

Talking Points: Fialka, "War By Other Means."

--This is a simple, entertaining book, full of documented spy stories that will surprise and enrage. What are spies really like? What do they really do?

--Long history to economic espionage begins with Francis Cabot Lowell in Midlands in 1811.

--He establishes pattern: no tracks, victims don't talk, profound consequences. We are all in his debt.

--Britain was watching for spies in 1811, but America from 1970's onward isn't. One hundred eighty thousand immigrants allowed in without visa checks. Private survey shows 325 companies lose \$5.1 billion per year in intellectual property theft--rate triples in three years. FBI says it is working 800 cases involving 23 nations, load doubles since 1994.

--Three great waves of espionage: "Farewell and Soviets," Japan and then China. Cultural differences. Asians enjoy better cover and Post Cold war relaxation. Who spies: top five.

--Competitors apply jui jitsu: Using our unprecedented openness against us. Some statistics. In 1988 Japanese sent 54,000 researches to U.S. We send 4,000. They send 29,840 students a year. We send 1,485. Over 100 Peoples Liberation Armies have offices in U.S., pushing commercial products. The State Department finds three.

--Technology is rapidly expanding our openness in ways we don't keep track of: Widening FOIA, cellphones, computer data bases, Internet, FAPSI and electronic evesdropping, satellite surveillance. Huge spillover of Cold War techniques into economic realms. The crime that pays: Russia pays Cuba \$200 million a year for Lourdes. FAPSI, bigger than NSA, goes into private business.

--Universities and industries accelerate the vulnerability, turning more an more to foreign students and scientists with green cards. Do they really enhance the American dream? We send 1,485. Fifty one% of U.S. graduate degrees in science and engineering go to students from Pacific Rim. 15,000 Chinese students a year coming to U.S.

--What can we do? Build awareness so companies talk and witnesses come forward. Fix U.S. school system so it competes with foreign students on all levels. This, in turn, develops better case law on economic espionage. Keep bringing in the best and brightest, but tighten quota on foreign students and scientists (which focuses U.S. companies on faults in U.S. school system). Close loopholes on campaign finance/lobbying that tempt foreign governments to sway U.S. policy here.

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