

Did CIA back Lockheed bribes to Japanese?

By William Shawcross

THE CIA was aware of and may have actually helped arrange the massive bribes that the Lockheed Aircraft Corporation has paid to leading Japanese officials and Right-Wing politicians. This startling allegation is made this weekend by two separate American papers.

The stories, in The New York Times and The New Republic, suggest that Lockheed may not have been acting in its commercial interest alone when it paid, in Japan, bribes worth \$12.6 million over a period of 20 years. It may also have been helping sections of the US intelligence community to back Right-Wing politicians.

The allegations will intensify the political crisis that has gripped Japan since the Lockheed bribes were first revealed in January. And they will increase demands for complete disclosure of just what Lockheed's intentions were in all the other countries, like Holland, and Italy, where it has paid bribes.

On Friday the New York Times reported that details of the bribes paid by Lockheed in the 1950s to secure the sale of its F104 fighter plane to Japan were reported then to the CIA. The Agency did nothing about them. In tomorrow's issue of New Republic, a liberal Washington weekly, Tad Szulc describes in detail how most of Lockheed's bribes over 1969-75 were transmitted through a New York firm of currency dealers which the CIA has reportedly often used.

Mr Szulc cites sources close to the investigation of the bribes scandal as saying that "the CIA may even have orchestrated much of Lockheed's financial operations in Japan pursuant to covert US foreign policy objectives. This, then, may be what investigators have called the 'missing link' in the wider mystery of secret overseas payments by US corporations."

The story is now emerging in classic Washington fashion, through information given to reporters by government investigators and CIA and other officials. Inevitably the sources are unnamed and the stories are full of such qualifying phrases as "intelligence source believe that." But the New York Times account is carefully documented. And Tad Szulc, who wrote the New Republic article, is a highly skilled reporter on foreign affairs who has almost unrivalled contacts in the world of US intelligence.

The key figure in both stories

is Yoshio Kodama, who was Lockheed's agent between 1969-75 and is known to have handled at least \$7 million of the bribes that the company paid in Japan during that period. Kodama is an extreme right-wing nationalist who was jailed in 1945 for three years as a war criminal. After his release in 1948 he became an influential powerbroker in the Liberal Democratic Party which the US built up as Japan's ruling party during the period of occupation.

Now both the New York Times and New Republic claim that, before he came to Lockheed, Kodama worked for years for the US Government.

Szulc argues that "the CIA's interest in Kodama was twofold; as a strong pillar in the Liberal-Democratic party and the quiet leader of the extreme rightist elements in Japan. The Agency's policy was thus to influence the entire right-of-centre of Japanese politics. But secrecy was essential to protect Japanese conservatives from the leftist opposition."

The New York Times says that the CIA knew in the Fifties of the bribes then paid by Lockheed to secure sales of its F 104 in Japan. "One former official who was in a position to see the reports said that the CIA station in Tokyo was "checking with headquarters every step of the way when the Lockheed thing came up."

In the New Republic, Szulc takes the story further on the basis of documents in the hands of the Senate Multinational Corporations sub-committee. These show that, since Lockheed employed Kodama in 1969, it has transferred \$8.4 million to Japan, mostly to Kodama, through a New York currency firm called Deak and Co.

Deak and Co was founded just after the end of the second world war by Nicholas Deak, a wartime officer in the Office of Strategic Services, the forerunner of the CIA. "According to intelligence sources he had continued to have close personal ties with senior Agency personnel," after the war says Szulc. The firm has 20 overseas offices and Szulc quotes CIA sources as saying that they were frequently used by the Agency for transmitting money, though he points out "as in all secret CIA dealings no documentation is available to prove the reported links."

Szulc points out that, so far as the Senate investigators knew, Lockheed did not use Deak for any of the bribes it paid in countries other than Japan. He was unable to extract any comment from either Lockheed or the CIA. He quotes one intelligence official as saying "Lockheed would have been a perfect channel for the CIA to move funds secretly to people like Kodama." But he also says it is not known whether Lockheed executives knew of a possible CIA interest in its Japanese operations or whether the bribed Japanese officials knew.

The New York Times points out that the apparent CIA link contradicts the Senate Subcommittee's view that Lockheed had been conducting its own foreign policy, independent of the US Government. Now it seems that at least one branch of the government—the CIA—may also have been supporting Kodama. If so, what has US involvement in Japanese politics been all these years? And who has controlled it?