

Engineer 'Spy' Details Role as CIA Informant

By Laurence Stern

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For six years aerospace engineer Peter M. James, 33, lived in a twilight world of technological spying.

He was a CIA informant on Soviet rocket technology as well as a Pratt & Whitney Aircraft propulsion engineer who traveled to international scientific conferences in such places as Athens, Madrid, Belgrade, Venice and Paris. There James would mingle with Soviet scientists and then covertly report to his CIA contact what he had learned.

His work earned him letters of commendation from the Air Force, from his employers and from the CIA as well.

James has now come in from the cold, at the price both of his job and his dual role as a CIA informant. And he has given Congress, Air Force investigators, the FBI and CIA an extraordinary story of cloak-and-dagger harassment by an obscure military intelligence agency—the Air Force's Foreign Technology Division.

After investigating the James affair, contained in a 29-page sworn statement plus exhibits given to the Air Force Office of Special Investigations, Sen. William Proxmire (D-Wis.) called yesterday for abolition of the Foreign Technology Division. The agency's mission is to gather intelligence on foreign, particularly Soviet and East European, scientific and technical developments. It is secretly funded through Air Force appropriations and headquartered at Wright-Patterson Air Force Base in Dayton, Ohio.

Proxmire said FTD's oper-

See SPY, A26, Col. 1

SPY, From A1

tions "are particularly disturbing. They recruit employees of defense firms and enter into contracts with these firms in order to ob-

tain data about foreign scientific and technical developments. As such, they duplicate the intelligence operations of other organizations and provide no unique capability."

Proxmire, vice chairman of the Joint Economic Committee, is looking into relationships between the CIA and private corporations abroad. There have been recent press reports, attributed to high officials, that the CIA has some 200 agents abroad operating under corporate cover.

Based in part on the James statement, Proxmire said defense industries "should not be put into a position of forced compli-

ance with requests from an Air Force intelligence unit out of fear of possible loss of Air Force business."

He also cited the problem of "intelligence information flowing back to defense contractors which provides an unfair competitive advantage to the cooperating company."

Defense Secretary James R. Schlesinger told Proxmire during a hearing last week that he would look into the allegations.

They were part of a long list of particulars which James said led to his own disenchantment with the Air Force technological spying unit and to his eventual refusal to cooperate with the FTD, despite a contract

it entered into with Pratt & Whitney in 1968.

On the other hand James had been reporting regularly to the CIA through the then-chief of its Miami field office, Justin F. Gleichauf, since 1965. Gleichauf, now retired from the agency and an employee of Wackenhut in Miami, warmly praised James for his services in a Dec. 18, 1969, letter.

But because of James's open criticisms of FTD operations in Pratt & Whitney, which he had been assigned to coordinate, he and his wife were spied upon, photographed and threatened by civilian agents of the Air Force unit during a series of international meetings in September, 1971, at Dubrov-

nik, Yugoslavia, Marseilles and then Brussels, according to the statement to Air Force investigators.

There was a Mack Bennett quality, as described by James, to the surveillance activities of the FTD agents with cameras and heavy disguises following the young engineer and his wife who, in turn, were meeting Soviet scientific panelists in restaurants, blue movies and other gathering spots.

At one point, in Marseilles, James was warned by one of his Russian quarries that he and Mrs. James were being followed by the Air Force agents. "He bluntly said there was a

conspiracy against us," James related.

In Brussels, where he attended the twelfth International Astronautical Federation Congress things took a more serious turn, according to the sworn narrative.

One of the FTD agents, James eclared, warned him against going ahead with a book he was researching on the operations of the Air Force technology unit. The agent, who James identified to the Air Force Office of Special Investigations, at one point commented that he had friends "who can arrange an automobile accident."

In Brussels the surveillance also became more intense and James and his

wife decided to go to the American embassy and book passage back to the United States immediately.

In a letter to Proxmire, the Air Force associate director for legislative liaison, Joseph J. F. Clark, said the special investigation confirmed that FTD agents named and photographed by James were present at the conferences. But he said that interviews conducted

with them did not support James's charges of threats and harassment.

When James returned to Pratt & Whitney's Florida research and development center, where he had been based, he was asked for his resignation. When he refused, James said, he was fired.

His book has been completed and is expected to be published this spring.