Firm's Suits Against CIA Shed Light on Clandestine Air Force

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On a wintry day in 1955 a dark-haired man flashing the credentials of a U.S. Air Force civilian analyst turned up at the office of the General Aircraft Corp. located in a one-story building alongside a grassy runway outside of Boston.

The visitor told delighted officials of the little firm he was there on orders of the Air Force to look over their amazing new airplane that could take off and land on a field the size of a tennis court.

The "analyst" was really an undercover Central Intelligence Agency man named Casirmiro (Chick) Barquin. And his visit opened a relationship between the CIA and the Massachusetts aircraft manufacturer that GAC now claims crippled its flourishing worldwide trade and eventually drove it out of the airplane business altogether.

The claims are made in a series of unusual lawsuits quietly filed by GAC during the past year in federal courts here and in Alexandria.

According to GAC, the CIA engaged in corporate espionage against its short takeoff and landing (STOL) aircraft company. The Massachusetts firm also says that the CIA used its worldwide contacts to drive it out of business and to build up the financial empire of its own air proprietary companies.

In addition to these charges, the suits offer insights into the dark world of the CIA's far-flung air proprietaries which stretched during the 1960s from bland offices tucked away downtown Washington buildings to night-flying daredevil outfits operating through some of the world's most dangerous and remote outbacks.

Included in the material that is part of a foot-high stack of documents filed by GAC are allegations that:

• The CIA had about 100 air proprietaries of various types operating in the early 1960s, including at least six located in Washington and set up to purchase STOL craft from GAC without having to identify the true buyer.

• The intelligence agency was so obsessed with secrecy about its "sanitized" planes—those that were never to be identified as belonging to either the CIA or other U.S. operators—that it threw away or melted down the planes rather than risk sending them to outside repair shops for normal work.

• During the early 1960s the CIA ran its own air force within the official U.S. Air Force. The clandestine air corps numbered as many as 200 planes of all types and thoroughly confused regular Air Force bureaucrats who were not told of its existence.

• When a special military air liaison group, called the "B Team," was set up in the Pentagon at the urging of former CIA Director Allen Dulles, it discovered that hundreds of military units had been created over the years solely for the convenience of the CIA.

• The CIA, in order to handle large scale illegal registrations of its planes, planted its own agents in the Federal Aviation Administration and the Treasury Department—with the knowledge of the heads of those departments.

• The CIA used the so called "embassy runs" throughout of the world—regularly scheduled courier flights by the Military Air Transport Service to U.S. embassies around the globe—to cover its own paramilitary air operations.

A spokesman for the CIA yesterday said the intelligence agency would make no comment on the allegations. The CIA and the Justice Department have fought GAC requests for information about the air operation on a number of grounds, including national security.

The lawsuits were filed last November in U.S. District Courts in Washington and Alexandria, Va., and in U.S. Court of Claims in Washington. Named as defendants are former CIA general counsel Lawrence R. Houston; former Air America head George A. Doole Jr.; two CIA air proprietaries, Air America and Air Asia Co., and the non-CIA firms Bird and Sons Inc., Continental Air Services and Fairchild Industries.

The lawsuits allege antitrust violations, the unconstitutional taking of private property and damages caused by some of the defendants against GAC.

In its complaint filed in Virginia, GAC charges that the CIA helped market competing aircraft and engaged in "a concerted campaign carried on with foreign governments and the U.S. Department of Defense to malign, misrepresent and otherwise denigrate the worth and quality" of GAC products.

According to the complaint, Air America chief Doole demanded in 1961 that all service and sales work from GAC in Asia be turned over to Air America. Unless the demand was met, the complaint says Doole warned, the company "will never sell another plane in Asia."

The Massachusetts firm said the threats were made "to provide means for a clandestine operations by CIA agents and to provide independent sources of revenue for CIA operations and for the individuals connected with those operations, without the necessity for recourse to the United States government."

The aircraft manufacturer claimed that CIA specialists had obtained copies of its plans and made their own versions of its six-passenger Courier STOL. The plane was used extensively in CIA-operated clandestine operations in Laos and Southeast Asia as well as in South America and Africa, according to the GAC complaint.

Officials of GAC refused to comment on the suits. Other sources said, however, that the company had obtained information for its allegations from sources familiar with the CIA's clandestine operations.

In its complaint, GAC said that at least five proprietary corporations had operated from the late 1950s to the early 1970s in Washington to clandestinely purchase planes for the CIA. According to the complaint, the five were:

Air Ventures which allegedly fronted for the CIA from the 1960s into the 1970s; Atlantic General Enterprises, which lasted from 1960 to 1972; Aviation Investors Inc., which operated from 1962 to 1968; Consultair Associates Inc., which operated from 1962 to 1971, and the King-Hurley Research Group, which went from 1955 to 1969.

Former Air Force Col. L. Fletcher Prouty, who was made head of the Pentagon liaison team and served in that role for eight years until 1963, said in an affidavit filed in the Virginia case that at the time of the CIA's Bay of Pigs invasion in 1961 he counted about 100 agency proprietaries involved in air traffic.

Prouty said the CIA's maintenance shop, on Taiwan, was able to provide totally unmarked parts for CIA planes.

"The agency had decided that because those planes would from time to time be used on really deep clandestine missions the engines had to be deniable, which meant they could not have the usual marks and labels and decals and die stamps on them," he said.

Rather than trust the planes to suspicious non-CIA mechanics. he said the intelligence agency melted down engines and other parts when they malfunctioned. Under that system, he said, the planes "just came from nobody."

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Prouty said he supervised the operation of the CIA's air force within the Air Force. CIA planes carried kits on them with paste-on Air Force decals to instantly conceal their real operators, he said.

According to Prouty, he assigned Barquin to first visit the Massachusetts company. Because the Air Force had no STOL counterpart to the GAC planes, his "B Team" manufactured false pedigrees. The pedigrees were necessary, he said, to account for the new plane within the Air Froce fleet. In addition to the CIA's Air Force planes, the intelligence agency also maintained its own separate fleet by using proprietaries, he said.

He said the Air Force never flew a plane for the CIA on a hostile mission. "When we knew such a mission was coming we'd turn it over to the CIA and let them do it," he said.

ence with the CIA's clandestine activities.

In an interview yesterday, he said the CIA used the "embassy runs" as a cover for its clandestine operations in a number of countries. Prouty said he worked on one such program, called "Project Eagle," to cover CIA operations in Africa.

"When I left it was under way in bits and pieces," he said. "It was a perfect cover for the CIA's operations there."

The CIA planted its own people in the ranks of the FAA and Treasury Department—which supervised customs—to make sure the deception was not discovered, he said.

Prouty retired from the Air Force in 1963 and worked for a year as an official of GAC, he said. Since then he has written extensively on his experi-