to be expected. (315) However, Young's success among the animist Lahu south and west of Kengtung City was unexpected. The Young family's divinity in these areas had been preempted by an inno vative Lahu shaman, known as the "Man God" or "Big Shaman." In mid 1970, when William Young convened an assembly of Lahu chiefs at Chiangmai, the "Man God" sent one of his sons as a representative.

When it was his turn to speak, the son announced that the "Man God" was willing to join with the other Lahu tribes in a united effort to drive the Burmese out of the Shan States. (316)

After receiving similar commitments from most of the important Lahu and Wa leaders in Burma, Young approached U Nu's war council without Jimmy's knowledge and requested $60,000 for equipment and training. The council agreed with the proviso that the money would be channeled through Jimmy Yang. In August 1970 Young arranged a meeting between himself, Jimmy, and the tribal leaders to reach a final understanding. When Jimmy adopted a condescending attitude toward the Lahu and Wa, they conferred privately with Young, and he advised them to withhold their allegiance. Young says that all the chiefs agreed to boycott the UNLF until they were confident of full support and claims that none of them are willing to work with Jimmy. (317)

Given these enormous problems, neither U Nu nor Jimmy Yang seems to have a very promising future in the Shan States. In fact, Jimmy feels that the Burmese Communist party and its leader Naw Seng are the only group capable of restoring order to the Shan States. According to Jimmy, Naw Seng and the Communists have all the assets their rivals seem to lack. First, Naw Seng is one of the best guerrilla strategists in Burma. During World War II he fought behind Japanese lines with General Wingate's British commando unit, the Chindits, and was awarded the Burma Gallantry Medal for heroism. Like many Kachin veterans, he enlisted in the First Kachin Rifles after the war, and quickly rose to the rank of captain and adjutant commander. (318) The First Kachin Rifles were sent into Communist-controlled areas, and Naw Seng played such an important role in the pacification program that one British author called him "the terror of the Pyinmana Communists." However, many prominent Burmese took a dim view of Kachins attacking Burmese villages under any circumstances, and there were reports that Naw Seng was about to be investigated by a court of inquiry. Faced with an uncertain future, Naw Seng and many of his troops mutinied in February 1949 and joined with Karen rebels fighting in eastern and central Burma. (319)After leading a series of brilliant campaigns, Naw Seng was driven into Yunnan by the Burmese army in 1949. Little was heard of him until 1969, when he became commander of a Communist hill tribe alliance called the Northeast Command and went on the offensive in the Burma-China borderlands. (320) In March 1970 the Communists captured three border towns, and by mid 1971 they controlled a fourhundred-mile-long strip of territory paralleling the Chinese border.

While Naw Seng's tactical skills are an important asset, Jimmy Yang feels that the Communists' social policies are the key to their success. Instead of compromising with the warlords, the Communists have driven them out of all the areas under their control. This policy has apparently resulted in a number of violent confrontations with the Kachin Independence Army, the remnants of Chan Shee-fu's forces, and government militi leaders such as Law Sik Han and Bo Loi Oo. In each case, the Communists have bested their rivals and pushed them steadily westward. Once in control of some new territory, the Communists have abolished the opium tax, which has impoverished the hill tribes for the last fifteen years, and encouraged the people to substitute other cash crops and handicraft work. In addition, the Communists have distributed salt, started a public health program, and restored public order. As a result of these measures, they have been able to develop a mass following, something that has eluded other army groups for so long. However, a crop substitution program takes up to five years to develop fully even under the best of circumstances, and so opium production has continued. Hill traders buy opium from villagers inside the Communist zones and transport it to such market towns as Lashio and Kengtung, where it is sold to g vernment militia, KMT buyers, pnd private opium armies. (321)

Gen. Ouane Rattikone: Winner Takes Something

In the aftermath of General Ouane's victory in the 1967 Opium War, Laos emerged as the most important processing center of raw opium in the Golden Triangle region. The stunning defeat General Ouane dealt his enemies on the Ban Khwan battlefield forced the KMT to drop its duties on Burmese opium destined for Laos. Freed from the KMT's discriminatory taxation, the Laotian army was able to impose its own import duties. Subsequently, opium refineries in the Ban Houei Sai region increased their processing of Burmese opium.

General Ouane's prominent role in the battle attracted a good deal of unfavorable publicity in the international press, and in 1967 and 1968 he was visited by representatives from Interpol, a multinational police force that plays a major role in combating narcotics smuggling. The authorities were upset that the commander in chief of a national army was promoting the international drug traffic with such enthusiasm, such vigor. Wouldn't the good general consider retiring from the opium business? General Ouane was stunned by the naivete of their request and gave them a stern lecture about the economic realities of opium. Recalling the incident several years later, General Ouane said:

"Interpol visited me in 1967 and 1968 about the opium. I told them there would be commerce as long as the opium was grown in the hills. They should pay the tribesmen to stop growing opium....

I told Interpol that opium was grown in a band of mountains from Turkey to the Tonkin Gulf. Unless they stopped the opium from being grown all their work meant nothing. I told Interpol to buy tractors so we could clear the trees off the plains. Then we would move the montagnards out of the mountains onto the plains. It's too warm there, and there would be no more opium growing. In the mountains the people work ten months a year to grow 100,000 kip [$200] worth of opium and rice. And if the weather is bad, or the insects come, or the rain is wrong they will have nothing. But on the plains the people can have irrigated rice fields, grow vegetables, and make handicrafts. On the plain in five months of work they can make 700,000 kip [$1,400] a year.

I told Interpol that if they didn't do something about the people in the mountains the commerce Would continue. Just as the Mekong flows downstream to Saigon, so the opium would continue to flow. But they simply wanted me to stop. And when I explained this reality to them they left my office quite discontented." (322)

Despite his apparent cockiness, General Ouane interpreted the visit as a warning and began to exercise more discretion. When the authors inquired about his current involvement in the opium traffic he admitted his past complicity but claimed that he had given up his interest in the business.

Before 1967 opium caravans had followed Chan Shee-fu's route entering Laos north of Muong Mounge, traveling down the old caravan trail, and crossing the Mekong into Thailand at Chiang Saen. To conceal Laos's growing role in the traffic, General Ouane apparently discouraged caravans from crossing into Laos and ordered them to unload their cargoes on the Burmese side of the Mekong River. Residents of Chiang Saen, Thailand, report that the heavily armed caravans that used to ford the Mekong and ride through the center of town in broad daylight several times a year have not passed through since 1967. (323) Some Laotian air force officers have described an opium-arms exchange they carried out in 1968 that illustrates the complexity of the new system: they loaded crates of weapons (M- Is, M- I 6s, M-79 grenade launchers, and recoilless rifles) into an air force C-47 in Vientiane; flew to Ban Houei Sai, where they transferred the crates to a Laotian air force helicopter; and then flew the weapons to a group of Shans camped on the Burmese side of the Mekong north of Ban Khwan. The opium had already been sent downriver by boat and was later loaded aboard the C-47 and flown to Vientiane. (324)

When Golden Triangle refineries began producing high-grade no. 4 heroin in 1969-1970, access to seemingly limitless supplies of Burmese opium enabled Ban Houei Sai manufacturers to play a key role in these developments. At the time of the 1967 Opium War, morphine and no. 3 heroin were being processed at a large refinery near Ban Houei Sai and at five smaller ones strung out along the Mekong north of that city. In August 1967 one Time-Life correspondent cabled New York this description of these refineries:

"The opium refineries along the Mekong mentioned in Vanderwicken's take [earlier cable] are manned almost entirely

by pharmacists imported by the syndicate from Bangkok and Hong Kong. They live moderately good lives (their security is insured by Laotian troops in some locations) and are paid far above what they would receive working in pharmacies in their home cities. Most apparently take on the job by way of building a stake and few are believed to get involved personally in the trade. Except, of course, to reduce the raw opium to morphine." (325)

At the same time another Time-Life correspondent reported that "the kingpin of the Laotian opium trade is General Ouane.... He is reputed to own one of Laos' two major opium refineries, near Houei Sai, and five smaller refineries scattered along the Mekong. (326)

As the demand for no. 4 heroin among GIs in South Vietnam grew, skilled Chinese chemists were brought in from Hong Kong to add the dangerous ether-precipitation process and upgrade production capability. After the five smaller laboratories along the Mekong were consolidated into a single operation, General Ouane's refinery at Ban Houei Tap, just north of Ban Houei Sai, became the largest, most efficient heroin laboratory in the tri-border area and its trademark, the Double U-0 Globe brand, soon became infamous. (327) According to a CIA report leaked to the press in June 1971, it was capable of processing a hundred kilos of raw opium per day. (328) Under the supervision of a skilled chemist, this output would yield ten kilos of no. 4 heroin per day and exceed thecombined production of all fourteen opium refineries in Tachilek, Burma. Although belated American gestures forced the chemists to abandon the building in Ban Houei Tap in July 1971, it reportedly moved to a more clandestine location. The refinery operating under Maj. Chao La's protection north of Nam Keung was also forced to move in July, but it, too, has probably relocated in a more discreet area. (329)

Moreover, Ban Houci Sai opium merchants have become the major suppliers of morphine base and raw opium for heroin laboratories in Vientiane and Long Tieng. As the massive bombing campaign and the refugee relocation program reduced the amount of Meo opium available for heroin in northeastern Laos, Gen. Vang Pao's officers were forced to turn to northwestern Laos for supplies of Burmese opium in order to keep the Long Tieng laboratory running at full capacity. (330) In addition, there are reliable reports that Gen. Ouane Rattikone has been supplying the raw materials for a heroin laboratory operating in the Vientiane region managed by a Sino-Vietnamese entrepreneur, Huu Tim Heng. (331)

Despite the rapid withdrawal of U.S. troops from Vietnam, Laotian prospects for continuing success in the international heroin traffic appear to be excellent. Although most American narcotics officials hope that the Golden Triangle's flourishing heroin laboratories will be abandoned and become covered over with dense jungle once the GIs have left Vietnam, there is every indication that Laotian drug merchants are opening direct pipelines to the United States. In 1971, two important shipments of Double U-0 Globe brand heroin, which Saigon police say is manufactured in the Ban Houei Sai area, were seized in the United States:

1. On April 5 a package containing 7.7 kilos of Double U-0 Globe brand heroin was seized in Fort Monmouth, New Jersey. It had been sent through the military postal service from Bangkok, Thailand.

2. On November 11, a Filipino diplomat attached to his nation's embassy in Vientiane and a Chinese merchant from Bangkok were arrested in New York City with 15.5 kilos of Double U-0 Globe brand heroin shortly after they arrived from Laos.

While these seizures established the fact that Laotian heroin was reaching the United States, they were otherwise unexceptional cases. However, the seizure of Prince Sopsaisana's sixty kilos in Paris provided ominous evidence of connections between Laotian heroin manufacturers, Corsican gangsters in Vientiane, Corsican syndicates in France, and American heroin distributors. American narcotics officials are convincedthat Corsican syndicates in France and Latin America are the most important suppliers of heroin for American distributors. But, hopelessly addicted to the myth of Turkey's importance, they have never investigated the links between Corsican syndicates in France and Corsican-French gangsters in Vientiane. This has been a costly oversight. For, in fact, Vientiane's Corsican gangsters are the connection between Laos's heroin laboratories and heroin distributors in the United States.

When the Corsican charter airlines were forced out of business in 1965, most of the Corsican and French gangsters stayed in Vientiane waiting for something new to turn up. *"Doing less well than previously,"* reported a Time-Life correspondent in September 1965, *"are opium traders, mainly Corsicans who since the fall of grafting Phourni have*

found operations more difficult. Some opium exporters have even opened bistros in Vientiane to tide them over until the good bad old days return-if they ever [do]." (332) A few of the bosses managed to stay in the drug business by serving as contact men, other Corsicans found jobs working for the Americans, and some just hung around.

After months of drinking and carousing in Vientiane's French bars, five downand-out Corsican gangsters decided to make one last, desperate bid for the fortunes that had been snatched out of their grasp. Led by a Corsican named Le Rouzic, who had reportedly owned a piece of a small charter airline, and his mechanic, Housset, the five men planned and executed the boldest crime in the history of modern Laos-the Great Unarmored Car Robbery. On the morning of March 15, 1966, two clerks from the Banque de I'Indochine loaded $420,000 cash and $260,000 in checks into an automobile, and headed to Wattay Airport to put the money aboard a Royal Air Lao flight for Bangkok. As soon as the bank car stopped at the airport, a jeep pulled up alongside and three of the Corsicans jumped out. Throwing handfuls of ground pepper into the clerks' faces, they fled with the money while their victims floundered about, sneezing and rubbing their eyes.

Laotian police showed a rather uncharacteristic efficiency in their handling of the case; in less than twenty-four hours they recovered almost all the money and arrested Le Rouzic, his mistress, and three of his accomplices. Acting on information supplied by Vientiane police, Thai police arrested Housset in Bangkok and found $3,940 hidden in his socks. (333) At a press conference following these arrests, the Laotian police colonel in charge of the investigation credited his astounding success to "honest citizens" and thanked the French community for "immediate cooperation." (334) Or, as one informed observer later explained, Vientiane's Corsican bosses informed on Le Rouzic and Housset in order to avoid a police crackdown on their involvement in the narcotics traffic.

Unlike these unsavory riffraff, most of Vientiane's Corsican-French bosses have respectable jobs and move in the best social circles. Roger Zoile, who owned one of the three largest Corsican charter airlines, is now president of Laos Air Charter. (335) During the 1950s and early 1960s, Zoile worked closely with the Paul Louis Levet syndicate, then smuggling morphine base from Southeast Asia to heroin laboratories in Germany, Italy, and France. Two other "Air Opium" pioneers still reside in Vientiane: Rene Enjabal, the former manager of "Babal Air Force," is now a pilot for one of Laos's many civil air lines, while Gerard Labenski, the former proprietor of the Snow Leopard Inn, "retired" to Laos in 1964 after serving four years in a Vietnamese prison for international narcotics smuggling. The co-managers of Vientiane's swingingest nightclub, The Spot, have a long history of involvement in the international drug traffic: Frangois Mittard headed one of the most powerful drug syndicates in Indochina until he was arrested for narcotics smuggling in 1960 and sentenced to five years in a Vietnamese prison; his co-manager, Michel Libert, was Paul Louis Levet's righthand man, and he served five years in a Thai prison after being arrested for drug smuggling in 1963. "My opium days are all in the past," Libert told a Thai undercover policeman in Vientiane some time after his release from prison. "Let me convince you. I'll work for you as an informer and help you make arrests to show you I'm honest." But the Thai policeman knew Libert too well to be taken in, and not wanting to become a pawn in some Corsican vendetta, refused the offer. (336) In addition, the U.S. Bureau of Narcotics has identified another Vientiane resident, Lars Bugatti, a former Nazi officer, as a drug trafficker with close ties to Corsican international syndicates. (337) All of these men have been linked to the clandestine Corsican narcotics networks that ring the globe. Through the efforts of these syndicates large quantities of Laotian heroin are finding their way toFrance and from there to the United States.

The Prince Sopsaisana affair has provided us with a rare glimpse into the machinations of powerful Laotian politicians and French heroin syndicates. When the King of Laos announced Prince Sopsaisana's appointment as ambassador-designate to France on April 7, 1971, he set in motion a chain of events that led to Sopsaisana's downfall and the lossof $13.5 million of top-grade Laotian heroin. Confident that his diplomatic passport would protect him from the prying eyes of French customs Sopsaisana apparently decided to bankroll his stay in Paris by smuggling this cache of heroin into France. According to reliable diplomatic sources in Vientiane, Gen. Vang Pao entrusted Sopsaisana, his chief political adviser, with sixty kilos of pure no. 4 heroin from his laboratory at Long Tieng and a local French hotel manager and civic leader who is on intimate terms with many of the Lao elite found a connection in Paris. (338)

Before Sopsaisana's flight landed in Paris, however, a reliable Laotian source warned the French Embassy in Vientiane that the new ambassador would be carrying heroin in his luggage. After a discreet search by airport customs officials turned up the sixty kilos, the French Foreign Ministry asked the Laotian government to withdraw its arnbassadordesignate. Prime Minister Souvanna Phourna, repaying his political debts, tried to keep Sopsaisana in

Paris, and it took the French weeks of intricate negotiations to secure his removal. When Sopsaisana returned to Vientiane in late June, he made a public statement claiming that his enemies had framed him by checking the heroinfilled suitcase onto the flight without his knowledge. Privately, he accused Khamphan Panya, the assistant foreign minister, of being the villain in the plot. Sopsaisana's assertion that Khamphan framed him is utterly absurd, for Khamphan simply does not have $240,000 to throw away. However, until the ambitious Sopsaisana interfered, Khamphan had been assured the ambassadorship and had spent months preparing for his new assignment. He had even ordered the staff in Paris to have the Embassy refurbished and authorized a complete overhaul for the Mercedes limousine. (339)

Diplomatic sources in Vientiane report that he was outraged by Sopsaisana's appointment. And, only a few weeks after Sopsaisana returned in disgrace, the Laotian government announced that Khamphan Panya would be the new ambassador to France. (340)

If the heroin shipment had gotten through, the profits would have been enormous: the raw opium only cost Vang Pao about $30,000; Sopsaisana could sell the sixty kilos for $240,000 in Paris; Corsican smugglers could expect $1.5 million from American distributors; and street pushers in urban America would earn $13.5 million.

The important question for the United States, is, of course, how many similar shipments have gotten through undetected? Obviously if someone had not informed on Sopsaisana, his luggage would have been waved through French customs, the heroin delivered as planned to a Corsican syndicate, and Sopsaisana would be a respected member of Paris's diplomatic community. Another sixty kilos of "Marseille" heroin would have reached the United States and nobody would have been the wiser. But mighthave-beens did not happen, and suddenly here was more evidence of French gangsters in Vientiane finding ways to connect with Corsican syndicates in France. Unfortunately, the evidence was generally disregarded: the French government covered up the affair for diplomatic reasons, the international press generally ignored it, and the U.S. Bureau of Narcotics regarded it as a curiosity.

However, the U.S. Bureau of Narcotics was not entirely to blame for its woeful ignorance about the logistics of the Laotian heroin trade. Throughout the 1950s and most of the 1960s, the bureau had concentrated its efforts in Europe and paid almost no attention to Southeast Asia, let alone Laos. However, as thousands of GIs serving in Vietnam became addicted to Laotian heroin, the bureau tried to adjust its priorities by sending a team of agents to Laos, but its investigations were blocked by the Laotian government, the State Department, and the CIA. (341) Although the Royal Laotian government had told the U.N. it was enforcing a "policy of absolute prohibition" of narcotics, it was in fact one of the few governments in the world with no laws against the growing, processing, and smoking of opium. Laos had become something of a free port for opium; convenient opium dens are found on every city block and the location of opium refineries is a matter of public knowledge. Laos's leading citizens control the opium traffic and protect it like a strategic national industry. Under these circumstances, the Laotian government could hardly be expected to welcome the Bureau of Narcotics with open arms.

While the Laotian government's hostility toward the bureau is understandable, the reticence shown by the CIA and the U.S. Embassy requires some explanation. According to U.S. narcotics agents serving in Southeast Asia, the bureau encountered a good deal of resistance from the CIA and the Embassy when it first decided to open an office in Vientiane. The Embassy claimed that American narcotics agents had no right to operate in Vientiane, since Laos had no drug laws of its own. The Embassy said that investigative work by the bureau would represent a violation of Laotian sovereignty, and refused to cooperate. (342) The U.S. Embassy was well aware that prominent Laotian leaders ran the traffic and feared that pressure on them to get out of the narcotics business might somehow damage the war effort. In December 1970- thousands of GIs in Vietnam were becoming addicted to heroin processed in laboratories protected by the Royal Laotian Army-the U.S. Ambassador to Laos, G. McMurtrie Godley 111, told an American writer, *"I believe the Royal Laotian Government takes its responsibility seriously to prohibit international opium traffic."* (343)

When President Nixon issued his declaration of war on the international heroin traffic in mid 1971, the U.S. Embassy in Vientiane was finally forced to take action. Instead of trying to break up drug syndicates and purge the government leaders involved, however, the Embassy introduced legal reforms and urged a police crackdown on opium addicts. A new opium law, which was submitted to government ministries for consideration on June 8, went into effect on November 15. As a result of the new law, U.S. narcotics agents were allowed to open an office in early November-two

full years after GIs started using Laotian heroin in Vietnam and six months after the first large seizures were made in the United States. Only a few days after their arrival, U.S. agents received a tip that a Filipino diplomat and Chinese businessman were going to smuggle heroin directly into the United States. (344) U.S. agents boarded the plane with them in Vientiane, flew halfway around the world, and arrested them with 15.5 kilos of no. 4 heroin in New York City, Even though these men were carrying a large quantity of heroin, they were still only messenger boys for the powerful Laotian drug merchants. But so far political expediency has been the order of the day, and the U.S. Embassy has made absolutely no effort to go after the men at the top. (345)

In the long run, the American antinarcotics campaign may do more harm than good. Most of the American effort seems to be aimed at closing Vientiane's hundreds of wide-open opium dens and making life difficult for the average Laotian drug user (most of whom are opium smokers). The Americans are pressuring the Laotian police into launching a massive crackdown on opium smoking, and there is evidence that the campaign is getting underway. Since little money is being made available for detoxification centers or outpatient clinics, most of Vientiane's opium smokers will be forced to become heroin users. In a September 1971 interview, Gen. Ouane Rattikone expressed grave doubts about the wisdom of the American antiopium. campaign:

Now they want to outlaw opium smoking. But if they outlaw opium, everyone in Vientiane will turn to heroin. Opium is not bad, but heroin is made with acid, which kills a man. In Thailand Marshal Sarit outlawed opium [1958-19591, and now everybody takes heroin in Thailand. Very bad. (346)

Although General Ouane's viewpoint may be influenced by his own interests, he is essentially correct.

In Hong Kong, Iran, and Thailand repressive antiopium. campaigns have driven the population to heroin and magnified the seriousness of the drug problem in all three nations. Vientiane's brand of no. 3 heroin seems to be particularly high in acid content, and has already produced some horribly debilitated zombie-addicts. One Laotian heroin pusher thinks that Vientiane's brand of no. 3 can kill a healthy man in less than a year. It would indeed be ironic if America's antidrug campaign drove Laos's opium smokers to a heroin death while it left the manufacturers and international traffickers untouched.

Conclusion

In the Yao village of Pa Dua, not far from the KMT headquarters at Mae Salong, there is a crude opium den in one corner of the village's general store. At almost any time during the day, three or four Yao tribesmen and KMT soldiers can be found there, flopped on the platform sucking away at their opium pipes Occasionally as they drift off into an opium dream one of them fixes a quizzical gaze at the fading emblem of the United States Navy Scabees, a combat engineering unit, which is tacked to the wall. And the caricatured bumblebee-with a sailor's caperched on its head and a submachine gun clutched in its gloved fistslooks down on the dreamers with the frenetic glare of an aggrieved icon. This emblem and a rotting cluster of buildings a few miles down the road are the only tangible remains of a Seabee construction team that recently spent a year in this area building a road linking Mae Salong with the major provincial highway. According to local Thai officials, the Seabees' construction work was done under the auspices of USAID's Accelerated Rural Development program (ARD). Despite its neutralsounding title, ARD is a counterinsurgency program designed to give the Thai army's cumbersome U.S.-style armored and infantry units easy access to rugged mountain areas in times of insurgency.

While this road has not been much help to the Thai army so far, it has been a boon to the KMT's involvement in the international narcotics traffic. Before the KMT caravans leave for Burma, arms, mules, and supplies are shipped up this road. And after they return, opium, morphine base, and no. 4 heroin come down the road on their way to the international drug markets. The road has reduced the KNIT's transportation costs, increased its profit margin, and improved its competitive position in the international heroin trade. At the time the road was built, the KMT's role in the narcotics traffic was well known, but apparently USAID officials felt that the road's military advantages outweighed its positive contribution to the international drug traffic.

In many ways, this road is a typical example of the most innocent form of American complicity in Southeast Asia's narcotics traffic. After pouring billions of dollars into Southeast Asia for over twenty years, the United States has acquired enormous power in the region. And it has used this power to create new nations where none existed, handpick prime ministers, topple governments, and crush revolutions. But U.S. officials in Southeast Asia have always tended to consider the opium traffic a quaint local custom and have generally turned a blind eye to official involvement. A Laotian or Vietnamese general who so much as whispers the word "neutralism" is likely to find himself on the next plane out of the country, but one who tells the international press about his role in the opium trade does not even merit a raised eyebrow. However, American involvement has gone far beyond coincidental complicity; embassies have covered up involvement by client governments, CIA contract airlines have carried opium, and individual CIA agents have winked at the opium traffic.

As an indirect consequence of American involvement in the Golden Triangle region, opium production has steadily increased, no. 4 heroin production is flourishing, and the area's poppy fields have become linked to markets in Europe and the United States. Southeast Asia's Golden Triangle already grows 70 percent of the world's illicit opium and is capable of supplying the United States with unlimited quantities of heroin for generations to come.

8. What Can Be Done?

DECISIVE ACTION must be taken to end America's heroin plague.

The half-hearted half measures of the last twenty-five years have done nothing to stop the rapid spread of heroin addiction and have brought the United States to the brink of a drug disaster. In 1946 there were an estimated 20,000 heroin addicts: in the entire United States. Through the diligent efforts of organized crime, the number of addicts mounted year after year, reaching a new high of 150,000 in 1965. (1) Since 1965 there has been an unprecedented increase in addiction; statistical experts at the U.S. Bureau of Narcotics now believe that there are 560,000 hard-core heroin addicts in the United States. (2)

There is almost no town, city, race, social class, or occupational group in the United States untouched by the heroin problem. Black urban ghettos have been the major target of heroin pushers since the 1920s, but the addict population in suburban communities is growing rapidly, and the day is not far off when every large high school in America will have its own pushers. (3) Instead of taking a coffee break, a growing percentage of America's assembly line workers are slipping off to the men's room for a heroin fiX. (4) In June 1971 one medical researcher reported that 6.5 percent of fifty thousand workers tested in the previous two years were heroin addicts. (5) In Vietnam, and on U.S. army bases around the globe, the GI junkie is becoming as much a part of army life as the beerguzzling master sergeant and the martini-sipping captain.

Although heroin addicts are outnumbered by alcoholics, heroin addiction has been much more damaging to the fabric of American society. Alcoholism is usually a private problem, and the anguish extends no further than the victim, his family, and his friends. Alcohol is relatively cheap, and even the most down-and-out wino can manage to keep himself supplied. Heroin, however, is extremely expensive, and most addicts have been forced to turn to street crime for money to maintain their habits. One 1970 survey estimated that the average addict in New York State had to steal $8,000 a year for his habit, and calculated the total property lost to junkies at $580 million a year. (6) Many urban police departments believe that the majority of petty crimes, such as mugging, shoplifting, and burglary are committed by addicts in search of money. Predatory addicts have turned large sections of America's inner cities into hazardous jungles, where only well-armed police dare to venture after dark. To a large extent, the problem of crime in the streets is a heroin problem, and most of the petty violence that has aroused so much public apprehension would disappear overnight if the drug traffic were brought under control.

Obviously, something must be done, and done quickly, to deal with the heroin problem. Any attempt to eliminate the drug traffic will probably have to use one of three strategies: (1) cure the individual addicts; (2) smash international and domestic narcotics syndicates; or (3) eliminate illicit opium production. Since it is extremely difficult to cure individual addicts without solving the larger social problems and almost impossible to crush the criminal syndicates, the only realistic solution is to eradicate illicit opium production.

Cure the Individual Addict

While small groups of serious heroin addicts can be rehabilitated, there are no known solutions for curing the hundreds of thousands of troubled individuals who make up America's addict population. Every addict has his own complex, psychological motivations for using heroin, and he can only be considered "cured" when these problems have been solved. In most cases, rehabilitation is a slow, difficult process requiring hundreds of hours of individual attention by committed, trained caseworkers. Even if money were forthcoming tomorrow to build the thousands of necessary treatment centers and training institutes, it would be years before results would begin to show. And in any case, such a crash program would probably be doomed to failure. As long as heroin is readily available on the streets, the addict population will continue to multiply at a dizzying rate, and new addicts will become hooked faster than the old addicts can be unhooked.

A number of reformers have suggested that the entire problem could be solved if heroin maintenance programs were set up on a nationwide basis to provide heroin at cost to any addict who wanted it. It has been argued that this program will eliminate the profit motive, thereby reducing the amount of heroin-related street crime and destroying international narcotics syndicates. Although a comprehensive heroin maintenance program might well achieve these goals, it would not solve one fundamental problemheroin addiction. The number of addicts would remain constant, or actually continue to increase. Advocates of heroin maintenance point to Great Britain's success in using distribution clinics to stabilize its addict population at 2,000 to 3,000 regular users. (7) Proponents of this approach argue that the program would be equally successful in the United States. However, there is one important difference between the two countriesGreat Britain started its maintenance program well before the heroin problem reached serious proportions. The United States already has an enormous drug epidemic. While the British find an addict population of 2,000 to 3,000 adults acceptable, it is doubtful that the American people are equally willing to tolerate the permanent presence of between 500,000 to 600,000 addicts, many of them teenagers. The British maintenance program is a preventive solution, but the United States is already seriously infected with the disease.

Perhaps if the root causes of drug addiction-racism, poverty, meaningless jobs, alienation of youth-were dealt with effectively, the heroin problem might disappear. But these are all enormously complex problems that will take generations to solve under the best of conditions. As long as these basic social problems exist, there will be thousands of potential addicts; and as long as heroin is available, criminal syndicates will continue to find the United States a lucrative market for narcotics.

Destroy the Narcotics Syndicates

There is little reason to hope that the United States will ever be able to destroy the criminal syndicates responsible for manufacturing, importing, and distributing America's heroin supply. For over forty years state and federal law enforcement agencies have been "cracking down" on organized crime. Occasionally a major mafioso like Lucky Luciano or Vito Genovese is imprisoned, but the basic structure of organized crime has never been imperiled. After at least three major U.S. Senate investigations, dozens of "hard-hitting" district attorneys, hundreds of Grand Jury inquiries, and an endless parade of media exposes, organized crime is stronger than ever. The Mafia is even investing its narcotics and gambling profits in legitimate corporate enterprises. Most Mafia bosses are respected members of their local communities and are protected by corrupt state and local officials.

Even if the leaders of organized crime were forced to stop financing and distributing bulk heroin shipments, they would be replaced by younger, more aggressive criminal gangs. Mafia bosses played a key role in reorganizing the international traffic after World War II, but now that the links between the United States and Southeast Asia's Golden Triangle are well established, their retirement would have relatively little impact on the narcotics traffic.

Since selling heroin inside the United States is one of the most profitable businesses in the world, it is almost impossible to break up the domestic distribution network of middle-level distributors, retailers, and street pushers. Most of the distributors in the lower echelons are addicts who have to support their own habits, and no amount of police pressure is going to eliminate them. With the enormous profits from heroin, retailers and pushers have been able to buy ironclad police protection. Most state and local narcotics police are rotten with corruption, and many police officers are actively engaged in pushing heroin when they are on the job. (8)

Corsican and *chiu chau* syndicates are just as immune to prosecution. The Corsican syndicates in France are protected by the highest echelons of the government, and their fraternal organizations in Saigon and Vientiane enjoy close working relationships with high-ranking government officials. Hong Kong authorities have admitted their inability to deal with the colony's heroin problem, and corruption is so rampant that there is little possibility of any immediate crackdown on manufacturers and exporters. In Southeast Asia the *chiu chau* syndicates operate with the full knowledge and protection of host governments; not even the names of the powerful syndicate leaders are known to international law enforcement agencies. Since government leaders in Thailand, Laos, and South Vietnam are heavily implicated in the narcotics traffic, it is a bit unrealistic to expect that they will make any serious efforts to attack the heroin traffic.

Eliminate illicit Opium Production

In his June 1971 statement to Congress on the drug crisis, President Nixon said, "It is clear that the only really effective way to end heroin production is to end opium production and the growing of poppies." (9) Of all the possible solutions to the problem, this is the only one with any chance of success. And in many ways it is an ideal solution. While clandestine heroin production is hidden by impenetrable layers of corruption and secrecy, illicit poppy production is relatively easy to detect. Opium farmers make no attempt to conceal their crops, and the location of poppy fields is usually known to local government officials. (Even if the farmers did try to hide their fields, the brightly colored poppy flowers stand out clearly in high-altitude aerial photographs.) Heroin chemists are constantly changing the location of their laboratories, but opium farmers usually work the same fields for up to twenty years.

