

France Accuses Americans of Spying, Seeks Recall

CIA Agents Tried to Obtain Trade Secrets, Paris Alleges

By William Drozdiak
Washington Post Foreign Service

PARIS, Feb. 22.—France has asked the United States to recall five of its nationals, including four diplomats, for allegedly conducting acts of political and economic espionage that appear largely connected to business and trade rivalries between the two allies, the government announced today.

In a rare public flap over spying charges between friendly nations, the French government accused the five Americans of being intelligence agents who were actively involved in recruiting top aides of French cabinet ministers and urging them to pass along classified information on sensitive trade matters.

The French action is part of a transatlantic rivalry between the two countries in which both are seeking to gain advantage in areas of trade and high technology. Industrial espionage, alleged by both sides, is a significant part of this competition, and France has stepped up its complaints about "dirty tricks" played by the Central Intelligence Agency during the past two years. Washington has its own list of complaints, but such public revelations of espionage are unusual between the two allies.

A U.S. Embassy spokesman said Ambassador Pamela Harriman was seeking further clar-



U.S. Ambassador Pamela Harriman leaves French prime minister's residence after consultations and that the controversy "was being discussed at the highest levels," suggesting that President Clinton would raise the matter directly with French President Francois Mitterrand. In Washington, Undersecretary of State Pe-

ter Tarnoff said that the allegations are "unwarranted." In a statement, Tarnoff expressed dismay over the handling of the incident. He said there was no reason for France to expel anyone, nor has Paris formally ordered such ac-

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White House spokesman Michael McCurry noted that "we are not unaware of the fact that there is a presidential election going on in France."

While friction among Western allies over industrial espionage has increased since the end of the Cold War, diplomats said it was the first known case in which France had publicly sought the removal of alleged American agents from its soil.

French officials said the dispute was not supposed to become public. They said that in the past, the United States and France had worked out trespassing by any intelligence agents in private. Such controversies usually ended with a quiet transfer of personnel.

But the act of demanding the recall of five alleged American agents, something that France has done in the past decade only with unfriendly countries such as the Soviet Union, Iran and Iraq, demonstrated the serious nature of French anxiety about economic competition with the United States.

French counterintelligence officials claim the United States now has about 80 agents operating in France, including 30 under cover. They say in the post-Cold War era, the United States has emerged as the biggest foreign espionage threat in France; much larger, for example, than Russia, which is estimated to have 40 agents active in France.

Although France and the United States have clashed on several foreign policy and trade issues, Balladur today sought to minimize the controversy and denied that it would lead to a major rift with the United States. "The French people are



AGENCE FRANCE-PRESSE

Premier Edouard Balladur, left, talks with Budget Minister Nicolas Sarkozy following a cabinet meeting held after a U.S.-French espionage flap erupted.

friends of the American people, and the French government is a friend of the American government," he told reporters. "Events like that occur regularly on both sides of the Atlantic."

The espionage row and recall request were revealed today by the

French newspaper *Le Monde* and later confirmed in statements from the French Interior and Foreign ministries.

The *Le Monde* article did not cite the names of the alleged agents who were asked to leave the country, but it said they included the CIA station

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chief, his deputy and two other spy suspects acting under diplomatic cover. A fifth suspect was described as an American woman not connected with the embassy.

The newspaper said that Harri-man had been summoned to the Interior Ministry on two occasions, on Jan. 26 and Feb. 3, to be told that the continued presence of the suspected agents was unacceptable. But as of Tuesday, three of the four Americans listed as diplomats were still working at the embassy, *Le Monde* reported.

One of the principal French recruits cultivated by the Americans was a high-ranking personal adviser to Balladur who was detected after several purported clandestine encounters with U.S. agents, the newspaper said. He was dismissed from his job within two weeks of the investigation.

The report said that two other cases involved a Communications Ministry official involved in cable and satellite issues and a technician in the French state telephone service who sold documents to the CIA. All three officials ultimately cooperated with French counterintelligence and helped expose the agents who recruited them, *Le Monde* said.

The problems involving the alleged American agents apparently had been festering since 1992, when the United States and France were involved in tense, down-to-the-wire negotiations to resolve conflicts over farm and cultural issues that had be-

come the final obstacles to achieving a global trade agreement.

French officials said that Interior Minister Charles Pasqua, who has been embroiled in a wiretapping scandal that has threatened his political future and Balladur's presidential bid, wanted to send a tough signal to the United States that further escalation of economic espionage and the recruiting of cabinet aides would not be tolerated.

But the timing of the controversy, political analysts said, could reflect a desire by Balladur and Pasqua to deflect French public attention from the wiretapping scandal that has caused Balladur's approval rating with voters to plunge just two months before the presidential election.

French sources said the CIA "planted" false information with American news organizations, including the *Wall Street Journal* and *Knight-Ridder*, that pinpointed 49 American banks and companies as the high-priority targets of French industrial espionage in the United States.

They said the CIA also had spread warnings throughout the American business community telling executives not to travel on Air France because their briefcases could be stolen and important documents copied by French competitors.

American officials, in turn, say that while some accounts may be exaggerated, the French actively chase classified papers in high-tech fields and have been prepared to "step

over the line" to secure valuable information.

France has emerged in recent years as a leading force in high-tech areas and is challenging the leading positions of the United States in key sectors such as telecommunications and aircraft.

In Washington, CIA officials said they knew for more than a month that the French action was coming, *Washington Post* staff writer Walter Pincus reported. "We have been beating up on the French and accusing them of spying for years," said one former top agency official.

One U.S. government source said that the French "obviously got angry recently with our complaints about what they were doing, and our leaks to the press, and began to surveil our people to catch them doing what we had accused them of doing."

In recent years, the CIA has expanded its economic and trade activities though it always has had the capability through the National Security Agency's electronic intercept satellites to read international communications on economic matters.

In CIA Director R. James Woolsey's last appearance before the Senate Intelligence Committee last month before he left that post, he repeated his earlier disclosure that information collected clandestinely that showed corrupt practices in foreign contracts would be brought to the attention of governments where U.S. business is put at a disadvantage.