

favors a return to the U.S.-Soviet declaration on the Mideast Oct. 1, which begins to deal adequately with the question of the Palestinians, as a basis for negotiating a Mideast peace. This, too, will be a subject of his Washington talks.

Iran Looks West...And East

Paralleling Riyadh's diplomatic aggressiveness, the Schmidt-Brezhnev meetings in Bonn this past week, reportedly discussed both Iran and Iraq as sites of future joint investment. Just prior to Brezhnev's arrival in Bonn, the West German Economic Ministry decided to send a representative to Iraq to discuss investment. At about the same time Czechoslovakian Communist Party chief Husak held talks in Bonn on joint Third World development projects, naming both Iran and India.

Iran, meanwhile, is becoming the focus of Soviet-

German triangular deals, exemplified by the multibillion dollar 1975 agreement by which Iranian gas exports to the USSR will be swapped for Soviet gas slated for export to Eastern and Western Europe. After lengthy negotiations, Tehran and Moscow have just completed an agreement to build the second section of a gas pipeline which Soviet Premier Alexei Kosygin called the "deal of the century." The Shah has resumed trade negotiations with East German Foreign Minister Oscar Fischer who visited Tehran last month, and has announced that he intends to make a visit soon to both Bulgaria and Hungary.

At the same time, Italian Foreign Minister Forlani and his Iranian counterpart, Abbas Ali Khalitbari, recently signed a massive barter deal involving Iranian gas for Italian industrial goods; West Germany has just agreed to sell Iran two more nuclear reactors.

—Judy Wyer

Oil Rivals Pull Together

Saudi Crown Prince Fahd this month will make his first official visits to Saudi Arabia's traditional rivals, the neighboring states of Iran and Iraq, in order to finalize an agreement to establish a Red Sea-Persian Gulf Security Organization. The organization will be officially inaugurated at the end of the year with 11 nations participating, including all nations in the Persian Gulf-Red Sea region except South Yemen. The organization is designed to eliminate the threat of terrorism against these two crucial seaways through which a vast percentage of the world's oil passes. It is also a critical precondition for insuring cooperation among the region's nations as they undergo expansive economic development.

The unprecedented agreement — which was put together by Saudi Arabia, Iran, and Iraq — comes at the time when both Europe and elements in the East bloc are cooperating to clean up such terrorist operations as the Red Brigades. Such an anti-terrorist drive has already been felt in the Mideast where both Egyptian police and moderate elements in the PLO have been cooperating in the arrest of terrorist rings with wide international connections.

The developing diplomatic dialogue developing between the Gulf's three most powerful countries signals a new era of political and economic cooperation and acts to further solidify OPEC around world development policies which the Saudis are now discussing with Washington, the Soviet Union and other advanced countries.

London Sends A Message

Why Curtiss-Wright Wants Kennecott

The Curtiss-Wright corporation's much-publicized attempt to take over the Kennecott Copper Company could have a major impact on the entire U.S. economy—an impact which does not depend on whether Curtiss-

As the case of G. William Miller's record at Textron also illustrates, the City of London's policy toward the United States is asset-stripping. The Kennecott affair is essentially a terrorist operation directed at America's top industrial management as a whole within London's asset-stripping campaign.

The relevant background information on the Curtiss-Wright operation itself is as follows.

Last year, the Federal Trade Commission forced Kennecott—the nation's largest copper producer—to divest itself of Peabody Coal Co., the biggest coal mining firm in the U.S. Then, when Kennecott used part of the proceeds to buy the Carborundum Company—a company that Lazard Freres had also been bidding for—Curtiss-Wright, claiming outrage at Kennecott's new investment, bought 10 percent of Kennecott and launched a proxy fight to replace the current Kennecott board. Curtiss-Wright held out as a bribe to Kennecott's stockholders the promise of a payoff from the proceeds of the Carborundum Co.'s resale.

CORPORATE WRECKERS

Wright's T. Roland Berner actually wins this biggest proxy fight in years. What Berner is up to is simply this: On behalf of the London financial community, he is delivering a "message" to top U.S. corporate executives—liquidate assets, cut investment, transform the proceeds into immediate dividends, and to hell with the industrial future—or some London-controlled corporation will organize an ignorant, disgruntled stockholders' insurgency to take you over, or at least force you into a policy change to London's liking.