Moreover, the opium farmer is the only person in the chain of processing, smuggling, and distribution who does not share in the enormous profits. A kilo of heroin that sells for $225,000 on the streets of New York City is refined from only $500 worth of opium. While heroin traffickers reap enormous rewards from only a few hours of work, the struggling opium farmers are paid very little for the hundreds of hours of backbreaking labor they devote to cultivating and harvesting raw opium. Opium farmers could be bought off at a price we can well afford to pay. If the United States were willing to pay farmers the going price of $50 a kilo not to grow opium, Southeast Asia's entire annual harvest of one thousand tons (70 percent of the world's total illicit opium supply) could be eliminated for only $50 million. Considering that addicts in New York City steal approximately $580 million annually to maintain their habits, we can hardly afford not to take advantage of this bargain.

Once the opium farmers are pensioned off, illicit opium production will disappear, heroin laboratories will close for want of raw materials, and America's pushers will gradually be forced out of business. Methadone centers and treatment clinics could be opened to detoxify the remaining addicts, and within a few years the heroin problem would become little more than a painful memory. (10)

Unfortunately, it is not going to be that easy to pay off the opium farmers. Although the farmers themselves may be happy to participate in such a profitable opium eradication program, their governments do not share this enthusiasm. For political leaders in Thailand, Laos and South Vietnam the opium traffic is a lucrative source of income, and they would hardly welcome a serious antinarcotics campaign that tried to eliminate poppy production or drive the syndicates out of business. In a classified report dated February 21, 1972, an interagency investigative committee with high-level representatives from both the CIA and the State Department reported that "there is no prospect" of curbing the heroin traffic in Southeast Asia "under any conditions that can realistically be projected." The committee explained that "the most basic problem, and the one that unfortunately appears least likely of any early solution, is the corruption, collusion and indifference at some places in some governments, particularly Thailand and South Vietnam, that precludes more effective suppression of traffic by the governments on whose territory it takes place.(11) Thus, a number of serious political problems would have to be resolved before such a program could be put into action.

The Thai government is heavily implicated in the opium traffic. Every important trafficker in Thailand has an "adviser" in the narcotics police, and most would never think of moving a major drug shipment without first checking with the police to make sure that there is no possibility of seizure or arrest. U.S. narcotics agents serving in Thailand have learned that any information they give the Thai police force is turned over to the syndicates within a matter of hours. Moreover, officials in the U.S. Bureau of Narcotics feel that corruption is not just a matter of individual wrongdoing, and claim to have evidence that indicates that corruption goes to the very top of Thailand's current military government.

In South Vietnam almost every powerful political leader is somewhat implicated in the sale of heroin to American soldiers, and many are working closely with Corsican syndicates to ship large quantities of narcotics to the United States and Europe.

The Laotian elite are actively involved in the manufacture and export of heroin, and resident Corsican smugglers are treated like honored foreign dignitaries.

While the Burmese government has almost no control over the Shan States' opium traffic, the Thai and Laotian governments are in a position to prevent Burmese opium from reaching the international markets. By simply sealing off their frontiers and denying the KMT and Shan caravans access to their northern borderlands, the Thai and Laotian governments could cut most of Burma's opium exports. Once the Shan rebels and bandits, who finance their military operations from the traffic, are forced out of business, some semblance of order would return to the Shan States, and the Burmese government could begin the task of eradicating poppy cultivation.

Obviously, the Thai, Laotian, and Vietnamese governments are not going to get out of the narcotics traffic of their own free will. It is going to require enormous political pressure from the United States before these governments will agree to purge all of their corrupt officials involved in the narcotics trade and begin to take positive steps to elimina e the production, processing, and export of opiates.

1972: The Year of Decision

Once it is admitted that it will require enormous diplomatic pressure to force the governments of Thailand, Laos, and South Vietnam out of the opium business, the question arises, what is the best way to apply pressure? The Nixon administration claims that it is using the full range o America's political and economic influence, the socalled other means of persuasion, to force Southeast Asian governments to quit the traffic.(12) Unfortunately, there is not the slightest shred of evidence to indicate that there has been any substantial American pressure on these governments to clean up the traffic. Most American officials serving in Southeast Asia are not particularly interested in using their personal power or influence to do anything about the drug traffic. They are there to earn money, kill Communists, or climb a few notches higher on some bureaucratic ladder. Their response to the drug problem has ranged from apathy to embarrassment. Moreover, a number of American officials and agencies are guilty of various levels of complicity in the narcotics traffic: at the lower level, most American officials have made no effort to stem the drug traffic even when they have had the opportunity; American embassies in Vientiane and Saigon glossed over reports of the involvement of high-level traffickers; and finally, the CIA's charter airline, Air America, has been involved in the transport of opium and heroin. Many of the government leaders who have become the cornerstone of American prestige and influence in Indochina are the very people who would have to be purged in an effective antinarcotics drive. In short, the American presence in Southeast Asia is not part of the solution, it is part of the problem.

If America's lavish foreign aid and military assistance programs cannot be used positively to force the governments of Laos, Thailand, and South Vietnam to get out of the opium business, then logic would seem to dictate that an immediate cessation of foreign aid might bring about the desired results. While U.S. bureaucrats, secret agents, and military officers serving in Southeast Asia are indifferent to the will of the people, Congress is extremely sensitive to popular pressure and has the constitutional and legal authority to cut off foreign aid to these countries. A cutoff in foreign aid and military assistance might finally convince these governments that the United States is really serious about ending the heroin traffic.

To be thoroughly effective, the cessation of foreign aid should continue for four or five years, until there is clear-cut evidence that the narcotics traffic has been completely eradicated in each of these three countries. The aid money could be divided between drug treatment programs in the United States and international law enforcement efforts. Some of the money might be turned over to the United Nations to finance special opium eradication programs or law enforcement campaigns in Burma, Thailand, Laos, and Vietnam. Rather than letting biased American agencies determine when the traffic has been eliminated and aid payments should be resumed, the United States should rely on the judgment of a more neutral international observer such as the U.N.'s Commission on Narcotic Drugs.

There is every reason to believe that 1972 is shaping up as the year of decision for the international narcotics traffic. This is the year when American voters will make their decision on the political future of Indochina. If President Nixon is reelected he will probably continue his policy of giving unqualified support to President Thieu's administration in South Vietnam and to the right-wing governments in Thailand and Laos. As long as there is no serious threat of a cutoff in foreign aid or a withdrawal of political support, these governments cannot be subjected to any serious pressure and the narcotics traffic will continue unabated. In late 1972 the Turkish government's opium eradication program will eliminate that nation's last poppy fields, and the international narcotics syndicates will have to complete their shift to Southeast Asia. (13)Although much of America's heroin supply has been coming from the Golden Triangle region since the late 1960s, the great majority of it will start coming from Southeast Asia by late 1972 or early 1973.

Thus, through a curious historical coincidence, 1972 is a turning point for both the international heroin traffic and the corrupt governments of Southeast Asia; 1972 will probably be remembered as a crossroads in the history of America's war on narcotics. If aid is cut off and money made available through the United Nations for a systematic opium suppression campaign, then these governments might begin to change their tolerant attitudes toward the heroin traffic. If not, the Golden Triangle is capable of supplying an almost unlimited amount of opium, and America will have to endure the curse of heroin for another generation. Admittedly, an immediate, long-term cessation of military and economic aid to Laos, Thailand, and South Vietnam will probably weaken America's political influence in the region

and bring neutralist or Communist governments to power. Indeed, in the final analysis the American people will have to choose between supporting doggedly anti-Communist governments in Southeast Asia or getting heroin out of their high schools.

APPENDIX
China: The Historical Setting of Asia's Profitable Plague

By LEONARD P. ADAMS

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ASIAN TRADE during the early nineteenth century was a picturesque affair. As Britain built her great eastern empire, the India-China route developed as the hub of commercial activity. Enterprising Europeans ran swift clipper ships to colorful Chinese ports, where cargo was often transferred to smaller boats, including: "scrambling crabs," built for speed, that bristled with dozens of long oars. Yet the romantic image of the China trade is marred by some unpleasant realities: the crucial commodity shipped from colonial India to China was opium, and fast Chinese boats were needed because China's imperial government prohibited the importation and use of the drug.

Britain, the Great Provider

By the late eighteenth century, opium had been used in much of Asia for several centuries. The drug had been taken as a medicine in China since Arab traders brought it from the Middle East in the seventh or eighth century A.D. Spaniards introduced the habit of smoking tobacco to the Philippines, and it spread from there to China about 1620. (1) The Dutch in Formosa smoked a mixture of opium and tobacco to combat the effects of malaria, and a small number of Chinese acquired this habit as Well. (2) Gradually, some of those who smoked omitted the tobacco from this narcotic blend and changed to opium, most of which was imported from India by Portuguese traders. The reasons for opium smoking varied considerably: for the rich it was primarily a luxury, a social grace, while the poor sought in it a temporary escape from their condition.

Although small amounts of opium were harvested in many parts of Asia, India was the chief producer of the drug for international trading. During the Mogul era, a number of her rulers attempted to tax opium sales for government profit. (3) But as of the 1770s no single government possessed the will, the organization, or the political and naval power to foster new markets and to internationalize the Asian drug trade on a large scale.

Britain's move to colonize India changed this situation dramatically. In 1772 Warren Hastings was appointed governor of the recently conquered territory of Bengal and faced the task of finding a dependable source of tax revenue. Given the Mogul precedent, he proceeded to sell the concession that granted the buyer the exclusive rights to oversee opium production, buy the harvest, and deliver the product to the British opium factory at the port of Calcutta, where it was auctioned off to wholesale merchants for export. (4) The drug, Hastings piously declared, was not a consumer necessity "but a pernicious article of luxury, which ought not to be permitted but for purposes of foreign commerce only. (5) And so it was. The British in India not only permitted but encouraged foreign sales of opium. (6) The Indian opium concession, which later became a directly administered government monopoly, brought the government over half a million pounds sterling during Hastings' term in India alone.(7) Opium exports, primarily to China, provided roughly *one-seventh* of the total revenue for British India. (8) British officials and others objected to the trade, largely on moral grounds. But for policy makers from Hastings' era to the early part of the twentieth century, the morally questionable nature of the traffic was outweighed by the enormous profits it yielded.

In this early period, competition for British-supervised opium, variously known as Bengal, Benares, or Patna, came mainly from Malwa opium, which was grown in central and northwestern Indian states not under direct British rule. But during the early nineteenth century the colonial government gained control over most of the routes and ports used for shipping Malwa opium. This gave them the power to tax and thus regulate Malwa exports. The British also

increased the production of Bengal opium, attempting both to undercut competition from Malwa and to take advantage of the rising demand in China. (9)

British officials justified this increased production with arguments whose tone would be echoed by many subsequent rationalizations of Britain's role in the trade. As one of Hastings' successors noted, the policy of increasing Bengal production to the limits of the market would mean a reduction in the profit per unit of opium sold, but it will not tend to increase the consumption of the deleterious Drug nor to extend its baneful effects in Society. *"The sole and exclusive object of it is to secure to ourselves the whole supply by preventing Foreigners from participating in a trade of which at present they enjoy no inconsiderable share-for it is evident that the Chinese, as well as the Malays, cannot exist without the use of Opium, and if we do not supply their necessary wants, Foreigners will."* (10)

The "foreign" threat to British hegemony in the opium trade soon became more imagined than real. Portuguese traders dealing in Malwa opium were rapidly outclassed. The American role in the China opium trade was never very great, although those involved often made substantial fortunes. For a time Americans monopolized the shipment of Turkish opium to China, but the cost of transport made serious competition impossible.(11)

Opium not only became a bulwark of the tax base of colonial India, during much of the nineteenth century it served as the economic pivot around which the whole China trade revolved. Prior to about 1800 the British traded mainly their own and Indian goods, especially raw cotton, for Chinese tea and silk. But the relative self-sufficiency of China's economy, which perennially frustrated foreign traders, meant that China sold more than she bought, and Western merchants were forced to bring silver to China to make up the balance. After about 1800 the British increasingly substituted another currency: Indian opium. (12) The Chinese paid for opium in silver at the port of entry. Merchants then exchanged this silver for Chinese goods to be sold elsewhere in Asia or in Europe. Opium shifted the balance of the China trade: the situation became economically as well as socially unfavorable to the Chinese.

Although the British gave the opium traffic their official blessing, the Chinese did not. Opium smoking was prohibited in 1729; smoking, cultivation, and importation of opium were specifically banned in 1800. (13) But by the beginning of the nineteenth century the once powerful Ch'ing dynasty had been seriously weakened politically and financially by official corruption and domestic rebellion. As the century wore on, China's internal problems were aggravated by Western attempts to force open the country for trade and, later, for industrial development. Opium speeded up the decay, for Chinese officials and soldiers, underpaid, discontented and often idle, were among the first to take up opium smoking, weakening their government still further.

The edict of 1800 closed Canton, the only port at which foreigners were then officially allowed to trade, to opium. But this ban, like most later defensive gestures, merely helped move the opium traffic beyond the area where it might have been supervised, however ineffectively. The market near Canton rapidly became glutted, and with the connivance of corrupt officials and merchants, drug sales by Europeans spread along China's southeast coast beyond government control. Many of the Chinese pirate gangs involved in opium smuggling on the coast and inland were organized as secret societies. (14) The link between opium, Chinese criminals, and secret societies, whose traditional role of political resistance made them perennially outlawed and feared by the central government, only strengthened the official revulsion toward foreigners and their "moral poison."

From 1811 to 1821 imports of both Bengal and Malwa opium averaged over 340 tons a year. (15) In the late 1820s and 1830s, because of the ease with which opium could be smuggled and the profits involved, the flow of opium became a flood. During the period from 1829 to 1839, annual imports from India averaged 3,683,542 pounds, or more than 1,841 tons, almost six times the average for the period 1811 to 1821. (16) British opium policy in India was the primary cause of this expansion. By the mid 1830s the British had acquired tax control over most of the trade routes used for shipping Malwa opium. But a decrease in the tax rate on Malwa, combined with a conscious effort to expand Bengal cultivation, increased the supply of opium tremendously. Also, there were now more foreign merchants to import the drug. (17)

The spectacular amount of opium entering China, the emperor's decision to-take a strong stand against it, and British demands for free trade and diplomatic equality resulted in the Opium War of 1839-1842. Although the British resented the term "opium war," it seemed altogether appropriate to the defeated Chinese. Opium not only provoked the war, it

helped China lose it, although given Britain's firepower the outcome was never in doubt. During one battle, for example, an officer named Chang, who was in charge of important reserves, took time off to satisfy his craving for opium. The man smoked his pipe from dawn to dusk and finally, when his aides were still debating whether to advance or retreat, "the sound of cannon and musketry-fire drew closer and closer. Panic seized his troops and with one accord they fled. . . . Chang himself was still puffing away at his opium pipe. At last he staggered into a litter and was carried away." (18) A little less than one third of the 21 million dollar indemnity extracted by the victors was payment for the opium that the imperial commissioner, Lin Tse-hsu, had seized and destroyed at the beginning of the war. The British also won concessions to their principle of free trade, a principle upheld in practical terms largely for the sake of a monopoly-produced, illicitly sold narcotic.

China Grows Her Own

Following the Opium War, the Chinese were still diplomatically and militarily unable to stop the drug flow into their country, and Britain continued to peddle increasing amounts of Indian opium. In the peak year of 1880 China imported more than 6,500 tons, most of which was produced in India. (19) However, China began to grow her own on a massive scale in the 1860s. After 1880 the demand for foreign opium decreased, until by 1905 the amount brought in was roughly half the 1880 figure. By the early twentieth century China's annual opium crop was over 22,000 tons. (20)

There were several reasons for this important change. First, China's policy of outlawing opium had never worked. And while the government of India profited from the opium revenue, which added much financial luster to that jewel in the British crown, China's government was becoming more hard-pressed for funds. In addition to the money it owed the British for having lost the Opium War, China had to pay the costs of suppressing the massive Taiping Rebellion, which broke out in 1850. Large areas of China were ravaged, and perhaps 30 million people died as a result of the fighting. China's running dispute with the West, especially with Britain, continued as the British shipped more opium and intensified their demand that China's interior be opened to the dubious benefits of Western penetration and free trade.

A second Anglo-Chinese war broke out in 1856, and China lost again. In 1858 the Chinese signed a trade agreement that put a small tax on imported opium. This did not mean that they completely ceased their efforts to control and suppress the drug. During the mid 1870s, for example, the famous general Tso Tsung-t'ang reportedly "cured" addicts by slitting their lips so that they could not smoke their pipes. (21) Yet despite this and many other less brutal, more constructive gestures, the agreement of 1858 began a forty-eight-year period of de facto legalization of domestic cultivation as well as importation.

Although at first the home-grown product was considered inferior to Indian opium, it was cheaper, and its quality rapidly improved. In many areas it sold for less than half the price of the foreign smoke (22) and the fact that it could be resmoked more times than prepared Indian opium further enhanced its consumer appeal. In addition, poppy was a valuable crop for peasants, since raw opium sold for wholesale prices two to four times those paid for wheat. (23) And the low weight and bulk of opium made it easier to transport over rough terrain and thus tempting to produce, particularly in areas whose trade routes consisted largely of narrow, winding trails.

The mountainous provinces of Szechwan and Yunnan lay more than a thousand miles from the weakened central government at Peking. Both were well suited for poppy growing. The southern province of Yunnan, which borders Burma, Laos, and Tonkin (now part of northern Vietnam), became an opium producer second only to the western province of Szechwan. While the central government received relatively little from taxes on the cultivation and sale of domestic opium, revenue from the drug became a mainstay of provincial budgets. (24) In addition to filling a large local demand, opium was Szechwan's major export: over twothirds of its harvest went to other parts of China. (25) While Yunnan produced less than Szechwan, the economic function of its opium was just as important. In 1875 fully one-third of the arable land of the province bloomed with poppy. (26) The drug was Yunnan's most important product, amounting to L 1.2 million of L 1.7 million in total exports by 1903. (27)

Until the Europeans began to colonize mainland Southeast Asia, there was no concept of rigid border demarcation among the local kingdoms and tribes. From Burma to Tonkin the China-Southeast Asia frontier region was sparsely inhabited by a variety of groups distinct both from the ethnic Han Chinese and from the dominant Southeast Asian ethnic groups, whose capitals lay further south. It is impossible to say precisely when tribal groups along this frontier first began producing opium, but it became important in the world's drug traffic only after World War II. Opium poppy cultivation in the area was largely unnoticed until the late nineteenth century, and then it was dwarfed by Chinese and British Indian production.

China rather than Southeast Asia remained the focus of the Asian drug traffic. By the early 1900s there were roughly 15 million addicts. (28) For Chinese addicts, their habit came from the need to forget or ignore the painful realities of their lives. The craving to continue smoking, regardless of the cost, added yet another element of misery. Although

some very rich habitues could afford both opium and food, many lesser family fortunes literally went up in smoke. (29) Poorer addicts often died of starvation. The Chinese government was unable to solve the problem within its own ranks: candidates for office were reported to have died from the effects of withdrawal during the arduous three-day examinations. (30) A Western observer on a trip to Szechwan complained that all but 2 of her 143 official escorts were on the pipe. And twice she was forced to wait to have her passport copied while the scribes recovered from their narcotic siesta. (31) However, if opium caused extensive anguish, it was also an ultimate cure; swallowing an overdose was a popular method of committing suicide. (32)

As opium addiction spread, not only in Asia but in Europe and the United States as well, organized opposition to Britain's part in the trade grew stronger. Western missionaries complained that addiction among 3 the "heathen" Chinese rendered the task of conversion more difficult. (33) But to many Chinese, both missionaries and foreign drug merchants were intruders selling goods that disrupted their society and violated their ideals. Thus the problem was not only one of curing before conversion; missionaries and opium were linked in the minds of increasing numbers of Chinese as different aspects of a single, foreign menace. (34)

Pressure from missionaries and others on the English government led to the creation of the British Royal Commission on Opium, which gathered evidence during 1893 and 1894. The commission concluded that prohibiting cultivation would place a considerable financial burden on the Indian taxpayer, who would have to compensate for the loss of the opium revenue. And it would do no good for Britain to halt production, the commission argued, as long as China's government was too weak to suppress the vice. Denunciations of the traffic by those familiar with the Chinese situation were largely ignored. The question, as the commission saw it, was not how to eliminate Indian production but whether to do so, and the answer, as usual, was no-it was still too profitable to be abandoned. (35) These conclusions hardly satisfied the antiopium movement. Nor could the commission's findings alter the fact that Chinese production was forcing the British out. The House of Commons, which had not pronounced the trade immoral until 1891, did so again in 1906, this time unanimously. (36)

China's political situation changed dramatically toward the end of the nineteenth century. Humiliating defeat by Japan in the war of 1894-1895 led to urgent demands for sweeping government reform. Western retaliation against the Boxer Rebellion of 18991900 saw China once again beaten militarily and burdened financially. This newest degradation, the latest in a series extending back to the original Opium War, finally convinced the imperial court as well as the growing numbers of progressive Chinese that China must undergo reform if she were to survive. (37) Opium was a clear-cut symptom and symbol of foreign intrusion and national decay. If China were to become strong again, she must rid herself of the "flowing poison."

The Tarnished Crusades

In 1906 the Chinese government started an opium suppression campaign that began a third major phase in the development of Asia's drug traffic. The officially sponsored British contribution was finally eliminated, and domestic cultivation was temporarily, yet drastically, reduced. But as opium became scarce and thus more expensive smokers seeking a substitute as well as those looking for a medicinal cure were increasing led to use morphine, and later its derivative heroin. Secondly, limiting the supply of Chinese opium temporarily changed the pattern of the drug trade with Southeast Asia.

An imperial edict of 1906 announced plans for the elimination of China's opium problem over a ten-year period. The Chinese diplomat Tang Shao-yi, himself a reformed addict, had initiated talks with the British government in 1904. His Majesty's Government signed an agreement that went into effect in 1908, committing itself gradually to reduce the export of Indian opium intended for Hong Kong and China. However, many British officials, particularly those ruling India, were less than wildly enthusiastic about this decision, and continued to express skepticism about China's determination and capacity to conduct an effective suppression campaign. China's production had reduced India's share of the total trade, and opium was no longer the dominant commodity in the China trade, but the government of India was still making some L 3 million annually from opium sales to China. Said the Government of India Finance Department:

If we are called upon to cooperate with China by incurring this great sacrifice of a revenue which we have enjoyed for many years, we are justified to demand that the measure shall be carried out with the utmost consideration of our interests and in such a manner as shall occasion us the least possible inconvenience. (38)

His Majesty's Government stood prepared to resist any effective Chinese tactics that would "discriminate" against foreign opium. (39) Among other things, this meant that the British, who had perfected the technique of opium monopoly for government profit, strenuously objected to the creation of Chinese monopolies intended to regulate and reduce the traffic in imported and domestic opium. British documents for the first years of the suppression campaign are full of accounts of incidents in which Chinese attempts to restrict opium sales provoked outraged cries from opium merchants, who were almost invariably backed up by British officials. (40)

The antiopium campaign was the most successful of all reforms initiated by the Chinese government before the 1911 revolution. Large numbers of opium dens were shut down, and in many cases officials in the countryside moved effectively to eliminate cultivation. But as the drive gathered strength and the supply was reduced, one result was that its price soared. With an eye on profits, the British had agreed only to reduce their exports from India, not to help control imports to China. The distinction was important, for imports of Indian opium actually *increased* slightly during the period 1907-1911. (41)

Nonetheless, the British government's attitude was changing. An international conference on opium held at Shanghai in 1909 increased the pressure on colonial powers to end the trade. British officials provided evidence of the effectiveness of China's suppression campaign that their more skeptical colleagues could no longer ignore. (42) Even the India Office, although besieged by complaints from opium merchants, became less opposed to a more rapid rate of prohibition. (43)As a result, in 1911

China and Britain signed a second agreement imposing stricter controls on Indian opium exports. Furthermore, British opium was now to be excluded from those provinces where joint Anglo-Chinese inspection showed that domestic production had ceased. Between 1911 and 1915 almost all of China's provinces were declared closed to foreign opium, either with or without the rather cursory formal inspection. (44) Although relatively small quantities of smuggled Indian opium continued to appear in China, the massive official trade was finally eliminated.

By reducing the amount of available opium, China's suppression campaign resulted in the influx of large quantities of European morphine, manufactured from opium produced in the Middle East. Morphine is the primary narcotic element in opium, but the dangers of morphine addiction were not immediately recognized. Its use during the 1880s by Western missionaries in China as a cure for opium addiction had earned it the name "Jesus opium." (45) Morphine

imports to China were not restricted until after 1902, when 195,133 ounces of the drug entered legally. (46) From 1903 on it was heavily taxed and the traffic went underground.

During the suppression campaign, morphine was used widely as both a "cure" and as a narcotic. It was less easily detected by inquisitive officials than was opium smoking. More important, because of morphine's potency compared with opium and the ease with which it could be smuggled, it was extremely cheap. In 1909 a British government chemist reported that swallowing morphine would produce the same narcotic effect as smoking opium but at *one-ninth* the cost. (47) Although most Chinese addicts preferred to swallow or smoke morphine, injections were even cheaper. When cut, one ounce of morphine yielded one to two thousand shots. (48) Generally, however, only the poorest Chinese injected the drug. (49)

At first, most of the morphine entering China came from Europe and the United States via Japan. While their government strictly controlled the drug at home, Japanese nationals began to sell morphine in China and then to manufacture it there. (50) And by 1920, according to one estimate, enough was arriving annually via Japan alone to give every person in China four doses. (51)

Chinese poppy cultivation, particularly in the Southwest, probably never completely ceased during the suppression drive. But there was much less opium available to smokers. In Yunnan this was reflected by a larger demand for Burmese opium, especially during the years 1911-1917, as well as by an increase in smuggling from Burma and Thailand. (52) Smuggling became a highly organized business involving the investment of large amounts of money with the promise of tremendous profits. One caravan dispatched from Yunnan to the Shan States in northern Burma consisted of I 10 men equipped with 72 guns, who paid the equivalent of L 17,000 for opium.(53) Another group traveling to Rangoon in 1917, probably to buy Indian opium, included 300 people divided into bands, which bargained collectively for all the opium they bought. (54)

Not all the opium in the Burma-Yunnan trade was used in China. The Yunnan government had contracted to supply opium to the French monopoly in northern Indochina. By 1912, when the local product could no longer be bought easily or cheaply, the Yunnan authorities were sending agents into the northern Shan States to buy opium, which they then sold to the French. (55)The same type of trading went on to a limited extent within Tonkin itself. Poppy was being grown illegally by the Meo tribesmen on the Black River and by the Nungs, who lived in the Kwangsi-Tonkin border region between the Red and Clear rivers. In 1912 each of these tribes produced about twenty-two hundred pounds of lower-grade opium, ordinarily worth less than half of what Chinese opium brought when sold to the French monopoly. Chinese traders were accused of buying this opium in order to" peddle it to the French as Chinese opium for an easy 100 percent profit. (56)

Morphine usage and smuggling were but two problems of many resulting from the suppression campaign. The plan for rapid eradication of domestic opium had several serious flaws. Some of these stemmed from the stubbornness of the problem. Opium smoking had become deeply entrenched as a social and economic institution. The habit ravaged lower-class smokers, as the cycle of poverty, despair, and addiction persisted. And there were many upper-class smokers for whom opium, particularly the more expensive foreign brands, was a prized luxury, a status symbol. Even the Empress Dowager Tzu Hsi, whose edict began the campaign, used the pipe. (57) One gentleman diligently taught his married daughter to smoke lest the family be considered too poor to afford it.(58) Permanent cures, especially for the poor, were few and far between. By 1913 one estimate was that no more than 10 percent of Yunnan's smokers had given up their opium. (59)

In areas where the economy was geared to opium growing, simply destroying the crop created hardship and resentment, not reform. Moreover, if the authorities were corrupt, "suppression" was often an exercise in hypocrisy: Accompanied by such show of force as they have been able to command, the officials in charge have sat down outside a few unhappy Kachin and Lisaw villages suspected of the crime of planting opium, surrounded the guilty headmen and extorted from them the last available rupee, and then after duly skirting or passing in well-screened chairs through the offending fields, returned to their headquarters and duly reported that they have seen no opium growing throughout their extensive and arduous campaigns. (60)

Political upheaval was perhaps the main cause of China's failure to eliminate opium. The imperial structure, which had

endured for centuries, could not institute sufficient reforms to prevent its own downfall and finally gave way in the 1911 revolution. The new Republican government, under the militarist Yuan Shih-k'ai, vowed to continue the fight against opium. But China was rapidly disintegrating into areas controlled by independent military rulers. Yunnan and Szechwan, never subject to absolute control from Peking, enjoyed de facto independence after 1911. For many poppy cultivators, as well as regional governments, the revolution meant the end of interference by the central government. Growers in Szechwan and other provinces resumed production of large quantities of opium in 1912, By 1916 the Yunnan authorities were quietly encouraging opium sales in order to raise money for their treasury. (61) And by 1918 Yunnan's government, following other provinces, had abandoned all pretence of suppression and was openly promoting poppy cultivation. (62)

China had ceased to be a unified country. Successive governments claiming central power in Peking became progressively weaker, the prize of warlords whose presidencies were national in name only. Their armies needed money, and in 1918 the current pretenders in the capital were encouraging the revival of the lucrative opium traders. (63) Many groups and individuals, chiefly in the cities, continued to oppose opium use. But they were for the most part ignored as the drug became the major source of financial support for China's warlord armies. On the cast coast, in the province of Fukien, about 70,000 troops under five principal generals as well as the navy and marines are all being supported by opium taxation. Predecessors of the present generals had collected land taxes three years in advance, and the only means left for raising necessary funds . . . was either to collect one or two further years of land taxes or impose a special tax, which could only be raised by opium cultivation. The latter was decided on. Wherever troops were stationed, opium growing was made compulsory. Magistrates issued the orders and soldiers enforced them. Riots have been frequent and in several places numbers of peasants have been shot down and villages burnt. (64)

Although British India was finally obliged to stop exporting opium for the China market, there was no similar restraint placed on opium sales to and by Southeast Asian monopolies. Business was good; the decrease in China's supply when suppression was most effective lessened the threat from smuggled opium. Even after the Chinese drive failed, opium sales remained a bulwark of colonial budgets. When colonialists could no longer ignore international protest over the drug traffic, their government monopolies were advertised as a means of drug control, while continuing to yield profits to the official pusher.

Although during the 1920s China regained the position of foremost opium producer, the size of her crop probably never again reached the astronomical levels of the years before 1907. Lower production was in large part due to the massive influx and subsequent domestic manufacture of the opium drugs morphine and heroin.

Initially, most of the heroin used in China was of European, mainly French, manufacture derived from Middle Eastern opium. The mid 1920s saw a steady increase in French heroin shipments direct to China and also to Japan, where most of it was transshipped for the China market. Like morphine, heroin was believed at first to be effective in combating opium addiction. Both could be legally imported in small quantities for medical use, but the distinction between legal and illegal, medically valid and narcotic, blurred as addiction spread, smuggling increased and legally imported drugs were diverted into the illicit market. By the mid 1920s recipes such as the following, for 10,000 "antiopium" pills, were common: combine 2 ounces heroin, 1/2 ounce strychnine, I ounce quinine, 5 ounces caffeine, 48 ounces sugar of milk, and 10 ounces of refined sugar. Mix well. As an indication of how many of these pills were being produced, 2,701 pounds of strychnine, whose only legitimate use in China was for fur trapping, was legally imported in 1923. Caffeine imports for the same year totaled 48,236 pounds. (65) Legal French exports of heroin to China alone for the years 1925-1929 reached 3,082 pounds. (66)

As China became a major heroin consumer, Shanghai, her largest, most industrialized city, emerged as a primary center for heroin manufacture and distribution. From there the drug moved south, seeking new outlets. In 1927 heroin appeared in Hong Kong in the form of a pink antiopium pill that was smoked rather than swallowed. (67) Hong Kong authorities in 1930 confiscated 847 pounds of heroin, more than w s seized in that year in any other country except France. (68) During the 1930s Shanghai was the source of much of America's illicit heroin. (69)

Shanghai's eminence as an international drug capital was closely linked with the rise to power of China's Nationalist movement. During the chaotic 1920s warlord struggles for power and money accelerated the disruption and impoverishment of the country. Among the groups trying to reestablish a centralized state was the Kuomintang (KMT)

or Nationalist party, whose objectives were at first more progressive than those of most of the warlord competition. In 1924 the KMT under Sun Yat-sen allied itself with the fledgling Chinese Communist party in order to strengthen itself politically and promote badly needed reforms. However, as Chiang Kai-shek gained power within the party after Sun's death in 1925, he began to break with the Communists and move toward an alliance with more conservative groups. During the Northern Expedition of 1926-1928 Chiang's KMT armies expanded his political and economic base, defeating warlord rivals and gaining support from many people who demanded an end to warlordism, along with reforms in land, labor, and social policies.

