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Thieu and Ky Accused in U.S. Of Heading Heroin Operation

WASHINGTON, June 2 (AP) — South Vietnam's president and former vice-president operate organizations that divide control of their country's opium and heroin trade, a narcotics researcher charged in Senate testimony today.

The witness, Alfred W. McCoy, said the South Vietnam narcotics ring had links with gangsters in Corsica and in Florida and with scores of high-ranking military officers in South Vietnam, Laos, Cambodia and Thailand.

Mr. McCoy, a doctoral candidate in Southeast Asian history at Yale University, testified before the Senate Appropriations Committee's subcommittee on foreign operations. He said he had spent 18 months interviewing officials in the United States, Indochina and Europe.

Mr. McCoy accused U.S. officials of condoning and even cooperating with corrupt elements in Southeast Asia's drug trade because of political and military considerations.

Heroin for GIs

He also said that military and civilian officials in South Vietnam and other Indochinese countries had been involved directly in distributing heroin to GIs fighting in Vietnam and to addicts in the United States.

These were his major charges:

● Heroin and opium traffic in South Vietnam is divided among the political organizations of President Nguyen Van Thieu, former Vice-President Nguyen Cao Ky and Premier Tran Van Khiem.

● Gen. Ky's sister, Mrs. Nguyen Thi Ly, travels about once a month to Vientiane, the capital of Laos, to arrange for the shipment of packaged heroin to Cambodia.

● The heroin is then picked up by transport aircraft belonging to the South Vietnamese Fifth Air Division and flown to Saigon.

● Until recently, Mrs. Ky's prime supplier was an "overseas Chinese racketeer" named Huu Tim Heng, who used his position as the silent partner in the Vientiane Pepsi Cola bottling plant to import a chemical necessary for the manufacture of heroin.

● Heng bought raw opium and morphine from Gen. Ouane Rattikone, former chief of staff of the Laotian Army.

● Gen. Rattikone admitted that he had controlled opium traffic in northwestern Laos since 1962 and controlled that country's largest heroin laboratory, which produces a high-grade drug for the GI market in South Vietnam.

● Most of the opium traffic in northeastern Laos is controlled by Gen. Vang Pao, commander of the Central Intelligence Agency's army of tribesmen.

● The Thai government allows Burmese rebels, Chinese Nationalist irregulars and mercenary armies to move "enormous mule caravans loaded with hundreds of tons of Burmese opium across

stantial military support for mercenaries, right-wing rebels and warlords who are actively engaged in the narcotics traffic. In Thailand, the CIA has worked closely with Nationalist Chinese paramilitary units which manufacture high grade heroin for export to the American market."

● That Santo Trafficante Jr., whom Mr. McCoy called the heir to a Florida-based international crime syndicate, traveled to Saigon in 1968, met prominent members of Saigon's Corsican criminal syndicates and arranged increased imports of Asian heroin to the United States.

'Biggest Pusher' Charge

Mr. McCoy said he has confirmed independently an accusation by the National Broadcasting Co. that Gen. Dang Van Quang, a military adviser to President Thieu, is the "biggest pusher" of narcotics in South Vietnam. He also said U.S. officials had identified Gen. Ngo Dzu as a major drug trafficker in central Vietnam.

Mr. McCoy accused U.S. embassies in Indochina of having tried repeatedly to cover up the involvement of local officials in the drug traffic.

He said his findings would be published later this year in a book titled "The Politics of Heroin in Southeast Asia."

In Saigon, Mr. Thieu and Mr. Ky were not immediately available for comment. Both have denied similar charges before.

At the State Department, a spokesman said: "We are aware of these charges, but we have been unable to find any evidence to substantiate them, much less proof."

He said the department has not read the transcript yet but he declared that the United States has been cooperating with Southeast Asian governments in an attempt "to stem the flow of narcotics."

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