

News Summary

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International

A world oil shortage by the 1980's is inevitable and carries an inherent risk of war, an international energy study has concluded. Non-Communist countries were warned that they must make enormous investments in coal, nuclear power and energy conservation. The study was begun two and a half years ago under the sponsorship of the Massachusetts Institute of Technology, with energy industrialists and analysts from 15 countries contributing to it. "Even with prompt action the margin between success and failure in the 1985-2000 period is slim," the study said. [Page 1, Column 3.]

The mounting deficits in many Western countries' social security systems—one of their most critical political and economic issues—was apparently not mentioned at the recent economic conference of seven Western leaders in London. Problems associated with the funding of social security programs are becoming increasingly serious in most of the seven countries. In West Germany, for example, conflict over how to rescue the social security system from bankruptcy has shaken public confidence in the Government of Chancellor Helmut Schmidt. [1:2.]

Haiti's severe drought has brought hundreds of thousands to the brink of starvation, according to relief officials. There are unconfirmed reports of several dozen deaths in remote areas in the northwest, which suffered an earlier drought in 1975 and has had almost no rain this year. [1:4-5.]

The Palestinian homeland concept announced by President Carter was called "an important contribution to a just and durable peace in the Middle East" by a spokesman in Beirut for the Palestine Liberation Organization, but he asked for more details. [5:1-6.]

A raucous session in Parliament ended Israel's election campaign for the vot-

ing that will take place today. The meeting was held at the request of the opposition Likud, which wanted to question Acting Prime Minister Shimon Peres on recent dealings with the United States. Voters today will elect a 120-member Parliament. There are 20 competing party lists led by three main parties: the governing Labor Party, the Likud and the Democratic Movement for Change. [7:1.]

National

Tentative agreement on a national welfare plan has been reached by Administration officials. They believe the plan would provide an adequate income to people unable to work and financial incentives to those who can work to find jobs. The plan would also give higher benefits to people working at low wages in private industry than it would to those who accept public jobs. This is expected to encourage workers to leave jobs on the public payroll and accept work in the private sector as it became available. [1:1.]

The tax elements of the Carter energy program ran into a series of special concerns in the House Ways and Means Committee. Al Ullman, the chairman, opened with general praise, but the questioning thereafter of Treasury Secretary W. Michael Blumenthal by committee members showed the difficulties confronting the bulk of the measure. Propane, foreign trade, mass transit and the free market were among the concerns stressed. [1:2.]

Walter H. Annenberg, who in March withdrew his proposed gift of \$40 million to finance a fine-arts communications center at the Metropolitan Museum of Art, has asked the University of Pennsylvania in Philadelphia to submit a plan for a similar but broader center. One of the university's divisions is the Annenberg School of Communications. Mr. Annenberg is an alumnus and trustee of the university. [24:3-4.]

Metropolitan

Five persons were killed when a New York Airways helicopter idling atop the Pan Am Building's heliport in midtown Manhattan keeled over on a broken landing gear. A huge rotor blade snapped off and struck and killed four people on the rooftop landing pad and then plunged over the skyscraper's west parapet. A fragment struck and killed a woman pedestrian on Madison Avenue at 43d Street. At least seven persons were injured. [1:6.]

The Assembly in Albany began debate on a bill that would remove criminal penalties for the possession of small amounts of marijuana. The vote on the bill—the Marijuana Reform Act of 1977—was expected to be close. [38:1-3.]

Business/Finance

Consolidated Edison is going into the fuel production business, its chairman, Charles F. Luce, told stockholders at the company's annual meeting. The utility, which customarily has bought all its fuel, has entered into an agreement with 11 gas distributors to the East Coast to explore for natural gas in the Gulf States, Mr. Luce said. It has also obtained approval, he said, from the Public Service Commission to use \$1.2 million from revenues to acquire the rights to a uranium mine in Colorado that will provide fuel for the company's nuclear plants. [47:4-6.]

April provided the nation with its third month of solid economic growth in which industrial output increased 0.8 percent, the Federal Reserve Board said. The industrial increase compared with gains of 1.4 percent in March and 1 percent in February. The productivity rise in April was widespread throughout industry. The only exception was automobiles. [47:1-2.]

Some recently depressed glamour issues rose in price in a general rise in the stock market. The Dow Jones industrial average was nearly seven points ahead by midafternoon, but it finished with a gain of 4.16 points at 932.50. Rising issues led losing ones by 9 to 5 and there were twice as many stocks posting 1977 highs as lows. [47:1-2.]

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Quotation of the Day

"I watched that building go up, and I thought—it's beautiful, beautiful. But something's going to happen; I always figured something like that would happen."—Matt Ryan, executive chef at the Yale Club, looking up at the Pan Am Building where a helicopter accident on the roof killed 5 people. [20:3.]

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CORRECTION

In Saturday's editions of The Times, it was incorrectly stated that the proposed acquisition of the Gerber Products Company by Anderson, Clayton & Company was under investigation by the Securities and Exchange Commission. In fact, it is under investigation by the Federal Trade Commission. Also, a revision of the offer will eliminate payment of certain fees only with respect to shares tendered by a soliciting dealer for its own account.