

European Union to investigate US-run satellite spy network

France launches independent probe into Echelon

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The European Parliament has voted to investigate allegations that the United States has used its surveillance apparatus, known as Echelon, to win commercial advantage for American corporations over their European rivals.

Echelon is a vast satellite spy network controlled by the US National Security Agency (NSA) and run jointly with Britain, Australia, New Zealand and Canada. Echelon's network can intercept any international telephone call, email, fax or radio transmission. It employs powerful computers capable of voice recognition that home in on a long list of keywords or patterns of messages.

The implications of this spy network for personal and political freedoms have scarcely been acknowledged by the European powers, all of which run similar but smaller snooping operations. The European Union committee formed to investigate Echelon will spend a year conducting an inquiry and issue a report that focuses exclusively on whether the US-run network exerts a negative impact on European commerce and industry.

The European Parliament first held hearings on the subject in March. A report commissioned by the Parliament and written by British investigative journalist Duncan Campbell said there was evidence that the Echelon system had twice helped American companies gain an advantage over their European competitors.

Campbell's report cited a 1994 attempt by the French-led European Airbus consortium to challenge America's Boeing on airliner sales to Saudi Arabia. Then-CIA director James Woolsey is alleged to have used Echelon to beat Airbus to the \$6 billion Saudi deal. The French

company Thomson is also said to have lost a radar contract in Brazil. Campbell named Microsoft, IBM and a certain "large American microchip maker" as providing product features which allow for the interception of information.

In 1993 and 1994, media reports claimed that the US intelligence services aided American firms, including Raytheon, Boeing and Hughes Network Systems, in winning \$16.5 billion in overseas contracts. In May this year, documents written during the Clinton administration were reportedly discovered, mainly letters from the CIA to Congress, containing evidence of intelligence efforts to help American corporations win contracts overseas. They detailed how the US acted on evidence of allegedly unfair competition by foreign contractors.

Many Euro MPs have complained in particular of Britain's role in Echelon's surveillance activities. The largest information gathering site is at the US military base at Menwith Hill on England's North Yorkshire moor. The base is linked directly to the headquarters of the US National Security Agency (NSA) at Fort Mead in Maryland, as well as other listening posts around the world, including Britain's GCHQ. In addition, Australia's Inspector General of Intelligence and Security Bill Blick has confirmed to the BBC that the country's Defence Signals Directorate (DSD) forms part of the network.

According to Campbell, the origins of Echelon are a secret agreement signed in 1947, called UKUSA, by which the major English-speaking countries agreed to share responsibility for overseeing surveillance in different parts of the world. Britain's zone included Africa and Europe, east to the Ural Mountains of the

former USSR; Canada covered northern latitudes and Polar regions; Australia covered Oceania. Other countries including Norway, Denmark, Germany and Turkey later signed intelligence agreements with the US and Britain.

On September 6, 1960 two NSA defectors told a press conference, “We know from working at NSA [that] the United States reads the secret communications of more than 40 nations, including its own allies.... Both enciphered and plain text communications are monitored from almost every nation in the world, including the nations on whose soil the intercept bases are located.”

The move by the European Parliament against the US has been pushed through at French insistence. The day before Europe's announcement, on July 4, a French state prosecutor, Jean-Pierre Dintilhac, announced a preliminary investigation into whether Echelon was a threat to France's national interests. He ordered the French counterintelligence agency DST to appraise Echelon. If the DST finds the system “harmful to the vital interests of the nation,” legal proceedings could be undertaken.

In 1995, France expelled five American diplomats and other officials, one of them said to be the Paris station chief for the CIA, in connection with Echelon's activities. In 1999, French Prime Minister Jospin enabled private firms and individuals to encode their communications to prevent them from being intercepted. France submitted a report to the European Parliament as early as last October alleging Echelon's use for commercial spying. In February Justice Minister Elisabeth Guigou said that US spy systems had been converted to “economic espionage”. Several French corporations and individuals have also alleged that the NSA spied on them illegally, and a private case is being drawn up by the Jean Pierre Millet law firm in Paris to be pursued through the American courts.

The row over Echelon and the key role played by France is an expression of growing economic, political and military tensions between the US and Europe. France has long argued for Europe to take a more aggressive anti-American stance. On June 8 France and Germany agreed to develop a European spy satellite system and a European military transport plane to be built by Airbus to replace the US C-130s, as part of the project to create a defence capability independent of

NATO.

Late last month French President Jacques Chirac addressed the German parliament, where he called for France and Germany to forge ahead with European economic, political and military union in order to gain “the upper hand in global competition”. That same day, France openly clashed with the US at an international conference in Warsaw called to promote “global democracy”. Refusing to endorse the US-inspired “Warsaw Declaration”, it said the statement could be interpreted as “a diplomatic pledge for the democratic states to act as a group”, which France would not agree to.

America's response to the charges from France and the European Union has been fairly bellicose. Present CIA Director George Tenet said, “I don't know what they think they're investigating or where they intend to proceed,” while State Department spokesman Richard Boucher said, “The notion that we collect intelligence in order to promote American business is simply wrong.”

In March, when the issue was first discussed by Europe's parliament, former CIA director Woolsey—the man charged with presiding over the instances of commercial spying cited by Campbell—confirmed that the US monitors European communications. He said this was done in order to keep an eye on bribery by European corporations. “We have spied on that [bribery] in the past.... I hope that the United States government continues to spy on bribery.” European companies had a “national culture” of bribery, he added, and were the “principle offenders from the point of view of paying bribes in major international contracts in the world”.



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