

JUNE 18, 1974

## INTERNATIONAL OIL

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### OPEC Countries Reach Agreement At Quito Meeting

The Organization of Petroleum Exporting Countries at its quarterly ministers meeting in Quito, Ecuador, agreed to continue the freeze on posted prices for oil and to increase members' royalty take by 2 percent—an increase of about one quarter of a cent per gallon.

The agreement represented a compromise between Saudi Arabia, which sought a reduction in posted prices, and 12 other members who sought a jump in posted prices and government receipts of from three to ten cents per gallon. Saudi petroleum minister Yaman' noted that Saudi Arabia opposed even the small increase in royalties, but conceded that higher prices for Saudi oil would result from the OPEC action.

The OPEC agreement will go into effect the beginning of July and will cover the subsequent three months. The international oil companies can be expected to pass the price increase along to consumers.

One OPEC official said that posted prices might go up again in the fourth quarter if the present rates of inflation continue in the industrial world.

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