

The Trade Spy

U.S. Officials Say French Also Seek Economic Secrets, but Differently

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By Walter Pincus
Washington Post Staff Writer

U.S. officials admit they use the CIA clandestinely to find out the trade negotiating positions of other countries, including France, and they say Paris does the same.

"They do it to us and we do it to them," a senior Clinton administration official said yesterday. Such gathering of economic data has "always been a legitimate use of intelligence services," he said.

But U.S. officials stressed that they see an important difference between how the United States and France conduct business spying.

Washington does not send the CIA and other U.S. intelligence services to pilfer commercial secrets to pass to U.S. corporations to help them compete abroad, U.S. officials say. In contrast they stress that France, almost more than any country, has used its intelligence agents to help French businesses, many of which are government-owned.

"This country does not use its intelligence service to steal proprietary data to give to U.S. companies," the senior Clinton administration official said.

U.S. officials drew that distinction yesterday in the wake of the dramatic announcement by France that it was asking Washington to recall five U.S. citizens for allegedly conducting espionage that apparently was linked primarily to trade and business rivalries.

In response, the Americans pointed to a pattern of French business espionage even while insisting that the uproar in Paris probably had more to do with French electoral politics than with any new espionage activities of the CIA.

Underlying the current flap, according to present and former CIA officials, has been a series of public and private complaints from Washington to Paris

over aggressive French intelligence actions taken against American companies.

"This is [French] retaliation for a decade of our rubbing their nose in it," one retired CIA official said.

A U.S. official familiar with the situation also said Paris might be responding to non-intelligence support that the administration was providing U.S. companies. "The French don't like the very aggressive stance the Clinton administration has taken pushing contracts for American companies, and may have come from the incorrect assumption that U.S. intelligence was aiding and abetting them," the official said.

The clash with France could be a sign of conflicts to come, officials said, as the end of the Cold War has led to increased focus by governments and intelligence agencies on economic and business competition. The work of the CIA and other agencies in carrying out economic intelligence will be one subject studied by a presidential commission named recently to evaluate the role and mission of the intelligence community.

There are some areas where CIA information is used to help American companies, but the material does not go directly to the firms, U.S. officials said. If the CIA learned that corrupt practices were being employed in a way that hurt U.S. business, it would pass the information to the State Department to convey to another government.

The New York Times reported Sunday that the CIA discovered last spring that the French were offering bribes to Brazilian officials in connection with a \$1.4 billion telecommunications project in the Amazon area. After the matter was brought to the attention of the Brazilian government, a U.S. company, Raytheon Corp., matched the French bid by Thompson CSF and won the award.