

News Summary

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International

The developing countries at the closing session of the 27-nation north-south conference in Paris rejected the demands of the United States and the rest of the industrial world for continuing consultations on energy questions. Acceptance of their demands was the principal objective of the eight so-called rich countries of the north, but they made no attempt to take back the pledges of assistance they had made to the countries of the south. [Page A1, Column 6.]

Jet fighters will not be sold to Pakistan by the United States, according to State Department sources. In deciding against the sale of 110 A-7 attack planes, the Administration considered its ties to India, the uncertain future of the Pakistani Government under Prime Minister Zulfikar Ali Bhutto and Pakistan's potential role as a nuclear nation, a possibility strongly opposed by the United States. [A1:1.]

A limited exchange of diplomats was expected to be announced by the United States and Cuba today. It would be the biggest step toward restoring relations since ties were broken in 1961. [A1:2-3.]

Pope Paul VI's successor may be his principal aide, who was one of the four archbishops the Pope elevated to the College of Cardinals. Msgr. Giovanni Benelli, who for 10 years had been the Vatican's Deputy Secretary of State, was also named Archbishop of Florence. This post, in addition to the promotion to cardinal, was believed to have placed Cardinal Benelli, who is 56 years old, in the forefront of likely successors to the Pope, who is 80 and suffering from arthritis. [A1:2-3.]

Shots were fired by South Moluccan extremists at metal structures that have been erected near the train where the Moluccans are holding 56 hostages in the Netherlands. A Government official said the structures were television

masts connected to closed-circuit television from which the police have the train under watch. [A3:1-2.]

National

The House, in its debate on a bill that would establish a Department of Energy, refused to give the chief of that department authority to set natural gas prices. That authority is sought by the Carter Administration. Republicans, who argued that the energy chief would have too much power, voted overwhelmingly in support of an amendment that would put the pricing authority under a new independent Federal commission. [A1:5.]

Nearly two and a half years after they were convicted of conspiring to cover up White House involvement in the Watergate break-in, H. R. Haldeman and John N. Mitchell will probably go to prison June 22, Federal District Court Judge John J. Sirica said. Judge Sirica was expected to set the exact date Monday. [A10:2-4.]

Metropolitan

Rentals of rent-controlled and rent-stabilized apartments should be based on the tenants' ability to pay, Governor Carey said. He announced that he was forming a "task force" to develop a "needs-based" rent-control system as part of his efforts to change New York State's rent-control laws. [A1:4.]

"Significant new revenues" are needed by New York City to keep its annual budget deficit from approaching the size at the start of the financial crisis in 1975, the state's financial overseer for the city said. Stephen Berger, executive director of the state's Emergency Financial Control Board, said that, subject to certain "adjustments" in the city's \$13.9 billion expense budget for the fiscal year that begins July 1 will be in "balance." [A1:5.]

Under the threat of death, physicians and operators of Medicaid mills in the

Bronx admitted organized crime racketeers as secret partners, according to evidence gathered by Federal and city law-enforcement officials. The gangsters extorted hundreds of thousands of dollars from public funds allocated to provide medical care for low-income and welfare patients. [A1:4-6.]

Business/Finance

A global minimum wage is one of the aims of the Carter Administration. The Administration was committed to a "living wage" for every worker everywhere by Secretary of Labor Ray Marshall in a speech to the triennial convention of the International Ladies Garment Workers Union in Hollywood, Fla. The universal minimum wage was linked by Mr. Marshall to President Carter's commitment to universal protection for human rights and also to his trade policy. [D1:5-6.]

Movie-related stocks continued to attract attention in Wall Street, but the Dow Jones industrial average declined 3.40 points to 903.15 following Wednesday's jump of nearly 8 points. Twentieth Century-Fox Film was at the top of the active list yesterday for the third day in a row. [D1:4.]

Sales were up sharply in May at the country's big chain stores and several had their biggest monthly gains over the year before. Apparel, home furnishings, automotive accessories and sporting goods were where most consumers put their money. Sears, Roebuck & Company, the nation's largest retailer, had a 17.1 percent sales gain in May, its largest percentage gain since June 1973. [D1:4-5.]

The Swiss banking industry tightened its bank secrecy regulations, which have made Swiss banks a haven for overseas deposits, to keep out funds of dubious origin. A five-year agreement, effective July 1, between the Swiss Bankers Association and the Swiss National Bank—the country's national bank—was prompted by the recent huge loss of the Swiss Credit Bank's branch at Chiasso on the Italian border. The agreement "does not change the banking secrecy rules as the banks are supposed to be applying it," a Zurich banker said. [D1:1-3.]

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Quotation of the Day

"Organized crime is not welcome in Atlantic City. I warn them, keep your filthy hands out of Atlantic City. Keep the hell out of our state."—Governor Byrne, before signing a bill to legalize casino gambling in Atlantic City. [B3:1.]

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