

# Cash for POWs?

## Testimony details '81 offer by Viets

By Michael Hedges  
and Carleton R. Bryant  
THE WASHINGTON TIMES

Vietnam offered to exchange live American POWs for \$4 billion in January 1981, former National Security Adviser Richard V. Allen has told Senate investigators.

The offer was rejected at a meeting of top Reagan administration officials, according to congressional sources familiar with testimony to the Senate Select Committee on POW-MIA Affairs by Mr. Allen and another official.

The proposal came through representatives of China and Canada, who said they were relaying the position of the Vietnamese government, the officials testified.

The routing of the offer through other nations was a standard practice to "create deniability" for Hanoi, congressional sources said.

But a few weeks after the meeting the Reagan administration approved a CIA-supported mission in which pro-U.S. Laotian refugees infiltrated communist-controlled Laos to search for American POWs. That mission, which was made public in mid-1981, failed.

Those present at the meeting at which the Vietnamese offer was rejected included President Reagan; James A. Baker III, then White House chief of staff; Caspar Wein-

berger, secretary of defense; Mr. Allen; Alexander Haig, secretary of state; Edwin Meese, attorney general; and Michael Deaver.

Senate investigators have not determined if all of those officials were in the room when the POW offer was discussed, a congressional source said. Committee investigators are talking to other Reagan officials this week.

Mr. Allen, who is traveling abroad, could not be reached for comment yesterday.

Mr. Allen's testimony was generally corroborated by another government worker who spoke to Senate investigators Thursday. The testimony is believed to have been instrumental in the Senate's 96-0 vote last week to ask President Bush to release to the public all classified POW materials.

Details of the 1981 meeting first surfaced in 1986 when a government official relayed his account of the session to Rep. Robert C. Smith, New Hampshire Republican, and Rep. William "Billy" Hendon, North Carolina Republican.

Mr. Smith and Mr. Hendon reportedly met with President Reagan, Vice President Bush and others in the Oval Office on Jan. 9, 1986, and asked them about the offer from Vietnam.

In response to a question yesterday about the 1986 meeting, Mr. Smith — now New Hampshire's junior senator and vice chairman of the Senate POW committee — would neither confirm nor deny that it occurred. "I cannot comment on that at this time," he said.

But Mr. Hendon said the meeting did occur.

Mr. Reagan at first said he could not recall such a proposal from Vietnam, according to Mr. Hendon's notes.

Mr. Bush remembered hearing about such an offer but thought it involved POW remains — not live Americans, Mr. Hendon said. "At that time Vietnam had already been giving back remains with no strings attached," Mr. Hendon said.

He said Mr. Bush called him the day after the meeting and angrily denied that a POWs-for-cash proposal had been received by the administration. "He said it was categorically false and potentially damaging to the presidency," Mr. Hendon said.

In his interview with investigators, however, Mr. Allen said he remembered the offer was for live POWs, congressional sources said.

A White House spokesman had no comment on the purported 1986 meeting.

Mr. Hendon is a POW-MIA activist. He was an investigator on the staff of Mr. Smith assigned to the Senate committee until last week, when he was fired in a dispute with the chairman, Sen. John Kerry, Massachusetts Democrat.

Capitol Hill sources speculated that Reagan officials probably regarded the 1981 offer as specious because China was involved in the transmittal.

At that time China had been engaged in a fierce border war with Vietnam for two years and had sought on several occasions to discredit the Hanoi government abroad.

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## China Denies Torture 75

■ BEIJING—China dismissed as "sheer fabrication" reports that it conducted torture experiments on American POWs during the Korean War.

The Los Angeles Times reported on Friday that the Defense Department was investigating evidence, provided by an East European military source, that dozens of American captives were transferred from North Korea to northeastern China.

The Times reported that some died during medical tests at a facility believed to be in the northeastern city of Harbin, and that others were executed.

"That particular report was totally groundless, and a sheer fabrication made with ulterior motives," the Foreign Ministry said in a statement carried by the official New China News Agency.

The Times said the prisoners reportedly were subjected to tests to determine whether race affected their ability to withstand torture. The tests also may have involved germ warfare agents, the newspaper said.