Yet the manner in which Chiang took control repudiated most of the KMT's progressive ideals. Struggles with warlords often ended in coalition, not change, as they agreed to join the Nationalist government while retaining control of their own territories. The KMT leader sought support in the countryside from the old ruling class, the gentry; social and economic injustice intensified and the urgent need for land reform was ignored. However, Chiang's ambition of attaining power over the entire country was never realized, although the Nationalists did become established in China's major coastal cities, which remained their primary base of support until the Japanese invasion of 1937.

Chiang's control of Shanghai was made possible with the aid of two main groups. Wealthy merchants and foreign capitalists supported the KMT with the understanding that there would be no reforms that threatened their interests. And Shanghai's major criminal groups strengthened their own hold on official power by enabling Chiang to destroy the city's Communist party and labor movement in 1927.

These Shanghai criminal organizations were dominated by two secret society groups called the Green and Red Circles or Gangs. Secret societies, whether political, social or criminal, were traditionally an important force in Chinese society whenever central authority broke down. During the nineteenth century the Red and Green Gangs had drawn their membership from people involved in transporting grain and smuggling salt along the Grand Canal, China's primary north-south inland waterway. After 1911 these groups shifted their activities to the cities of central China, particularly to Shanghai. (70)

Shanghai had been an important Chinese center for the opium traffic since the 1840s, when Britain's victory in the Opium War opened the port to foreign trade and the establishment of foreign-controlled areas or concessions, which by the 1930s included almost a third of the city's 3.5 million people. The city's tradition of involvement in opium and other vices that tend to accompany the Western presence in Asia was tailor-made for the Green and Red Gangs. Both evolved into criminal organizations whose role in the narcotics trade and in the antiCommunist movement suggests parallels with the roles of the Sicilian Mafia and Corsican syndicate groups in Europe.

One of Shanghai's most influential citizens was Tu Yueh-sheng, narcotics overlord, anti-Japanese patriot and leader of the Green Gang, who began his career in Shanghai's French Settlement, a noted center of illicit activities where criminals were permitted to operate freely. In exchange for tax profits on vice, the French turned the administration of the settlement over to the gangs. (71) Tu became the protege of a man known as Pockmarked Huang, who was the chief of detectives in the French concession and a major Green Gang leader. (72) In addition to owning several opium dens, Huang served an important function as intermediary in negotiations and disputes between various groups in the foreign-controlled and Chinese settlements.

Prior to 1918 Shanghai's opium traffic was based in the British concession, under the control of Chinese from the Swatow area of Kwangtune province. In 1918 the British concession cracked down on opium, depriving the Swatow group of its base and opening the traffic to takeover by the Green Gang operating from the French concession. (73) During the 1920s Tu Yueh-sheng unified the competing gangster organizations involved in the drug traffic and extended his influence from the French Settlement out to the more prosperous International Settlement.

Tu became one of the "Big Three" among the Shanghai gangsters, working with Pockmarked Huang and Chang Hsiao-lin. This unholy triumvirate controlled the city's underworld in early 1927, when Chiang's Northern Expedition forces approached. In late February 1927 labor unions allied with the KMT moved against warlord control and foreign economic domination and began a general strike, planning to welcome Chiang's armies to a liberated Shanghai. For his part, Chiang Kai-shek was actively courting the support of wealthy conservative and foreign businessmen; a strong united labor movement was a major impediment. Consequently, in late February, Chiang's forces delayed their advance

toward the city, hoping that reprisals by the British-run International Settlement police and the Chinese garrison commander would break the strike and destroy its leadership. (74)

Despite bloody reprisals, labor organizers ordered a second strike tobegin March 21, a massive display of workers' power that shut down the city once again in anticipation of the KMT's victorious advance. Although there was disturbing evidence that Chiang was beginning to conduct a violent purge of Communists and suspected Communists in the cities under his control, the Communist leadership, with the encouragement of Comintern advisers, doggedly continued to support the alliance and, with increasing difficulty, ignored the ominous signs of KMT treachery.

The strike caused considerable consternation in the Chinese and foreign business communities, and Chiang set about persuading these interests to support him, simultaneously avoiding a public declaration of outright hostility toward the Communists. On arriving in Shanghai in late March, he met first with Pockmarked Huang and later with leading Chinese industrialists and bankers who became satisfied that under Chiang's control there would be no further trouble from organized labor. The gratified businessmen then presented him with a "loan" of 3 million Shanghai dollars, the first of a series of lucrative donations. (75)

Chiang had some three thousand troops under his command in the city, pitted against a larger but poorly armed force of workers and Communists. He doubted whether his soldiers could be trusted to turn against the workers' groups, which they considered their main allies, and turned to Tu Yueh-sheng and his colleagues for help. (76) It is widely believed that Chiang in his youth had become a fully initiated member of Shanghai's Green Gang. (77) Regardless of whether this is the case, Chiang and the Green Gang shared a common interest in destroying Shanghai's labor movement. By serving Chiang the gangs could and did increase their influence and wealth. At Chiang's behest, Tu organized a "moderate" labor group, the Common Advancement Association, which recruited and armed thousands of gangsters throughout the City. (78) The Communists and other labor leaders, pathetically, tragically determined to maintain the charade of alliance with the KMT, were taken by surprise and massacred, many of them by Tu's gangsters, beginning April 12, 1927 (79) and continuing sporadically for months. (80)

As a result of this coup, Shanghai's gang leaders grew even more powerful. In appreciation for their services and their delivered and anticipated performance as intermediaries between Chiang and the foreign community, the Big Three were appointed as "honorary advisers" to the Nationalist government." Furthermore, Tu Yueh-sheng was made a major general at Chiang's headquarters, (81) in addition to serving as a municipal official and as an employee of the American-owned Shanghai Power Company. (82) As the purge continued, after 1927 the gangsters, with KMT and foreign support, thoroughly infiltrated Shanghai's labor movement in order to prevent a recurrence of the pre-1927 "threat" from organized labor. In September 1931, for example, one non-Communist labor organizer who had led a tramways strike in the French Settlement was denounced, arrested, and sentenced to ten years' imprisonment after a trial that lasted ten minutes. (83)

Chiang Kai-shek's opium programs further illustrate the gap between the KMT's original political idealism and the sordid reality of conditions under his dictatorship. Like the warlords, Chiang needed money to finance his military campaigns, and in August 1927 the Nationalists legalized the trade, setting up a monopoly to tax opium sales. Before public pressure forced the scheme's abolition in July 1928, the government had made an estimated 40 million Chinese dollars. (84) Unofficial government sponsorship of the opium trade continued, and Tu Yuehsheng was a central figure until 1931, when he reportedly cured his own addiction and dropped out of gambling and the drug traffic, leaving its operation to other members of the Green Gang. To compensate for Tu's financial loss, one of his close friends was given control of the newly formed state lottery, while Tu devoted his full attention to suppressing Shanghai's labor movement. (85)

The most well-publicized Nationalist campaign against opium was begun in 1934. Chiang was beginning a "New Life" movement, which derived from the Confucian belief that individual reform is the key to curing the ills of society. The programs of the "New Life" movement, outmoded and hopelessly inadequate, never began to solve China's pressing social problems. But its idealism and Chiang's own professed Christianity were incompatible with the drug traffic. A national opium suppression bureau was organized whose regulations involved penalties of life imprisonment or death for pushers. (86)

Although improving social welfare was the stated aim of this antiopium campaign, its major objective was to gain control of the financial base of Chiang's warlord opponents. (87) The KMT leader appointed himself commissioner for opium suppression in 1935. By 1936 he had succeeded in rerouting opium moving toward the coast from Yunnan and Kweichow so that it was sent north through Hankow on the Yangtze River and then to Shanghai, thus depriving Kwangsi Province of the opium revenue. (88) Opium production was reduced, but the government generally hoarded seized opium instead of destroying it. According to one source, during the period 1934-1937 the government made an estimated 500 million Chinese dollars from its suppression program. (89)

Japan mounted a full-scale invasion of China in 1937, driving the KMT government into the interior. Although the war in the Pacific halted the flow of heroin from China to the United States after 1941, the drug traffic within China continued. During the war the KMT and the Japanese freely traded a variety of goods, including opium, across mostly stagnant battle lines. Japan played an official role in the narcotics business in occupied China. In Manchuria the Japanese authorities used opium as a revenue source; in 1938 its sale accounted for 8 percent of general budget receipts. Nanking under Japanese occupation had an estimated fifty thousand heroin addicts. And in Shanghai, about one-sixth of the 1.5 million dollars spent every month on drugs was used to buy heroin. (90)'

The Japanese invasion separated Chiang Kai-shek from his main source of financial support. But his government had a store of Szechwanese opium that had been confiscated during the suppression drive. Tu Yueh-sheng took charge of shipping the seized opium to the coast, and eventually it was sold at Macao and Hong Kong, both then under Japanese control, Some of the same stock was finally sold by Shanghai's official monopoly, which operated under Japanese protection. (91)

After Japan's defeat in 1945, Chiang's forces made a speedy return to Shanghai, acting with the support of the American government and the cooperation of the defeated Japanese in order to reaffirm KMT control and forestall the Communists. Once again corruption and vice, including narcotics, flourished with the participation of China's Nationalist officials. (92)

China remained the opium center of Asia until the Communist forces won the civil war in 1949. The new Chinese government was determined to eradicate opium and had both the will and the organization to do so. During the civil war, one visitor commented that *"in five months of travel in the communist areas I found not the slightest trace of opium in any form."* (93) Successful opium suppression required a drastic change at all levels of the economy. The campaign against cultivation extended to the most remote areas of China, and poppy growers were persuaded to produce other crops. (94) Penalties against drug merchants were ruthlessly enforced by a government that had no economic or political obligations to those engaged in the trade. Shanghai was cleaned up, its Western business interests forced out, its corruption eliminated. According to a high Hong Kong customs official, since 1949 there have been no seizures of opium coming from mainland China. (95) China is no longer a factor in the international narcotics traffic.

The postwar elimination of China as a major drug center and the end of the colonial era and its monopolies in Southeast Asia improved prospects for solving the narcotics problem in Asia. Instead, Southeast Asia has more than filled the gap left by China, particularly in terms of supplying heroin for the U.S. market.

Glossary

Annamite Mountains. A mountain range stretching from the Chinese border to the Central Highlands of South Vietnam. Its crestline marks the border that divides much of Vietnam from Cambodia and Laos.

Cochin China. A term concocted by French geographers to demarcate the region comprising greater Saigon and the Mekong Delta of southern Vietnam. Roughly speaking, Cochin China encompasses the lower third of Vietnam.

Golden Triangle Region. Roughly 150,000 square miles of rugged mountain terrain comprising the Kachin and Shan hills of northeastern Burma, the serpentine ridges of northern Thailand, and the highlands of northern Laos. The mountain farmers of the Golden Triangle region harvest roughly 70 percent of the world's illicit opium supply, and its processing plants produce large quantities of high-grade heroin.

Heroin. A chemical compound of morphine and acetic acid originally manufactured by European pharmaceutical companies as a pain killer and cough suppressant. During the 1920s the American medical profession decided that heroin's highly addicting properties made it unsuitable as a prescription drug and withdrew it from the market.

No. 3 heroin. A low-grade form of heroin manufactured illegally in Hong Kong (20 to 50 percent pure) and the Golden Triangle region of Southeast Asia (3 to 6 percent pure) for sale to Asian addicts. Usually granular and gray in color.

No. 4 heroin. An expensive, high-grade form of heroin (80 to 99 percent pure) used by American and European addicts. A fluffy, white powder that is highly water soluble, and thus easy to inject with a syringe.

Indochina. Originally European geographers used this term to describe all of mainland Southeast Asia, but in recent years it has come to mean only the former French colonies of Vietnam, Cambodia, and Laos.

Kaitong. A term used by the Meo tribesmen of China and Indochina to describe the "princes" or "little kings" who ruled the Meo kingdoms of southern China prior to the nineteenth century.

Kilogram. 2.2 pounds equal 1 kilogram.

Kuomintang (KMT). The Chinese name for the Nationalist party founded shortly after World War I and currently headed by Generalissimo Chiang Kai-shek on the island of Taiwan.

Morphine. A granular alkaloid extracted from the sap of the opium poppy. Used medically to treat pain, coughing, or sleeplessness. Bonded with acetic acid through a complex, five-stage chemical process, morphine becomes heroin.

Office of Strategic Services (OSS). Founded in *1942* to make sure that intelligence errors like Pearl Harbor did not happen again, this clandestine U.S. agency gathered intelligence on *Axis* military activities and organized commando/sabotage operations behind enemy lines. OSS was disbanded at the end of World War 11, and reappeared in *1947* as the Central Intelligence Agency (CIA).

Opium. A resinous sap extracted from the bulb of the opium poppy plant *(Papaver somniferum)* that contains numerous alkaloids, the most important of which is morphine. When smoked or eaten, the processed opium resin induces a state of dreamlike euphoria. Taken repeatedly, opium is highly addictive.

Pathet Lao. Laotian nationalist/communist revolutionary movement founded in 1950 to battle French colonialism. Since the late 1950s the Pathet Lao has been leading an armed struggle against U.S. intervention in Laos.

Sawbwas. Hereditary feudal rulers of principalities in the Shan States of northeastern Burma.

Ton. In this book the authors use the word "ton" to mean a metric ton equal to 1,000 kilograms or *2,200* pounds.

Tonkin. Under French colonial rule the northern third of Vietnam comprising the northern highlands and the Red River Delta was administered as an autonomous colony called Tonkin.

Viet Minh. A Vietnamese nationalist/communist coalition formed during World War 11 to resist the Japanese military occupation. From 1946 to 1954 the Viet Minh led a successful struggle against French colonial rule and secured independence for the northern half of Vietnam.

Introduction: The Consequences of Complicity

1. U.S. Treasury Department, Bureau of Narcotics, ***Traffic in Opium and Other Dangerous Drugs for the Year Ending December 31, 1965*** (Washington, D.C.: U.S. Government Printing Office, 1966), p. 45.

2. Statement of John E. Ingersoll, Director, Bureau of Narcotics and Dangerous Drugs, before the National Commission on Marijuana and Drug Abuse, New York City, February 24, 1972, p. 5.

3. ***The New York Times,*** July 23, 1971, p. 1.

4. ***The New York Times,*** May 16, 1971, p. 1.

5. ***Newsweek,*** July ***5,*** 1971, p. 28.

6. Max Singer, Project Leader, Policy ***Concerning Drug Abuse in New York State*** (Croton-on-Hudson, N.Y.: The Hudson Institute, May 31, 1970) 1:61.

7. J. M. Scott, ***The White Poppy*** (London: William Heinemann Ltd., 1969), pp. 8485, 112.

8. United Nations, Department of Social Affairs, ***Bulletin on Narcotics*** 5, no. 2 (April-June 1953), 3-4, 6.

9. It appears that modern-day heroin chemists in Southeast Asia may still be imitating the original Bayer product. Much of the heroin shipped to Asia in the early decades of the twentieth century bore the Lion and Globe trademark of the Bayer company. The Double U-0 Globe brand label so popular today in Laos bears a striking resemblance to the original Bayer label.

10. This Bayer advertisement originally appeared in a 1900 edition of ***Medical Mirror,*** an American medical journal.

11. United Nations, Department of Social Affairs, ***Bulletin on Narcotics,*** pp. 3-4, 6.

12. Ibid., p. 19.

13. U.S. Congress, Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., 1964, pt. 4, p. 771.

14. United Nations, Department of Social Affairs, ***Bulletin on Narcotics,*** p. 7.

15. Ibid., p. 26.

16. Ibid., pp. 11-12.

17. Ibid., p. 10.

18. Ibid., p. 8; U.S. Treasury Department, Bureau of Narcotics, "History of Narcotic Addiction in the United States," in Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Nar. cotics,*** 88th Cong., Ist and 2nd sess., 1964, pt. 3, p. 771.

19. U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," October 1970, p. 10.

20. Ibid.

21. In 1969 Iran resumed legal pharmaceutical production of opium after thirteen years of prohibition. It is not yet known how much of Iran's legitimate production is being diverted to illicit channels. However, her strict narcotics laws (execution by firing squad for convicted traffickers) have discouraged the illicit opium traffic and prevented any of Iran's production from entering the international market. (John Hughes, ***The Junk Merchants*** [Boston: The Christian Science Publishing Company, 19711 pp. 17-20; U.S. Congress, House Committee on Foreign Relations, ***International Aspects of the Narcotics Problem,*** 92nd Cong., I st sess., 197 1, p. 74.)

22. ***Report of the United Nations Survey Team on the Economic and Social Needs of the Opium Producing Areas in Thailand*** (Bangkok: Government Printing Office, 1967), pp. 59, 64, 68; ***The New York Times,*** September 17, 1968, p. 45; ibid., June 6, 1971, p. 2. Estimates for illicit opium production made by the U.N. and the U.S. Bureau of Narcotics vary widely and fluctuate from year to year as conditions in the opiumproducing nations change and statistical data improve. In general, U.S. Bureau of Narcotics estimates have tended to underestimate the scope of illicit production in Southeast Asia, while the U.N. has tended to minimize production in South Asia, The statistics used above are compiled from both U.N. and U.S. Bureau of Narcotics figures in an attempt to correct both imbalances. However, even if we accept the Bureau's maximum figures for 1968 and 1971, the differences are not that substantial: India, Pakistan, and Afghanistan (South Asia) have a combined illicit production of 525 tons, or 29 percent of the world's total illicit supply; Burma (1,000 tons), Thailand (150 tons), and Laos (35 tons) have a combined production of 1,185 tons, or roughly 66 percent of the world's illicit supply; and Turkey accounts for 100 illicit tons, or about 5 percent of the world supply. (U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," p. 10; U.S. Congress, Senate Committee on Appropriations, ***Foreign Assistance and Related Programs Appropriations for Fiscal Year 1972,*** 92nd Cong., Ist sess., 1971, pp. 578-584.

23. Alvin Moscow, ***Merchants of Heroin*** (New York: The Dial Press, 1968), pp. 6163.

24. "The Illicit Manufacture of Diacetylmorphine Hydrochloride (No. 4 Grade)," Paper of a Hong Kong government chemist, n.d., pp. 1-5.

25. Singer, ***Policy Concerning Drug Abuse in New York State, pp.*** 46-49.

1 Sicily: Home of the Mafia

1. J. M. Scott, ***The White Poppy*** (London: William Heinemann Ltd., 1969), pp. 167-169.

2. United Nations, Economic and Social Council, ***World Trends of the Illicit Traffic During the War 1939-1945*** (E/CS 7/9, November 23, 1946),pp.10,14.

3. William P. Morgan, ***Triad Societies in Hong Kong*** (Hong Kong: Government Press, 1960), pp. 76-77.

4. Charles Siragusa, ***The Trail of the Poppy*** (Englewood Cliffs, N.J.: Prentice-Hall, 1966), pp. 180-181.

5. David Arman, "The Mafia," in Norman MacKenzie, ***Secret Societies*** (New York: Collier Books, 1967), p. 213.

6. The CIA had its origins in the wartime Office of Strategic Services (OSS), which was formed to make sure that intelligence errors like Pearl Harbor did not happen again. The OSS was disbanded on September 20, 1945, and remained buried in the State Department, the army, and the navy until January 22, 1946, when President Truman formed the Central Intelligence Group. With the passage of the National Security Act in 1947 the group became an agency, and on September 18, 1947, the CIA was born (David Wise and Thomas B. Ross, ***The Invisible Government*** [New York: Random House, 1964], pp. 91-94).

7. U.S. Congress, Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., lst and 2ndsess., 1964, pt. 4, p. 913. 1

8. Nicholas Gage, "Mafioso's Memoirs Support Valachi's Testimony About Crime Syndicate," in ***The New York Times,*** April 11, 197 1.

9. Harry J. Anslinger, ***The Protectors*** (New York: Farrar, Straus and Company, 1964), p. 74.

10. Ibid.

11. Norman Lewis, ***The Honored Society*** (New York: G. P. Putnam's Sons, 1964), pp. 72-73.

12. Ibid., p. 77.

13. Michele Pantaleone, ***The Mafia and Politics*** (London: Chatto & Windus, 1966), p. 52.

14. Gay Talese, ***Honor Thy Father*** (New York: World Publishing, 1971), pp. 212213.

15. R. Ernest Dupuy, Col. U.S.A. Ret., ***World War II: A Compact History*** (New York: Hawthorn Books, 1969), pp. 147-148.

16. Lt. Col. Albert N. Garland and Howard McGraw Smith, ***United States Army in World War II. The Mediterranean Theater of Operations. Sicily and the Surrender of Italy*** (Washington, D.C.: Office of the Chief of Military History, Department of the Army, 1965), p. 244.

17. Ibid., p. 238.

18. Estes Kefauver, ***Crime in America,*** quoted in Lewis, ***The Honored Society, pp.*** 1819.

19. Pantaleone, ***The Mafia and Politics, pp.*** 54-55. Michele Pantaleone is probably Italy's leading authority on the Sicilian Mafia. He himself is a native and long time resident of Villalba, and so is in a unique position to know what happened in the village between July 15 and July 21, 1943. Also, many of Villalba's residents testified in the Sicilian press that they witnessed the fighter plane incident and the arrival of the American tanks several days later (Lewis, ***The Honored Society,*** P. 19).

20. Talese, ***Honor Thy Father, p.*** 201.

21. Pantaleone, ***The Mafia and Politics, p.*** 56.

22. Ibid., pp. 56-57.

23. Gabriel Kolko, ***The Politics of War*** (New York: Random House 1968), p. 57.

24. Pantaleone, ***The Mafia and Politics, p.*** 58.

25. Kolko, ***The Politics of War, p.*** 48.

26. U.S. Department of State, ***Foreign Relations of the United States*** (pt. 3, p. 1114), quoted in Kolko, ***The Politics of War, p.*** 55.

27. Lewis, ***The Honored Society, p.*** 107.

28. Talese, ***Honor Thy Father, p.*** 214.

29. Pantaleone, ***The Mafia and Politics, p.*** 63.

30. Lewis, ***The Honored Society, pp.*** 146, 173.

31. Pantaleone, ***The Mafia and Politics, p.*** 88.

32. Ibid., p. 52.

33. Lewis, ***The Honored Society, p.*** 18,

34. Siragusa, ***The Trail of the Poppy, p.*** 83.

35. Ibid., pp. 83, 89.

36. U.S. Congress, Senate Subcommittee on Improvements in the Federal Criminal Code, Committee of the Judiciary, ***Illicit Narcotics Traffic,*** 84th Cong., Ist sess., 1955, p. 99.

37. Official correspondence of Michael G. Picini, Federal Bureau of Narcotics, to agent Dennis Doyle, August 1963. Picini and Doyle were discussing whether or not to use Sami El Khoury as an informant now that he had been released from prison. The authors were permitted to read the correspondence at the Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 14, 1971.

38. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 26, 1971.

39. Danilo Dolci, ***Report from Palermo*** (New York: The Viking Press, 1970), pp. 118-120.

40. Pantaleone, ***The Mafia and Politics, p.*** 188.

41. Ibid., p. 192.

42. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 14, 1971.

43. Ibid.

44. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November 18, 1971.

45. Harry J. Anslinger, ***The Murderers*** (New York: Farrar, Straus and Company, 1961), p. 106. (Emphasis added.)

46. Hank Messick, ***Lansky*** (New York: G. P. Putnam's Sons, 1971), p. 137.

47. Ibid., pp. 87-88.

48. Ibid., p. 89.

49. Ibid.

50. Ed Reid, ***The Grim Reapers*** (Chicago: Henry Regnery Company, 1969), pp. 9092.

51. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 14, 1971.

52. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., pt. 4, p. 891.

53. Ibid., p. 885.

54. ***The New York Times,*** December 1, 1969, p. 42.

55. Messick, ***Lansky, pp.*** 169-170.

56. United Nations, Department of Social Affairs, ***Bulletin on Narcotics 5,*** no. 2, (April-June 1953), 48. (Emphasis added.)

2 Marseille: America's Heroin Laboratory

1. U.S. Congress, Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., 1964, pt. 4, pp. 873-885.

2. Eugene Saccomano, ***Bandits a Marseille*** (Paris: Julliard, 1968), pp. 53-54.

3. Ibid., p. 75.

4. Raymond J. Sontag, A ***Broken World, 1919-1939*** (New York: Harper & Row, 1971), pp. 273-275.

5. Saccomano, ***Bandits a Marseille, p.*** 76.

6. Gabrielle Castellari, ***La belle Histoire de Marseille*** (Marseille: L'Ecole Technique Don Bosco, 1968), p. 120.

7. Saccomano, ***Bandits a Marseille, p.*** 78.

8. Ibid., pp. 93-94.

9. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., pt. 4, pp. 887-888, 960.

10. Ibid., pp. 887-888; Saccomano, ***Bandits a Marseille, p.*** 91.

11. Maurice Choury, ***La Resistance en Corse*** (Paris: Editions Sociales, 1958), pp. 1617.

12. Charles Tillon, ***Les F.T.P.*** (Paris: Union Generale D'Editions, 1967), pp.167-173.

13. Gabriel Kolko, ***The Politics of War*** (New York: Random House, 1968), pp. 8081.

14. Madeleine Baudoin, ***Histoire des groups francs (M.U.R.) des Bouches-Du-Rhone*** (Paris: Presses Universitaires de France, 1962), pp. 12-13, 163-164, 170-171.

15. Beginning in September 1941 arms drops to the Marseille Resistance was supervised by Col. Maurice J. Buckmaster of the British Special Operations Executive. The arms were dropped to a special liaison group in Marseille attached to the nonCommunist Resistance. Ibid., pp. 21-23.

16. Ibid., pp. 51, 136-137, 158.

17. Ibid., pp. 31-32.

18. Saccomano, ***Bandits*** a ***Marseille, p.*** 18.

19. Maurice Agulhon and Fernand Barrat, ***C.R.S. ~ Marseille*** (Paris: Armand Colin, 197 1), p. 144.

20. Tillon, ***Les F.T.P., pp.*** 292-293.

21. Agulhon and Barrat, ***C.R.S. a Marseille, pp.*** 46-47, 75-77.

22. Castellari, ***La belle Histoire de Marseille,*** pp. 218-219.

23. Agulhon and Barrat, ***C.R.S. a Marseille,*** p. 145.

24. Joyce Kolko and Gabriel Kolko, ***The Limits of Power*** (New York: Harper & Row, 1972), p. 157.

25. Ibid., p. 440.

26. Agulhon and Barrat, ***C.R.S. a Marseille*** , pp. 145-146.

27. Ibid., p. 147.

28. Ibid., p. 148.

29. Ibid., p. 17 1.

30. Ibid., pp. 149-150.

31. ***La Marseillaise*** (Marseille), November 13, 1947.

32. ***La Marseillaise,*** November 17 and 21, December 10, 1947.

33. Kolko and Kolko, ***The Limits of Power, p.*** 396.

34. Ibid., p. 157.

35. Walter Lafeber, ***America, Russia and the Cold War*** (New York: John Wiley and Sons, 1967), p. 47.

36. Ibid., pp. 48, 56.

37. Thomas W. Braden, "I'm Glad the C.I.A. Is 'Immoral,'" in ***The Saturday Evening Post,*** May 20, 1967, p. 14.

38. Ibid.

39. ***Le Provencal*** (Marseille), November 8-9, 14, 1947.

40. "It was on this occasion that the leaders of the ***Force Ouvriere*** faction separated themselves definitively from the C.G.T., and founded, with ***the aid of American labor unions,*** the coalition which still bears its name" (Jacques Julliard, ***Le IVe Republique*** [Paris: Calmann-Levy, 1968], p. 124). (Emphasis added.)

41. Kolko and Kolko, ***The Limits of Power,*** p. 370. This alliance betw en the CIA and the Socialists was apparently preceeded by elaborate negotiations. While on a visit to Washington in May 1946, Socialist party leader Leon Blum told a French wire service correspondent that, "Numerous American diplomats with whom I have talked are certain that Socialism can become the best rampart against Communism in Europe." It was later reported in the American press that President Truman's Secretary of the Treasury had urged Blum to unite the nonCommunist parties and drive the Communists out of the government.

Only a few months before he "provoked" the split between the Communist and Socialist factions of the CGT, Socialist labor leader Leon Jouhaux came to Washington to meet with members of the Truman administration ***(Le Monde*** [Paris], May 12, 1967).

42. ***Le Provencal,*** November 14, 1947.

43. ***La Marseillaise,*** November 19, 1947.

44. Agulhon and Barrat, ***C.R.S. a Marseille,*** pp. 156-173.

45. ***Le Provencal,*** November 14, 1947.

46. Agulhon and Barrat, ***C.R.S. a Marseille,*** pp. 204, 215.

47. Ibid., pp. 76, 128.

48. Ibid., p. 196.

49. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971. (Lucien Conein worked as an OSS liaison officer with the French Resistance during World War II, and later served as a CIA operative.)

50. Castellari, ***La belle Histoire de Marseille, p.*** 221.

51. Ibid., p. 222.

52. The close relationship between Marseille's Vietnamese community and the French left also played a role in the history of the Second Indochina War. Immediately after the liberation, Marseille's left-leaning commissioner, Raymond Aubrac, discovered the wretched conditions at the Indochinese work camps in the city's suburbs and did everything he could to clean them up. His efforts won him the respect of Vietnamese nationalist organizations, and through them he was introduced to Ho Chi Minh, who visited France to negotiate in 1946. When the Pugwash Committee devised the deescalation proposal to end the Vietnam War in 1967, Aubrac was selected to transmit it to Ho Chi Minh in Hanoi (Agulhon and Barrat, ***C.R.S. a Marseille***, p. 43).

53. ***Combat*** (Paris), February 4, 1950.

54. ***The New York Times,*** February 18, 1950, p. 5.

55. ***The New York Times,*** February 24, 1950, p. 12.

56. ***Combat,*** February 18-19, 1950.

57. Braden, "I'm Glad the CIA Is 'Immoral,'" p. 10. (Emphasis added.)

58. ***Time,*** March 17, 1952, p. 23.

59. ***The New York Times,*** March 14, 1950, p. 5.

60. ***The New York Times,*** April 16, 1950, sec. 4, p. 4.

61. ***The New York Times Magazine,*** February 6, 1972, pp. 53-54.

62. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., pt. 4, p. 888.

63. ***France-Soir*** (Paris), September 7, 1971.

64. In September 1971 the French weekly ***L'Express*** reported a somewhat different but still complimentary analysis of the Guerin i-Francisci vendetta. In late 1967 two gangsters tried to blow up Francisci's Corsican villa with 220 pounds of TNT, and six months later two snipers tried to assassinate him in a public square. After the two suspected snipers were found murdered in Paris four months later, a police investigation uncovered their connections with a Parisian casino owner named JeanBaptiste Andreani. According to ***L'Express,*** Andreani was an associate of Antoine Guerini ***(L'Express*** [Paris], September 6-12, 1971 [No. 10521, p. 18). Following the attempts on Francisci's life, three more of the Guerinis' underlings were killed ***(Le Provencal,*** January 3, 1970).

65. Saccomano, ***Bandits a Marseille,*** pp. 13-14.

66. ***Le Provencal,*** January 3, 1970.

67. Saccomano, ***Bandits*** a ***Marseille,*** p. 25.

68. ***Le Provencal,*** January 7, 1970.

69. ***Le Provencal,*** January 6-16, 1970; ***La Marseillaise,*** January 6-16, 1970.

70. ***Le Provencal,*** January 16, 1970.

