

News Summary

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International

President Carter and Menahem Begin, the visiting Prime Minister of Israel, seemed eager to submerge their disagreements as their White House talks opened in an air of cordiality. They agreed to give priority to convening a new Geneva conference this year and to a "just and durable peace in the Middle East." A White House spokesman described Mr. Begin's views, to be made public today, as "forward-looking and worthy of consideration." [Page A1, Column 6.]

The sale to Saudi Arabia of 60 F-15 fighter-interceptors is under serious consideration by the Carter Administration. Congressional sources said President Carter had approved the deal in principle, although the Ford Administration felt the planes were too advanced for the Saudi Air Force to handle. Serious opposition in Congress is expected. [A1:5.]

Peking wall posters said Teng Hsiao-ping, who lost out in last year's power struggle before the death of Chairman Mao Tse-tung, had been given back all his former posts as deputy chairman of the party, Deputy Prime Minister, deputy chairman of the Military Affairs Commission and Chief of Staff. Since the arrest of his leftist opponents, including Mao's widow, Chiang Ching, newspapers and wall posters have given indications of Mr. Teng's return to favor. [A3:1.]

Better goods and services for Soviet consumers were decreed by the Central Committee of the Communist Party and the Government. The action seems aimed at challenging bureaucratic indifference. At the same time, social scientists disclosed at a news conference that there was official apprehension about labor productivity and the falling birth rate and that the authorities had been closely studying public attitudes on these subjects. [A2:3-4.]

National

An increase of up to 5 cents in the Federal gasoline tax, replacing the stiffer standby gasoline tax rejected by the House Ways and Means Committee, will be sought by President Carter, according to Administration officials. Its proponents hope to use the resulting funds for various transportation programs. [A1:4-5.]

A new threat to tobacco farming in North Carolina is a drive by antismoking forces to cut off Federal price supports. The state's farmers, who raise 44 percent of the nation's yield, are in their most precarious position since the smoking-and-health scares of the 1960's. [A1:4-5.]

Efforts to reduce smog in American cities by changing drivers' habits have been marked so far by frustration, obstruction and inaction rather than proven diminution of pollution. In New York City, the pollution controversy will reach another high point when officials present Federal District Court with details of a parking ban in much of Manhattan. [A11:1-6.]

Metropolitan

The heat wave set a record for the day of 102 degrees in New York City while much of the rest of the country broiled in what may be the hottest July since Dust Bowl days. The city banned lawn-watering and sidewalk-flushing, while Camden, N.J., declared a water emergency with orders to the police to arrest anyone opening a hydrant. New York City health officials reported a significant increase in the death rate because of excessive heat and an increase in air contamination, but they added that this danger was not widespread. [A1:2-3.]

Load-shedding devices to cut off half the electricity to New York City and Westchester automatically should have saved the Consolidated Edison system

from its total blackout last Wednesday, according to the heads of the company and of the State Public Service Commission. Both told a state legislative inquiry that they knew no reason for the failure of the devices. [A1:1.]

In a surprise announcement, the Port Authority of New York and New Jersey said it would immediately ask its bondholders for permission to build rail mass-transit projects in both states. It said it would promise to supply funds only for construction, not for the usually deficit-producing rail operations. The authority has long been under pressure to do more for rails. [A1:4.]

The Appellate Division of the State Supreme Court unanimously reversed the felony-murder conviction of Peter J. Leonard that stemmed from a fire in which 24 persons died on June 30, 1974, at Gulliver's, a singles bar straddling the New York-Connecticut line. Dismissing his plea of guilty, the court said that Mr. Leonard's condition, physically and mentally, was such that his faculties were impaired. [A1:2-3.]

Business/Finance

Incentives for capital investment are among possible tax revisions the Carter Administration may propose, according to W. Michael Blumenthal, the Secretary of the Treasury. He told the Senate Budget Committee that these could include a combination of such elements as a cut in the corporate rate, faster depreciation write-offs and special help for small companies. [45:4-5.]

Charges of fraud involving the use of inside information for personal benefit were brought by the Securities and Exchange Commission against a former employee of Investors Diversified Services and its head of trading. I.D.S. is the largest mutual funds complex. The two administrative proceedings also involve 25 brokerage firms and 19 individuals in all. [45:4-5.]

Stock prices surged on a broad front, bolstered by strong earnings gains for the June quarter. The volume of trading was the heaviest this year. The Dow Jones industrial average closed at the day's high of 919.27 for a gain of 8.67 points, according to a preliminary tabulation. [45:6.]

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Quotation of the Day

"We owe them nothing."—Former Secretary of State Henry A. Kissinger, testifying before a House International Relations subcommittee about an unfulfilled American pledge of postwar aid to Vietnam. [A5:1.]

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CORRECTION

The Times reported incorrectly Monday, in a summary of legislative actions, that a measure providing for insurance policies to reimburse private, profitmaking home-health-care companies had been killed by the Legislature. The measure received approval of both houses.

Weekend
FRIDAY IN
The New York Times