From news services

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Summary of 1981 after discussion as remembered by Source:

Casey came into the Roosevelt Room from the Oval office with President Reagan and Vice President Bush. National Security Advisor Allen joined them, as they stopped for a moment to talk.

They were headed toward another larger meeting, and Chief of Staff Baker and Deaver stood a few feet away, at the doorway, waiting for the group to enter the meeting.

Casey said to the President: "What do you want to do about the message?"

President: "What message?"

Casey: "The message from the Vietnamese, through the Canadians and China."

President: (To Group) "What do you think?"

Casey: "I think its just China running interference at Vietnam."

VP Bush: "I agree."

Casey: "We can't give \$4.5 billion to the Vietnamese, it would be paying blackmail."

VP Bush: "Yeah, I agree."

Allen: "If these are live POWs, we should do something about it."

Baker and Deaver come up.

Baker: "Its time for the meeting."

President: "OK....(to Casey) do something about it."

Group departs room for meeting.

- Walfowitz
- Armitage
- Ikle

Feb 1981 mtg -

Roosevelt Room (Cel. Room not

15 people

Rov (P), (VP) Casey

(A) Coy

Muse, Baker, Deaver

Both had telegram / Polthoro → thru Chou, Canada, to me  
NW claim 57 men; wants + 45.

Following week - another mtg - also in Roosevelt Room.

Casey goes to (P) - says checked w/ NSA, says we know who & where they are. Baker angry at Casey going directly to (P).

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COMMITTEE CONFIDENTIAL

DEPOSITION OF RICHARD V. ALLEN

Tuesday, June 23, 1992

U.S. Senate  
Select Committee on POW/MIA  
Affairs  
Washington, D.C.

Deposition of RICHARD V. ALLEN, a witness herein,  
called for examination by counsel for the Senate Select  
Committee on POW/MIA Affairs, was convened at 2:04 p.m., in  
S-407, The Capitol, on Tuesday, June 23, 1992, the witness  
being duly sworn by ANNE P. HOROWITZ, a Notary Public in and  
for the District of Columbia, and the proceedings having been  
taken down by Stenomask by ANNE P. HOROWITZ and transcribed  
under her direction.

Present from the Senate Select Committee on POW/MIA Affairs:

J. WILLIAM CODINHA, ESQ., Chief Counsel  
ROBERT TAYLOR, Investigator

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1 1960's, and having watched the war wind slowly down and into  
2 defeat, I was just very concerned about this issue. I  
3 wouldn't say that I went out of my way to inform myself, but I  
4 consumed everything that came my way.

5 And so there was no official involvement. I wasn't  
6 party to any group or any gathering or any movement. But I  
7 was very much concerned about this question, as anyone  
8 properly should be, should have been.

9 Q. You indicated that you had been involved in the  
10 Reagan campaign prior to Mr. Reagan taking office. As a  
11 candidate, Mr. Reagan appeared to have a defined position on  
12 the POW issue and seemed determined to resolve that issue.  
13 Did you ever hear him speaking to that issue?

14 A. I couldn't help the number of times we did talk  
15 about it privately. I've heard him speak publicly and open  
16 about it. Of the thousands and thousands of hours that I  
17 spent with Ronald Reagan over those years, I heard him speak  
18 about it many times.

19 Q. Can you give me -- I realize that meetings and  
20 conversations took place over many occasions and in different  
21 places -- it is hard to define any single one. Can you give  
22 me the gist of what Ronald Reagan was saying to you about  
23 POW/MIA issues while he was a candidate?

24 A. While, it was just essentially, as long as there's  
25 any evidence whatsoever that there are POW's and MIA's there,

1 the United States should spare no effort to get them back and  
2 spare no effort a term of broad application for Ronald Reagan.  
3 But that was basically his attitude. That happened to reflect  
4 mine, which is one of the reasons I supported Ronald Reagan.

5 Q. As a candidate, did you hear Ronald Reagan state  
6 whether he believed -- at any time did you hear him  
7 say -- whether he believed that there actually were POW's?

8 A. I think he did believe it. I cannot say that I  
9 could pinpoint the date and time when I heard him say that,  
10 but the many, many conversations I had with him certainly  
11 indicated to me that he believed that there were some. There  
12 was a high likelihood that there were some. Now we're talking  
13 about in the role of candidate, not yet President.

