

SENSITIVE

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SITUATION(S) MESSAGE(S) LISTING

DATE 06/20/74//171

SITUATION: HAK TRIP
SUBJECT CATEGORY: TOHAK

State Dept. review completed

MESSAGE / ANNOTATION:

MESSAGE:

IMMEDIATE
O 101647Z JUN 74
FM THE SITUATION ROOM//TOHAK003//

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

TO GEN SCOWCROFT

T U P S E C R E T SENSITIVE CONTAINS CODEWORD WH41742

TOHAK003

JUNE 10, 1974
MEMORANDUM FOR THE SECRETARY
FROM THE SITUATION ROOM
SUBJECT: INFORMATION ITEMS



25X6

PSN1012941

DTG1101647

TDR11611633

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MORI/CDF
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KUWAIT WILL MARKET OIL, COULD PRESSURE WORLD PRICES DOWN: THE KUWAITI GOVERNMENT HAS ANNOUNCED THAT IT WILL MARKET, RATHER THAN SELL BACK TO THE PRODUCING COMPANIES, THE 60 PERCENT SHARE OF CRUDE OIL PRODUCTION OBTAINED IN THE RECENTLY RATIFIED PARTICIPATION AGREEMENT. THE KUWAITI SALE, TOGETHER WITH THE PROPOSED SAUDI AUCTION THIS SUMMER, COULD PUT CONSIDERABLE DOWNWARD PRESSURE ON WORLD PRICES. MINISTER OF FINANCE AND OIL ATIQI SAID THE MARKETING POLICY WOULD AIM AT "CONTINUITY AND STABILITY OF SUPPLIES TO TRADITIONAL MARKETS OF CRUDE OIL AND OIL PRODUCTS." INVITATIONS TO PURCHASE THE OIL ARE GOING CHIEFLY TO ESTABLISHED BUYERS OF KUWAITI CRUDE; MIDDLEMEN ARE BARRED. KUWAIT EXPRESSED A PREFERENCE FOR COMPANIES THAT WOULD TRANSPORT THE CRUDE IN TANKERS IN WHICH KUWAIT HAS AN INTEREST.

25X1

KUWAIT MAY FIND IT DIFFICULT TO SELL SUCH A LARGE VOLUME OF CRUDE AT ACCEPTABLE PRICES. CRUDE OIL IS MORE PLENTIFUL NOW THAN IT HAS BEEN FOR SOME TIME, AND PRODUCT PRICES IN KEY MARKETS DO NOT SUPPORT HIGH CRUDE PRICES. MEXICAN FOREIGN SECRETARY ON MEETING WITH YOU: AFTER MEETING WITH YOU IN WASHINGTON, FOREIGN SECRETARY RABASA SAID: "OUR RELATIONS WITH OUR NEIGHBORING COUNTRY BECOME BETTER EVERY DAY." RABASA FURTHER REPORTED THAT HE NEGOTIATED WITH YOU FOR SUPPORT FOR A CHARTER OF THE ECONOMIC RIGHTS AND DUTIES OF NATIONS. HE SAID THE RESULTS ARE VERY PROMISING. HE EXPLAINED THAT A REVIEW WAS MADE OF THE WORK CARRIED OUT RELATIVE TO THE RIGHTS CHARTER, PARTICULARLY REFERRING TO FOREIGN INVESTMENTS AND THE "VERY IMPORTANT PRINCIPLE OF INTERDEPENDENCE." RABASA ADDED THAT HE HAS "ALWAYS FOUND DR. KISSINGER TO BE VERY CONSTRUCTIVE AND POSITIVE, AND HE TOLD ME THAT THIS ATTITUDE WOULD BE THE ONE ADOPTED BY THE U.S. DELEGATION TO MEET IN TLATTELOLCO TOMORROW." PORTUGAL TO ESTABLISH RELATIONS WITH USSR: THE NEW PORTUGUESE GOVERNMENT HAS AGREED TO ESTABLISH DIPLOMATIC RELATIONS WITH THE USSR AND TO RESTORE RELATIONS WITH YUGOSLAVIA. THE SOVIET-PORTUGUESE AGREEMENT IS APPARENTLY A RESULT OF TALKS BETWEEN SOVIET REPRESENTATIVES AND PORTUGUESE FOREIGN MINISTER SOARES DURING HIS RECENT VISIT TO LONDON. THE RESTORATION OF RELATIONS BETWEEN YUGOSLAVIA AND PORTUGAL IS AN OUTGROWTH OF THE RECENT VISIT OF THE YUGOSLAV ASSISTANT FOREIGN AFFAIRS SECRETARY TO

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MESSAGE / ANNOTATION:

LISBON.
LISBON ANNOUNCED LAST WEEK IT HAD AGREED TO RESTORE DIPLOMATIC
RELATIONS WITH ROMANIA.

BT

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