

STANDARD OIL SABOTAGES SOVIET FERTILIZER:  
"IT'S NOT OCCIDENTAL"

NEW YORK, N.Y., Dec. 6 (IPS)--Standard Oil of Indiana's recent bid to take over Occidental Petroleum, the 10th-ranked American oil company and a leader in trade with the Soviets, is exemplary of the accelerating economic psywar pressure currently being applied to the Soviet Union. In addition to the Standard bid, Occidental's chairman Armand Hammer told a Congressional committee Dec. 3 that Arab sources have purchased up to \$48 million worth of Occidental's stock during the past several weeks. As a result, Hammer has announced his intention to go into court to seek relief.

The entire drama has very special implications for the Soviets. Dr. Armand Hammer first had dealings with the Russian leadership in 1921, and since then he has been seen by them as a "friend" if not indeed a "troubador" of "detente." Earlier this year Hammer negotiated a \$2 billion project with the Soviets, including natural gas and oil drilling, pipelines and--in particular--the largest fertilizer production complex in the world. Forty-five other American firms, led by Bechtel, are expected to take subcontracts in the Occidental plan.

This is not only the largest East-West deal ever negotiated, but the Soviets are immediately depending on it for the vast bulk of fertilizer expansion to support their agricultural sector over the next period.

The Standard takeover bid casts a spell of uncertainty over the crucial fertilizer complex project, at the least implying a delay in the plans.

A spokesman for Standard Oil of Indiana told IPS that he foresaw "no major new developments during the next few months" in negotiations with the Soviets if Standard succeeded in acquiring Occidental. Although Soviet Oil Minister Shashin had indicated two weeks ago that the Soviets were negotiating with Standard for oil-drilling equipment, the spokesman, indicating no great excitement about the negotiations, added that there "had only been an exchange of correspondence," with "no concrete negotiations" underway.

At the same time a public relations spokesman for Occidental confirmed that the pricetag on the Occidental project "could run up to \$8 billion by 1977" as the price of ammonia, urea, etc. goes up, and that "the whole deal could run up to \$20 billion eventually."