

# OIL BUCKS

I'm a determined skeptic about broadcast "accidents." But for the life of me, I can't understand the precise goal of allowing a discussion about **not discussing** the falling dollar at the OPEC summit to be caught on tape. Here's the Financial Times' version of events—which depicts it as disagreement about the underlying issue.Â

In a landmark summit, leaders of the Organisation of the Petroleum Exporting Countries are meeting in Riyadh, Saudi Arabia, where they are divided over how they should respond to the weakness of the US dollar, which has fallen 16 per cent this year against a basket of leading currencies.

The dollar has dropped 44 per cent against the euro since Opec leaders last met in Caracas, Venezuela in 2000. Opec members are also divided about whether the group should seek to play a greater role in world politics as well as in the oil market.

The disagreement was revealed when a ministerial meeting Friday afternoon, supposed to be in closed session, was accidentally broadcast live to reporters for about 30 minutes, before Saudi officials cut off the transmission.

But look at Bloomberg's version:

Saudi Arabia, the world's largest crude oil exporter, rejected a proposal by Iran and Venezuela to discuss the weak dollar at this weekend's OPEC summit in Riyadh, saying it didn't want the U.S. currency to "collapse."Â Â Â Â Â Â Â Â Â Â

Saudi Arabia won't discuss pricing oil in currencies other than the dollar,

Saudi Foreign Minister Prince Saud Al-Faisalsaid, speaking at a meeting of oil and finance ministers todaythat was accidentally broadcast to journalists.Â  
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The Organization of Petroleum Exporting Countries, whichpumps more than 40 percent of the world's oil, has seen itsrevenue diminish because of the decline in the dollar over thepast three years. OPEC holds a heads of state summit in Riyadhtomorrow.Â Â Â Â Â Â  
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"As for the monetary aspect and the dollar I would like toask his Excellency, the minister of Iran, to leave this questionto the appropriate party, the ministers of finance, withoutmentioning that we gave them this task so that there won't benegative impact from OPEC," Al-Faisal said, speaking inreaction to an Iranian proposal to discuss the currency.

Note carefully—what al-Faisal rejected was the (public) discussion of the dollar, not a consideration of whether to move away from the dollar. He left that task to the ministers of finance, which suggests he, too, thinks it worthy of consideration. He just wants that consideration to be "secret." Whoops.

I thought, at first, that whoever "accidentally" taped this wanted to expose Venezuelan and Iranian interest in moving away from the dollar. But that's not exactly a secret to anyone paying attention. So if this is indeed intentional, why broadcast a discussion about not making something public, thereby making it public? Does it reflect dissent within the Saudi family over whether they—and OPEC—should jettison the dollar?

Thus far, the broadcast statements haven't accelerated the decline of the dollar. Perhaps

the markets have already adjusted to the  
eventual move away from dollars (not). Or  
perhaps they're as confused by this exchange as  
I am.