14 Q. In the role of candidate.

15 A. That's his opinion. That was his opinion. That is  
16 the way I would characterize his opinion at the time.

17 Q. Did you ever ask him or did anyone ask him in your  
18 presence on what you based that opinion?

19 A. I can't recall.

20 Q. Did you have any opinions at that time as to whether  
21 there were prisoners of war still held in Southeast Asia?

22 A. I did.

23 Q. And what was your opinion during that time of the  
24 candidacy of Ronald Reagan?

25 A. Well, it was a long period, but I believe that there

1 were POW's and MIA's, and I had nothing on which to base it  
2 except trace elements of evidence, if you will, like one would  
3 read about from time to time, sightings that would appear in  
4 the newspaper, stories that I would hear, discussions that I  
5 would have with various and sundry people; stories from POW's  
6 like Admiral Stockdale and others that I had heard who led me  
7 to believe that there was a high probability that there could  
8 be POW's and MIA's, even by 1979-'80, that time frame.

9 It was not a campaign issue, as you recall, but  
10 whenever the opportunity arose, the Governor took advantage of  
11 it to declare that he would do all that he could to get POW's  
12 and MIA's back.

13 Q. Did you have any sense from then candidate Reagan as  
14 to the numbers of POW's or MIA's that he believed existed?

15 A. No. I think he had no fixed idea.

16 Q. Did you have a fixed idea yourself in this time  
17 period?

18 A. No, but I thought it likely that there were dozens,  
19 perhaps 100 or more. But the odds were that somebody was  
20 still alive by the time we took office 12 years ago.

21 Q. During the candidacy period, was there a plan, even  
22 in the most general sense by the Reagan team, on how to  
23 approach the POW issue once Ronald Reagan was elected to  
24 office?

25 A. There was so much on our plate during 1980 that this

1 could you make additions to the PDB?

2 A. Sure. No I didn't -- not formal additions, but  
3 during my briefing times, of course, it was not only the PDB.  
4 The President would look at the PDB, I would wait there to see  
5 if he had questions. I would discuss with him certain  
6 features of it and then go on to other matters that I had to  
7 take up with him.

8 Q. Now you also mentioned discreet channels. You said  
9 if it wasn't in the PDB, it would have gone through discreet  
10 channels.

11 A. My hand. By hand, my hand. It would not have gone  
12 to Meese, Deaver, or Baker, or any of those colleagues.

13 Q. When you say your hand, would you have had a formal  
14 point paper for the President which would set out for him what  
15 you knew?

16 A. Yes, unless I just briefed him orally, as it was  
17 occasionally.

18 Q. Do you recall whether you briefed him orally?

19 A. I delivered the picture and briefed him orally.

20 Q. So you have taken the picture up and briefed him  
21 orally.

22 A. Somewhere that picture exists. Had you heard the  
23 story before? Would you answer my question? I know you're  
24 not here to answer mine, but had you heard the story before,  
25 more than once?



1 Q. I have heard a similar story, although not -- the  
2 particulars are different and that's why I'm trying to figure  
3 out which one this is.

4 A. Well this is the authentic one, because I'm telling  
5 you.

6 Q. Right, no -- which incident this is, because there  
7 has been more than one incident reported to us. So discreet  
8 channel would mean that you would take the picture up and  
9 brief him orally, or you might take the picture up and give  
10 him a point member that would set out the points that you  
11 wanted to make about this picture?

12 A. Yes.

13 Q. And what do you recall President Reagan's response  
14 to that picture being?

15 A. He was flabbergasted by it, and enthused and  
16 excited.

17 Q. Why -- you've already described it, as a candidate  
18 Reagan believed there was POW's in Southeast Asia still held  
19 in captivity. Why would the President be flabbergasted then,  
20 to find that, in his first months in office, that POW's were  
21 stamping out things in the dirt?

22 A. Probably the first hard evidence he'd ever -- or  
23 close to hard evidence he'd ever seen. Something really you  
24 could pin a hope on, as opposed to a mere conjecture.

25 Q. How long -- do you recall how long you spent with

1 the President on that picture when you showed it to him?