71. ***France-Soir,*** September 7, 1971.

72. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., 1st and 2nd sess., pt. 4, p. 961.

73. ***The New York Times Magazine,*** February 6, 1972, pp. 14-15.

74. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., 1st and 2nd sess., pt. 4, p. 956; see also Morgan F. Murphy and Robert H. Steele, ***The World Heroin Problem,*** 92nd Cong., 2nd sess. (Washington, D.C.: U.S. Government Printing Office, 1971), p. 8.

75. Phillip M. Williams and Martin Harrison, ***Politics and Society in De Gaulle's Republic*** (London: Longman Group Ltd., 1971), pp. 383384.

76. ***The Sunday Times*** (London), September 26, 1971.

77. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November 18, 1971.

78. ***The Sunday Times,*** September 26, 1971.

79. Ibid.

80. ***The New York Times,*** November 16, 1971, p. 1.

81. ***Le Monde,*** November 21-22, 23, and 27, 1971.

82. ***The New York Times Magazine,*** February 6, 1972, pp. 53-54.

83. Michele Pantaleone, ***The Mafia and Politics*** (London: Chatto & Windus, 1969), pp. 167-179.

84. Norman Lewis, ***The Honored Society*** (New York: G. P. Putnam's Sons, 1964), pp. 297-307; Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., pt. 4, pp. 893-894.

85. ***Life,*** June 18, 1971, pp. 35-36.

86. Jacques Kermoal, ***L'Onorata Societa*** (Paris: La Table Ronde, 1971), pp.229-232.

87. ***The New York Times,*** January 27, 1962, p. 1.

88. Murphy and Steele, ***The World Heroin Problem, pp.*** 12, 16.

89. Interview with John Warner, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 14, 1971.

90. Murphy and Steele, ***The World Heroin Problem, pp.*** 12, 16.

91. ***The New York Times,*** July 1, 1971, p. 1.

92. Ed Reid, ***The Grim Reapers*** (Chicago: Henry Regnery Company, 1969), p. 16.

93. Hank Messick, ***Lansky*** (New York: G. P. Putnam's Sons, 1971), p. 175.

94. Reid, ***The Grim Reapers, p.*** 97.

95. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., Ist and 2nd sess., pt. 4, p. 928.

96. Ibid., pt. 2, pp. 524-525; interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November 18, 1971.

97. Senate Committee on Government Operations, ***Organized Crime and Illicit Traffic in Narcotics,*** 88th Cong., lst and 2nd sess., pt. 2, pp. 527, 539. (In 1954 Santo Trafficante, Jr., was arrested by the Saint Peters burg police when he tried to bribe a police officer into destroying evidence of his involvement in the ***bolita*** lottery.)

98. Press Release, Bureau of Narcotics and Dangerous Drugs, Washington D.C., June 27, 1970.

99. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 14, 1971.

100. U.S. Congress, Senate Permanent Subcommittee on Investigations, ***Fraud and Corruption in Management of Military Club Systems,*** 91st Cong., lst sess., 1969, p. 279; Reid, ***The Grim Reapers, p.*** 296.

3 The Colonial Legacy: Opium for the Natives

1. Stephan A. Resnick, ***A Socio-Economic Interpretation of the Decline of Rural Industry Under Export Expansion: A Comparison Among Burma, Philippines and Thailand,*** `1870-1938` (New Haven, Conn.: Economic Growth Center, Yale University, 1969), pp. 8-13.

2. Rhoads Murphey, "Traditionalism and Colonialism: Changing Urban Roles in Asia," ***Journal of Asian Studies*** 29, no. 1 (November 1969), 68-69.

3. J. C. van Leur, ***Indonesian Trade and Society*** (Bandung: Sumur Bandung, 1960), pp. 96-97.

4. Stephan A. Resnick, Lectures, Yale University, New Haven, Conn., 1969-1970.

5. Jonathan Spence, ***Opium Smoking in Ch'ing China*** (Honolulu: Conference on Local Control and Protest During the Ching Period, 1971), pp. 5-8.

6. John Bastin and Harry J. Benda, ***A History of Modern Southeast Asia*** (Englewood Cliffs, N.J.: Prentice-Hall, 1968), pp. 33-35.

7. John K. Fairbank, Edwin 0. Reischauer, and Albert M. Craig, ***East Asia: The Modern Transformation*** (Boston: Houghton Mifflin Company,1965),p.131.

8. Murphey, "Traditionalism and Colonialism: Changing Urban Roles in Asia," pp. 74-75, 80; Peter F. Bell, ***The Historical Determinants of Underdevelopment in Thailand*** (New Haven, Conn.: Economic Growth Center, Yale University, 1970), pp. 5-6.

9. Murphey, "Traditionalism and Coloni4lism: Changing Urban Roles in Asia," p. 72.

10. G. William Skinner, ***Chinese Society in Thailand: An Analytical History*** (Ithaca, N.Y.: Cornell University Press, 1957), pp. 29-30.

11. Victor Purcell, ***The Chinese in Southeast Asia*** (London: Oxford University Press, 1951), pp. 58, 215; Skinner, ***Chinese Society in Thailand: An Analytical History, p.*** 87.

12. Spence, ***Opium Smoking in Ch'ing China, p. 16.***

13. The Philippines became an exception soon after the Spanish were replaced by the American colonial government in 1898. The Spanish opium franchise had been established in 1843 and had earned their colonial government about $600,000 in silver per year. It was abolished by the American colonial government shortly after the U.S. army occupied the island (Arnold H. Taylor, ***American Diplomacy and the Narcotics Traffic, 1900-1939*** [Durham, N.C.: Duke University Press, 19691, pp. 31-32, 43). For a discussion of the opium franchise operations in the Philippines, see Edgar Wickberg, ***The Chinese in Philippine Life*** (New Haven, Conn.: Yale University Press, 1965), pp. 114-119.

14. For statistics on the percentage of revenues derived from opium sales see League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Annual Reports on the Traffic in Opium and Other Dangerous Drugs.*** Revenue from opium in the British Malayan Straits settlements was even higher. In 1880 it accounted for 56.7 percent of all government revenues, in 1890 it dropped slightly to 52.2 percent, and in 1904 it climbed back up to 59 percent (Cheng U Wen, "Opium in the Straits Settlements, 1867-1910," ***Journal of Southeast Asian History*** 2, no. I [March 1961], 52, 75).

15. Shlomo Avineri, ***Karl Marx on Colonialism and Modernization*** (Garden City, N.Y.: Doubleday & Company, 1969), p. 361.

16. Spence, ***Opium Smoking in Ch'ing China, p.*** 16. Opium was so important to Szechwan's economy that a local opium suppression campaign in 1901-1911 alienated much of the province's population from the imperial government and created support for the 1911 revolution. (S. A. M. Adshead, "The Opium Trade in Szechwan 1881 to 1911," ***Journal of Southeast Asian History*** 7, no. 2 [September 19661, 9 99).

17. ***L'Asie franCaise*** (Hanoi), July 1901, pp. 163-165.

18. Bernard-Marcel Peyrouton, ***Les Monopoles en Indochine*** (Paris: Emile Larose, 1913), p. 146; G. Ayme, ***Monographie de Ve Territoire militaire*** (Hanoi: Imprimerie d'Extr6me Orient, 1930), pp. 117-122; League of Nations, Commission of Inquiry into the Control of Opium Smoking in the Far East, ***Report to the Council*** (vol. 1) 1930, p. 86.

19. J. G. Scott, ***Gazetteer of Upper Burma and the Shan States*** (Rangoon: Government Printing, 1900), p. 359.

20. Eugene Picanon, ***Le Laos franCais*** (Paris: Augustin Chaliamel, 1901 pp. 284285.

21. League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Minutes of the Twelfth Session,*** January 17February 2, 1929, p. 209.

22. Ibid., p. 205; League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Summary of Annual Reports in the Traffic in Opium and Other Dangerous Drugs for the Years 1929 and 1930,*** March 22, 1932, p. 317.

23. Paul Dourner, ***Situation de l7ndochine (1897-1901)*** (Hanoi: F. H. Schneider, 1902), pp. 157, 162.

24. Purcell, ***The Chinese in Southeast Asia, pp.*** 105-106. The Thai government also did its best to restrict local opium production. A British official traveling in northern Thailand in the 1920s came across a party of Thai police leading a group of captured Meo opium smugglers into Chiangrai. He reported that opium cultivation was prohibited, but "the small scattered tribes living among the remote mountains still pursue their time-honored habits, and although it is, as a rule, dangerous and profitless work for the gendarmes to attack the tribes in their own fastness, still captures are occasionally made . . . when the poppy is brought down for sale" (Reginald le May, ***An Asian Arcady*** [Cambridge: W. Heffer & Sons Ltd., 19261, p. 229).

25. Skinner, ***Chinese Society in Thailand: An Analytical History, pp.*** 118119.

26. Ibid., pp. 120-121.

27. League of Nations, ***Traffic in Opium (C.*** 171 [11 M. 88 [11 June 1, 1922, Appendix 2.

28. League of Nations, ***First Opium Conference,*** November 3, 1924-February 11, 1925, p. 134.

29. League of Nations, Advisory Committee on the Traffic in Opium and

Other Dangerous Drugs, ***Application of Part 11 of the Opium Convention with Special Reference to the European Possessions and the Countries of the Far East,*** May 11, 1923, p. 12.

30. League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Annual Reports on the Traffic in Opium and Other Dangerous Drugs for the Year 1931, p.*** 96.

31. League of Nations, Commission of Enquiry into the Control of Opium Smoking in the Far East, ***Report to the Council (vol.*** 1), 1930, pp. 78-79.

32. League of Nations, ***Annual Reports 1939, p.*** 42.

33. League of Nations, ***Report to the Council (vol. 1),*** 1930, p. 82.

34. W. R. Geddes, "Opium and the Miao: A Study in Ecological Adjustment," ***Oceania*** 41, no. I (September 1970), 1-2; Peter Kandre, "Autonomy and Integration of Social Systems: The lu Mien ("Yao" or "Man") Mountain Population and Their Neighbors," in Peter Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations, vol. 11*** (Princeton, N.J.: Princeton University Press, 1967), p. 585.

35. Paul T. Cohen, "Hill Trading in the Mountain Ranges of Northern Thailand" (1968), pp. 1-3. One anthropologist who traveled in northern Thailand during the 1930s reported that although the Akha were devoting full attention to the opium crop and were engaged in regular opium commerce, Men production was quite sporadic. (Hugo Adolf Bernatzik, ***Akha and Meo*** [New Haven, Conn.: Human Relations Area Files Press, 1970], pp. 522-523.)

36. U.S. Congress, Senate Committee on the Judiciary, ***The AMERASIA Papers: A Clue to the Catastrophe of China,*** 91st Cong., Ist sess., January 1970, pp. 272-273.

37. For example, in 1947 the Thai government imported 9,264,000 baht worth of opium, compared to 10,135,000 baht worth of alcoholic beverages ***(Far Eastern Economic Review,*** November 23, 1950, p. 625).

38. ***The Burmese Opium Manual*** (Rangoon: Government Printing, 1911), pp. 21-45, 65.

39. League of Nations, ***Annual Reports 1939, p.*** 42.

40. League of Nations, ***Report to the Council (vol. 1),*** 1930, p. 51.

41. E. R. Leach, ***Political Systems of Highland Burma*** (Boston: Beacon Press, 1968), pp. 36-37.

42. Ibid., pp. 56-59.

43. Sao Saimong Mangrai, ***The Shan States and the British Annexation*** (Cornell University, Southeast Asia Program, Data Paper no. 57, August 1965), p. 150.

44. Ibid., pp. 215, xxxiii-xxxvii.

45. "Report of the Administration of the Northern Shan States for the Year Ended the 30th June 1923," in ***Report on the Administration of the Shan and Karenni States*** (Rangoon: Government Printing, 1924), p. 125.

46. League of Nations, ***Annual Reports 1939, p.*** 42.

47. ***Report by the Government of the Union of Burma for the Calendar Year 1950 of the Traffic in Opium and Other Dangerous Drugs*** (Rangoon: Govenment Printing and Stationery, 1951), p. 1.

48. ***The New York Times,*** November 9, 1968, p. 8.

49. Alexander Barton Woodside, ***Vietnam and the Chinese Model*** (Cambridge, Mass.: Harvard University Press, 1971), pp. 278-279.

50. Ibid., p. 269.

51. Le Thanh Khoi, ***Le Viet-Nam: Histoire et Civilisation*** (Paris: es Editions de Minuit, 1955), p. 369.

52. C. Geoffray, ***Riglementation des Regies indochinoises,*** Tome per ***(Opium, A lcools, Sel),*** (Haiphong: Imprimerie Commerciale du "Colon frangais," Edition 1938), pp. 30-32.

53. Exposition Coloniale Internationale 1931, Indochine Frangaise, Section d'Administration G6n6rale, Direction des Finances, ***Histoire bugetaire de I'Indochine*** (Hanoi: Imprimerie d'Extr~me-Orient, 1930), p. 7.

54. Ibid., p. 8.

55. Jacques Dumarest, ***Les Monopoles de I'Opium et du Sel en Indochine*** (Ph.D. Thesis, Universit6 de Lyon, 1938), p. 34.

56. Dourner, ***Situation de l'Indochine (1897-1901), p.*** 158.

57. Ibid., p. 163.

58. Virginia Thompson, ***French Indochina*** (New York: Octagon Books, 1968), pp. 76-77.

59. ***L'Asie Iran(-aise,*** July 1901, pp. 163-165. (Emphasis added.)

60. Naval Intelligence Division, ***Indochina,*** Handbook Series (Cambridge, England, December 1943), p. 361.

61. In an essay written in the 1920s Ho Chi Minh attacked the gover orgeneral of Indochina for ordering an expansion of the opium franchise (Ho Chi Minh, ***Selected Works*** [Hanoi: Foreign Languages Publishing House, 1961], vol. 11, pp. 30-31). For an example of later nationalist antiopium propaganda see Harold R. Isaacs, ***No Peace for Asia*** (Cambridge: M.I.T. Press, 1967), pp. 143-144.

62. A. Viollis, ***Indochine S.O.S.,*** quoted in Association Culturelle Pour le Salut du Viet-Nam, ***T~moinages et Documents frangais relatifs*** *Li* la ***Colonisation franCaise au Viet-Nam*** (Hanoi, 1945).

63. Durnarest, ***Les Monopoles de I'Opium et du Sel en Indochine, pp.*** 96-98.

64. Nguyen Cong Hoan, ***The Dead End*** (originally published in 1938), quoted in Ngo Vinh Long, "The Colonized Peasants of Viet-Nam 1900-1945" (1970), pp. 135-136.

65. Eugéne Picanon, ***Le Laos francais*** (Paris: Augustin Challamel, 1901), pp. 284-285; interview with Yang Than Dao, Paris, France, March 17, 1971. (Yang Than Dao is doing graduate research on the Meo at the University of Paris); Charles Archaimbault, "Les Annales de I'ancien Royaume de S'ieng Khwang," ***Bulletin de I'tcole francaise d'ExtrémeOrient,*** 1967, pp. 595-596.

66. Henri Roux, "Les Meo or Miao Tseu," in ***France-Asie,*** nos. 92-93 (JanuaryFebruary, 1954), p. 404.

67. André Boutin, "Monographie de la Province des Houa-Phans," ***Bulletin des Amis du Laos,*** no. I (September 1937), p. 73; Ayme, ***Monographie du Ve Territoire militaire,*** pp. 117-122.

68. Circular no. 875-SAE, July 22, 1942, from Resident Superior of Tonkin, Desalle, to the residents of Laokay, Sonla, and Yenbay and to the commanders of the military regions of Cao Bang, Ha Giang and Lai Chau, quoted in Association culturelle pour le Salut du Viet-Nam, ***Temoinages et Documents francais rélatifs*** la Colonisation fran!~aise au Viet-Nam, p. 115.

69. Ibid., ***p. 116.***

70. Herold J. Wiens, ***China's March to the Tropics*** (Hamden, Conn.: The Shoe String Press, ***1954), pp. 202, 207.***

71. Ibid., ***p. 222.***

72. Frank M. Lebar, Gerald C. Hickey, and John K. Musgrave, ***Ethnic Groups of Mainland Southeast Asia*** (New Haven, Conn.: Human Relations Area Files Press, ***1964), p. 69.***

73. Wiens, ***China's March to the Tropics, p. 90.***

74. F. M. Savina, ***Histoire des Miao*** (Hong Kong: Imprimerie de la Societés des Missions-Etrangéres de Paris, 1930), pp. 163-164.

75. Lebar ***et al., Ethnic Groups of Mainland Southeast Asia, p. 73.***

76. The information on these clans is based on interviews with current Meo clan leaders now living in Vientiane. Information on the Lynhiavu family was supplied by Nhia Heu Lynhiavu, Nhia Xao Lynhiavu, and Lyteck Lynhiavu. Touby Lyfoung himself provided most of the information on the Lyfoung branch of the clan. Since almost all of the prominent Lo clansmen are now living in the Pathet Lao liberated zones, it was impossible to interview them directly. However, Touby Lyfoung's mother was a Lo clanswoman, and he is a nephew of Lo Faydang, currently vicechairman of the Pathet Lao. Nhia Xao Lynhiavu's father, Va Ku, was a close political adviser to kaitong Lo Bliayao for a number of years, and absorbed a good deal of information, which he passed on to his son.

77. Interview with Nhia Heu Lynhiavu and Nhia Xao Lynhiavu, Vientiane, Laos, September ***4, 197 1.***

78. Ibid.

79. Ibid.

80. Interview with Touby Lyfoung, Vientiane, Laos, August ***31, 1971.***

81. Interview with Lyteck Lynhiavu, Vientiane, Laos, August 28, 1971; interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971; interview with Nhia Heu Lynhiavu and Nhia Xao Lynhiavu, Vientiane, Laos, September 4, 1971.

82. Interview with Touby Lyfoung, Vientiane, Laos, September ***1, 1971.***

83. Ibid.

84. Interview with Touby Lyfoung, Vientiane, Laos, September ***4, 197 1.***

85. Interview with Nhia Heu Lynhiavu and Nhia Xao Lynhiavu, Vientiane, Laos, September ***4, 1971.***

86. Charles Rochet, ***Pays Lao*** (Paris: Jean Vigneau, ***1949), p. 106.*** In ***1953*** a French spokesman estimated Laos' annual opium production at fifty tons ***(The New York Times,*** May ***8, 1953, p. 4).***

87. Michel Caply, ***Guirilla au Laos*** (Paris: Presses de la Cit6, ***1966), pp. 58-82.***

88. Interview with Touby Lyfoung, Vientiane, Laos, September ***1, 1971.***

89. Interview with Nhia Heu Lynhiavu and Nhia Xao Lynhiavu, Vientiane, Laos, September ***4, 1971.*** A former Viet Minh officer who was in Muong Sen when Faydang arrived from his village is quite certain that Faydang had no prior contact with the Viet Minh (interview with Lo Kham Thy, Vientiane, Laos, September ***2, 1971.*** Mr. Thy is currently

manager of Xieng Khouang Air Transport, which flies between Lon Tieng and Vientiane).

90. Joseph John Westermeyer, ***The Use of Alcohol and Opium Among Two Ethnic Groups in Laos*** (Master's thesis, University of Minnesota, 1968), p. 98.

91. Wilfred Burchett, ***Mekong Upstream*** (Hanoi: Red River Publishing House, 1957), p. 267.

92. Jean Jerusalemy, "Monographic sur le Pays Tai," mimeographed (n.d.), p. 20.

93. Interview with Jean Jerusalemy, Paris, France, April 2, 1971. (Jean Jerusalemy was an adviser to the Tai Federation from 1950 to 1954.)

94. lerusalemy, "Monographic sur le Pays Tai," p. 50.

95. Interview with Jean Jerusalemy, Paris, France, April 2, 1971.

96. Jerusalemy, "Monographie sur le Pays Tai," p. 29. One American scholar places the figure for marketable Tai country opium at eight to nine tons annually, or about 20 percent of all the opium in North Vietnam (John R. McAlister, "Mountain Minorities and the Viet Minh: A Key to the Indochina War," in Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations, vol. II., p.*** 822).

97. Association culturelle pour le Salut du Viet-Nam, ***Testimoinages et Documents francais relatifs á la Colonisation francoise au Viet-Nam, p.*** 115.

98. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation" (Washington, D.C., 1970), p. 13.

99. Ibid.

100. Ibid., p. 27.

101. Ibid., p. 22.

102. United Nations, Economic and Social Council, Commission on Narcotic Drugs, ***Illicit Traffic*** (E/CN.7/L. 115), May 4, 1955, p. 4.

103. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," p. 23.

104. Ibid., pp. 27-28.

4 Cold War Opium Boom

1. U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," (Washington, D.C., 1970), p. 29.

2. John O'Kearney, "Thai Becomes Opium Center for SE Asia," in ***The New York Daily News,*** February 13, 1955.

3. Gen. Vo Nguyen Giap, ***Peoples' War Peoples' Army*** (Hanoi: Foreign Languages Publishing House, 1961), p. 79.

4. Lieutenant Colonel Grimaldi, Inspecteur des Forces suppl6tives, Inspection des Forces Suppl6tives du Sud Vietnam, ***Notions de Case sur les Forces suppl&ives du Sud Vietnam*** (S.P.50.295, May 15, 1954), p. 7.

5. Interview with Col. Roger Trinquier, Paris, France, March 25, 1971.

6. Ibid.

7. United Nations, Economic and Social Council, Commission on Narcotic Drugs, ***Summary of the Fourth Meeting*** (E/C.S.7/25), November 29, 1946, p. 4.

8. United Nations, Economic and Social Council, Commission on Narcotic Drugs, ***Abolition of Opium Smoking*** (E/CN.7/244), November 17,1952,p.34.

9. Ibid., p. 36. In 1952 French customs purchased absolutely no opium in Indochina (United Nations, Economic and Social Council, ***Abolition of Opium Smoking,*** add. 2, "Laos Report for the Year 1952," March 12, 1953, p. 4).

10. Ibid., p. 18.

11. Interview with Col. Roger Trinquier, Paris, France, March 25, 1971. A number of high-ranking Vietnamese officials have also confirmed the existence of Operation X, including Col. Tran Dinh Lan, former director of military intelligence for the chief of staff of the Vietnamese Army (interview, Paris, France, March 18, 1971), and Mr. Nghiem Van Tri, former Minister of Defense (interview, Paris, France, March 30, 1971). One former CIA agent reports that it was General Salan who first organized Operation X in the late 1940s (interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971).

12. Interview with Gen. Mai Huu Xuan, Saigon, Vietnam, July 19, 1971.

13. Interview with Gen. Maurice Belleux, Paris, France, March 23, 1971.

14. Interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971.

15. Interview with Gen. Maurice Belleux, Paris, France, March 23, 1971.

16. Bernard B. Fall, "Portrait of the 'Centurion,' " in Roger Trinquier, ***Modern Warfare*** (New York: Frederick A. Praeger, 1964), p. xiii.

17. Interview with Col. Roger Trinquier, Paris, France, March 23, 1971. (Colonel Trinquier read from a training manual he prepared for MACG officers during the First Indochina War. All of the following material on his four-stage method is based on this manual.)

18. Trinquier, ***Modern Warfare, p.*** 105.

19. For Trinquier's account of his role in the Katanga revolt see Colonel Trinquier, Jacques Duchemin, and Jadques Le Bailley, ***Notre Guerre an Katanga*** (Paris: Editions de la Pens6e Moderne, 1963); Fall, "Portrait of a 'Centurion,' " p. xv.

20. Trinquier, ***Modern Warfare, p.*** 109.

21. Ibid., p. I 11.

22. Interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971.

23. Interview with Col. Roger Trinquier, Paris, France, March 25, 197 1.

24. Donald Lancaster, ***The Emancipation of French Indochina*** (New York: Oxford University Press, 1961), p. 257.

25. Bernard B. Fall, ***Anatomy of a Crisis*** (Garden City, N.Y.: Doubleday & Company, 1969), pp. 49-52.

26. Interview with Gen. Albert Sore, Biarritz, France, April 7, 1971.

27. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, June 17, 1971.

28. Bernard B. Fall, ***Hell in a Very Small Place*** (Philadelphia: J. B. Lippincott, 1967), pp. 33-37.

29. Interview with Colonel Then, Versailles, France, April 2, 1971.

30. Bernard B. Fall, ***Hell in a Very Small Place, pp.*** 318-320.

31. Interview with Col. Roger Trinquier, Paris, France, March 25, 1971. Jules Roy says that on May 4th the Dien Bien Phu defenders learned that, "Colonel Trinquier, thanks to a fund in the form of bars of silver, had just recruited fifteen hundred Meos and was beginning to come upcountry with them from the Plain of Jarres toward Muong Son, about sixty miles south of Dienbienphu as the crow flies" (Jules Roy, ***The Battle of Dienbienphu*** [New York: Harper & Row, 1965), p. 261).

32. Fall, ***Hell in a Very Small Place, p.*** 442.

33. Interview with Jean Jerusalemy, Paris, France, April 2, 1971.

34. John T. McAlister, "Mountain Minorities and the Viet Minh," in Peter Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations*** (Princeton, N.J.: Princeton University Press, 1967), pp. 812, 825-826.

35. Jean Jerusalemy, "Monographie sur le Pays Tai," mimeographed (n.d.), P. 18. 17

36. McAlister, "Moutain Minorities and the Viet Minh," pp. 813-814.

37. Jerusalemy, "Monographic sur le Pays Tai," p. 79.

38. Interview with Jean Jerusalemy, Paris, France, April 2, 1971.

39. Jerusalemy, "Monographie sur le Pays Tai," pp. 29-30,

40. Interview with Jean Jerusalemy, Paris, France, April 2, 1971. For background on opium and the Meo in the Tai highlands, see McAlister, "Mountain Minorities and the Viet Minh," pp. 817-820.

41. McAlister, "Mountain Minorities and the Viet Minh," pp. 823-824.

42. Ibid., p. 825.

43. Jerusalemy, "Monographic sur le Pays Tai," p. 29.

44. Interview with Jean Jerusalemy, Paris, France, April 2, 1971.

45. McAlister, "Mountain Minorities and the Viet Minh," p. 830.

46. Giap, ***Peoples' War Peoples' Army, p.*** 183.

47. Fall, ***Hell in a Very Small Place, pp.*** 320-321.

48. Philippe Devillers and Jean Lacouture, ***End of a War*** (New York: Frederick A. Praeger, 1969), pp. 151-152.

49. Interview with Col. Roger Trinquier, Paris, France, March 25, 1971.

50. Interview with Gen. Maurice Belleux, Paris France, March 23, 1971.

51. Conversation with Commandant D6sir6, Paris, France, March 31, 1971.

52. Interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971.

53. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

54. Interview with Col. Roger Trinquier, Paris, France, March 25, 1971.

55. Interview with Gen. Maurice Belleux, Paris, France, March 23, 1971. This is Gen. Belleux's version of the incident; a French author has a simpler account:

"For opium it was exactly the same. The MACG aircraft made millions of piasters transporting the merchandise, and each level took its cut of this traffic, often in good faith. Until the day when, at a base, an ingenuous officer noticed the transfer of mysterious trunks from one DC-3 to another, which was none other than that of the commander in chief. Shocked, he reported it to his superiors. Then, by chance, the Vietnamese Police (who were hardly a model of virtue) made a raid on a Saigon warehouse where there were stockpiles of hundreds of kilos of opium.

"This was the beginning of a shadowy and sordid affair **in which** everybody attacked and defended himself over the extent to which he was hostile or favorable to the conduct of the 'dirty war' " (Claude Paillat, ***Dossier secrete de l7ndochine*** [Paris: Les Presses de la Cit6, 19641, p. 340).

56. Ibid.

57. In 1929, for example, out of 71.7 tons of opium sold by the Indochina Opium R6gie, 38.0 tons were consumed in Cochin China (Exposition coloniale internationale, Paris 1931, Indochine franqaise, Section g6n&ale, ***Administration des Douanes et Roigies en Indochine*** (Hanoi: Imprimerie d'Extr8me Orient, 1930], pp. 6t62).

58. Chef de Bataillon A. M. Savani, "Notes sur les Binh Xuyen," mimeographed (December 1945), pp. 4-5.

59. Ngo Vinh Long, "The Colonized Peasants of Viet-Nam: 1900-1945," (1970), p. 78.

60. Savani, "Notes sur les Binh Xuyen," pp. 22-25.

61. Ibid., pp. 6-8.

62. Interview with Lai Van Sang, Paris, France, March 22, 1971. (Lai Van Sang was Binh Xuyen military counselor and head of the National Police, 1954-1955.)

63. Huynh Kim Khanh, "Background of the Vietnamese August Revolution," ***The Journal of Asia Studies*** 25, no. 4 (August 1971), 771-772.

64. Savani, "Notes sur les Binh Xuyen," pp. 13-14.

65. Ibid., p. 16.

66. Bernard B. Fall, ***The Two Vietnams*** (New York: Frederick A. Praeger, 1967), pp. 64-65.

67. Ellen J. Hammer, ***The Struggle for Indochina, 1940-1955*** (Stanford, Calif.: Stanford University Press, 1967), pp. 113-119; Jean Julien Fonde, ***Traitez*** a ***tout Prix*** (Paris: Robert Laffont, 1971), pp. 18-22.

68. Savani, "Notes sur les Binh Xuyen," p. 17.

69. The Avant-Garde Youth Movement had been started by GovernorGeneral Decoux to channel the enthusiasms of Vietnamese youth in a pro-French direction, and by 1945 it was one of the most powerful political groups in Saigon, with a **cell** in each city ward. By this time its tone was strongly anticolonialist, and its director, Dr. Pham Ngoc Thach, was a secret member of the Viet Minh (Philippe Devillers, ***Histoire de Vietnam de 1940 d 1952*** [Paris: Editions du Seuil, 19521, pp.140-141).

70. Interview with Lai Van Sang, Paris, France, March 22, 1971.

71. Hammer, ***The Struggle for Indochina, 1940-1955, p.*** 120.

72. Savani, "Notes sur les Binh Xuyen," p. 44.

73. Interview with Lai Van Sang, Paris, France, March 22, 1971.

74. Interview with Gen. Maurice Belleux, Paris, France, March 23, 1971.

75. Savani, "Notes sur les Binh Xuyen," pp. 35-36.

76. Ibid., pp. 70-71.

77. Antoine Savani, "Notes sur le Phat Giao Hoa Hao," mimeographed (n.d.), pp. 30-33.

78. Savani, "Notes sur les Binh Xuyen," pp. 103-104.

79. Ibid., pp. 110-111.

80. Lucien Bodard, ***The Quicksand War: Prelude to Vietnam*** (Boston:Little, Brown and Co., 1967), p. 114; Jean Julien Fonde, ***Traitez*** a ***tout Prix, p.*** 32.

81. Savani, "Notes sur les Binh Xuyen," pp. 118-119.

82. Ibid., pp. 121-122.

83. Interview with Lai Huu Tai, Paris, France, March 28, 1971.

84. Interview with President Nguyen Van Tam, Paris, France, March 1971.

85. Lancaster, ***The Emancipation of French Indochina, p.*** 164.

86. Interview with Lai Van Sang, Paris, France, March 22, 1971; Lucien Bodard, ***L'Humiliation*** (Paris: Gallimard, 1965), p. 120.

87. F.T.S.V. 2enlo Bureau, "Les Binh Xuyen," carbon typescript (1 531954), p. 17.

88. Bodard, ***The Quicksand War: Prelude to Vietnam, p. 110.***

89. F.T.S.V. 2-11e Bureau, "Les Binh Xuyen," p. 18.

90. Lancaster, ***The Emancipation of French Indochina, p,*** 379.

91. In reference to the Binh Xuyen's involvement in the opium trade the 2-1- Bureau commented, "Naturally all of the clandestine traffics, the most interesting by definition, are not forgotten and cover a wide range including arms, opium, and contraband of all forms as well as other unsavory activities" (F.T.S.V. 2eme Bureau, "Les Binh Xuyen," p. 16).

92. Edward G. Lansdale, ***Subject: The Cao Dai, To*** Ambassador Bunker and members, U.S. Mission Council, (May 1968), p. 17.

