

return for assurances of delivery of Omani oil following the 1979 U.S. ban on Iranian oil purchases. The recipients, retired British army officer Tim Landon and Libyan exile businessman Yahia Omar, have both been identified by several U.S. intelligence and media sources interviewed by *EIR* as associates of Ted Shackley.

Meanwhile, across the Atlantic

Simultaneous to these potential problems for oil consultant Shackley, the London headquarters of Tiny Rowland's Lonrho, Ltd. has been rocked by a series of scandals. Rowland, the initial moneybags behind the Iran arms initiative following Ted Shackley's November 1984 secret meetings in Hamburg, West Germany with Iranian representatives, is in the middle of a violent feud with a former business associate, Mohamed Al-Fayed, over the latter's buy-out of London's prestigious Harrads department store. Acrimony has turned to public scandal-mongering as the two multi-millionaires and associates of the Sultan of Brunei have taken to the pages of the British press to hurl damaging revelations about the other's role in the Irangate affair. The Sultan provided at least \$10 million in seed money for the Iran-Contra deals, operating through his resident "spiritual adviser," the Swami Chandra, and U.S. Secretary of State George Shultz.

This exposure of Rowland would be almost comic opera were it not for a far more serious charge widely circulating against Rowland: that he was behind the recent assassination of RENAMO (Mozambique National Resistance) leader Ivo Renaldes in Lisbon. Rowland, despite his British Tory profile, is the British Crown's bridge to the African frontline states, and is widely known to be "Mr. British Foreign Office" in Africa. A Lonrho subsidiary is training an 8,000-man counterinsurgency force for the Mozambique and Zimbabwe governments, and that subsidiary is suspected of sending out the hit men to eliminate "counterrevolutionary" Renaldes.

Intelligence hands point out that one of Lonrho's behind-the-scenes consultants is former CIA official Miles Copeland, who has long-term experience in running such operations in the Middle East and Africa. Copeland recently became notorious for authoring a piece, in the March issue of *National Review*, entitled "Spooks for Bush," which put forward the strange idea that a Bush administration would be far more sophisticated in running intelligence operations than Reagan's. Another reported consultant to Rowland is Ashraf Marwan, the son-in-law of former President Nasser, and a longtime Bush-connected spook. Marwan and Rowland are reportedly on the best of terms with Muammar Qaddafi's cousin, Ahmed Qadafadam, the Libyan regime's top assassin.

The RENAMO hit has prompted speculation that other leading "resistance" fighters in Africa, notably Dr. Jonas Savimbi, and his ally, Zairean President Mobutu Sese Seko, may be on the same target list—for their resistance to U.S.-Soviet joint pacification programs across the continent.

Theodore Shackley's 'Third Option'

"Looking at the list of disasters Shackley has presided over during his career, one might even conclude that on the day the CIA hired Shackley, it might have done better hiring a KGB agent; a Soviet mole probably could not have done as much damage to the national security of the United States with all his wiles as Shackley did with the most patriotic of intentions." (Jonathan Kwitny, *The Crimes of Patriots*, W.W. Norton & Co., New York, 1987, page 291.)

If convicted arms merchant and CIA covert operator Ed Wilson wins his petition for a retrial based on newly released CIA files, chances are that a whole clique of career CIA officials—all bearing familiar names, and all associated with Irangate—will emerge as the real defendants. Not so much because of "smoking gun" proof of concrete crimes like drug trafficking, arms running, money siphoning, influence peddling, and assassinations, but because they presided over the destruction of America's vital intelligence capacities.

Since his resignation from the CIA in September 1979 to join his longtime aide Thomas Clines in a string of "off the reservation" intelligence-consulting ventures, Theodore G. Shackley has emerged as the leading apologist for a philosophy of intelligence and covert operations that he refers to as the "third option."

At a March 4-5, 1983 symposium on low-intensity conflict sponsored by the National Strategy Information Center and Georgetown University, Shackley summarized his "third option" proposal:

"[A] special mechanism of government [should] be established to control all special operations and their assets . . . dedicated to the multiple tasks of counterinsurgency, guerrilla warfare, and anti-terrorist operations. . . . [T]he intelligence focus could then be applied to apparent opportunities in Mozambique, Angola, Afghanistan, Ethiopia, El Salvador, Nicaragua, and perhaps even the Western Sahara."

According to published proceedings of the conference, Lt. Col. Oliver North was sitting in the audience.

In an earlier book-length version of the same proposal, and in a December 1980 version of his "Reagan Doctrine" proposal, delivered at a Roy Godson-sponsored event,

Shackley concluded that in the wake of the CIA scandals of the mid-1970s, Congress would no longer allow the intelligence community "to plausibly deny" its flubbed missions. Conclusion? Go private.