2 A. Maybe 15 or 20 minutes.

3 Q. Did he ask for explanation about it?

4 A. I gave him the explanation.

5 Q. Did you tell him about the rap code?

6 A. Yes.

7 Q. And you described to him that the symbols had  
8 been told -- strike that. What did you tell the President?

9 A. I told the President what had been told to me, that  
10 this symbol could represent the numbers of a rap code and told  
11 him what a rap code was, as it had been explained to me. I  
12 told him that he had the option of authorizing a mission to go  
13 in and take a look, that -- I think he asked me what I thought  
14 and I said I would certainly authorize that mission, and away  
15 we go.

16 I think -- you know, I think if you look in the  
17 PDB's, that you'll find some occasional mention of Gritz. And  
18 I think that you'll find that probably preceded the event of  
19 having been shown this picture.

20 Q. Again, I had tried to separate this picture from  
21 Gritz. Are you now recombining them?

22 A. No, I'm not recombining them at all. I'm just  
23 saying Gritz would have -- the issue -- if Gritz had appeared  
24 in the PDB, or I in some other way had conveyed that to the  
25 President, which I don't specifically recall having done, that

1 would have sensitized him to the issue of expedition --  
2 expeditionary forces going in to take a look, to get close.  
3 That was the only objective, to get close.

4 They weren't in there to go in and liberate, because  
5 they didn't have the power or the means of extraction; they  
6 didn't have anything but to get in and ascertain. And then I  
7 was almost certain that if we could ascertain the existence of  
8 POW's and MIA's, that the President would authorize action.

9 Q. And you said -- you explained that one of the  
10 options that the President was to have a mission go in and  
11 take a look. How did you know that was an option?

12 A. Because I either -- either I generated the option  
13 out of my own head, or it was presented as a possibility at  
14 the time that the picture's existence was revealed to me and  
15 its potential significance was explained.

16 Q. Would you have talked to anyone else before you  
17 described the options to the President of what options he had?

18 A. Not likely.

19 Q. Again, I'm not familiar with the workings of a  
20 National Security Advisor's relationship with the President,  
21 so you're going to have to --

22 A. It depends on his personal relationship with the  
23 President. Each one will be -- each National Security Advisor  
24 will have a different relationship, even with the same  
25 President. And certainly we had a wide-spread parade of

1 National Security Advisors.

2 Q. Try to help me understand that if you got this  
3 information, and we will say it happens at, you know, 8:00 in  
4 the morning, you get this information from the CIA. And do  
5 you immediately go and brief?

6 A. As soon as I get the President. In this case I  
7 believe I went as soon as i could get to him, or I may have  
8 even made a special attempt to see the President.

9 Q. And do you believe it was also at that time that you  
10 explained to him his options?

11 A. As soon as I took him the picture, I believe it  
12 is -- was.

13 Q. And at least one option that you have described is  
14 to send in a mission to take a look. Did you describe any  
15 other options he had?

16 A. I guess the only other option was to say interesting  
17 picture and be done with it. You know, that was the other  
18 option.

19 Q. Do you recall having any discussions with the  
20 President about what the -- who would run the mission?

21 A. I think I would have described to him who would run  
22 the mission, yeah. I believe the agency ran the mission.

23 Q. Was that at your suggestion, that the agency ran the  
24 mission?

25 A. I think the agency may have suggested it, that it

1 run the mission. It certainly wasn't military. As I recall,  
2 the military wouldn't have had the assets in place. That was,  
3 I think also, part of the difficulty in collecting assets.  
4 Although I couldn't understand, as I recall now, why the  
5 assets in Northeast Thailand wouldn't have been immediately  
6 made available to whomever was going to go in.

7 Q. Let me see if I can just understand how the idea for  
8 a mission gets generated. Is it something you give to the  
9 President as an option? Is that the first time a mission is  
10 mentioned, or was it mentioned earlier to you that the CIA  
11 said we can go in there and do this?

12 A. I think I said that it could have been mentioned as  
13 an option when I first saw the picture. I can't recall. But  
14 it would have been my instinct under the circumstances, given  
15 my beliefs, to put one in there anyway. I don't care who gets  
16 the credit for establishing that there ought to be a mission.  
17 If it was the agency or anybody else, it's perfectly all right  
18 with me.

