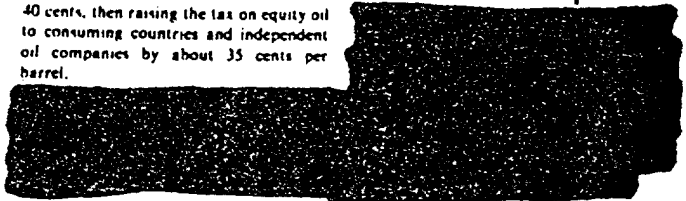


OCTOBER 30, 1974

### Proposed Oil Price Cut Would Have Little Impact

The press says that Saudi Arabia told other Arab oil states at the Arab Summit in Rabat that it wants a "symbolic cut" in world oil prices. A symbolic cut of the type the Saudis are evidently talking about would do little to alleviate the financial problems associated with the high price of oil.

40 cents, then raising the tax on equity oil to consuming countries and independent oil companies by about 35 cents per barrel.



According to the most recent press report, the Saudis reportedly assured the other producers they would accept the decision of the Organization of Petroleum Exporting Countries and would take no unilateral action. This account differs sharply from an earlier press report indicating that Saudi Arabia would unilaterally lower its prices.

The idea of a symbolic cut closely resembles a plan recently put forward by Saudi Minister of Petroleum Yamani. He suggested reducing posted prices by about

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Approved for Release  
Date

DEC 1997