

New York Times

NEW YORK, FRIDAY, APRIL 2, 1976

C.I.A. Said to Have Known In '50's of Lockheed Bribes

Data on Japanese Reportedly Were Not Passed on to State Dept or Grumman, Whose Fighter Lost Out to F-104

By ANN CRITTENDEN

Many of the details of the bribery of Japanese politicians by the Lockheed Aircraft Corporation in the late 1950's, in connection with the sale of the F-104 fighter plane to Japan, were reported at that time to the headquarters of the Central Intelligence Agency in Washington, according to a former C.I.A. official and Japanese sources.

Although the C.I.A. was aware of the bribery, public disclosure of the payoffs did not come until last Feb. 4 in hearings of the Senate subcommittee on multinational corporations.

The scandal has created international tensions and touched off worldwide investigations of the payments by Lockheed and other American companies to various parties in Europe, Japan and the Middle East to win lucrative multimillion-dollar sales contracts for various products ranging from aircraft to pharmaceuticals.

The Lockheed payoffs in Japan, involving \$12.6 million over a period of 20 years,

were made to top officials of the Government, primarily through Yoshio Kodama, an influential power broker in Japan who has already been identified as the most important behind-the-scenes representative of Lockheed at that time.

Mr. Kodama has not been identified as a C.I.A. agent, but he has had a long-standing relationship with American Embassy officials in Japan. In addition, Mr. Kodama was the recipient of American funds for covert projects on several occasions, according to former C.I.A. officials.

The C.I.A. headquarters in Washington was informed of the Lockheed payoffs through C.I.A. channels from the embassy in Tokyo in the late 1950's. A Japanese citizen who worked for Lockheed in 1958, when certain bribes were known to have been made, has said he told an American Embassy officer of these payoffs.

He has denied having taken

Continued on Page 44, Column 1

Continued From Page 1, Col. 2

part in the payments himself and has said that he was unaware that the officer was a C.I.A. agent.

Former senior intelligence officials have confirmed that the Embassy official was indeed a C.I.A. staff officer assigned to the Tokyo station. One former official who was in a position to see the reports said that the C.I.A. station in Tokyo "was checking with headquarters every step of the way when the Lockheed thing came up."

"Every move made was approved by Washington," he added, asserting that details of the Lockheed affair were known in high levels within the agency.

The Central Intelligence Agency failed to pass this information on to the State Department or to the Grumman Aircraft Corporation, whose F11F-1F-Super Tiger jet fighter was first selected for purchase by the Japanese Government in 1958 and then in 1959 rejected in favor of the Lockheed plane.

Lockheed is estimated to have spent some \$1.5 million to win the Japanese jet fighter contract away from Grumman in the late 1950's. In all, Lockheed paid fees, commissions and bribes totaling \$12.6 million to sell \$700 million worth of aircraft to Japan between 1956 and 1975.

Kodama Earned \$750,000

Of that total, some \$7 million went to Mr. Kodama, who earned an estimated \$750,000.

If the information concerning the Lockheed bribes was passed on to the Justice Department, the Securities and Exchange Commission or the Internal Revenue Service, no action was taken to investigate the irregularities.

Foreign bribes are not in themselves illegal under Federal law. However, the bribes are not tax-deductible and the large foreign payoffs raise the possibility that Lockheed and other companies might have illegally reduced their taxable corporate income by deducting the bribe payments as business expenses.

It is also possible that false statements, punishable by Federal law, were made to such Government agencies as the Department of Defense, which monitors foreign arms sales.

One Justice Department official (told of the allegations of C.I.A. awareness of early Lockheed payoffs, said that although it might not have been legally incumbent upon the agency to report what it knew to the Justice Department, the agency's apparent failure to do so was "certainly a matter of concern from a policy point of view."

Part in Payoffs Denied

When informed of the allegation, Mitchell Rogovin, the special counsel to the Director of Central Intelligence George Bush, said that "the only thing we can say is we have no records of any agency involvement with Lockheed or the bribes." He denied that the agency as an institution had participated in the payoffs.

Mr. Rogovin said that he could say nothing either confirming or denying any agency knowledge of the payments to Japanese officials, or any involvement in them by C.I.A. agents.

A spokesman for Lockheed denied that the company had had any dealings with individuals in Japan that it knew to be C.I.A. agents.

According to knowledgeable sources, Mr. Kodama, a powerful ultrarightist who for years exerted a significant behind-the-scenes influence on politicians of Japan's ruling Liberal Democratic Party, also had a long-standing relationship with American Embassy officials in Japan.

In the early 1950's, he is said to have received some \$150,000 from the American Embassy to smuggle a hoard of tungsten out of mainland China on Nationalist warships and deliver it to United States authorities in Tokyo.

Ship Said to Have Sunk

According to a former C.I.A. official and to Robert H. Booth, an American said to have acted as Mr. Kodama's agent in the arrangement, the Americans



The New York Times/Hirofaki Yoshizaki

Yoshio Kodama, the influential power broker in Japan, has been identified as the most important behind-the-scenes representative of Lockheed at time of payoffs.

never received the tungsten. Mr. Kodama let it be known that the ship had sunk, and apparently kept the commission.

One former agent noted that there were some sentiments at C.I.A. headquarters in Washington that Mr. Kodama, who also had close ties to the Tokyo underworld, was untrustworthy and was using the Americans and their financing for his own ends.

In this man's opinion, American authorities were spending vast amounts of money subsidizing extreme rightists to fight a Communism never really a serious threat in Japan.

Other experts disagree, arguing that, particularly in the late 1940's, there was a real possibility of a left-wing regime in Japan.

According to Ivan Morris, professor of Japanese at Columbia University and an authority on the extreme right-wing in postwar Japan, the

"enormous" American financial support for conservative elements in the country was crucial in 1947 and 1948.

In those years, Japanese politics could have turned in a different direction, Professor Morris maintained. "A lot was done to prevent that," he said, "and successfully."

Among other things, American occupation authorities in the late 1940's and the 1950's used extreme right-wing former military officers to provide information on and to disrupt left-wing groups.

In November 1951, for example, one of these officers, Col. Takushiro Hattori, a former secretary of General Tojo, allegedly provided American authorities with information on leftist novelist Kaji Wataru, who was subsequently kidnapped by Occupation forces and held incommunicado by C.I.A. agents for a year, according to sources inside and outside of the Government.