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CIA Airline Plot Alleged in \$1 Billion Suits

By Paul Wenske

Two federal suits asking combined damages of over \$1 billion were filed Monday alleging the government — through the Central Intelligence Agency — conspired to gain an unfair aviation advantage over other commercial airlines.

The suits, filed in Oklahoma City federal court, claim "The government of the United States of America was inextricably involved in this conspiracy by the CIA and various of its agents and directors."

One of the suits was filed by U.S. Overseas Airline, Inc., composed of five other aviation firms. The other was filed by California Air Charter Inc. and Holiday Airways Inc.

The suits claim federal aviation agencies and numerous airlines conspired "to gain unjust profit for their own benefit and to the ultimate detriment of the plaintiffs and the consumers of commercial aviation services of our country."

They claim the alleged conspiracy deprived the American people of "low cost, high quality commercial air transportation" for years and caused a loss to the nation's industrial development "measured in the billions of dollars."

The CIA's involvement, according to the suits, "was apparently the agency's effort to develop sources of income to finance clandestine activities without the inconvenience of congressional oversight" from 1953 to the present.

The suits claim the

vately held" commercial airlines, and were allowed "to gouge greater profits from military airlift contracts as well as excessive profits from contract air services from the private sector."

While the government allegedly forced the complaining aviation firms to comply with arbitrary regulations and security considerations, the government-run firms were "allowed a 'hands off' status" the suits state.

Besides the United States and the CIA, other named defendants include the Civil Aeronautics Board; Federal Aviation Administration, Department of Defense; U.S. Army, Navy and Air Force; Air America Inc.; Southern Air Transport Inc.; Air Asia Ltd.; and Civil Air Transport Inc.

Also, Evergreen International Airlines Inc.; Trans International Airlines Inc.; World Airways Inc.; Capitol Airways Inc.; Overseas National Airlines Inc.; Continental Air Services Inc.; Flying Tiger Air Services Inc.; National Air Carrier Association, and 10 named individuals.

U.S. Overseas Airlines alleges it constituted the most successful of what is known in the trade as supplemental airlines from 1946 to 1964 when it incurred a loss of \$135 million in business be-

cause of the alleged conspiracy.

The companies under the umbrella of the firm flew large four-engine transport aircraft.

California Air Charter Inc. made flights within the country and to the Virgin Islands between 1947 until October 1959. Holiday Airways Inc. was formed as an air carrier to gain rights to operate low cost charter flights, the suits state.

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