

News Summary

NYTimes TUESDAY, APRIL 26, 1977

APR 26 1977

International

Rough weather delayed efforts to cap the blowout in an oil well in the North Sea off the Norwegian coast. With a forecast of winds up to 60 miles an hour and 20-foot waves for today and tomorrow, the repair work may not resume until later in the week. At least two days of calm weather are needed to do the work. According to various estimates, the well, which blew out Friday, has poured between 650,000 and a million gallons of oil into the sea, forming a slick extending 25 miles. [Page 1, Columns 1-2.]

King Hussein of Jordan, who is in Washington, and President Carter began talks on the Palestinian problems that the Arabs insist must be solved before any Middle East peace settlement can be achieved. A major problem is the question of Palestinian representation at the Middle East peace conference in Geneva, which has delayed resumption of the meeting. The King and the President discussed different formulas under which the Palestinians could be given the representation they demand. [1:3.]

Zaire claimed recapture from Katangan-led insurgents of the important southern railroad town of Mutshatsha the government press agency said. Zairian soldiers, backed by Moroccan troops, had ended the insurgents' month-long control of the town. [3:1-2.]

National

A tough hospital cost control proposal was sent to Congress by President Carter amid growing indications that his Administration had serious questions about the type of national health insurance program for all Americans that he promised in his campaign. The President's remarks and comments from health planners led to reports that forceful action on a health insurance program would be deferred for several years, if not dropped. [1:6.]

Nearly \$36 billion for weapons procurement and military research was authorized by the House, without much opposition. The amount is about 30 percent of the Pentagon budget, and the measure is in keeping with the general outlines of President Carter's defense policy. [1:6.]

The energy conservation taxes proposed by President Carter were, Republican leaders of Congress suggested, a disguised general tax increase to finance welfare reform and help the President meet his commitment to balance the budget. The Senate governmental affairs committee circulated among members a draft bill that would set up a Department of Energy but would not give the head of that department the authority to establish natural gas and electricity rates. The Administration would permit the Energy Secretary to set those rates. The draft bill, however, would let the Secretary establish crude oil prices, but those prices would be subject to court challenge. [20:3-6.]

The Administration was denounced by Senator Daniel Patrick Moynihan for delaying the submission of a welfare reform bill so that it might not take effect until after fiscal year 1979. But officials in the Department of Health, Education and Welfare said that their target had always been, and remained, the 1979 budget. [26:1-3.]

Metropolitan

The General Motors Corporation made an agreement with the New York State Attorney General under which 5,000 New York residents who bought Buick, Oldsmobile or Pontiac cars equipped with Chevrolet engines may exchange their cars or get a mechanical performance insurance policy at no charge. General Motors simultaneously made the same offer to its car buyers across the country. The company's president, Elliott M. Estes, said that "General Motors has no desire, in making these proposals, to interfere in any way with

the suits that have been filed in recent weeks." [1:1-2.]

Mayor Beame, seeking tighter control of the semi-independent New York City Health and Hospitals Corporation, is expected to ask the corporation to make Donald E. Kummerfeld, the city's Budget Director, its top policy maker and to accept a former critic, Joseph I. Lynaugh, as acting operational head. The search for a permanent successor to the ousted president, Dr. John L.S. Hollonman Jr., would continue. [1:4-5.]

Vegetable gardens will be planted in empty lots in New York City. Most of the lots are in the city's poorest sections. Local residents, who will keep what they grow, will do the planting under guidance of experts from the Cornell University Cooperative. The gardens are being financed with \$500,000 from the United States Department of Agriculture. [1:3-5.]

Business/Finance

The stock market had a bad day, and the Dow Jones industrial average closed at its lowest level in 15 months, as key glamour issues continued to slide. Disappointing corporate profits and fears of rekindled inflation put a damper on trading. The Dow declined steadily and closed with a loss of 12.47 points at 914.60. Its most recent biggest daily decline occurred Jan. 13, 1976, when it closed at 912.94. The Dow lost a total of almost 28 points in the last three trading days. [51:5-6.]

American Express Company issues will no longer be traded over the counter next month. The company, whose shares have a market value of more than \$2.6 billion, is seeking a listing on the New York Stock Exchange. The listing is considered a certainty in view of the company's financial standing. [51:6.]

Exxon's earnings declined 11.6 percent in the first quarter despite a sales gain of 9.2 percent in the same period. Exxon is not the only major oil company reporting an earnings slide. Last week, Standard Oil of Ohio and Gulf reported decreases in earnings, but earnings of some other big oil companies increased. The disparity seems to reflect how the various companies fared during a bitter winter, among other factors. [51:1.]

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Quotation of the Day

"If it turns out to be as good as it looks today, and with those elevators filled the way they are, there'll be no place to put it except to pile it in the streets and wait for new storage space or some new demand someplace else in the world."—Earl Hayes, president of the Kansas Wheat Growers Association, commenting on the expected large wheat surplus this year. [18:2.]

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CORRECTION

In an article last Friday on the cashew industry, Heinz Levi, president of the Hollander Trading Corporation, was incorrectly quoted as urging that the Indian Government subsidize importers of cashews. In fact, he recommended that the Government aid Indian exporters of cashews.