93. Denis Warner, ***The Last Confucian*** (London: Angus & Robertson, 1964), p. 17.

94. The French had few illusions about Bay Vien, and in a 1954 report said, "The thundering success of this former resident of Puolo Condore [Con Son Prison Island] should not be surprising if one considers that he has preserved intact from his tumultuous past certain methods which are closer to those of the celebrated bands of the heroic epoch of Chicago than to ordinary commercial transactions." (F.T.S.V. 2"It' Bureau, "Les Binh Xuyen," p. 15.)

95. F.T.S.V. 2-111 Bureau, "Les Binh Xuyen," p. 17.

96. Ibid., p. 15.

97. Lansdale, memo to Ambassador Bunker et al., May 1968, p. 17.

98. Lancaster, ***The Emancipation of French Indochina, pp.*** 187-188.

99. ***The Pentagon Papers,*** Senator Gravel Edition, vol. I (Boston: The Beacon Press, 1971), pp. 180-18 1.

100. Ibid., p. 182. Although U.S. support for Diem remained an open question on the diplomatic level, the CIA gave him its unqualified support from the very beginning of his tenure as Prime Minister. According to a State Department official, "the Central Intelligence Agency was given the mission of helping Diem" in June 1954 and Colonel Lansdale was sent to Saigon to carry out this mission. (Chester L. Cooper, ***The Lost Crusade*** [New York: Dodd, Mead & Company, 1970], p. 129.)

101. Pierre Brocheux, "L'Economie et la Soci6t6 dans L'Ouest de la Cochinchine pendant la Periode coloniale (1890-1940) " (Ph.D. thesis, University of Paris, 1969), p. 298.

102. Eug&ne Saccomano, ***Bandits*** a ***Marseille*** (Paris: Julliard, 1968), p. 44.

103. In 1958 a U.S. narcotics agent told a Senate subcommittee, "When French Indochina existed, there were quantities of opium that were shipped to the labs . . . around Marseille, France, to the Corsican underworld there, and then transshipped to the United States" (U.S. Congress, Senate Select Committee on Improper Activities in the Labor Management Field, ***Hearings,*** 85th Cong., 2nd sess., 1959, p. 1225, cited in ***Earth,*** March 1972, pp. 93-94).

104. Bodard, ***L'Humiliation, pp.*** 80-81.

105. Bodard, ***The Quicksand War: Prelude to Vietnam, pp.*** 121, 124.

106. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, June 17, 1971.

107. Bernard B. Fall, ***The Two Vietnams*** (New York: Frederick A. Praeger, 1967), pp. 245-246; The New York Times, ***The Pentagon Papers*** (New York: Quadrangle Books, 1971), p. 60.

108. Lansdale, memo to Ambassador Bunker ***et al.,*** May 1968, p. 14.

109. Ibid., p. 2.

110. Ibid., p. 11.

111. Grimaldi, ***Notions de Case sur les Forces suppl&ives du Sud Vietnam,*** p. 24.

112. Fall, ***The Two Vietnams, pp.*** 245-246.

113. Lansdale, memo to Ambassador Bunker ***et al.,*** May 1968, pp. 15-16.

114. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, June 17, 1971; Edward G. Lansdale, ***In the Midst of Wars*** (New York: Harper & Row, 1972), pp. 221-224.

115. Lansdale, ***In the Midst of Wars, pp.*** 245-247; ***The Pentagon Papers,*** Senator Gravel Edition, vol. 1, p. 230.

116. The New York Times, ***The Pentagon Papers, p.*** 21.

117. Interview with Gen. Mai Huu Xuan, Saigon, Vietnam, July 19, 1971.

118. Lansdale, ***In the Midst of Wars, p.*** 270.

119. ***The Pentagon Papers,*** Senator Gravel Edition, vol. 1, p. 231.

120. Ibid., p. 233.

121. The New York Times, ***The Pentagon Papers, p.*** 22.

122. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

123. Lansdale, memo to Ambassador Bunker ***et al.,*** May 1968, p. 17.

124. Lansdale, ***In the Midst of Wars, pp.*** 316-317.

125. Ibid., p. 318.

126. ***The Pentagon Papers,*** Senator Gravel Edition, vol. 1, pp. 238-239.

127. ***The New York Times,*** March 28, 1955, p. 26.

128. Savani, "Notes sur les Binh Xuyen," p. 198.

129. See Chapter 5.

130. ***The New York Times,*** September 17, 1963, p. 45.

131. Interview with William Young, Chiangmai, Thailand, September 8, 1971; ***The New York Times,*** August 11, 1971, p. 1.

132. John T. McAlister, ***Vietnam: The Origins of the Revolution*** (New York: Alfred A. Knopf, 1969), pp. 235, 242.

133. Bodard, ***The Quicksand War, p.*** 12; for a detailed analysis of Yunnan politics during this period, see A. Doak Barnett, ***China on the Eve of Communist Takeover*** (New York: Frederick A. Praeger, 1963), 282-295.

134. Lancaster, ***The Emancipation of French Idonchina, p.*** 150.

135. ***The New York Times,*** July 28, 1951, p. 3; Bodard, ***The Quicksand War,*** pp.162-163.

136. Lancaster, ***The Emancipation of French Indochina, p.*** 203.

137. Government of the Union of Burma, The Ministry of Information, ***Kuomintang Aggression Against Burma*** (Rangoon: 1953), p. 8.

138. The New York Times, ***The Pentagon Papers, p. 10.***

139. Joint Chiefs of Staff, "Memorandum for the Secretary of Defense," April 10, 1950, in ***The Pentagon Papers,*** Senator Gravel Edition, vol. 1, p. 366.

140. Ibid.

141. David Wise and Thomas B. Ross, ***The Invisible Government*** (New York: Random House, 1964), pp. 130-131.

142. NSC Staff Study, "United States Objectives and Courses of Action with Respect to Communist Aggression in Southeast Asia," February 13, 1952, in ***The Pentagon Papers,*** Senator Gravel Edition, vol. I, p. 377.

143. The Ministry of Information, ***Kuomintang Aggression Against Burma,*** P. 15.

144. Ibid., p. 35.

145. Ibid., pp. 13-15.

146. Joseph and Stewart Alsop, ***Nippon Times*** (March 23, 1953), quoted in The Ministry of Information, ***Kuomintang Aggression Against Burma, p.*** 120.

147. The Ministry of Information, ***Kuomintang Aggression Against Burma,*** pp. 13-14.

148. Ibid., p. 16.

149. Ibid., p. 13; Peter Dale Scott, "Air America: Flying the U.S. into Laos," in Nina S. Adams and Alfred W. McCoy, eds., ***Laos: War and Revolution*** (New York: Harper & Row, 1970), pp. 306-307.

150. Wise and Ross, ***The Invisible Government, p.*** 131.

151. The Ministry of Information, ***Kuomintang Aggression Against Bur a,*** pp. 40-41.

152. Interview with Rev. Paul Lewis, Chiangmai, Thailand, September 7, 1971.

153. The Ministry of Information, ***Kuomintang Aggression Against Burma,*** p. 15. Smuggling across the Chinese border became increasingly difficult after the defeat of the Nationalist government. After interviewing Chinese Muslim exiles in Rangoon in June and July 1962, an Israeli scholar reported, "The frontier, which had never been clearly marked or demarcated, was closed and strictly guarded after 1950 when the Government of Communist China established its authority in these regions. Until then the Panthays [Chinese Muslims] had been able to move freely and easily between Yunnan and Burma" (Moshe Yegar, "The Panthay (Chinese Muslims) of Burma and Yunnan," ***Journal of Southeast Asian History*** 7, no. I [March 1966], 82).

154. The Ministry of Information, ***Kuomintang Aggression Against Burma,*** p. 14.

155. Ibid., p. 16.

156. Interview with Rev. Paul Lewis, Chiangmai, Thailand, September 7, 1971.

157. The Ministry of Information, ***Kuomintang Aggression Against Burma,*** p. 12.

158. Ibid., p. 15.

159. ***The New York Times,*** March 9, 1952, p. 8.

160. Wise and Ross, ***The Invisible Government, pp.*** 132-133.

161. Hugh Tinker, ***The Union of Burma*** (London: Oxford University Press, 1957), p. 53.

162. Wise and Ross, ***The Invisible Government, pp.*** 132-133.

163. Interview with William vanden Heuvel, New York City, June 21, 1971. (William vanden Heuvel was executive assistant to Ambassador Donovan and had noted this incident in his personal journal.)

164. Tinkei, ***The Union of Burma, pp.*** 53-54.

165. Interview with Rev. Paul Lewis, Chiangmai, Thailand, September 7, 1971. (Reverend Lewis acts as a mailman for many of these separated Lahu families and receives two or three letters a week from Taiwan.)

166. ***The Nation*** (Rangoon), March 19, 1954, p. 1.

167. Ibid., March 21, 1954, p. 1.

168. ***The New York Times,*** May 31, 1954, p. 2.

169. Tinker, ***The Union of Burma, p.*** 55.

170. Interview with Col. Chen Mo Su, Chiang Khong, Thailand, September 10, 1971. (Colonel Chen is KMT commander at Chiang Khong.)

171. Elaine T. Lewis, "The Hill Peoples of Kengtung State," ***Practical Anthropology*** 4, no. 6 (November-December 1957), 226.

172. ***The New York Times,*** May 19, 1959, p. 6.

173. ***Time,*** February 10, 1961, p. 22.

174. Interview with Colonel Chen Mo Su, Chiang Khong, Thailand, September 10, 1971.

175. ***The Guardian*** (Rangoon), January 30, 1961, p. 1.

176. Wise and Ross, ***The Invisible Government, p.*** 134.

177. ***The New York Times,*** February 23, 1961, p. 3.

178. Ibid., February 18, 1961, p. 1; ibid., March 3, 1961, p. 1.

179. Ibid., April 6, 1961, p. 8.

180. Ibid., April 12, 1961, p. 20.

181. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

182. ***The New York Times,*** March 9, 1952, p. 8.

183. Fred W. Riggs, ***Thailand: The Modernization of a Bureaucratic Polity*** (Honolulu: East-West Center Pfess, 1966), pp. 242-245.

184. Ibid., p. 236.

185. ***The New York Times,*** July 23, 1951, p. 2.

186. United Nations, Economic and Social Council, ***Summary of the Fourth Meeting, p.*** 4.

187. United Nations, Economic and Social Council, Commission on Narcotic Drugs, ***Agenda of the Ninth Meeting*** (E/C.S.7/27), December 3, 1946, pp. 6-9.

188. ***Far Eastern Economic Review,*** November 23, 1950, p. 625.

189. Paul T. Cohen, "Hill Trading in the Mountain Ranges of Northern Thailand" (1968), p. 4.

190. Darrell Berrigan, "They Smuggle Dope by the Ton," ***The Saturday Evening Post,*** May 5, 1956, p. 157.

191. ***New York Daily News,*** February 13, 1955.

192. ***The New York Times,*** November 7, 1948, p. 30.

193. Berrigan, "They Smuggle Dope by the Ton," pp. 157-158.

194. Warner, ***The Last Confucian, p.*** 284.

195. Ibid; ***The New York Times,*** September 20, 1957, p. 7.

196. Riggs, ***Thailand: The Modernization of a Bureaucratic Polity, p.*** 239.

197. ***The New York Times,*** November 6, 1957, p. 34.

198. Warner, ***The Last Confucian, p.*** 282.

199. G. William Skinner, ***Chinese Society in Thailand: An Analytical History*** (Ithaca, N.Y.: Cornell University Press, 1957), p. 325.

200. Ibid., p. 326.

201. U.S., National Security Council, "Statement of Policy by the National

Security Council on United States Objectives and Courses of Action with Respect to Southeast Asia," in ***The Pentagon Papers,*** Senator Gravel Edition, vol. 1, p. 438.

202. Skinner, ***Chinese Society in Thailand: An Analytical History, pp.*** 328, 330,335,340-343.

203. Wendell Blanchard, ***Thailand, Its People, Its Society, Its Culture (N w*** Haven, Conn.: Human Relations Area Files Press, 1958), p. 198.

204. For examples of such incidents, see ***Bangkok Post,*** March 11, 1955, and July 14, 1955.

205. For some of Phao's public statements see ***Bangkok Post,*** February 10, 1950, February 20, 1950.

206.]bid., December 3, 1953, December 4, 1953.

207. Ibid., July 14, 1955.

208. Berrigan, "They Smuggle Dope by the Ton," pp. 42, 156.

209. ***Bangkok Post,*** July 15, 1955.

210.]bid., July 29, 1955.

211. Berrigan, "They Smuggle Dope by the Ton," p. 156.

212. ***The New York Times,*** August 25, 1955, p. 3.

213.]bid., September 4, 1955, p. 5.

214. ***Bangkok Post,*** September 21, 1955.

215. Skinner, ***Chinese Society in Thailand: An Analytical History, p.*** 343.

216. Warner, ***The Last Confucian, p.*** 286.

217. Blanchard, ***Thailand, Its People, Its Society, Its Culture, p.*** 199.

218. ***The New York Times,*** September 20, 1957, p. 7.

219. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

220. ***Bangkok World,*** November 17, 1957.

221. ***Bangkok Post,*** February 10, 1958.

222. Warner, ***The Last Confucian, pp.*** 289-291.

223. Cohen, "Hill Trading in the Mountain Ranges of Northern Thailand," P. 11.

224. W. W. Rostow, ***The Stages of Economic Growth*** (New York: Cambridge University Press, 1968), pp. 6-9. Hla Myint, ***The Econorm . cs of the Developing Countries*** (New York: Frederick A. Praeger, 1964), pp. 14-16.

225. League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Annual Reports on the Traffic in Opium and Other Dangerous Drugs for the Year 1939, p.*** 42.

226. ***The New York Times,*** September 17, 1963, p. 45.

227. League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Minutes of the First Session*** (May 24-June 7, 1923), p. 187. Anthropological research has shown that there was no substantial increase in Thai opium production until 1947 (Cohen, "Hill Trading in the Mountain Ranges of Northern Thailand," pp. 1-2).

228. In 1967 a U.N. survey team estimated Thailand's opium production at 145 tons. Since most of the expansion in production had taken place during the 1950s, an estimate of over one hundred tons for the early 1960s is believed to be a conservative one ***(Report of the United Nations Survey Team on the Economic and Social***

Needs of the Opium Producing Areas in Thailand [Bangkok: Government House Printing Office, 19671, p. 59).

229. U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," p. 29.

230. Harry J. Anslinger, ***The Murderers*** (New York: Farrar, Straus and Cudahy, 1961), p. 230.

231. ***Free China Weekly,*** February 14, 1971.

232. Interview with Graham Crookdake, Hong Kong, July 5, 1971.

233. Adrian Cowell, ***The Opium Trail*** (ATV, London, filmed 1964-1965), reel no. 1; interview with Adrian Cowell, London, England, March 9, 1971.

234. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

235. U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," p. 22.

236. Interview with John Warner, Washington, D.C., October 14, 1971.

5 South Vietnam: Narcotics in the Nation's Service

1. The Pentagon Papers, Senator Gravel Edition (Boston: Beacon Press, 1971), vol. 1, pp. 221-222.

2. Robert Scheer, "Hang Down Your Head Tom Dooley," in ***A Muckraker's Guide*** (San Francisco: Ramparts Magazine, 1969), p. 18.

3. The Pentagon Papers, Senator Gravel Edition, vol. 11, p. 22.

4. Ibid., vol. 1, p. 240.

5. Philippe Devillers and Jean Lacouture, ***End of a War*** (New York: Frederick A. Praeger, 1969), p. 377.

6. Thomas A. Dooley, M.D., ***Deliver Us from Evil*** (New York: Farrar, Straus and Cudahy, 1956), pp. 41, 60.

7. Ibid., p. 71.

8. Ibid., p. 159; for a description of American moralism in this period see Chester L. Cooper, ***The Lost Crusade*** (T~ew York: Dodd, Mead & Company, 1970), pp. 1214.

9. Edward G. Lansdale, ***In the Midst of Wars*** (New York: Harper & Row, 1972), p. ix.

10. David Halberstam, ***The Making of a Quagmire*** (New York: Random House, 1964), p. 42.

11. Lt. Col. Lucien Conein was one of Lansdale's chief assistants during the 1955 battles which put Diem in power, and he was the CIA liaison man with the coup plotters who overthrew Diem in November 1963. Interestingly, Diem's two key supporters in the 1955 fighting-Gen. Mai 14uu Xuan and Gen. Duong Van Minh-were two of the leaders of the 1963 coup group.

12. Interview with Col. Roger Trinquier, Paris, France, March 25, 1971.

13. Fred. W. Riggs, ***Thailand: The Modernization of a Bureaucratic Polity*** (Honolulu: East-West Center Press, 1966), p. 245.

14. The New York Times, ***The Pentagon Papers*** (New York: Quadrangle Books, 1971), p. 235.

15. Interview with Bernard Yoh, Washington, D.C., June 15, 1971. (Bernard Yoh was an adviser to President Ngo Dinh Diem during the 1950s.)

16. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

17. Gen. Mai Huu Xuan claims that most of Nhu's dealings with the Chinese syndicates and business community were conducted through a Chinese businessman named Ma Tuyen (interview with Gen. Mai Huu Xuan, Saigon, Vietnam, July 19, 1971). Following the November 1963 coup, Diem and Nhu hid in Ma Tuyen's house in Cholon just prior to their murder ***(The New York Times,*** November 4, 1971, p. 8).

18. Stanley Karnow, Time-Life Editorial Reference Files (unpublished manuscript, April 1963).

19. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

20. Ibid.

21. The Can Lao was a clandestine organization formed by Ngo Dinh Nhu shortly after President Diem took office. Party members were recruited from every branch of the military and civil bureaucracy, but were usually conservative Catholics. The party functioned as a government within the government, and through it Nhu was able to exercise direct control over every aspect of the government. Its membership list as kept secret to enable party cadres to spy more effectively on their coworkers.

22. Interview with an exiled Vietnamese army colonel, Paris, France, March 25, 1971.

23. Interview with an exiled Can Lao party official, Paris, France, April 1 1971.

24. Denis Warner, ***The Last Confucian*** (London: Angus & Robertson, 1964), p. 224; for one U.S. official's opinion of Dr. Tuyen see Chester L. Cooper, ***The Lost Crusade***, p. 205.

25. The New York Times, ***The Pentagon Papers***, p. 19.

26. Interview with Bernard Yoh, Washington, D.C., June 15, 1971.

27. Interview with an exiled Can Lao party official, Paris, France, April 1, 1971.

28. Ibid.; interview with Tran Van Dinh, Washington, D.C., April 30, 1971.

29. Interdepartmental Task Force, "A Program of Action for South Vietnam," in The New York Times, ***The Pentagon Papers***, p. 129.

30. A number of sources have confirmed the fact that Col. Ky was hired to fly these missions: interview with Col. Phan Phung Tien, Tan Son Nhut Air Base, South Vietnam, July 29, 1971 (Colonel Tien is commander of the Fifth Air Division, the air transport division); interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971; interview with Bernard Yoh, Washington, D.C., June 15, 1971.

31. S. M. Mustard, letter to Senator Ernest Greuning (March 9, 1968); ***The New York Times,*** April 19, 1968, p. 11.

32. Interview with Col. Do Khac Mai, Paris, France, March 29, 1971. (Col. Do Khac Mai was commander of the Vietnamese air force in 1963.)

33. The New York Times, ***The Pentagon Papers***, p. 9t.

34. Cablegram from Elbridge Durbrow, United States Ambassador to Sou

Vietnam, to Secretary of State Christian A. Herter, September 16, 1960, in ibid., p. 122.

35. Marguerite Higgins, ***Our Vietnam Nightmare*** (New York: Harper &and Row, 1965), p. 241.

36. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971; Chester L. Cooper, ***The Lost Crusade***, p. 247.

37. ***The Pentagon Papers,*** Senator Gravel Edition, vol. 11, pp. 522-523.

38. Ibid., p. 524.

39. The New York Times, ***The Pentagon Papers***, p. 347.

40. Ibid., p. 410.

41. Robert Shaplen, ***The Road from War*** (New York: Harper & Row, 1970), pp. 22-23.

42. ***The Pentagon Papers,*** Senator Gravel Edition, vol. 11, pp. 525-526.

43. Interview with an exiled Can Lao party official, Paris, France, April 1, 1971.

44. Interview with Nguyen Xuan Vinh, Ann Arbor, Michigan, June 22, 197 1. (Nguyen Xuan Vinh was commander of the Vietnamese air force from 1958 until 1962.)

45. Interview with Col. Do Khac Mai, Paris, France, March 29, 1971. (According to Colonel Mai, Mrs. Ly had raised prices and was grafting from the base food budget. Air force officers complained to the high command, and Ky was removed from command of Tan Son Nhut after an investigation by a ranking army general.)

46. George McTurnan Kahin and John W. Lewis, ***The United States in Vietnam*** (New York: The Dial Press, 1967), p. 241.

47. Interview with Nguyen Xuan Vinh, Ann Arbor, Michigan, June 22, 1971.

48. ***The New York Times,*** April 22, 1966, p. 22.

49. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

50. Ibid.

51. Ibid.

52. Interview with Charles Sweet, Washington, D.C., May 1971. (Charles Sweet was an adviser to Air Vice-Marshal Ky when he was minister of sports and youth in 1965. Mr. Sweet later served as an assistant to Gen. Edward G. Lansdale in the senior liaison office attached to the U.S. Embassy in Saigon.)

53. Shaplen, ***The Road from War***, p. 185.

54. Interview with Charles Sweet, Washington, D.C., May 1971.

55. Interview with a Vietnamese intelligence official, Saigon, Vietnam, July, 1971.

56. Interview with Tran Van Dinh, Washington, D.C., February 16, 1971. (Tran Van Dinh is former South Vietnamese ambassador to the United States.)

57. ***Vietnam Guardian*** (Saigon), August 18, 1966.

58. Interview with a Vietnamese intelligence official, Saigon, Vietnam, July 1971; Shaplen, ***The Road from War***, pp. 36-37, 53.

59. George Roberts, Report to Robert R. Johnson, Public Administration Ad Hoc Committee on Corruption in Vietnam (November 29, 1967).

60. George Roberts, Report, October 5, 1967.

61. ***Los Angeles Times,*** February 29, 1968.

62. George Roberts, Report, December 6, 1967.

63. Ibid.

64. George Roberts, Report to Robert R. Johnson (November 29, 1967).

65. U.S. Congress, Senate, ***Congressional Record 114,*** no. 16 (February 5, 1968).

66. The Christian Science Monitor, March 9, 1968.

67. The New York Times, April 19, 1968, p. 11.

68. Interview with a Vietnamese intelligence official, Saigon, Vietnam, July 1971.

69. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

70. ***"Nationalist Politics in Viet-Nam,"*** Report of the Senior Liaison Office, U.S. Embassy, Saigon, Vietnam (May 1967), p. 11. (Those who prepared this report were Edward G. Lansdale, David E. Hudson, Calvin E. Mehlert, and Charles F. Sweet.)

71. George Roberts, Report, October 5, 1967.

72. Kahin and Lewis, ***The United States in Vietnam***, pp. 347-348.

73. Keesing's Research Report, ***South Vietnam: A Political History, 1954-1970*** (New York: Charles Scribner's Sons, 1970), pp. 124-125.

74. Kahin and Lewis, ***The United States in Vietnam***, p. 358.

75. Shaplen, ***The Road from War***, pp. 156-157.

76. ***"Nationalist Politics in Viet-Nam,"*** Report of the Senior Liaison Office, P. 9.

77. Ibid., pp. 11, 15.

78. Ibid., p. 10.

79. George Roberts, Report, December 6, 1967.

80. Ibid.

81. Ibid.

82. George Roberts, Report, January 19, 1968.

83. Interview with Col. Tran Vam Phan, Saigon, Vietnam, July 23, 1971. (Colonel Phan is information officer for the National Police.)

84. Interview with Col. Phan Phung Tien, Tan Son Nhut Air Base, Vietnam, July 29, 1971.

85. Interview with Col. Tran Van Phan, Saigon, Vietnam, July 23, 1971. (Colonel Phan was then assistant to the director-general of the National Police for personnel training. He suffered a serious leg wound in the accident and was hospitalized for three months.)

86. Keesing's Research Report, ***South Vietnam: A Political History, 1954-1970***, p. 138.

87. Richard Critchfield, ***The Long Charade*** (New York: Harcourt, Br ce and World, 1968), p. 387.

88. Keesing's Research Report, ***South Vietnam: A Political History, 1954-1970***, p. 138.

89. Interview with a senior MACCORDS official, Saigon, Vietnam, July, 1971.

90. Most of the visible corruption in the National Assembly seems to be the work of lower house members. As in many European parliaments, the Senate has less nominal authority and its members are generally more reserved, more austere.

91. ***"Nationalist Politics in Viet-Nam,"*** Report of the Senior Liaison Office, pp. 1920.

92. Interview with a lower house representative, Saigon, Vietnam, July, 1971.

93. ***"Nationalist Politics in Viet-Nam,"*** Report of the Senior Liaison Office, P. 18.

94. ***The Washington Post,*** September 8, 1968.

95. ***The New York Times,*** June 6, 1971, p. 2.

96. Capt. Gary C. Lulenski (MC), Capt. Larry E. Alessi (MC) and Sp4c Charles E. Burdick, "Drug Abuse in the 23rd Infantry Division (Americal)" (September 1970), p. 9.

97. Major Richard H. Anderson (MC) and Sp4c Wade Hawley, "Subject: Analysis of 482 Questionnaires on Illicit Drug Use in an Engineering Battalion in Vietnam" (November 11, 1970), p. 6.

98. ***The New York Times,*** May 16, 1971, p. 1.

99. "The Drug Abuse Problem in Vietnam," Report of the Office of the Provost Marshal, U.S. Military Assistance Command Vietnam (Saigon, 1971), p. 4. (Emphasis added.)

100. Ibid., p. 6.

101. For an analysis of the impact of the army's marijuana suppression campaign, see Norman E. Zinberg, "GIs and OJs in Vietnam," ***The New York Times Magazine*** (December 5, 1971), p. 120. Dr. Zinberg says the crackdown on marijuana began in 1968. Since large numbers of GIs did not start using heroin until spring 1970, it is obvious that the crackdown on marijuana is only a contributing factor in the switch to heroin.

102. Interview with Captain Higginbotham, Can Tho, Vietnam, July 23, 1971. (Captain Higginbotham is a medical doctor working in the IV Corps amnesty program.)

103. The Washington Post, July 13, 1971.

104. Interview with Maj. Gen. John H. Cushman, Can Tho, Vietnam, July 23, 1971.

105. ***The New York Times,*** May 18, 197 1, p. ~10.

106. ***"The Drug Abuse Problem in Vietnam,"*** Report of the Office of the Provost Marshal, p. 3.

107. Interview with U.S. Rep. Robert H. Steele, Washington, D.C., June 16, 1971.

108. ***Milford Citizen*** (Milford, Connecticut), June 29, 1971. (The paper carried a UPI dispatch from Phnom Penh that said, "Since its inclusion in the Indochina War 15 months ago Cambodia has become a small but growing 'way station' for hard drugs bound for American Servicemen in Vietnam.")

109. Interview with an agent, Washington, D.C., October 21, 1971. (Huu Tim Heng's involvement in the heroin traffic has been confirmed by the U.S. Bureau of Narcotics and Dangerous Drugs, October 21, 1971.)

110. Telephone interview with Richard J. Hynes, USAID/Laos, Vientiane, Laos, September 7, 1971.

111. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 21, 197 1.

112. Interview with Vietnamese residents of Vientiane, Laos, August 1971; interview with a Vietnamese intelligence official, Saigon, Vietnam, September 1971; interview with Estelle **Holt,** London, England, March 1971 (Estelle Holt is a former foreign correspondent in Laos); inter

view with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, May 3, 1972.

113. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Saigon, Vietnam, July 27, 1971.

114. ***The New York Times,*** August 30, 1971, p. 1.

115. Interview with a U.S. customs adviser, Saigon, Vietnam, July 16, 1971.

116. Interview with the U.S. air force adviser to the Fifth Air Division, Tan Son Nhut Air Base, Vietnam, July 1971.

117. Ibid.

118. On June 29, 1971, United Press International reported, "Vietnamese air force C 119 flying boxcars or C 123 providers, which fly military cargo to Cambodia, return to Saigon empty, except for the drug shipments, sources claim" ***(Milford Citizen*** [Milford, Connecticut], June 29, 1971).

119. ***The New York Times,*** August 30, 1971, p. 1.

120. Interview with the U.S. air force adviser to the Fifth Air Division, Tan Son Nhut Air Base, Vietnam, July 1971; interview with a Vietnamese intelligence official, Saigon, Vietnam, July 1971.

121. ***The Washington Post***, July 21, 1971.

122. Ibid., July 17, 1971.

123. Ibid., July 18, 1971.

124. "Corruption in Vietnam," memo from Bill Marmon, Saigon, to Time World, New York (July 23, 1969).

125. Shaplen, ***The Road from War***, pp. 88, 125.

126. "National Politics in Viet-Nam," Report of Senior Liaison Office, p. 12.

127. Interview with a senior MACCORDS official, Saigon, Vietnam, **July** 1971.

128. Ibid.

129. ***The New York Times,*** August 8, 1971, p. 1.

130. Interview with a Vietnamese intelligence official, Saigon, Vietnam, July 1971.

131. The New York Times, May 11, 1970, p. 1.

132. ***The Washington Post,*** May 11, 1970.

133. ***The New York Times,*** May 12, 1970, p. 1; ***The Washington Post,*** May 13, 1970.

134. Interview with Vietnamese naval officers, Saigon, Vietnam, July 1971.

135. The floods were some of the worst in central Vietnam's recent history. The typhoon rains killed five thousand people and left thousands homeless (Don Luce and John Sommer, ***Vietnam: The Unheard Voices*** [Ithaca, N.Y.: Cornell University Press, 19691, pp. 243-244). Admiral Cang's grafting outraged the residents of central Vietnam, and the I Corps commander, Gen. Nguyen Chanh Thi, initiated an official investigation of the affair. It was largely due to General Thi's persistent demands for punishment that Rear Admiral Cang was removed from command (interview with Gen. Nguyen Chanh Thi, Washington, D.C., October 21, 1971.)

136. Vietnamese navy records show that Rear Adm. Chung Tan Cang has held the following positions since he was removed from command in 1965:

(1) 1966, special assistant to the joint generals staff.

(2) December 1, 1966-August 14, 1969, commander of the Military Academy.

(3) August 14, 1969-July 1, 1970, detached to the Ministry of Defense.

(4) July 1, 1 970-July 1, 197 1, detached as a research assistant.

137. Interview with Vietnamese naval officers, Saigon, Vietnam, July 1971.

138. Vietnamese naval records show that Commo. Lam Nguon Thanh reached the position of deputy commander in chief of the navy before being sent to the U.S. Naval War College in Newport, Rhode Island, in 1966. From 1966 until August 1970 he served successively as assistant to the chief, Political Warfare Directorate and Commandant, Political Warfare College in Dalat.

139. Interview with Vietnamese naval officers, Saigon, Vietnam, July 1971.

140. Ibid.

141. All of the following information is based on extensive interviews with Redactor Ly Ky Hoang, chief of the Narcotics Bureau of the National Police (interviews with Redactor Ly Ky Hoang, Saigon, Vietnam, August 5 and 12, and September 11, 1971). Agents of the U.S. Bureau of Narcotics and Dangerous Drugs who participated in the raids were unwilling or unable to be interviewed. The Thai official involved, Col. Pramual Vanigbandhu, was out of the country when we were in Bangkok.

142. ***Pacific Stars and Stripes,*** July 30, 1971. (Emphasis added.)

143. Competition between the Vietnamese and Thai police created complications in the investigation and arrests. Redactor Hoang is openly resentful of the Thai police for the haughty, commanding attitude they displayed at the various planning meetings. Redactor Hoang told the authors "the whole story" because,~"the Thais are claiming all the credit" (interview with Redactor ~y Ky Hoang, Saigon, Vietnam, August 12, 1971).

144. Vietnamese navy records show that Capt. Nguyen Huu Chi was transferred from command of Task Force 213/DP to an unspecified post on August 9, 1971.

