

# U.S. targets allies with economic espionage, sabotage

by Joseph Brewda

In early June, CIA director William Webster ordered the U.S. National Security Agency (NSA), the government's chief satellite and electronic intercept agency, to radically change its priorities, the June 17 *New York Times* reported, based on a government leak. The NSA shall no longer solely concentrate on eavesdropping on the Soviet Union, Webster ordered. It will instead collect economic data on America's allies, including those countries represented at the G-7 economic summit meeting in Houston on July 9-11. James Bond, it seems, has a new job at the U.S. Treasury.

Webster first made this policy public in a speech before the Los Angeles World Affairs Council on Sept. 20, 1989 when he said that the supposed "end of the cold war" meant that the main threat to the U.S. was no longer Russia, but economic competition. The main enemy, the CIA director made clear, was Germany and Japan. Shortly after this address, the CIA created a new directorate, one of only five, to coordinate actions that would counter this supposed threat. Since that speech, it is said that other U.S. agencies have been reorganized for the same mission, the NSA simply being the most recent.

This reorganization of U.S. intelligence, and retargeting of priorities, has not gone unnoticed. In March, the French intelligence agency DGSE angrily leaked a report to the Parisian newsweekly *L'Express* which accused the CIA of sabotaging its Ariane IV missile program. At least two Ariane missiles exploded through CIA sabotage, it stated, the latest in February. The rocket is a direct competitor of General Dynamics's Atlas-Centaur.

Meanwhile, the Confederation of British Industry has characterized the NSA reorganization as "threatening" in statements made to the British press in July, and has forecast that the Bush administration would sanction NSA "actions" against Britain if Britain "fails to produce results satisfactory to the U.S." at the current GATT talks.

## 'Our allies are our competitors'

In his address before the World Affairs Council Webster came right to the point. The Cold War was over, he claimed, so the CIA had to have new priorities. Instead of focusing on Moscow, the agency would instead focus its attention on

economic matters since "intelligence on economic developments has never been more important." He went on: "Our political and military allies are also our economic competitors. The national security implications of a competitor's ability to create, capture, or control markets of the future are very significant."

Webster explicitly labeled "Japanese and European surplus capital" as "creating some potential risks." In a threatening allusion to Third World nations' considering debt moratoria on their unpayable debt, the CIA director also asserted that "along with the globalization of international finance has come the greater use of the financial system by governments and groups whose objectives threaten our national security."

During the same month that he made this announcement, Webster also ordered the establishment of a new directorate, the directorate of planning and coordination, or the so-called fifth directorate, to "reach into all levels of the intelligence business" and "stay ahead" in a changing world. Career CIA official Gary Foster was put in charge.

The exact responsibilities of the vaguely defined directorate were not made clear until Webster delivered another startling speech before the World Affairs Council of Boston in April, where the existence of the new directorate was finally formally announced. Webster motivated the reorganization by stating that "the rapid integration and internationalization of financial markets means political and economic developments in one area can have world impact." He added, "In high technology, and virtually every economic area, U.S. policy makers are looking at strategies of our economic competitors as well as efforts by foreign governments to target markets and finance research, development, and production. . . . Throughout the next decade we will continue to see an increased emphasis on economic intelligence as an intelligence issue."

## Strangling economic development

Webster railed against "the proliferation of nuclear, chemical, and biological weapons," an issue typically used as a cover for blocking Third World economic development, as evidenced by Bush administration tirades against Iraq and Argentina. He also cited the danger of "money laundering,"

an issue cynically used by the U. S. to target Swiss and other banking competitors.

A certain amount of the impetus for the administration's thievery policy, issues from a little-known blue ribbon committee which was established last year by Sen. David Boren (D-Okla.), chairman of the Senate Select Committee on Intelligence. The oversight committee, which was charged with reviewing the U. S. intelligence community's "methods and procedures," includes former CIA deputy director Bobby Inman and former CIA director Richard Helms.

On June 17, the same day that the Bush administration leaked that it had reorganized the NSA, Boren wrote a commentary published in the *Washington Post* describing the ongoing reorganization of U. S. intelligence. He explained the motivation. "The fastest-growing area of espionage activities by foreign governments against the U. S. is not the theft of military secrets but the theft of commercial secrets from private U. S. companies to further economic interests. . . . The congressional oversight committees are working with the CIA to develop a long-term strategy that sheds cold war priorities and focuses on . . . economic expertise."