The personal touch

Shackley, known in the intelligence community as the "blond ghost," apparently for his cautious, aloof, and impersonal style, is a walking history of the failure and ultimate cooptation of America's intelligence community by private interests.

- In the late 1950s, while on assignment in Berlin, Shackley supervised key features of the Berlin Tunnel, a secret listening device that tapped into DDR and Soviet phone lines. Unfortunately, the KGB discovered the technologically impressive tunnel before it ever went operational. Rather than shutting it down right away, the KGB and Stasi used it as a pipeline for disinformation into the West.

- Next, Shackley moved to Miami, where he oversaw the Bay of Pigs Invasion and JM/WAVE, the failed efforts to overthrow and then assassinate Fidel Castro. It was apparently during this period that Shackley forged deep ties to a network of Cuban exiles who had fled their country in the wake of the Castro revolution (ironically, it was the CIA that provided Castro with the key weapon supplies to make his revolution, only to then drive the Jesuit-trained "Marxist" into Soviet hands by cutting him off totally at the point that he successfully overthrew Batista). Abandoned, for the time being by the CIA when JM/WAVE was curtailed, these Cuban-Americans became a permanent underworld for future use by increasingly more cynical American covert operations planners.

- In the mid-1960s, Shackley moved to Laos, where he supervised the "secret war," a decade-long covert program that later died the ultimate death with the fall of Saigon, and which was widely reported to have been partially financed through the marketing of Golden Triangle opium, thus inaugurating the era of American "narcovert operations."

- From Laos, Shackley followed his longtime CIA patron William Colby to Saigon, where he became station chief at the peak of the U.S. involvement in Indochina.

- By some accounts, in 1971, Shackley's enthusiasm for the Vietnam campaign (he reportedly drove around Saigon in a limousine flanked by motorcycles, prompting one CIA observer to call him "the proconsul of Vietnam") seemed to cut against the grain of senior CIA brass at Langley, who had long since concluded that the war was already lost. Shackley was pulled back to headquarters to replace David Atlee Phillips as head of the Western Hemisphere Division—just in time for the Phillip Agee scandal. According to CIA veteran Joseph Burkholder Smith, Shackley used the pending publication of Agee's kiss-and-tell saga to purge the entire division of all its senior field agents and to shut down all long-term operations. According to one account, the CIA was already

in possession of the Agee manuscript while Shackley was doling out the pink slips, and already knew that Agee had not revealed the names of any senior Agency field operatives.

- When James Schlesinger moved briefly into the DCI chair, Shackley was promoted to the plum posting of Far East Division Chief, overseeing all CIA operations in the Asian theater. Under William Colby, he became deputy chief of worldwide covert operations, a post he thought would be a stepping stone to the director's post when Gerald Ford was reelected in 1976.

Jimmy Carter's election, dashing Shackley's hopes to become DCI, may have sent the CIA veteran over the edge. According to several Agency accounts, Shackley was deeply involved in preparing the pink slips enforced by Turner, thus completing the decimation process begun with the Agee caper and the purging of the Americas division five years earlier.

According to several book-length accounts of the Wilson-EATSCO affair, Shackley and his longtime CIA and Pentagon cronies, Clines, Wilson, Richard Secord, and Eric Von Marbod, began laying the seeds of their "off the reservation" move long before any of them ever left the government. Much of the rest is well-catalogued history.

The bankers' CIA

One senior foreign service officer who was present for most of the events catalogued above, places Shackley and his "secret team" in the context of a drive, inaugurated by then-NSC adviser Richard Nixon, Henry A. Kissinger, to transfer the serious U.S. intelligence apparatus out of the government and directly into the hands of the liberal banking Establishment of Boston, Wall Street, and the City of London.

Key to these events was the mid-1970s oil hoax, that drove up the price of petroleum, and created a mass of petrodollars as a reserve fund to finance the privatization of Anglo-American intelligence, a return to the original British and Dutch East India Companies. Thus, Shackley's post-retirement emergence as an "oil consultant," thus the prominence of the pro-Western Gulf oil shiekdoms in all subsequent "off the reservation" intelligence programs.

Allegedly, during the mid-1970s phase of the privatization of the CIA, Kissinger drew upon William Casey, who served Richard Nixon as head of the Securities Exchange Commission and the Export-Import Bank, as a close collaborator. Kissinger also reportedly shifted significant "in house" covert operations responsibilities to newly upgraded desks at the Treasury Department (Assistant Secretary of the Treasury for International Affairs), and the Pentagon (Defense Security Assistance Agency). Both posts underscored the importance of control over offshore funds in the future running of "off-line, off-the-shelf" covert operations. Above all else, Henry brought in British and Israeli intelligence as partners and arbiters over U.S. intelligence.