145. Interview with Redactor Ly Ky Hoang, Saigon, Vietnam, September 11, 1971.

146. Interview with a senior MACCORDS official, Saigon, South Vietnam, August 1971.

147. Corps commanders have been a key feature of the Vietnamese corruption system since the early 1960s. In a report prepared for Ambassador Ellsworth Bunker in May 1968, Gen. Edward G. Lansdale of the CIA described how the corps commanders have tended to become corrupt warlords:

". . . the civil apparatus and Armed Forces in most of the country have operated more on the basis of a system of the patronage revolving around each corps commander under which . . . each has appointed and replaced virtually all province and district chiefs and to a considerable degree division and regimental commanders in the Corps Tactical Zone. As a result, these officers are more responsive to the corps commander than to the central government . . . and not infrequently the corps commander's policies differ from those of Saigon. Certain facets of this system have also led to considerable corruption within the government" (***"Nationalist Politics in Viet-Nam,"*** Report of the Senior Liaison Office, p. 6).

148. The competition between General Dzu and Gen. Lu Lan sparked a major controversy in South Vietnam during the summer of 1971. In a widely publicized speech in early 1971, General Dzu claimed that he could not clean up the 11 Corps drug traffic because he had inherited the problem from his predecessor, Gen. Lu Lan. After U.S. Congressman Robert Steele (R., Conn.) accused Ngo Dzu of being one of the chief drug traffickers in South Vietnam, Gen. Lu Lan, who had since been promoted to inspector general of ARVN, announced gleefully that he was undertaking a full investigation of the charges. General Dzu counterattacked, accusing Lu Lan of being the man responsible Congressman Steele's allegations (Auchincloss, Johnson and Lynch, ***Newsweek*** dispatch [Saigon Bureau], July 9, 1971; ***The New York Times***, July 8, 1971, p. 1; July 10, 1971, p. 2). In his report to Ambassador Bunker cited above, General Lansdale reported that "General Lu Lan is personally loyal to Thieu" and implied that Gen. Lu Lan was fast becoming another corrupt warlord. ("Nationalist Politics in Viet-Nam," Report of the Senior Liaison Office, p. 6.)

149. Interview with a high-ranking police-intelligence official, Saigon, Vietnam, July 1971.

150. The U.S. army's Criminal Investigation Division (CID) also filed three reports on Gen. Ngo Dzu's involvement in the drug traffic.

1. Dated January 6, 1971. SQurce reported to CID that General Dzu and his father were involved in narcotics trafficking. This source said that General Dzu was cooperating with a number of other individuals, including the ARVN provost marshal in Qui Nhon, certain South Vietnamese navy officers, and an officer in a South Korean division.

2. Dated May 12, 1971. Source reported that Gen. Ngo Dzu's father, Ngo Khoung, was trafficking in heroin with an ethnic Chinese. According to this source General Dzu's father is working with a former special assistant to President Thieu.

3. Dated July 10, 1971. Source alleged that General Dzu co trolled a sizable heroin ring through a number of associates, including his mistress, Mrs. Tran Thi Khanh.

151. ***Dispatch News Service International*** (weekly Asian release), August 16, 1971.

152. Interview with U.S. army enlisted men, Operation Crossroads Rehabilitation Center, Long Binh, Vietnam, July 1971.

153. ***Dien Tin*** (Saigon), March 23, 1971.

154. D. Gareth Porter, "Saigon National Assembly Racked by Corruption and Smuggling," ***Dispatch News Service International,*** April 19, 1971.

155. ***Dien Tin,*** May 1-2, 1971.

156. ***Cong Luan*** (Saigon), May 19, 1971.

157. Porter, "Saigon National Assembly Racked by Corruption and Smuggling."

158. ***Hoa Binh*** (Saigon), March 29, 1971.

159. The bloc committee chairman and their committees, as of June 12, 1971, are as follows:

1. Rep. Tran Quy Phong, Communications and Public Works
2. Rep. Nguyen Dinh Ly, Economics
3. Rep. Pham Hun Giao, Foreign Affairs
4. Rep. Hoang Thong, Interior
5. Rep. Le Van Dien, Information and Open Arms
6. Rep. Truong Dinh Tu, Public Health.

Also, a former Independence Bloc member, Rep. Tran Kim Thoa, was chairman of the Labor, Social Welfare, and Veterans Committee.

160. Interview with a lower house representative, Saigon, Vietnam, July 1971; ***Tin Sang*** (Saigon), May 19, 1971.

161. ***Cong Luan,*** May 19, 1971; ***Chinh Luan*** (Saigon), May 19, 1971.

162. ***Tin Sang*** (Saigon), April 18, 1971.

163. Porter, "Saigon National Assembly Racked by Corruption and Smuggling."

164. ***Cong Luan,*** May 17, 1970.

165. Porter, "Saigon National Assembly Racked by Corruption and Smuggling."

166. ***Dien Tin,*** January 31, 1971.

167. "The Drug Abuse Problem in Vietnam," Report of the Office of the Provost Marshal, p. 13.

168. Interview with a Vietnamese customs official, Saigon, Vietnam, July 22, 1971.

169. Announcement from the residence of the prime minister, Republic of Vietnam, March 19, 1971.

170. "The Drug Abuse Problem in Vietnam," Report of the Office of the Provost Marshal, p. 13.

171. ***Saigon Post,*** March 25, 1971.

172. ***Vietnam Guardian*** (Saigon), March 25, 1971.

173. Ibid., March 24, 1971.

174. ***Bao Den*** (Saigon), March 24, 1971.

175. ***Dien Tin*** (Saigon), March 22, 1971.

176. General Khiem has an interesting political history: During the November 11, 1960 coup against President Diem, he advanced on Saigon from the delta telling both sides that he was coming to help them. When it was apparent that the coup group was weakening, he ordered his troops to attack the rebels, delivered the decisive blow, and took credit for saving the Diem regime. Three years later he allied with General Duong Van Minh to topple President Diem, but only three months after that he played a key role in the coup which overthrew General Minh's government. Although he occupied a number of important positions in succeeding governments, he was one of the architects of a coup against the new regime in February 1965. This last coup is nerhaps General Khiem's most remarkable achievement; be organized it from the Vietnamese Embassy in Washington, D.C., nine thousand miles from Saigon (Kahin and Lewis, ***The United States in Vietnam,*** p. 173).

177. ***The New York Times,*** May 18, 1971, p. 10.

178. Interview with a U.S. customs adviser, Saigon, Vietnam, July 16, 1971.

179. "The Drug Abuse Problem in Vietnam," Report of the Office of the Provost Marshal, p. 10.

180. Ibid., p. 10.

181. "Excerpts from Report of Customs Advisor Joseph R. Kvoriak; Date: February 8, 197 1," United States Government Memorandum, to James E. Townsend, chief of party/customs, from Joseph R. Kvoriak, customs adviser, on the subject "Lack of Controls and Enforcement, Tan Son Nhut," (Februarv 25, 1971), p. 1.

182. Ibid., p. 2.

183. Ibid., pp. 4-5. (Emphasis added.)

184. ***"The Drug Abuse Problem in Vietnam"***, Report of the Provost Marshal, p. 7.

185. ***The New York Times,*** August 30, 1971, p. 1.

186. ***The New York Times,*** April 22, 1971, p. 1.

187. Interview with a U.S. Embassy official, Saigon, Vietnam, July 1971.

188. Announcement, from the residence of the prime minister, Republic of Vietnam, March 19, 1971.

189. ***Lap Truong*** (Saigon), May 29, 1971.

190. Interview with a Vietnamese customs official, Saigon, Vietnam, July 1971.

191. ***The New York Times,*** August 8, 1971, p. 1.

192. ***Lap Truong,*** May 31, 1971.

193. Interview with a Vietnamese intelligence officer, Saigon, Vietnam, July 1971. (Some other sources report that Colonel Binh was a member of Khiem's army faction during the early 1960s. These sources feel that Colonel Binh may still be a member of the Khiem faction today, even though he is Mrs. Thicu's nephew.)

194. ***The New York Times,*** August 8, 197 1, p. 1; interview with a U.S. customs adviser, Saigon, Vietnam, July 1971.

195. Interview with John Warner*, Washington, D.C., October 14, 1971; other U.S. officials including Representative James H. Scheuer, the Comptroller General of the United States, and the Assistant Secretary of State for East Asia and Pacific Affairs have observed this shift to Southeast Asia. (U.S. Congress, House Committee on Foreign Affairs, ***International Aspects of the Narcotics Problem,*** 92nd Cong., Ist sess., 1971, pp. 61, 119, 149.)

196. Interview with Police Col. Smith Boonlikit, Bangkok, Thailand, September 17, 1971.

197. Cabled dispatch from Shaw, Vientiane (Hong Kong Bureau). to Time Inc., received September 16-17, 1965.

198. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, June 17, 1971.

199. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

200. French commercial shipping companies still maintain regular schedules between Saigon and France. In August 1971, for example, there were four scheduled departures from Saigon:
Leave Arrive Arrive Company Ship Saigon
Le Havre Marseille Messageries Maritimes Godavery --- August 9 October 8
Chargeurs Réunis Tobago --- August 6 September 24
Nausicaa --- August 22 October 9
Toscana --- August 26 October 26

201. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

202. Ibid.

203. In September 1965 General Lansdale's Senior Liaison Office began advising the Vietnamese Central Rural Construction Council, headed by Premier Ky, on pacification and social reform. (Kahin and Lewis, ***The United States in Vietnam***, p. 242.)

204. Interview with Norma Sullivan, Singapore, September 24, 1971. (Norma Sullivan is a special assistant to William Crum, and has worked in Saigon business circles since the early 1960s.)

205. Ed Reid, ***The Grim Reapers*** (Chicago: Henry Regnery Company, 1969), appendix 111, chart 8.

206. U.S. Congress, Senate Permanent Subcommittee on Investigations, Committee on Government Operations, ***Fraud and Corruption in Management of Military Club Systems-Illeqal Currency Manipulations A flecting South Vietnam,*** 91 st Cong., 2nd sess., 92nd Cong., I st sess., 1971, pt. 4, p. 1017.

207. Ibid., Report, pp. 28, 34.

208. Ibid., Report, p. 68.

209. Ibid., Report, p. 43.

210. Ibid., pt. 3, p. 637.

211. Ibid., Report, pp. 12-13.

212. Ibid., Report, p. 73.

213. Ibid., pt. 5, p. 1045.

214. Ibid., pt. 2, pp. 478-479.

215. Ibid., pt. 5, pp. 1046-1047.

216. Fine Foreign Foods Ltd., described as the "restaurant proprietor" of the San Francisco Steak House (Ground floor, 67 Peking Road, Kowloon), registered with the Inland Revenue Department, Hong Kong, on August 1, 1967.

217. Senate Permanent Subcommittee on Investigations, Committee on Government Operations, ***Fraud and Corruption in Management of Military Club Systems-Illegal Currency Manipulations Aflecting South Vietnam,*** 91st Cong., 2nd sess., 92nd Cong., Ist sess., Report, pp. 75-77.

218. Ibid., p. 85.

219. Ibid., p. 86.

220. According to corporate records filed with the Hong Kong government, Frank Carmen Furci resigned from his position as director of Fine Foreign Foods Ltd. on March 18, 1970. He transferred 1,667 shares to James Edward Galagan, his partner for the last few years, and 1,666 shares to Setsui Morten on March 25, 1970. Since the corporate report filed in 1969 showed that Frank Carmen Furci owned 3,333 shares, it is presumed that these events marked the end of his connection with the company and its restaurant.

221. Senate Permanent Subcommittee on Investigations, Committee on Government Operations, ***Fraud and Corruption in Management of Military Club Systems-Illegal Currency Manipulations Aftectinq South Vietnam,*** 91st Cong., 2nd sess., 92nd Cong., Ist sess., pt. 2, p. 279. This testimony before the committee was given by Senate investigator Carmine Bellino, "conceded to be the best investigative accountant in

the country" (Victor S. Navasky, ***Kennedy Justice*** [New York: Atheneum, 1971, p. 53.)

222. Reid, ***The Grim Reapers***, p. 296.

223. Interview with a U.S. Embassy official, Saigon, Vietnam, July 1971.

224. Hank Messick, ***Lansky*** (New York: G. P. Putnam's Sons, 1971), p. 241.

225. Interview with an agent, U.S. Bureau of Narcotics and Dange ous Drugs, Washington, D.C., November 18, 1971.

226. ***The New York Times,*** January 9, 1972, p. 25.

227. ***The Evening Star*** (Washington, D.C.), January 6, 1972~ U.S. Coneress, Senate Committee on Appropriations, ***Foreign Assistance and Related Programs Appropriations for Fiscal Year 1972,*** 92nd Cong., Ist sess., 1971, p. 614. This and other evidence contradict Secretary of State William Rogers' assertion that the narcotics problem in Southeast Asia is being dealt with effectively. (Sec. of State William Rogers, Testimony Before the Foreign Operations Subcommittee of the Senate Appropriations Subcommittee, Uncorrected Transcript, May 15 1972.)

228. ***The New York Times,*** April 19, 1968, p. 11.

229. ***The Washington Post,*** July 17, 1971.

230. ***The Saigon Post,*** July 25, 1971. (Emphasis added.)

231. The army CID filed reports detailing Gen. Ngo Dzu's involvement in the heroin traffic on January 6, May 12, and July 10, 1971. These reports and other information gathered by the U.S. Bureau of Narcotics and Dangerous Drugs convinced several of its ranking **agents that** General Dzu was clearly involved.

232. ***The New York Times,*** July 8, 1971, p. 1.

233. Ibid., July 10, 1971, p. 2; whether by design or by accident the U.S. Embassy failed to forward these reports on General Ngo Dzu's involvement in the heroin traffic to the State Department in Washington. Testifying in July 1971, the Assistant Secretary of State for East Asia and Pacific Affairs, Marshall Green, said that he had "no information" on Gen. Ngo Dzu's involvement in the traffic. (U.S. Congress, House Committee on Foreign Affairs, ***International Aspects of the Narcotics Problem***, p. 157.)

234. ***The New York Times,*** December 19, 1971, p. 1.

235. ***The Washington Post,*** August 3, 1971.

236. ***Pacific Stars and Stripes,*** August 7, 1971.

237. ***The New York Times,*** June 24, 1971, p. 4.

238. Interview with Maj. Richard A. Ratner, Long Binh Rehabilitation Center, Vietnam, July 22, 1971.

239. Interview with Sp4c. James Baltz, Long Binh Rehabilitation Center, Vietnam, July 22, 1971.

240. ***Pacific Stars and Stripes,*** July 19, 1971.

241. ***The New York Times,*** May 19, 1971, p. 6.

242. Ibid., December 19, 1971, p. 1.

243. ***The Washington Post,*** August 3, 1971.

244. ***The New York Times,*** June 16, 1971, p. 21.

245. ***The Washington Post,*** August 20, 1971.

246. Interview with a U.S. serviceman, Long Binh Rehabilitation Center, South Vietnam, July 22, 1971.

247. ***The Washington Post,*** August 19, 1971.

248. Morgan F. Murphy and Robert H. Steele, ***The World Heroin Problem,*** 92nd Cong., Ist sess. (Washington, D.C.: U.S. Government Printing Office, 1971), p. 20.

249. Telephone interview with Jerome Hollander, Los Angeles, California, June 25, 1971. (Jerome Hollander is the public information officer, U.S. Customs Regional Commission.)

250. Murphy and Steele, ***The World Heroin Problem***, p. 20,

251. ***The New York Times,*** August 11, 1971, p. 1.

252. Ibid., November 12, 1971, p. 93.

6 Hong Kong: Heir to the Heroin Traffic

1. Y. C. Wang, "Tu Yuch-sheng (1888-1951): A Tentative Political Biography," ***The Journal of Asian Studies*** 26, no. 3, (May 1967), 435.

2. Ibid., p. 436-, Howard L. Boorman, ed., ***Biographical Dictionary of Republican China*** (New York: Columbia University Press, 1970), v. 111, pp. 328-330.

3. United Nations, Department of Social Relations, ***Bulletin on Narcotics*** 5, no. 2 (April-June 1953), 49.

4. Ibid., p. 52.

5. Harold R. Isaacs, ***The Tragedy of the Chinese Revolution*** (Stanford, Calif.: Stanford University Press, 1951), p. 135.

6. Ibid., pp. 142-145.

7. Ibid., pp. 174-180; Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," pp. 437-438.

8. Wang, "Tu Yueh-sheng (1888-1951):.A Tentative Political Biography," pp.438-439.

9. U.S. Congress, Senate Committee on the Judiciary, ***The AMERASIA Papers: A Clue to the Catastrophe of China,*** 91st Cong., Ist sess., 1970, pp. 272-273. (In the original document the date given for the beginning of Tu Yueh-sheng's opium dealings in Chungking was 1944. However, since this report was submitted in October 1943 this must be a misprint. The authors believe that 1942 was the likely date.)

10. W. P. Morgan, ***Triad Societies in Hong Kong*** (Hong Kong: Government Press, 1960), pp. 76-77.

11. Ibid., pp. 77-78.

12. Interview with a retired Green Gang member, Hong Kong, July 13, 1971.

13. Y. C. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 453.

14. Interview with George Dunning, Hong Kong, July 6, 1971. (George Dunning is superintendent of police, Narcotics Bureau, Royal Hong Kong Police.)

15. W. P. Morgan, ***Triad Societies in Hong Kong, p.*** 78.

16. Interview with a retired Royal Hong Kong Police officer, London, England, March 2, 1971.

17. W. P. Morgan, ***Triad Societies in Hong Kong, p.*** 78.

18. Interview with George Dunning, Hong Kong, July 6, 1971.

19. Interview with a retired Green Gang member, Hong Kong, July 13, 1971.

20. Interview with Brian Webster, Hong Kong, July 9, 1971. (Brian Webster is superintendent of police, Triad Society Bureau and Juvenile Liaison Office.)

21. ***Hong Kong Standard,*** October 17, 1970.

22. ***South China Morning Post*** (Hong Kong), May 25, 1971.

23. Interview with T. G. P. Garner, Hong Kong, July 7, 1971. (T. G. P. Garner is deputy commissioner of prisons.)

24. ***Hong Kong Standard,*** January 20, 197 1.

25. Albert G. Hess, ***Chasing the Dragon*** (New York: The Free Press, 1965),p.42.

26. Interview with T. G. P. Garner, Hong Kong, July 7, 1971; interview with James Chien, Hong Kong, July 8, 1971. (James Chien is director of the Society for the Aid and Rehabilitation of Drug Addicts.)

27. ***Hong Kong Standard,*** December 1, 1970.

28. ***South China Morning Post,*** August 28, 1969.

29. Interview with a Ma Shan customer, Hong Kong, July 1971; interview with a ***chiu chau*** secret society member, Hong Kong, July 1971.

30. Interview with a government narcotics expert, Hong Kong, July 8, 1971.

31. Interview with a retired Royal Hong Kong Police officer, London, England, March 2, 1971.

32. Interview with George Dunning, Hong Kong, July 6, 1971.

33. Interview with Maj. Chao La, Ban Nam Keung, Laos, September 12, 1971.

34. Interview with Police Col. 'Smith Boonlikit, Bangkok, Thailand, September 17, 1971. (Col. Smith Boonlikit is employed in the Foreign Bureau of the Central Narcotics Bureau, Thailand.)

35, Interview with Redactor Ly Kv Hoana, Saigon, Vietnam, August 12, 1971. (Redactor Hoang is chief of the Narcotics Bureau of the National Police, Vietnam.)

36. See, for example, ***The New York Times,*** June 3, 1955, p. 9.

37. ***Malay Mail*** (Singapore), April 2, 1965.

38. Interview with Liao Long-sing, Singapore, September 24, 1971. (Liao Long-sing is deputy director of the Central Narcotics Intelligence Bureau, Singapore.)

39. T. A. Mugan, "Drugs Addiction," mimeographed (Singapore, 1970). (T. A. Mugan is senior superintendent of customs, Harbour Division, Singapore); ***The New York Times,*** May 5, 1970, p. 10.

40. Interview with George Dunning, Hong Kong, July 6, 1971.

41. Police records show that he is a Kowloon resident who is known to the police for his involvement in gambling and narcotics. He has never been arrested and has no provable triad connections (interview with **Brian** Webster, Hong Kong, July 10, 1971). Privately, one narcotics officer labeled him as Hong Kong's maior drug

importer and provided much of the following information (interview with a Narcotics Bureau police officer, Hong Kong, July 13, 1971).

42. Interview with a ***chiu chau*** secret society member, Hong Kong, July 1971.

43. Interview with a Narcotics Bureau police officer, Hong Kong, July 13, 1971.

44. ***Hong Kong Standard,*** January 25, 1971.

45. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Bangkok, Thailand, September 16, 1971.

46. Interview with flight crew, Market Time Surveillance Patrol, Cam Ranh Bay, Vietnam, August 2, 197 1.

47. Interview with Graham Crookdake, Hong Kong, July 5, 1971. (Graham Crookdake is assistant chief preventive officer, Royal Hong Kong Preventive Services.)

48. John Hughes, ***The Junk Merchants*** (Boston: The Christian Science Publishing Company, 1970), p. 31. (This description assumes that the Market Time intelligence data is actually finding its way through the maze of British and American bureauacries to the Preventive Services. Sources in South Vietnam assured the authors that this information was, in fact, being used by Hong Kong authorities.)

49. Interview with George Dunning, Hong Kong, July 6, 1971.

50. "The Illicit Manufacture of Diacetylmorphine Hydrochloride," xeroxed (Hong Kong, n.d.), p. 1,

51. Interview with a Hong Kong government chemist, Hong Kong, July 9, 1971.

52. Ibid.

53. Interview with a Narcotics Bureau police officer, Hong Kong, July 13, 1971.

54. ***The Age*** (Melbourne, Australia), January 16, 1971.

55. Interview with a Narcotics Bureau police officer, Hong Kong, July 13, 1971.

56. ***The New York Times,*** January 14, 1967, p. 13.

57. Interview with an agent of the U.S. Bureau of Narcotics and Dangerous Drugs, October 14, 1971.

58. In March 1970 the director of the Bureu of Narcotics and Dangerous Drugs estimated that the U.S. consumed a total of 2.5 to 3.0 tons of heroin a year ***(The New York Times,*** March 6, 1970, p. 44). Since then estimates of U.S. consumption have been revised upward. Experts now feel that in 1964-1966 the U.S. consumed 3.0 to 3.5 tons annually, and in 1971 U.S. addicts used about 10.0 tons of heroin (interview with John Warner, Washington, D.C., October 14, 1971).

59. ***The New York Times,*** April 3, 1970, p. 3.

60. Morgan F. Murphy and Robert H. Steele, ***The World Heroin Problem,*** Report of Special Study Mission, 92nd Cong., Ist sess. (Washington, D.C.: Government Printing Office, May 27, 1971), p. 12.

61. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November 18, 1971.

7 The Golden Triangle: Heroin Is Our Most Important Product

1. Lao Presse (Vientiane: Ministry of Information, #1448/71), April 8, 1971.

2. Ibid. (#1459/71), April 24, 1971.

3. Ibid. (#1460/71), April 26, 1971.

4. The New York Times, August 11, 1971, p. 1.

5. Interview with diplomatic officials, Vientiane, Laos, **August and September 1971.**

6. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November 18, 1971.

7. ***Report of the United Nations Survey Team on the Economic and Social Needs of the Opium-Producing Areas in Thailand*** (Bangkok: Government House Printing Office, 1967), pp. 59, 64, 68; ***The New York Times,*** September 17, 1963, p. 45; June 6, 1971, p. 2.

8. Interview with John Warner, Washington, D.C., October 14, 1971. (John Warner is chief of the Strategic Intelligence Office of the S. Bureau of Narcotics and Dangerous Drugs.)

9. John Hughes, ***The Junk Merchants*** (Boston: The Christian Science Publishing Company, 1970), pp. 13-14.

10. ***The New York Times,*** April 3, 1970, p. 3; the director of the U.S. Bureau of Narcotics, John E. Ingersoll, has testified that the 80 percent figure "has been handed down from very obscure beginnings" and admitted that he has not been able to verify the figure. (U.S. Congress Senate Committee on Appropriations, ***Foreign Assistance and RelaQ Proqrams Appropriations for Fiscal Year 1972,*** 92nd Cong., Ist sess., 1971, p. 610.)

11. ***The New York Times,*** June 6, 1971, p. 2.

12. Alain Y. Dessaint, "The Poppies Are Beautiful This Year," ***Natural History,*** February 1972, p. 31.

13. Morgan F. Murphy and Robert H. Steele, ***The World Heroin Problem,*** 92nd Cong., Ist sess. (Washington, D.C.: Government Printing Office, May 1971), p. 20.

14. ***The Milford Citizen*** (Milford; Connecticut), September 28, 1971.

15. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 21, 1971.

16. ***The New York Times,*** June 6, 1971, p. 2.

17. Interview with Police Col. Smith Boonlikit, Bangkok, Thailand, September 17, 1971. In mid 1971 the going price for a gram of no. 4 heroin in Bangkok was about $2 (40 baht), compared to about 120 (2.5 baht) for no. 3 heroin.

18. About sixty-five tons of opium are smuggled into the major cities in upper and central Burma for local consumption, but almost none gets beyond these cities into the international markets (interview with William Young, Chiangmai, Thailand, September 8, 1971. William Young worked for the CIA from 1958 until 1967).

19. Ibid.

20. U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," mimeographed (Washington, D.C., October 1970), p. 10.

21. ***The New York Times,*** June 6, 1971, p. 2.

22. ***The Evening Star*** (Washington, D.C.), June 19, 1972.

23. Interview with Elliot K. Chan, Vientiane, Laos, August 15, 1971. (Elliot K. Chan is a USAID police adviser to the Royal Laotian government.) Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November 18, 1971.

24. Interview with Edward Fillingham, Vientiane, Laos, September 5, 1971. (Edward Fillingham is the director of the Foreign Exchange Operations Fund.)

25. Louis Kraar, "Report from Laos," ***Fortune,*** September 1, 1968, p. 52.

26. Ibid., p. 54.

27. Far Eastern Economic Review, ***1971 Yearbook*** (Hong Kong), p. 216; ***Straits Times*** (Singapore), August 22, 1969; ***Eastern Sun*** (Singapore), February 24, 1971.

28. British Broadcasting Corporation interview with Sisouk na Champassak, Vientiane, Laos, 1970. (The quotation is filed at BBC Lime Grove Studios, London, England.)

29. For example, Sisouk himself made this statement before the U.N. Commission on Narcotic Drugs in 1957:

"The Royal Government is determined, as it always has been:
1. to prohibit the production or consumption of opium derivatives throughout the national territory under its control;
2. to take vigorous measures to combat illicit traffic;
3. to ensure effective and complete enforcement of the prohibition of the consumption of opium"

(United Nations, Economic and Social Council, Commission on Narcotic Drugs, ***Illicit Traffic,*** 12th sess., agenda item no. 4 [E/CN.7/1_1691, May 28, 1957; [no. 295/MPL/ONU] May 29, 1957).

30. ***The Washington Post,*** July 8, 1971.

31. Interview with Police Col. Smith Boonlikit, Bangkok, Thailand, September 21, 1971. (Colonel Boonlikit allowed the authors to read and copy reports from U.S. customs, U.S. Bureau of Narcotics, and Interpol relating to Corsican syndicates in Southeast Asia. Practically all of the following information is based on these reports unless otherwise noted.)

32. Interview with Touby Lyfoung, Vientiane, Laos, September 4, 1971; ***Time,*** February 29, 1960, p. 35.

33. Paule Bernard, ***Lotus, Opium et Kimonos*** (Paris: Robert Laffont, 1959), p. 90; telephone interview with an agent, Bureau of Narcotics and Dangerous Drugs, Washington, Dr.., December 20, 1971.

34. Paul Louis Levet's syndicate consisted of six men, including himself:

1. Jacques Texier.

2. Jean "Jeannot" Giansily, who reportedly arrived in Indochina from France in 1954-1955 and first worked for Bonaventure Francisci. Later hired by Levet.
3. Barth6lemy "M6m6" Rutilly, Levet's contact man in Saigon.
4. Charles Orsini, an elderly Corsican resident of Phnom Penh who served as the contact man in Cambodia.
5. Tran Hung Dao, an alias for a Vietnamese member of the syndicate.

35. In late 1959 or early 1960, for example, a small Beaver aircraft chartered from Roger Zoile picked up three hundred kilos of opium at Muong Sing, in northwestern Laos, for Levet's "account." The aircraft landed at a small strip on the western edge of Tonle Sap Lake in Cambodia, where the opium was repacked in orange crates and trucked to the Cambodian seaport of Kompot. From there half was shipped to Hong Kong and the other half to Singapore.

36. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 1971.

37. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

38. Joel "alvern, "The Role of Chinese in Lao Society," ***Journal of the Siam Society*** 49, pt. I (July 1961), 31-34.

39. Joel M. Halpern, ***Economy and Society of Laos*** (New Haven: **South**east Asian Studies, Yale University, 1964), pp. 117-118.

40. Stanley Karnow, "The Opium Must Go Through," ***Life,*** August 30, 1963, pp. 11-12; Hong Kong Dispatch 4222, from Jerry Rose to **Time,** Inc. (November 9, 1962).

41. Ibid.

42. ***L'Express,*** no. 1052 (September 6-12, 1971), p. 18. (This **article** identified JeanBaptiste Andr6ani, a Guerini partisan during the vendetta discussed in Chapter 2, as an associate of Antoine Guerini and Bonaventure Francisci.)

43. U.S. Bureau of Narcotics and Dangerous Drugs has the following information on this incident:

1. Owners of the aircraft: René Enjabal and Lucien Don Carlini.
2. Vientiane opium dealers: Roger Lasen, Maurice Lecore, Ao Thien Hing (Chinese resident of Laos), and Thao Shu Luang Prasot (Chinese resident of Laos).
3. Waiting for the opium on the ground in Ban Me Thuot were: Charles Merelle (French), Padovani (French Corsican) and Phan Dao Thuan (Vietnamese).
4. Opium was destined for two Chinese distributors in Cholon: Ky Van Chan and Ky Mu.
5. Also believed to be involved as financiers: Roger Zoile and Francois Mittard
(telephone interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., December 20, 1971).

44. Karnow, ***"The Opium Must Go Through,"*** p. 12.

45. Telephone interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Washington, D.C., December 20, 1971.

46. Also arrested were Mme. Isabela Mittard, Roger Boisviller, Roger Paul Jean, Etienne Kassubeck, and Jean Roger Barbarel. Barbaret escaped from prison in 1960 and has never been apprehended.

47. According to Vietnamese Passport Control, Frangois Mittard visited Laos briefly from December 28 to 30, 1964, and left Saigon for Laos on January 31, 1965. He has never returned to Vietnam (interview with Ton That Binh, Vietnamese Passport Control, Saigon, Vietnam, September 10, 1971).

48. Hong Kong Dispatch #222, from Jerry Rose (November 9, 1962).

49. ***The New York Times,*** May 8, 1953, p. 4; U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," p. 10.

50. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1971.

51. Len E. Ackland, "No Place for Neutralism: The Eisenhower Administration and Laos," in Nina S. Adams and Alfred W. McCoy, eds., ***Laos: War and Revolution*** (New York: Harper & Row, 1970), p. 149.

52. Arthur J. Dommen, ***Conflict in Laos*** (New York: Frederick A. Praeger, 1971), p. 116; Roger Hilsman, To ***Move a Nation*** (Garden City, N.Y.: Doubleday & Company, Inc., 1967), pp. 114-115.

53. David Wise and Thomas B. Ross, ***The Invisible Government*** (New York: Random House, 1964), p. 153.

54. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

55. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

56. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

57. Dommen, ***Conflict in Laos, p.*** 219.

58. ***Le Monde*** (Paris), May 24-25, 1964.

59. ***Far Eastern Economic Review,*** May 28, 1964, p. 421.

60. ***Le Monde,*** May 24-25, 1964.

61. General Ouane gave the authors the following statistics:

Contróle du Opium au Laos

Month	Report No.	Amount exported	Profits	Equivalent (Dollar)
November **1963**	Report ***I/A***	***1,146*** kgs.	***1,948,200*** baht	***$97,410***
December **1963**	Report ***2/V***	***1,128*** kgs.	***1,917,000*** baht	***$95,880***
January **1964**	Report ***2/V***	***1,125*** kgs.	***1,912,500*** baht	***$95,625***

(Interview with Gen. Ouane Rattikone, Vientiane, Laos, September ***1, 1971.)***

62. Ibid.

63. General Kouprasith told one reporter that, "some of the things he [Phoumi] has done with the economy of the nation are wrong, including the introduction of gambling and the monopolies. Some of the things he has done have helped to support and strengthen the Communists in their attack on us" (Dommen, ***Conflict in Laos, p.*** 265); ***Lao Presse*** (Vientiane: Ministry of Information, #3764), April 20, 1964.