19 A lot of them down here -- it doesn't bother anyone  
20 in this case. The object is to get in there as quickly as you  
21 possibly can and have a look. And it took -- it took, as I  
22 say, bloody forever, for them to get mobilized, and another  
23 bloody forever for them to get in there.

24 Q. You had 31 or so people on your professional staff  
25 at the NSC. Would you have reached out to any of those people

1 1975 and it comes forward to 1992, that's a long span of time.  
2 And a lot of people have been in office, especially in the  
3 Pentagon, ostensibly in charge of this business of finding and  
4 getting POW's and MIA's out.

5 And, as I say, I can't recall, but there have been  
6 constant battles, waves of battle, over the issue of whether  
7 they're all out or not. And a lot of people have come to the  
8 conclusion yes, they are, or they're all accounted for, there  
9 can't be any more. Just like it can be -- it's said, perhaps,  
10 that there are no more in North Korea from the Korean War.

11 And I'm not prepared to believe any of that until  
12 I've got some more convincing and persuasive evidence. I also  
13 believe we don't have any accounting for all of the AWOL's out  
14 of Vietnam. Where are these people? They went over by the  
15 dozens, I'm sorry to say -- they went AWOL by the dozens. And  
16 who has ever accounted for them? As I understand it, they're  
17 in the POW/MIA account as well. Maybe not, I don't know  
18 whether they're on that ledger or not.

19 So all those people missing, unaccounted for all  
20 these years. I'm still not persuaded that they were all put  
21 to death or that they all died of natural causes or of torture  
22 and punishment. I am convinced that there is still a  
23 reasonable chance in 1992 that there are some alive,  
24 someplace, somewhere.

25 Q. You mentioned that --

1           A.    And to come back to the careers, I just want to  
2 finish the point.

3           Q.    That's the question I was going to come back to.

4           A.    The careers of people who signed off on the notion  
5 that they were all accounted for and you couldn't account for  
6 any more, that's what I mean careers are built on this. And  
7 you go back into the Office of POW/MIA Affairs in the  
8 Pentagon, or whatever the dickens they call it, and find out  
9 just how many people were in the office over the last span of  
10 years, since 1975. Pretty many, a lot of people were, a long  
11 time. I shouldn't say '75, I should go back to '65 to be  
12 perfectly accurate about it. It's a longer span still since  
13 the Johnson administration.

14          Q.    Now with respect to the careers were at stake.

15          A.    It's a political opinion I'm giving you.

16          Q.    Okay, do you remember anyone that you dealt with  
17 that took the position that there couldn't be any alive and  
18 there was no sense of sending a team in, or, you know, from  
19 any agency?

20          A.    At that time?

21          Q.    Yes.

22          A.    I can't remember anybody specifically, but I do  
23 remember opposition to the idea.

24          Q.    Do you remember what agency?

25          A.    I believe it came from the Pentagon, and I

1 believe -- I know it came from the State Department. But we  
2 didn't take the by -- we didn't ask for a by your leave from  
3 the Department of State in this case. They had to --  
4 obviously had to know about it. I don't remember who knew in  
5 State, but --

6 Q. I'm sorry, you don't remember.

7 A. I don't remember who would have been --

8 Q. Because that was the question I was going to ask,  
9 who was the contact at State.

10 A. Maybe I told Al Haig.

11 Q. And at the Department of Defense, do you recall who  
12 would have been involved with this?

13 A. Well it wouldn't have been Weinberger or Carlucci,  
14 typically, so it must have been Clay. I presume you're going  
15 to talk to Freddy Clay anyway, so as Undersecretary for Policy  
16 he would be the most effective, and you're certainly going to  
17 talk to Rich Armitage; he knows as much as anyone about this.  
18 I haven't talked to him about it in some years.

19 Q. Now, it was your understanding from talking to the  
20 CIA that there were going to be Americans on the team going  
21 in. There were going to be Laotians who had to guide the team  
22 in.

23 A. And I presume Vietnamese.

24 Q. You indicate that it took a long time, and I think  
25 you said too long a time.