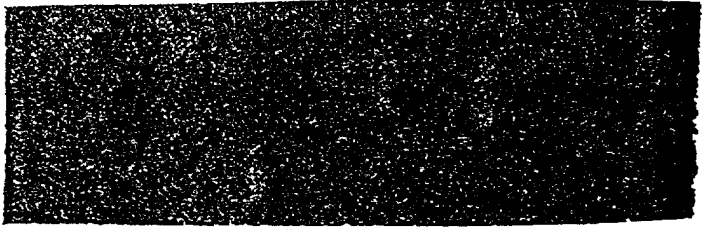


Gustave Jarrin (I) of Ecuador and Secretary General Khene of Algeria preside over OPEC meeting

### OPEC: POSTPONING DECISIONS

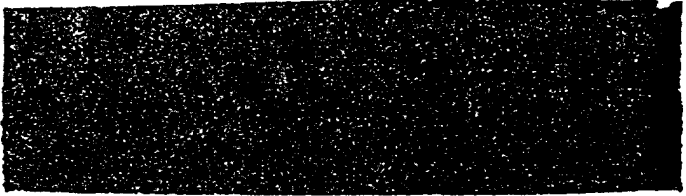
At their conference in Quito this week, the OPEC oil ministers agreed to continue the freeze on posted crude oil prices for another three months and to allow individual OPEC members, as of July 1, to increase royalties by 2 percent or otherwise raise the government take by an equivalent amount.



Both actions were taken following a concerted effort by Saudi Arabia to hold down oil prices. At least five other OPEC members—Algeria, Nigeria, Libya, Iran, and Kuwait—argued for an increase in posted prices to offset world inflation.

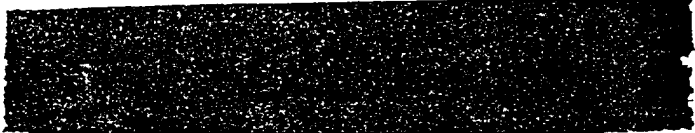
They settled for a statement calling on the industrialized countries to take strong measures to control inflation. The conferees decided to review the price question again at their next meeting in Vienna on September 12, implying that if inflation were not better controlled, prices would be increased.

Currently, there is an excess of oil on the world market at present prices. Oil stocks in the US, Western Europe, and Japan are reaching—and in some cases exceeding—desired levels. With consumers still resisting high prices, several independent European refineries have had to cut back output because they cannot sell their products at a profit.



Saudi Arabia dissociated itself from the decision to raise royalties. The Saudis announced that they would not move to increase their revenues, pending the outcome of negotiations with the owners of ARAMCO in July.

In other actions, the OPEC ministers decided to postpone for another three months any decision on an OPEC development fund for oil-importing developing countries. They also rejected applications for full membership from Trinidad and Tobago and the Congo, granting them observer status only.



Approved for Release  
Date: DEC 1997

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