64. D. Gareth Porter, "After Geneva: Subverting Laotian Neutrality," in Adams and McCoy, eds., ***Laos: War an,~Revolution, p.*** 204.

65. ***Far Eastern Economic Review,*** May 28, 1964, p. 421.

66. Dommen, ***Conflict in Laos, pp.*** 286-287.

67. ***Lao Presse*** (Vientiane: Ministry of Information, #3998), February 8, 1965.

68. Cabled dispatch from Shaw, Vientiane (Hong Kong Bureau), to Time, Inc., received September 16-17, 1965.

69. The New York Times, ***The Pentagon Papers*** (New York: Quadrangle Books, 1971), pp. 313-314.

70. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971; interview with Gen. Thao Ma, Bangkok, Thailand, September 17, 1971; Don A. Schancbe, ***Mister Pop*** (New York: David McKay Company, 1970), pp. 240-245.

71. The authors visited Long Pot village in the region west of the Plain of Jars in August 1971 and interviewed local officials, opium farmers, and soldiers who confirmed Air America's role in the local opium trade.

72. James Hamilton-Paterson, ***The Greedy War*** (New York: David Mckay, 1971), pp. 275-276.

73. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, June 17, 1971.

74. Interview with Lt. Col. Lucien Conein, McLean, Virginia, June 18, 197 1.

75. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, June 17, 1971.

76. Peter Kunstadter, "Vietnam: Introduction," in Peter Kunstadter d., ***Southeast Asian Tribes, Minorities, and Nations*** (Princeton, N.J.: Princeton University Press, 1967), pp. 681-682; Howard Shochurek, "Americans in Action in Vietnam," ***National Geographic*** 127, no. I (January 1965), 38-64.

77. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

78. Interview with Gen. Edward G. Lansdale, Alexandria, Virginia, **June** 17, 1971.

79. Genevieve Sowards and Erville Sowards, ***Burma Baptist Chronicle*** (Rangoon: Board of Publications, Burma Baptist Convention, 1963), pp. 411-414.

80. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

81. ***The Boston Globe,*** September 3, 1970.

82. The CIA's Tibetan operations began in August 1959, when twenty Khamba tribesmen from southern Tibet arrived in Camp Hale, Colorado, for special training. These men, and others like them, served as cadres in the CIA's guerrilla army, which devoted most of its resources to mining the two major roads between Tibet and China. Through these operations the CIA hoped to slow the flow of Chinese men and materiel moving into Tibet, and thereby strengthen the political position of the exiled Dalai Lama. When the operations were curtailed in May 1960, there were an estimated forty-two thousand Khamba guerrillas fighting for the CIA inside Tibet (L. Fletcher Prouty, article in ***The Empire Gazette*** [Denver, Colorado], February 6, 1972).

83. Interview with Don A. Schanche, Larchmont, New York, February 12, 1971. Don Schanche is the author of ***Mister Pop.***

84. Interview with Maj. Chao La, Ban Nam Keung, Laos, September 12, 1971. (Maj. Chao La is commander of Yao mercenary troops in Nam Tha Province for the CIA.)

85. Schanche, ***Mister Pop, p.*** 5.

86. John Lewallen, "The Reluctant Counterinsurgents: International Voluntary Services in Laos," in Adams and McCoy, eds., ***Laos: War and Revolution, pp.*** 361362; for an official USAID admission of the military character of these "humanitarian" refugee operations, see U.S. Congress, Senate Committee of the Judiciary, ***Refugee and Civilian War Casualty Problems in Indochina,*** 91st Cong., 2nd sess., 1970, pp. 22-24.

87. Schanche, ***Mister Pop, pp.*** 241-242.

88. Interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971.

89. Dommen, ***Conflict in Laos, pp.*** 294-295.

90. Interview with a Royal Laotian Army officer, Vientiane, Laos, August 1971. (This interview is the basis for the foregoing description of Vang Pao's early career.)

91. Dommen, ***Conflict in Laos, pp.*** 133-134.

92. ***Lao Presse*** (Vientiane: Ministry of Information, #2,700), September 12, 1960.

93. Dommen, ***Conflict in Laos, p.*** 154.

94. ***Lao Presse*** (Vientiane: Ministry of Information, #2,692), September 1, 1960.

95. Ibid. (#2,716), September 29, 1960.

96. Interview with a Royal Laotian Army officer, Vientiane, Laos, August 1971.

97. Interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971.

98. Dommen, ***Conflict in Laos, pp.*** 161, 296; interview with Touby Lyfoung, Vientiane, Laos, September 1, 1971.

99. Hugh Toye, ***Laos: Bufler State or Battleground*** (New York: Oxford University Press, 1968), p. 161.

100. Schanche, ***Mister*** Pop, pp. 75-76.

101. Dommen, ***Conflict in Laos, pp.*** 179, 207.

102. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

103. Interview with Ger Su Yang, Long Pot village, Laos, August 19, 1971.

104. Interview with Capt. Kong Le, Paris, France, March 22, 1971.

105. Dommen, ***Conflict in Laos, p.*** 207.

106. Schanche, ***Mister*** Pop, pp. 97-100.

107. Brig. Gen. Edward G. Lansdale, ***"Resources for Unconventional Warfare, S.E. Asia,"*** in The New York Times, ***The Pentagon Papers, pp.*** 138-140.

108. Schanche, ***Mister*** Pop, pp. 103, 115-116.

109. Ibid., pp. 162-163.

110. U.S. Congress, Senate Committee on Foreign Relations, Subcommittee on United States Security Agreements and Commitments Abroad, ***United States Security Agreements and Commitments Abroad, Kingdom of Laos,*** 91 st Cong., I st sess., 1970, pt. 2, p. 473.

111. Interview with William Young, Chianginai, Thailand, September 8, 1971; interview with a former USAID official in Nam Tha Province, Laos, June 1971.

112. Interview with William Young, Chiangmai, Thailand, September 8, 197 1; Schanche, ***Mister Pop, pp.*** 171-173.

113. Dommen, ***Conflict in Laos, p.*** 183.

114. ***The New York Times,*** April 25, 1963, p. 7.

115. Interview with Capt. Kong Le, Paris, France, March 22, 1971.

116. An Australian anthropologist working in northern Thailand has shown that the high price of opium enabled the Meo in one village to support themselves on only onethird of the land it would have required to produce an adequate amount of rice for the village's subsistence (Douglas Miles, "Shifting Cultivation-Threats and Prospects," in ***Tribesmen and Peasants in North Thailand,*** Proceedings of the First Symposium of the Tribal Research Center [Chiangmai, Thailand: Tribal Research Center, 1967], p. 96.)

117. Schanche, ***Mister Pop, pp.*** 240-245.

118. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971; interview with Gen. Thao Ma, Bangkok, Thailand, September 17, 1971.

119. Inter-view with Lo Kham Thy, Vientiane, Laos, September 2, 1971.

120. Interview with a former USAID official, Washington, D.C., June 1971.

121. Interview with high-ranking Meo officials, Vientiane, Laos, September 1971.

122. U.S. Congress, Senate Committee on Foreign Relations, Subcommittee

on United States Security Agreements and Commitments Abroad, ***Kingdom of Laos,*** pt. 2, p. 465.

123. Ibid., pp. 470, 490.

124. Dommen, ***Conflict in Laos, pp.*** 297, 299.

125. A Meo social scientist of Paris now working for his doctorate at the University of Paris estimates that there were eighty thousand Meo in Meng Khouang Province and fifty-five thousand in Sam Neua Province before the

mass migrations began (interview with Yang Than Dao, Paris, France, March 17, 1971). One USAID refugee official at Ban Son estimates that there are a total of about 250,000 hill tribesmen living in the mountains of these two provinces (interview with George Cosgrove, Ban Son, Laos, August 30, 1971).

126. Schanche, ***Mister Pop, pp.*** 294-295; Senate Committee of the Judiciary, ***Refugee and Civilian War Casualty Problems in Indochina, pp.*** 24-28.

127. Interview with George Cosgrove, Ban Son, Laos, August 30, 1971.

128. Ibid.; U.S. Congress, Senate Committee on the Judiciary, ***War-Related Civilian Problems in Indochina, Part II: Laos and Cambodia,*** 92nd Cong., Ist sess., 1971, p. 48.

129. Interview with Lyteck Lynhiavu, Vientiane, Laos, August 28, 1971. (Lyteck Lynhiavu is a member of one of the most prestigious Meo clans in Laos and director of administration in the Ministry of the Interior.)

130. Ibid.; interviews with Meo villagers, Long Pot village, Laos, August 1971. The Royal Laotian government conducted an investigation of Vang Pao's regular infantry - battalions in September 1970 and found that all of them were far belO*w their reported payroll strength of 550 men: the Twenty-first Battalion had 293 men, the Twentyfourth Battalion had 73, the Twenty-sixth Battalion had 224, and the Twentyseventh Battalion had 113. According to Laotian army sources, Vang Pao was pocketing the difference.

131. Interview with George Cosgrove, Ban Son, Laos, August 30, 19 1. (George Cosgrove is a USAID refugee officer for Military Region II.)

132. James G. Lowenstein and Richard M. Moose, U.S. Congress, Senate Committee on Foreign Relations, Subcommittee on U.S. Security Agreements and Commitments Abroad, ***Laos: April 1971,*** 91st Cong., Ist sess. (Washington, D.C.: U.S. Government Printing Office, August 1971), p. 16.

133. Robert Shaplen, ***Time Out of Hand*** (New York: Harper & Row, 1970), p. 352.

134. Interview with Chinese merchants, Vientiane, Laos, August 1971. It is very difficult to measure the exact impact of the U.S. bombing campaign and refugee movements on Laotian opium production. However, the U.S. Bureau of Narcotics has made an attempt. In 1968 the Bureau estimated Laos's production at 100-150 tons. In mid-1971 it estimated Laos's total production at 35 tons. (U.S. Bureau of Narcotics and Dangerous Drugs, "The World Opium Situation," p. 10; U.S. Congress, Senate Committeee on Appropriations, ***Foreign Assistance and Related Programs Appropriations for Fiscal Year 1972,*** 92nd Cong., Ist sess., 1971, p. 583.)

135. The authors visited Long Pot District from August 18 to August 23,

1971. Most of the following information is based on these six days in Long Pot unless otherwise noted.

136. Interview with Ger Su Yang, Long Pot village, Laos, August 19, 1971.

137. For a detailed examination of the problem of "choice" in a Meo village in Thailand, see W. R. Geddes, "Opium and the Miao: A Study in Ecological Adjustment," in ***Oceania 41,*** no. I (September 1970).

138. One Thai government study reported that "tasting" is an important part of opium cultivation:

"In each village, one or a few men are able to determine the suitability of the terrain for poppy by tasting the soil; apparently a highly respected qualification. When the ph [soil acidity index], after several years of continual use, begins to decrease, these men can 'taste' when the soil becomes unsuitable for further poppy cultivation" (F. R. Moormann, K. R. M. Anthony, and Samarn Panichapong, "No. 20: Note on the Soils and Land Use in the Hills

of Tak Province," in Soil ***Survey Reports of the Land Development Department*** [Bangkok: Kingdom of Thailand, Ministrv of National Development, March 19641, p. 5).

139. F. B. G. Keen, ***The Meo of North-West Thailand*** (Wellington, New Zealand: Government Printer, 1966), p. 32.

140. For a description of the burn-off in other hill tribe villages, see Paul J. Zinke, Sanga Savuhasri, and Peter Kunstadter, "Soil Fertility Aspects of the Lua Forest Fallow System of Shifting Cultivation," Seminar on Shifting Cultivation and Economic Development in Northern Thailand (Chiangmai, Thailand, Janu~iry 18-24, 1970), pp. 910.

141. Geddes, "Opium and the Miao: A Study in Ecological Adjustment," pp. 8-9.

142. Keen, ***The Meo of North-West Thailand, p.*** 35.

143. Ibid., p. 36; Dessaint, "The Poppies Are~Beautiful This Year," p. 36.

144. In comparison, Professor Geddes found that the Meo village of seventyone houses he surveyed in northern Thailand produced a minimum of 1,775 kilos, or over 11/4 tons of raw opium. This is an average of 25 kilos per household compared to an estimated 15 kilos for Long Pot villaee (Geddes, "Opium and the Miao: A Study in Ecological Adjustment," P. 7).

145. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Southeast Asia, August 1971.

146. Interview with Ger Su Yang, Long Pot village, Laos, August 19, 1971.

147. A ***Report on Tribal Peoples of ChianRrai Province North of the Mae Kok River,*** Bennington-Comell Anthropological Survey of the Hill Tribes in Thailand (Bangkok: The Siam Society, 1964), pp. 28-29; Delmos Jones, "Cultural Variation Among Six Lahu Villages, Northern Thailand," (Ph.D. thesis, Cornell University, 1967), pp. 40-41, 136.

148. Interview with the headman of Nam Suk village, refugee village, Long Pot Divrict, Laos, August 21, 1971.

149. Interview with the headman of Nam Ou village, refugee village, Long Pot District, Laos, August 21, 1971.

150. Many Meo clan leaders regard Vang Pao as something of an uncultured usurper. According to a number of influential Meo, Vang Pao is acutely aware of his low social stature and has tried to compensate for it by marrying his relatives into Touby's family. In 1967 Vang Pao's daughter,

May Ken, married Touby's son, Touxa Lyfoung. In 1969 Vang Pao's son, Franqois Vangchao, married Touby's daughter, May Kao Lyfoung. Finally, in 1970 Vang Pao's nephew, Vang Gen, married Touby's niece, May Choua Lyfoung. Vang Pao was threatened by military setbacks and mounting opposition from the Lynhiavu clan, and so **felt** compelled to arrange this last marriage to shore up his declining poli ical fortunes.

151. Interview with Edgar Buell, Ban Son, Laos, August 31, 1971.

152. Interview with Ger Su Yang, Long Pot village, Laos, August 22, 1971.

153. Ibid.

154. When the authors left Long Pot District on August 23, a number of village headmen explained that their people would begin dying from starvation in several months and urged us to somehow force the Americans into making a rice drop. Upon return to Vientiane, we explained the situation to the local press corps and an article appeared several days later in ***The Washington Post*** and on the Associated Press wires. As might be expected, many American officials denied that the rice had been cut off.

Edgar Buell was incensed and told the authors, "When you're saying that no f-- rice gets into that village you're not saying that Charlie Mann [USAID director] won't send it in. And sending or not sending soldiers don't make any difference. Hell, hippies, yippies and every other thing won't go. Now if they won't send soldiers we don't take 'em out of college or pL4 'ern in jail; we give 'em rice. . . .

"You shouldn't have snuck into that village and then talked to Charlie Mann. You should have come here right off and talked to Pop Buell and got the real story. You've caused a lot of trouble for people here. Hell, I'd kill anybody who'd say old Pop Buell would let somebody starve" (interview with Edgar Buell, Ban Son, Laos, August 30, 1971).

On September 2 Norman Barnes, director of United States Information Service, and Charles Mann, director of USAID/Laos, flew to Long Pot village to make a report on the situation for USAID/Washington. Norman Barnes later contradicted Edgar Buell's assertion that the rice drops had not been cut off and admitted that there had been no deliveries since early March. Mr. Barnes denied that there were any ulterior motives and explained that the presence of Pathet Lao troops in the immediate area from early March until August 20 made it impossible for aircraft to operate in Long Pot District. But, Mr. Barnes was now happy to report that deliveries had been restored and a rice drop had been made on August 30 (interview with Norman Barnes, Vientiane, Laos, September 3, 1971).

However, the authors saw an Air America UH-lH helicopter land at Long Pot on the afternoon of August 19 and were told by villagers at the time that Air America's helicopters had been flying in and out of the village since the rice drops stopped. Moreover, villagers reported that Pathet Lao forces had left the area several months earlier.

155. Interview with the assistant headman of Ban Nam Muong Nakam, Long Pot village, Laos, August 21, 1971.

156. Interview with Ger Su Yang, Long Pot village, Laos, August 19, 1971. In late 1971 one American reporter flew over the Plain of Jars and described what he saw:

"A recent flight around the Plain of Jars revealed what less than three years of intensive American bombing can do to 6 rural area, even after its civilian population has been evacuated. In large areas, the primary tropical color-bright green-has been replaced by an abstract pattern of black, and bright metallic colors. Much of the remaining foliage is stunted, dulled by defoliants.

"Today, black is the dominant color of the northern and eastern reaches of the Plain. Napalm is dropped regularly to burn off the grass and undergrowth that covers the Plain and fills its many narrow ravines. The fires seem to burn constantly, creating rectangles of black. During the flight plumes of smoke could be seen rising from bombed areas. . . .

"From an enlarged negative of a photograph covering one small, formerly grass-covered hill about 100 feet high, I spotted several hundred distinct craters before losing count. In many places it is difficult to distinguish individual craters; the area has been bombed so repeatedly that the land resembles the pocked, churned desert in stormhit areas of the North African desert" (T. D. Allman, "Plain Facts," ***Far Eastern Economic Review,*** January 8, 1972, p. 16); for a description of life under the bombs in northern Laos, see Fred Branfman, ed., ***Voices from the Plain of Jars*** (New York: Harper & Row, 1972).

157. Interview with Ger Su Yang, Long Pot village, Laos, August 19, 1971.

158. Interview with George Cosgrove, Ban Sop, Laos, August 30, 1971.

159. The bombing has seriously disrupted opium production even in villages that manage to survive the attacks and remain in their original location. In August 1971 the authors visited the Yao village of Pha Louang. in the mountains eighty miles north of Vientiane. Residents reported that their village had been bombed in August 1964 by a squadron of T-28s bearing Royal Laotian Air Force markings. When the planes first appeared over the village, people hid in their houses. But as the bombs began hitting the houses they tried to flee into the forest. The aircraft strafed the village, shooting the people as they tried to climb up the steep ridges that surround the village. All the houses were destroyed, most of the livestock was killed and twelve people (about 20 percent of the inhabitants) were killed. There were five Pathet Lao soldiers hiding in a cave about a mile away and villagers feel they might have been the cause of the attack. Once the planes left, the Pathet Lao emerged from the cave unharmed and marched off. Villagers report that the mid 1971 opium harvest will equal the harvests before the bombing attack. However, intervening harvests have been much smaller because of the material and human losses they suffered.

Long Pot itself is no longer producing opium. In late 1971 Roval Laotian Army troops turned the village into a forward combat base in preparation for the upcoming dry season offensive by Pathet Lao forces. When the offensive got underway in December, Pathet Lao forces attacked the area and reportedly "overran" Long Pot on January 10, 1972. This dispatch appeared in a NLF newspaper:

"Meantime, at Salaphoukhoun [junction of Route 13 and Route 7], 70 km west of the Plain of Jars, LPLA [Laotian Peoples' Liberation Army] overran the Phouphaday, Phouvieng and Ban Long Pot positions, knocked down hundreds of enemy troops, captured many others, and seized a great deal of weapons."(South Vietnam in Struggle [Hanoi, DRVN], January 17, 1972, p. 7.)

160. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

161. Interview with Gen. Thao Ma, Bangkok, Thailand, September 17, 1971.

162. The New York Times, ***The Pentagon Papers, pp.*** 313-314, 362.

163. Interview with Gen. Thao Ma, Bangkok, Thailand, September 17, 1971.

164. ***The New York Times,*** October 22, 1966, p. 2.

165. Gen. Thao Ma had good reason to fear Kouprasith. Following the February 1965 coup, General Phourni's right-hand man, General Siho, fled to Thailand. After consulting with a monk in Ubol, Thailand, who told him that it would be good luck to go home, General Siho returned to Laos. General Kouprasith had him arrested and imprisoned at Phou Khao Kquai, where he was shot while "attempting to escape" (Dommen, ***Conflict in Laos, p.*** 287). According to a former USAID official, Loring Waggoner, Kouprasith's right-hand man, Gen. Thonglith Chokbengboung, told him at a funeral for one of Thonglith's relatives several years after the incident, "Siho was dirty and corrupt," and that he was "glad" that he had a hand in eliminating him (interview with Loring Waggone~, Las Cruces, New Mexico, June 23, 1971).

166. Interview with Capt. Kong Le, Paris, France, March 22, 1971.

167. Ibid.; interview with Gen. Ouane Rattikone, Vientiane, Laos, August 21, 1971; interview with Gen. Thao Ma, Bangkok, Thailand, September 17, 1971.

168. ***Lao Presse*** (Vientiane: Ministry of Information, #232/66), October 22, 1966.

169. Dommen, ***Conflict in Laos, p.*** 290.

170. Interview with Gen. Thao Ma, Bangkok, Thailand, September 17, 1971; ***The New York Times,*** October 22, 1966, p. 1; ibid., October 24, 1966, p. 4.

171. Dommen, ***Conflict in Laos, p.*** 29 1.

172. Interview with Capt. Kong Le, Paris, France, March 22, 1971.

173. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

174. Dommen, ***Conflict in Laos, pp.*** 217-218.

175. Interview with William Young, Chiangmai, Thailand, September 1971.

176. Interview with Maj. Chao La, Nam Keung, Laos, September 12, 1971; Peter Kandre, "Autonomy and Integration of Social Systems: The In Mien ('Yao' or 'Man') Mountain Population and Their Neighbors," in Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations, 1.*** 11, p. 585.

177. Interview with a former USAID official in Nam Tha Province, Laos, June 1971.

178. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

179. Interview with a former USAID official in Nam Tha Province, Laos, June 1971.

180. J. Thomas Ward, "U.S. Aid to Hill Tribe Refugees in Laos," in Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations, vol. 1,*** p. 297.

181. Inter-view with William Young, Chiangmai, Thailand, September 8, 1971.

182. Fred Branfman, "Presidential War in Laos, 1964-1970," in Adams and McCoy, eds., ***Laos: War and Revolution, p.*** 270.

183. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

184. Interview with Maj. Chao La, Nam Keung, Laos, September 12, 1971.

185. Interview with a former USAID official in Nam Tha Province, Laos, June 1971.

186. Ibid.

187. Interview with a former USAID official in Nam Tha Province, Laos, New York, June 1971; interview with William Young, Chiangmai, Thailand, September 8, 1971.

188. In the early 1950s for example, anthropologists estimated that there were 139,000 Lahu in China's Yunnan Province, 66,000 in northeastern Burma, and 2,000 in Nam Tha. Currently, there are 16,000 Yao in Nam Tha and probably over 100,000 in Yunnan, most of whom dwell in the border regions. (Frank M. Lebar, Gerald C. Hickey, and John K. Musgrave, ***Ethnic Groups of Mainland Southeast Asia*** [New Haven, Human Relations Area Files Press, 19641, pp. 31, 82; interview with Maj. Chao Lao, Nam Keung, Laos, September 12, 1971; Peter Kunstadter, "China: Introduction," in Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations, vol. 1, p.*** 1~4.)

189. Kandre, "Autonomy and Integration of Social Systems," p. 607.

190. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

191. Sowards and Sowards, ***Burma Baptist Chronicle, p.*** 409. (Emphasis added.)

192. Ibid., p. 411.

193. Ibid., pp. 412-413; for one of Reverend Young's early reports from China, see Lizbeth B. Hughes, ***The Evangel in Burma*** (Rangoon: American Baptist Mission Press, 1926), pp. 124-129.

194. Sowards and Sowards, ***Burma Baptist Chronicle, pp.*** 413-414.

195. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

196. Lebar ***et al., Ethnic Groups of Mainland Southeast Asia, p.*** 32.

197. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

198. Hugh Tinker, ***The Union of Burma*** (London: Oxford University Press, 1957), pp. 159-160.

199. Josef Silverstein, "Politics in the Shan State: The Question of Secession from the Union of Burma," ***Journal of Asian Studies*** 18, no. 1 (November 1958), 54.

200. F. K. Lehman, "Ethnic Categories in Burma and the Theory of Social Systems," in Kunstadter, ed., ***Southeast Asian Tribes, Minorities, and Nations, vol. 1, pp.*** 94-95. The vehemence of the Shan reaction to these arrests by Ne Win can be seen in these paragraphs from a communiqué by the Shan State Army:

"Our leaders secretly and fervently hoped against hope that they would come out successful and save Union of Burma from plunging into Racial Wars and eventually forced into a potentially hot-spot for the stability of Southeast Asian Countries. Their dreams turned into a nightmare, and their hopes shattered but shaping up of events and situation developments shows that what they had forseen [sic] are materializing and we are witnessing it. Everything proved to the Shan people's suspicions on the Burmese or rather Newin and the only choice we had in wanting to own our own rights proved to be correct. This armed struggle that they did not want was the only choice after all" (Communiqué from the Central Executive Committee, Shan State Progress Party, typescript [Chiangmai, Thailand, September 1971, pp. 1-2).

201. Interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971.

202. Interview with Rev. Paul Lewis, Chiangmai, Thailand, September 7, 1971. (Reverend Lewis was working in Kengtung at the time of the U Ba Thein's departure.)

203. Interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971. departure.)

204. ***The Washington Post,*** August 6, 1971. departure.)

205. One of the first camps used for training was located in a river valley about twelve miles due north of Nam Keung, but this was closed in 1965 when Chao La arxd a group of Chinese opium smugglers opened an opium refinery nearby. Young was afraid that the constant movement of mule caravans and boats in and out of the area would compromise the base's security; eventually it was moved across the Mekong River into Thailand and rebuilt in an uninhabited mountain valley, known only by its code name, "Tango Pad" (interview with William Young, Chiangmai, Thailand, September 8, 1971). departure.)

206. Interview with a former USAID official in Nam Tba Province, New York, June 1971. departure.)

207. Interview with William Young, Chiangmai, Thailand, September 14, 1971; interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971. departure.)

208. ***The Boston Globe,*** September 3, 1970; interview with a former USAID official in Nam Tha Province, Laos, New York, June 1971. In general, the security on these cross-border operations was terrible, and almost every hill tribesman in the Golden Triangle region knew about them. In mid 1971 the authors met several Yao tribesmen in northern Thailand who knew the names of five or six Yao who had been on the forays and could recite their itinerary with remarkable accuracy. Both the Chinese and Burmese governments knew about the operations, since they have captured a number of teams. In fact, it seems that the American public were the only interested party ignorant of their existence. departure.)

209. Interview with William Young, Chiangmai, Thailand, September 14, 1971; interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971. (Since Young's resignation from the CIA in 1967, these bases have declined in importance and may no longer be in operation.) departure.)

210. Interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971. There have been a number of reports that Air America helicopters have been forced to land in Burma because of mechanical failure. According to one report by Dispatch News Service International correspondent Michael Morrow, an Air America helicopter was forced to make an emergency landing in May 1971 in the eastern Shan States. The helicopter had been chartered from Air America and was reportedly carrying a CIA operative (Dispatch News Service International, November 8, 1971). departure.)

211. Interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971.

212. Ibid.

213. Interview with Rev. Paul Lewis, Chiangmai, Thailand, September 7, 1971; interview with William Young, Chiangmai, Thailand, September 8, 1971.

214. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

215. Interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971.

216. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

217. Interview with U Ba Thein, Chiang KhoUg District, Thailand, September 11, 1971.

218. Adrian Cowell, "Report on a Five Month Journey in the State of Kengtung with the Shan National Army," typescript (1965).

219. Ibid.; ***For Eastern Economic Review,*** July 24, 1971, p. 40; interview with Adrian Cowell, London, England, March 9, 1971.

220. Cowell, "Report on a Five Month Journey in the State of Kengtung"; ***Far Eastern Economic Review,*** July 24, 1971, p. 40.

221. Cowell, "Report on a Five Month Journey in the State of Kengtune."

222. Interview with Jimmy Yang, Chianamai, Thailand, September 14, 1971. (This story was confirmed by several former members of the SNA, leaders of other Shan armies, and residents of the Huei Krai area.)

223. Out of the seven hundred tons of raw opium produced in northeastern Burma, approximately five hundred tons are exported to Laos and Thailand. A maximum of 15 percent of the opium harvest is consumed by hill tribe addicts before it leaves the village (Gordon Young, ***The Hill Tribes of Northern Thailand,*** The Siam Society, Monograph no. 1 [Bangkok, 19621, p. 90). In addition, an estimated sixty-five tons are smuggled into Burma's major cities for local consumption (interview with William Young, Chiangmai, Thailand, September 8, 1971).

224. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

225. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

226. ***The New York Times,*** February 17, 1961, p. 4; ibid., February 18, 1961, p. 1.

227. Dommen, ***Conflict in Laos, p.*** 193; according to President Kennedy's Assistant Secretary for Far Eastern affairs, Roger Hilsman, Kennedy pressured Taiwan to withdraw the KNIT forces from Burma in order to improve relations with mainland China. However, Taiwan insisted that the evacuation be voluntary and so "a few bands of irregulars continued to roam the wilds (Roger Hilsman, To ***Move a Nation,***pp. 304-305).

228. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

229. Paul T. Cohen, "Hill Trading in the Mountain Ranges of Northern Thailand" (1968).

230. Ibid., pp. 2-3.

231. Ibid., pp. I 1- 14.

232. Young, ***The Hill Tribes of Northern Thailand, p.*** 83.

233. F. W. Mote, "The Rural 'Haw' (Yurmanese Chinese) of Northern Thailand," p. 489.

234. Ministry of the Interior, Department of Public Welfare, "Report on the SocioEconomic Survey of the Hill Tribes in Northern Thailand," mimeographed (Bangkok, September 1962), p. 23.

235. Ibid., p. 37.

236. Interview with Col. Chen Mo-su, Chiang Khong District, Thailand, September 10, 1971; ***The New York Times,*** August 11, 1971, p. 1.

237. Interview with Col. Chen Mo-su, Chiang Khong District, Thailand, September 10, 1971.

238. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

239. ***The Weekend Telegraph*** (London), March 10, 1967, p. 25.

240. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971; interview with Jao Nhu, Chiangmai, Thailand, September 8, 1971; interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971.

241. ***The New York Times,*** August 11, 1971, p. 1; interview with Jao Nhu, Chiangmai, Thailand, September 8, 1971.

242. ***The New York Times,*** August 11, 1971, p. 1; interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971.

243. Interview with Jao Nhu, Chiangmai, Thailand, September 8, 1971.

244. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

245. Interview with Jao Nhu, Chiangmai, Thailand, August 12, 1971.

246. Ibid.; ***The New York Times,*** June 6, 1971, p. 2.

247. ***The New York Times,*** June 6, 1971, p. 2; interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

248. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

249. Ibid.

250. ***The New York Times,*** August 11, 1971, p. 1.

251. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

252. In May 1965, for example, ***The New York Times*** reported that General Ma was operating in a mountainous area of western Yunnan about twenty miles across the border from Ving Ngun and said that unmarked aircraft were making regular supply drops to his troops ***(The New York Times,*** May 18, 1965, p. I).

253. Interview with U Ba Thein, Chiang Khong District, Thailand, September 11, 1971.

254. ***The Weekend Telegraph*** (London), March 10, 1967, pp. 27-28. In September 1966 four hundred of General Tuan's best troops left their barren wooden barracks on top of Mae Salong mountain, saluted the gaudy, twenty-foot-high portrait of Generalissimo Chiang Kai-shek that decorates the parade ground and marched off into the jungle. After plunging across the Burma-China border into western Yunnan Province, General Tuan's troops fled back across the border, leaving eighty casualties behind ***(The New York Times,*** September 9, 1966, p. 3; ***The Weekend Telegraph,*** March 10, 1967, p. 27).

255. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

256. "Opium War-Take Three," dispatch from McCulloch, Hong Kong, filing from Saigon, to Time World, New York (August 22, 1967), p. 10.

257. Jeffrey Race, "China and the War in Northern Thailand" (1971), p. 26.

258. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

259. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971; "Opium War Add," dispatch from McCulloch, Hong Kong, filing from Saigon, to Time World (August 23, 1967), p. 2.

260. "Opium War-Take Two," dispatch from Vanderwicken, Hong Kong, filing from Saigon, to Time World, New York (August 22, 1967), p. 4.

261. ***The New York Times,*** August 11, 1971, p. 1.