Observers familiar with the thinking of the U. S. "intelligence community," date back the origins of the reorganization to decisions made in 1982 by the Reagan-Bush administration relating to Third World debt. The administration had to decide whether or not it would follow the outline of policies contained in Lyndon LaRouche's "Operation Juarez" proposal for an orderly reorganization of Ibero-American debt. It chose to continue its policy of usury. Consequently, gunboats, and their intelligence equivalent, became necessary.

Accordingly, then-CIA director William Casey was ordered to direct a massive buildup of U. S. operations against South American leaders, all directed toward ensuring that the unpayable debt was paid. To this end, the CIA planted moles in government palaces, while the NSA arranged intercepts—all intended to make sure that Chase Manhattan did not go belly up. A Third World debt task force was established in the President's Foreign Intelligence Advisory Board (PFIAB), coordinated by Casey's long-time crony, Leo Cherne, the board's deputy director. PFIAB is a major link between Wall Street and the "spook" world.

This approach was further consolidated in 1986 when CIA counsel Stanley Sporkin and C. Boyden Gray, counsel to then-Vice President Bush, formed an interagency task force, housed at the little-known Administrative Conference, to study the best way to deal with the threatened collapse of the U. S. banking system. To better coordinate operations with the private sector, Wall Street attorney and Anti-Defamation League chairman Kenneth Bialkin, no stranger to CIA financial operations, was brought in to chair the group.

## Refighting World War II

One of the clearest examples of this new policy, and a prime example of White House stupidity, is the latest hoax

that the administration has concocted against Japan. The administration claims that Japanese firms are stealing U. S. Strategic Defense Initiative (SDI) secrets. Actually, at this point, the bankrupt U. S. economy could never develop much of anything—let alone the SDI—without Japanese assistance. Japan was one of the first and most important countries to sign an SDI protocol with the United States whereby it would aid the U. S. in developing the ballistic missile defense program.

On June 18, the U. S. attorneys office in Los Angeles announced that an obscure computer scientist named Ronald Hoffman had been arrested the previous week and charged with agreeing to sell SDI secrets to four Japanese firms. The firms included Mitsubishi Heavy Industries and its associated trading company, Ishikawajima-Harima Heavy Industries, and Nissan Motor. Mitsubishi is one of Japan's most important industrial conglomerates, and is the key to Japanese aid to the U. S. SDI program. IHI is Japan's largest ship builder. Nissan is not just an automobile company—it ran Manchuria during World War II.

The timing of the arrest could not have been more precise. That weekend, Japanese Foreign Minister Taro Nakayama flew to San Francisco to meet with Secretary of State James Baker III for emergency talks on the so-called Structural Impediments Initiative (SSI), the latest administration attempt to force Japan to open up its economy to U. S. looting, while continuing to sustain the bankrupt U. S. economy. Japanese patience with Bush is coming to an end. "The Japanese side is fed up," one Japanese official told Reuters news agency about the progress of the latest talks.

According to the Pentagon, the Japanese firms are accused of stealing computer software for use in missile exhaust systems. "This whole issue is a little bit much," one Pentagon official commented off the record, "even if it were true, the technology is not so important."

One Japanese insider familiar with the Bush administration pressure being applied against Japan explained the motivations this way: "In March, Mitsubishi announced that it had struck an agreement with Daimler Benz of Germany for diverse joint aerospace ventures in the 1990s. Mitsubishi produced the Zero in the last war, and Daimler Benz built the Messerschmidt. Some Americans are very upset. They don't think that they can compete." Another Japanese spokesman added, "Last month, Mitsubishi formed a consortium with ten other Japanese firms to build a rocket to launch satellites into orbit." The rocket could also serve as an intercontinental ballistic missile.

It is even pointed out that the Malta summit, which consolidated the U. S.-Soviet deal "ending the Cold War," was held on water. "When was the last time that a summit took place on sea? Why, the Atlantic conference which set the terms for the post-war world," one Japanese spokesman pointed out. "This time, a Stalin has replaced a Churchill as the main U. S. partner, but the enemy is still Germany and Japan."