262. Race, "China and the War in Northern Thailand," p. 27; interview with Lawrence Peet, Chiangrai, Thailand, August 9, 1971. (Lawrence Peet is a missionary who was working in Lahu villages near the caravan trail at the time of the Opium War.)

263. Interview with the principal of Ban Khwan public school, Ban Khwan, Laos, August 9, 1971.

264. Ibid.; interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

265. Race, "China and the War in Northern Thailand," p. 27.

266. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

267. Ibid.

268. "Opium War-Take Two," dispatch from Vanderwicken, p. 5.

269. Interview with Gen. Quane Rattikone, Vientiane, Laos, September 1, 1971.

270. ***The New York Times,*** August 11, 1971, p. 1.

271. Race, "China and the War in Northern Thailand," p. 28.

272. "Opium War-Take Two," dispatch from Vanderwicken, pp. 4, 6; ***The Evening Star,*** Washington, D.C., June 19, 1972.

273. ***The New York Times,*** AuPust 11, 197 1, p. 1.

274. Interview with the principal of Ban Khwan Public School, Ban Khwan, Laos, August 9, 1971.

275. Race, "China and the War in Northern Thailand," p. 28; Mote, "The Rural 'Haw' (Yunnanese Chinese) of Northern Thailand," pp. 488, 492-493.

276. ***Report of the United Nations Survey Team on the Economic and Social Needs of the Opium-Producing Areas in Thailand, p.*** 64.

277. Race, "China and the War in Northern Thailand," pp. 21-23.

278. Ibid.

279. Ibid., pp. 29-3 1; the insurgency in northern Thailand is regarded as the "most serious" military problem now facing the Thai government. (A Staff Report, U.S. Congress, Senate Committee on Foreign Relations, ***Thailand, Laos, and Cambodia: January*** 1972, 92nd Cong., 2nd sess., 1972, p. 14.)

280. Alfred W. McCoy, "Subcontracting Counterinsurgency: Academics in Thailand, 1954-1970," ***Bulletin of Concerned Asian Scholars,*** December 1970, pp. 64-67.

281. ***The Weekend Telegraph, p.*** 27.

282. According to a 1961 report by Gordon Young, 50 percent of the Meo, 20 percent of the Lahu, 75 percent of the Lisu, and 25 percent of the Akha tribesmen in northern Thailand have some fluency in Yunnanese. In contrast, only 5 percent of the Meo, 10 percent of the Lahu, 50 percent of the Lisu, and 25 percent of the Akha speak Thai or Laotian (Young, ***The Hill Tribes of Northern Thailand, p.*** 92).

283. Interview with Col. Chen Mo-su, Chiang Khong District, Thailand, September 10, 1971.

284. Interview with General Krirksin, Chiang Khong District, Thailand, September 10, 1971.

285. Interview with Col. Chen Mo-su, Chiang Khong District, Thailand, September 10, 1971.

286. ***The New York Times,*** June 6, 1971, p. 2; ***NBC Chronolog,*** April 28, 1972.

287. "Opium War-Take Three," dispatch from McCulloch, pp. 1-2.

288. Interview with Jimmy Yang, Cb~angmai, Thailand, August 12, 1971.

289. Interview with Hsai Kiao, ChiaNrai, Thailand, September 13, 1971.

290. Interview with Jao Nhu, Chiangmai, Thailand, September 8, 1971.

291. Inter-view with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

292. The Shan Unity Preparatory Committee was a coalition of the rightwing Shan rebel groups formed mainly to provide effective joint action against the Burmese Communist party. This quotation from one of their communiqués conveys the group's conservative character and its anti-Communist first principles:

"In the areas bordering Communist China in the Kachin and Northern Shan States particularly, armed bands trained and armed by the Communist Chinese composed mostly of China born Kachins and Shans are now very active.... The Shan Unity Preparatory Committee (SUPC) believes unity within the Union of Burma is definitely attainable and there is no reason why unity based on anti-communism, a belief in Parliamentary democracy and free economy, and last but not least, a unity based on the principles of Federalism cannot be achieved..." (The Shan Unity Preparatory Committee, "Communiqué No. 5," mimeographed [Shan State, March 14, 1968], pp. 12).

293. Interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971.

294. Communiqu6 from the Central Executive Committee, Shan State Progress Party, September 1971, pp. 1-2.

295. The Shan State Army admits to having transported the following quantities of raw opium from the northern Shan States to northern Thailand: 160 kilos in 1964, 290 kilos in 1965, 960 kilos in 1966, 1,600 kilos in 1967, nothing in 1968, and 80 kilos in 1969 (interview with Jao Nhu, Chiangmai, Thailand, September 8, 1971).

296. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

297. Far Eastern Economic Review, ***1968 Yearbook*** (14ong Kong), p. 123; Far Eastern Economic Review, ***1971 Yearbook*** (Hong Kong), p. 108.

298. In September 1971, for example, the authors were invited to visit a Shan rebel camp near Huci Krai. However, on the morning of the visit (September 13) the authors received the following note:
"Sorry to inform you that your trip with us to Mae Sai is not approved by the Thai authorities. Because it is near the Burmese border and it might be possible for the Burmese to know it.
"It is better to stay within the regulations since the host, the Thais, is giving us a warm and friendly reception.
[signed] Hsai Kiao"

299. ***Far Eastern Economic Review,*** May 1, 1971, pp. 47-49; ibid., April 17,1971,pp.19-20.

300. Interview with William Young, Chiangmai, Thailand, September 8, 1971; interview with Jao Nhu, Chiangmai, Thailand, September 8, 1971.

301. Interview with Hsai Kiao, Chiangrai, Thailand, September 12, 1971; interview with Jimmy Yang, Chiangmai, Thailand, September 14, 1971.

302. Interview with Psai Kiao, Chiangrai, Thailand, September 12, 1971.

303. ***The New York Times,*** June 6, 1971, p. 2.

304. ***Far Eastern Economic Review,*** December 12, 1970, p. 22; ibid., April 17, 1971, p. 20.

305. ***Newsweek,*** March 22, 1971, p. 42,1 interview with William Young, Chiangmai, Thailand, September 8, 1971.

306. ***The New York Times,*** January 3, 1971, p. 9; ibid., January 31, 1971, p. 3.

307. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

308. It was not possible for U Nu to ally with the Kachin Independence Army (KIA), which controls much of Kachin State. Its leaders are Bantist Christians who resented U Nu's establishment of Buddhism as a state religion. The head of the KIA is a Baptist Christian named Zau Seng. He founded the Kachin Independence Army with his brothers in 1957, and with the exception of brief negotiations with Ne Win in 1963, he has been fighting ever since. When he is in Thailand trading in opium and buying arms, his brothers, Zau Dan and Zau Tu direct military operations in Kachin State. Unlike the Shans, Zau Seng is the undisputed leader of the conservative Kachins, and his troops control most of Kachin State. Relations between Zau Seng and the Kachin Communist leader, Naw Seng, are reportedly quite hostile.

309. Interview with Jimmy Yang, Chiangmai, Thailand, September 14, 1971.

310. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

311. Interview with Jimmy Yang, Chiangmai, Thailand, September 14, 1971.

312. Interview with William Young, Chiangmai, Thailand, September 14, 1971.

313. Interview with Hsai Kiao, Chiangrai, Thailand, Sentember 13, 1971; interview with Brig. Gen. Tommy Clift, **Bangkok, Thailand, September** 21, 1971.

314. Interview with William Young, Chiangmai, Thailand, September 8, 1971.

315. Interview with Hsai Kiao, Chiangrai, Thailand, September 13, 1971.

316. It appears that the Young family is revered mainly by the Black Lahu of northern Kengtung State and western Yunnan. The original prophecy of the White God was made by a Black Lahu, and the Youngs had a remarkable conversion rate among them. In contrast, the Red Lahu have generally remained animist and regard the "Man God" as their living deity. The "Man God" has his headquarters west of Mong Hsat and is influential among the Red Lahu of southern Kengtung State. The terms "red" and "black" derive from the fact that different Lahu subgroups wear different-colored clothes. On the other hand, the term "Red" Meo is a political term used to designate Communist Meo insurgents. Many Red Lahu tribesmen have now become afraid that their ethnolinguistic designation may be misinterpreted as a political label. Red Lahu tribesmen in northern Thailand usually claim to be Black Lahu when questioned by anthropologists. Thus, when the "Man God's" son spoke, he said that the Red Lahu were not Communists as many people thought and would willingly join their brother Lahu in the struggle against Ne Win (interview with William Young, Chiangmai, Thailand, September 8, 1971).

317. Ibid.

318. Tinker, ***The Union of Burma, pp.*** 38, 395.

319. Ibid., pp. 40-41.

320. ***Pacific Research and World Empire Telegram*** 2, no. 3 (March-April 1971), 6.

321. The Burmese Communist party's (BCP) reasons for abolishing the opium trade are very pragmatic:

1. Since the BCP is a political enemy of the Burmese government, the KMT, and the Shan rebels, it would be impossible for it to send an opium caravan into Thailand even if it wanted to.

2. Continuing the exploitative opium tax would alienate the BCP from the people.

3. Since Shan rebels and government militia are only interested in occupying opiumproducing territories, opium eradication weakens their desire to retake lost territory (interview with Jimmy Yang, Chiangmai, Thailand, August 12, 1971).

322. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

323. Interview with residents of Chiang Saen, Thailand, August 1971.

324. Interview with officers in the Royal Laotian Air Force, Vientiane, Laos, JulyAugust 1971.

325. "Opium War Add," dispatch from McCulloch, p. 2.

326. "Opium War-Take 2," dispatch from Vanderwicken, p. 6.

327. According to a U.S. narcotics analyst, General Ouane's control over the opium traffic in the Ban Houei Sai region was further improved in 1968 when Colonel Khampay, a loyal Ouane follower, was appointed regional commander. Colonel Khampay reportedly devoted most of his military resources to protecting the Ban Houei Tap refinery and moving supplies back and forth between Ban Houei Sai and the refinery (interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, May ***3, 1972); The Evening, Star,*** Washington, D.C., June ***19, 1972.***

328. The New York Times, June 6, ***1971, p. 2.***

329. Interview with William Young, Chiangmai, Thailand, September ***8, 1971.***

330. The attack on Long Tieng in early ***1972*** has inevitably created problems for narcotics dealings among Vang Pao's troops. It is entirely possible that they are no longer in the heroin business, but it will require time before we know whether they have reopened their laboratory somewhere else.

331. Interview with Elliot K. Chan, Vientiane, Laos, August ***15, 1971.***

332. Cabled dispatch from Shaw, Vientiane (Hong Kong Bureau), to Time, Inc., received September ***16-17, 1965.***

333. Lao Presse (Vientiane: Ministry of Information, ***#56/66),*** March 16, ***1966.***

334. Lao Presse (Vientiane: Ministry of Information, ***#58/66),*** March ***18, 1966.***

335. Direction du Protocole, Ministre des Affaires ttrang6res, "Liste des Personnalit6s Lao," mimeographed (Rovaume du Laos: n.d.), ***p.155.***

336. Interview with a Thai police official, Bangkok, Thailand, September ***1971.***

337. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Conn., May ***3 - 1972.***

338. Interview with Western dir)lomatic official, Vientiane, Laos, August ***1971;*** interview with Third World diplomatic official, Vientiane, Laos, August ***1971*** (this account of the incident has been corroborat(-.d by reports received by the U.S. Bureau of Narcotics and Dangerous Drugs [Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, New Haven, Connecticut, November ***18, 19711) -,*** interview with a Laotian political observer, Vientiane, Laos, August ***1971.***

339. Interview with a Laotian political observer, Vientiane, Laos, August ***1971.***

340. ***Lao Presse*** (Vientiane: Ministry of Information, ***#1566/71),*** September 6, ***1971.***

341. Interview with an agent, U.S. Bureau of Narcotics and Dangerous Drugs, Southeast Asia, September ***1971.***

342. Ibid.

343. Hamilton-Paterson, ***The Greedy War, p. 194.***

344. Far Eastern Economic Review, December ***4, 1971, pp. 40-41.***

345. In its ***July 19, 1971,*** issue, ***Newsweek*** maga7ine hinted that the United States had used its "other means of persuasion" to force Gen. Ouane Rattikone into retirement. This suggestion is based only on the imagination of ***Newsweek's*** New York editorial staff. According to the Vientiane press corps, ***Newsweek*** cabled its Vientiane corresnondent for confirmation of this story and he replied that Ouane's retirement had been planned for over a year (which it was). Reliable diplomatic sources in Vientiane found ***Newsweek's*** suggestion absurd and General Ouane himself flatly denied that there had been any pressure on him to retire ***(Newsweek, July 19, 1971, pp. 23-24).***

346. Interview with Gen. Ouane Rattikone, Vientiane, Laos, September 1, 1971.

8 What Can Be Done?

1. In 1965 there were 57,199 known addicts. Using standard conversion ratios for years past, this yields an estimated addict population of 150,000. (Bureau of Narcotics, U.S. Treasury Department, *Traffic in Opium and Other Dangerous Drugs for the Year Ending Dec-ember 31, 1965* [Washington, D.C.: U.S. Government Printing Office, 1966], p. 45.)

2. Statement of John E. Ingersoll, Director, U.S. Bureau of Narcotics and Dangerous Drugs, U.S. Department of Justice, before the National Commission on Marihuana and Drug Abuse, New York City, February 24, 1972, p. 5.

3. In May 1970 one research organization reported: "Until recently, middle-class drug users almost always stayed away from heroin. In the last year there has been a sizeable increase in various parts of the country in the number of middle-class drug users who are willing to try heroin. . . . It is reasonable to expect that within a few years in any community of heavy drug users a noticeable percent will try heroin, and some smaller percent will become addicted." (Max Singer, Project Leader, Policy *Concerning Drug Abuse in New York State* [Croton-onHudson, N.Y.: Hudson Institute, May 31, 1970] 1, 27.)

4. *The New York Times,* June 11, 1971, p. 1.

5.]bid., July 23, 1971, p. 1.

6. Singer, Policy *Concerning Drug Abuse in New York State, p.* 61. One Congressional study group estimated that the national total for property stolen by heroin addicts was $7.5 million a day, or $2.7 billion a year. (Morgan F. Murphy and Robert H. Steele, *The World Heroin Problem,* 92nd Cong., Ist sess. [Washington, D.C.: U.S. Government Printing Office, May 1971], erratum sheet p. 4.)

7. In 1969 the British government reported to the U.N. that there were 2,782 known addicts during the year 1968. Reliable sources in Great Britain feel that there may be as many as twice that number of practicing addicts who maintain their habits buying from registered addicts or regular pushers. (Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland, "Report to the United Nations," mimeographed [London, 1969], p. 5.)

8. Whitman Knapp, Chairman, Commission to Investigate Alleged Police Corruption, "Interim Report on Investigative Phase," Xeroxed (New York; July 1971), p. 4; *The New York Times,* October 28, 197 1, p. 1. In 1968, thirty-two agents of the U.S. Bureau of Narcotics were forced to resign after a Justice Department investigation showed that they were selling confiscated heroin and accepting bribes from known traffickers (ibid., December 14, 1968, p. 1).

9. *The New York Times,* June 18, 1971.

10. Before the eradication of illicit opium production can become completely effective, illicit poppy fields in Afghanistan and Pakistan would have to be eliminated. Together these two nations account for about 24 percent of the world's illicit opium production. Although only small quantities of South Asian opium get beyond local markets, it is quite possible that Afghanistan and Pakistan might become America's major source of opiates if production in Southeast Asia were eradicated. There is also a possibility that opium might be diverted from legal Iranian and Indian production to supply American markets once Southeast Asia's illicit production is eliminated. In this case, it would probably be wise to urge these governments to eliminate legal opium production (Murphy and Steele, *The World Heroin Problem, p. 17; The New York Times, July 1, 1971, p. 1).*

Once legal production in India and Iran is abolished, the international pharmaceutical industry will have to find an alternate source of opium for the production of medical morphine, one of the best pain killers known to modern medicine. The Soviet Union and the People's Republic of China have been able to produce opium for medical purposes without significant diversion, and they could become an alternate source of supply. Also, the

Tasmanian state government in Australia has introduced large-scale mechanized poppy cultivation with fairly strict controls, and is currently supplying several British pharmaceutical firms (see *The Nation* [Australia], April 6, *1963, p. 12;* A. G. Allen and B. D. Frappell, "The Production of Oil Poppies," *Tasmania Journal of Agriculture,* May *1970, pp. 89-94).*

11. *The New York Times, July 24, 1972, p. 1.*

12. *Newsweek, July 19, 1971, pp. 23-24.*

13. *The New York Times, July 1. 1971, p. 1.*

Appendix

1. Ch'en Ching-jen, "Opium and Anglo-Chinese Relations," ***Chinese Social and Political Science Review 19 (1935-1936), 386-437, 386-388.***

2. Hosea Ballou Morse, ***The International Relations of the Chinese Empire, vol. 1.*** (London: Longmans Green, ***1910), pp. 172-173.***

3. For a brief account see David Edward Owen, ***British Opium Policy in India and China*** (New Haven, Conn.: Yale University Press, ***1934), P. 10.***

4. Ibid., pp. ***22 ff.***

5. Ibid., p. ***23.***

6. Throughout much of the nineteenth century, India controlled the trade of the Far East through an export surplus that consisted chiefly of opium (E. J. Hobsbawn, ***Industry and Empire: The Pelican Economic History of the British Empire, vol. 3, 1750 to the Present*** [Harmondsworth, England: Penguin Books, ***1969], p. 149).***

7. Owen, ***British Opium Policy in India and China, p. 37.***

8. Ibid., p. vii.

9. Ibid., pp. ***80-81.***

10. Ibid., p. ***87,*** quoting governor-general in council to the Court of Directors (of the East India Company), July ***30 1819,*** in ***India Office Letters from Bengal, vol. 81.***

11. No more than one-tenth of the total importation of opium from both India and the Middle East was carried on American ships or received on consignment by American firms (Arnold H. Taylor, ***American Diplomacy and the Narcotics Traffic 1900-1939: A Study in International Humanitarian Reform*** [Durham, N.C.: Duke University Press, 19691, p. 8).

12. Chang Hsin-pao, ***Commissioner Lin and the Opium War*** (Cambridge, Mass.: Harvard University Press, 1964), pp. 41, 132.

13. These and many other Chinese antiopiurn regulations are quoted and discussed in Yu En-te, ***Chung-kuo chin yen fa-ling pien-ch'ien shih*** (History of the Changes in Chinese Antiopium Laws) (Shanghai: China Press, 1934), pp. 16 ff.

14. Frederick Wakeman, Jr., "Les soci6t6s secr&es du Guangdong (18001856)," in Jean Chesneaux, Feiling Davis and Nguyen Nguyet Ho, eds., ***Mouvements populaires et Soci&js secr&es en Chine aux XIXe et XXe Si~cles*** (Paris: Frangois Maspero, 1970), p. 93.

15. Opium was exported from India in chests. According to H. B. Morse, Malwa and Persian opium weighed 135 pounds per chest and Bengal opium weighed 160 pounds (Hosea Ballou Morse, ***The Trade and Administration of China*** [London: Longmans Green, 19131, p. 355).

16. Owen, ***British Opium Policy in India and China, p.*** 80.

17. The East India Company's monopoly of the Britain-Asia trade was ended in 1834. The company had been undermined by the development of Singapore as a port, by its own inefficiency, and by increasing pressure from advocates of "free trade," by which they meant trade that would be government supported but not controlled. As a result the number of resident British merchants engaged in the China trade at Canton jumped from 66 in-1834 to 156 three years later (Maurice ***Collis, Foreign Mud: Being an account of the Opium Imbroglio at Canton in the 1830's and the Anglo-Chinese war that followed*** [London: Faber & Faber, 19641, p. 55).

18. Arthur Waley, ***The Opium War Through Chinese Eyes*** (London: George Allen and Unwin, 1958), p. 176.

19. China, Inspectorate General of Customs, Imperial Maritime Customs, Opium 11, Special Series no. 4 (Shanghai: Statistical Department of the Inspectorate General, 1881), p. 1.

20. Morse, ***The Trade and Administration of China, p.*** 378.

21. Great Britain, ***Parliamentary Papers*** (1894), Reverend Hudson Taylor's testimony to the Royal Commission on Opium, Minutes of Evidence and Appendices, vol. 1, p. 30.

22. China, Inspectorate General of Customs, Imperial Maritime Customs, ***Native Opium 1887*** 11, Special Series no. 9 (R. E. Bredon, Hankow no. 385, June 17, 1887) p. 18.

23. S. A. M. Adshead, "Opium in Szechwan 1881-1911," in ***Journal of Southeast Asian History*** 7, no. 2 (September 1966), 93-99, 96. See also W. Donald Spence, Acting British Consul at Ichang, to the Assistant Secretary of India Finance and Commerce Department, no. 13 (confidential), April 11, 1882, in ***Parliamentary Papers,*** 1894, Royal Commission on Opium, vol. 2, app. 12, p. 384.

24. W. Donald Spence estimates that by the early 1880s the Szechwan government made not less than 1.5 million taels (Chinese dollars) per year from opium (Spence, to the Assistant Secretary of India Finance and Commerce Department), p. 384.

25. Spence puts total production in 1881 at over 21 million pounds of which almost 17 million pounds was exported (ibid., p. 387). A similar figure for Szechwan is given by R. E. Bredon, Hankow no. 385, in ***Native Opium 1887.***

26. Spence, to the Assistant Secretary of India Finance and Commerce Department, p. 385.

27. Consul-General Litton of Yunnanfu to Rangoon Chamber of Commerce, October 3, 1903, enclosure in Southwest China Confidential, February 23, 1905 (FO 228/2414) in Great Britain, Foreign Office, Embassy and Consular Archives. China, Correspondence on Opium (FO 228/2414-2466 [1905-19171 and FO 228/3357-3371 [19181927]). These documents are in the Public Record Office in London. Hereafter all citations from these documents are given only by the reference number. Unless otherwise indicated, citations are communications from consul s-ge n eral, consuls or acting consuls, and are addressed to the chief of mission, either His Brittanic Majesty's Minister or his charg6 d'affaires in Peking. "Confidential" indicates that the document was intended only for staff circulation.

28. As is true of most statistics on opium in China, estimates of numbers of smokers vary tremendously. This figure is rather conservative. Compare, for example, Ch'en, "Opium and Anglo-Chinese Relations," p. 423.

29. Fei Hsiao-t'ung and Chang Chih-i, ***Earthbound China: A Study of Rural Economy in Yunnan*** (Chicago: University of Chicago Press, 1945), p. 295.

30. Great Britain, ***Parliamentary Papers,*** 1894, Marcus Wood's testimony to the Royal Cotnmission on Opium, vol. 1, p. 49.

31. J. F. Bishop, ***The Yangtze Valley and Beyond: An Account of Journeys in China, Chiefly in the Province of Sze Chuan and Among the ManTze of the Samo Territory*** (London: John Murray, 1899), p. 509.

32. Great Britain, ***Parliamentary Papers,*** 189,t, Reverend Hudson Taylor's testimony to the Royal Commission on Opium, vol. 1, p. 30.

33. A. E. Moule, "Essay: The Use of Opium and Its Bearing on the Spread of Christianity in China," in ***Records of the General Conference of the Protestant Missionaries in China Held at Shanghai, May 10-24, 1877*** (Shanghai, 1878), pp. 352-362.

34. Reverend R. Wardlaw Thompson, quoting Griffith John in ***Griffith John: The Story of Fifty Years in China*** (London: The Religious Tract Society, 1906), p. 408. For an account of the missionary campaign against opium in the late nineteenth century, see Hilary J. Beattie, "Protestant Missions and Opium in China 1858-1895," in ***Harvard Papers on China*** 22A (May 1969), 104-133.

35. See Great Britain, ***Parliamentary Papers,*** 1894, The Royal Commission on Opium, particularly the introductory section in the first volume on the purpose of the commission. See also Great Britain, India Office Private Secretary, "Opium Commission," April 24, 1895, in Home Office Archives (HO 45/9875/1315025).

36. Ch'en, "Opium and Anglo-Chinese Relations," p. 430.

37. An excellent account of this period is Mary C. Wright's introduction to the volume she edited, ***China in Revolution: The First Phase 19001911*** (New Haven, Conn.: Yale University Press, 1969).

38. Government of India Finance Department to Morley, Secretary of State for India, February 21, 1907 (F0228/2416), pp. 1-2.

39. Sir Edward Grey, Secretary of State for Foreign Affairs, to Sir John Jordan, His Majesty's Minister Peking, telegram ref. no. ***180,*** October ***1906*** (FO ***228/2415).***

40. For example, see Hewett, Hong Kong, to Sir Edward Grey, telegram ref. no. ***20787,*** June 10, ***1910*** (FO ***228/2432).***

41. Ch'en, "Opium and Anglo-Chinese Relations," p. ***432.***

42. See Alexander Hosie, ***On the Trail of the Opium Poppy*** (London: George Philip and Son, ***1914),*** esp. vol. ***2,*** app. pp. ***232 ff.***

43. Ritchie, India Office to Foreign Office, Confidential, October ***2, 1910,*** (FO ***228/2435).***

44. "List of Provinces Closed to Opium," ***1916 (170 228/2463).***

45. Beattie, "Protestant Missions and Opium in China ***1858-1895," p. 121,*** citing ***Records of the General Conference of the Protestant Missionaries of China held at Shanghai May*** 7-20, 1890, ***pp. 356-359.***

46. Morse, ***The Trade and Administration of China, p. 379.***

47. Cited in F. D. Lugard, "Memorandum Regarding the Restriction of Opium in Hong Kong and China," March 11, ***1909*** (FO ***228/2425).***

48. Morse, ***The Trade and Administration of China, p. 380.***

49. League of Nations, Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, ***Annual Reports on the Traffic in Opium and Other Dangerous Drugs for the Year*** 1932, p. ***109.***

50. Peking and Tientsin Times, June 11, ***1909, p. 7.***

51. The International Anti-Opium Association (Peking), ***The War Against Opium*** (Tientsin: Tientsin Press, ***1922), p. 49.***

52. Finance Commission Office, Burma, to Revenue Secretary to the Government of Burma, August 12~ ***1920*** (FO ***228/3362).***

53. Eastes, Tengyueh no. ***8,*** March ***21, 1918 (170 228/3357).***

54. Fei and Chang, ***Earthbound China: A Study of Rural Economy in Yunnan,pp.282-283.***

55. H. W. Sammon, Yunnanfu no. ***26,*** October ***22, 1912*** (FO ***228/2451).***

56. "L'Opium A Nos Fronti6res" in the ***Depeche Coloniale*** (Indochina) enclosed in Carlisle, Saigon no. ***5*** political. September ***23, 1912 (170 228/ 2451).***

57. G. E. Morrison, quoted in Cyril Pearl, ***Morrison of Peking*** (Harmondsworth, England: Penguin Books, ***1970), p. 137.***

58. The International Anti-Opium Association (Peking), ***The War Against Opium, p. 43.***

59. "Opium in Yunnan'~-Seventh Report enclosed in Fox, Yunnanfu no. ***34,*** June ***30, 1913*** (FO ***228/2455).***

60. Eastes, Tengyueh no. ***3,*** "Opium Report for December Quarter," ***1916 (170 228/2465).***

61. Eastes, Tengyuch no. ***20*** (confidential), July ***21, 1916*** (FO ***228/2465).***

62. Eastes, Tengyueh no. ***25,*** October ***16, 1918 (170 228/3357).***

63. G. E. Morrison, quoted in Pearl, ***Morrison of Peking, p. 371.***

64. League of Nations, ***Annual Reports on the Traffic in Opium and Other Dangerous Drugs for the Year*** 1924, Annex ***3,*** Reports from the Chinese High Commissioners, p. ***13.***

65. "Opium-General Review," in H. G. W. Woodhead, ed., ***The China Yearbook*** 1925-1927 (Tientsin: Tientsin Press, ***1927), pp. 620-647, 643-644.***

66. League of Nations, Advisory Committee, ***Analysis of the International Trade in Morphine, Diacetylmorphine and Cocaine for the Years 1925-1929,*** 1931, p, 39.

67. League of Nations, Advisory Committee, ***Opium and Other Dangerous Drugs,*** 12th Session, 1929, Annex 3, p. 202.

68. League of Nations, Permanent Central Opium Committee, ***Statistics for the Year*** 1930, pp. 102 ff.

69. League of Nations, Advisory Committee, ***Annual Reports for the Year*** 1932, 1934, p. 58. Interview with John Warner, Chief, Strategic Intelligence Office, Bureau of Narcotics and Dangerous Drugs, Washington, D.C., October 14, 1971 (Alfred W. McCoy, interviewer).

70. Tadao Sakai, "Le Hongbang (Bande rouge) aux XIXe et XXe Si6cl,s,,, in Chesneaux, Davis, Ho, eds., ***Mouvements populaires et Socijtis secr~tes en Chine aux XjXe et XXe Si~cles, pp.*** 316-343, 316.

71. Y. C. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography" in ***Journal of Asian Studies*** 26, no. 3 (May 1967), 433455. 435. Much of this study is based on a memoir written by one of Tu's private secretaries (see note 91 below).

72. Harold Isaacs, ***The Tragedy of the Chinese Revolution,*** 2nd rev. ed. (Stanford, Calif.: Stanford University Press, 1961), p. 142,

73. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 436.

74. Isaacs, ***The Tragedy of the Chinese Revolution, pp.*** 135 ff.

75. Ibid., pp. 145, 151. Emily Hahn, ***Chiang Kai-shek: an Unauthorized Biography*** (Garden City, N.Y.: Doubleday, 1955), pp. 110-111. (Hahn's treatment is generally sympathetic toward Chiang, yet her account of his Shanghai coup closely resembles other less favorable treatments such as Isaacs'.)

76. Isaacs, ***The Tragedy of the Chinese Revolution, pp.*** 145 ff.

77. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 437. Cf. Harold Isaacs, "Gang Rule in Shanghai," ***The China Forum,*** May 1932, pp. 17-18, 17.

78. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 437.

79. Isaacs, ***The Tragedy of the Chinese Revolution, pp,*** 175 ff.

80. Isaacs, "Gang Rule in Shanghai," p. 18.

81. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 437.

82. Edgar Snow, ***The Battle for Asia*** (New York: Random House, 1941), p. 7 9.

83. Isaacs, "Gang Rule in Shanghai," p. 18.

84. Garfield Huang, "Three Aspects of China's Opium Problem," ***The Chinese Recorder and Missionary Journal*** 16, July 1930, pp. 407-415. (This estimate and other figures dealing with the KMT's involvement in the opium trade are speculative. Not surprisingly, no official figures are available.)

85. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 442. According to **Isaacs, Tu dropped out of the trade in** deference to the KMT government's wish to strengthen its **own control** over the opium traffic ("Gang Rule in Shanghai," p. 18).

86. League of Nations, Advisory Committee, ***Annual Reports for the Year*** 1934, 1936, p. 90.

87. 1 am indebted to John Hall of the Contemporary **China Institute,** London, for this theory.

88. Loss of opium revenue was one of the motives behind Kwangsi's 1936 agitation against the Nationalist regime (F. T. Merrill, ***Japan and the Opium Menace*** [New York: The Institute of Pacific Relations and the Foreign Policy Association, 1942], p. 33).

89. Ibid., p. 32.

90. League of Nations, Advisory Committee, ***Report to the Council ort the Work of the 24th Session,*** 1939, pp. 9-10.

91. Wang, "Tu Yueh-sheng (1888-1951): A Tentative Political Biography," p. 445, citing Shih-i (pseudonym for Hu ***Hsij-wu), Tu Yuehsheng wai chuan*** (Hong Kong, 1962), pp. 51-53. (Hu Hsij-wu was a private secretary to Tu Yueh-sheng.)

92. Theodore White and Annalee Jacoby, ***Thunder Out of China*** (New York: William Sloane Associates, 1946), p. 311.

93. Harrison Forman, ***Report from Red China*** (London: Robert Hale, 1946), p. 10.

94. For an account of how the campaign operated in one area, see Alan Winnington, ***The Slaves of the Cool Mountains: The Ancient Social Conditions and Changes Now in Progress on the Remote Southwestern Borders of China*** (London: Lawrence and Wishart, 1959).

95. Interview with Mr. Graham Crookdake, Hong Kong, July 5, 1971 (Alfred W. McCoy, intervie~ver). (See appendix to Chapter 4.)