

News Summary

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Metropolitan

International

A shaky cease-fire seemed to have cooled the dispute between Egypt and Libya. The Government of Col. Muammar el-Qaddafi, the Libyan leader, studied a series of Egyptian conditions offered through Algerian and Palestinian mediators. The Egyptian conditions were based on a demand for the removal or mothballing of complex electronic surveillance systems that Soviet technicians have built on the Libyan side of the border between the countries, sources in Cairo said. Another demand by Egypt, it was said, was that Libya refrain from political "agitation" in Egypt, the Sudan and Chad. [Page 1, Column 2.]

The 16-year-old Albanian-Chinese alliance seemed to be in jeopardy with the report that Albania had asked China to remove its technical experts who came to Albania when it broke relations with the Soviet Union in 1961. Diplomatic sources in Belgrade said the request was made through the Chinese Embassy in Tirana after about 50 Albanian students had been withdrawn from Chinese universities. The trouble started when the Albanian Communist Party paper denounced China for moving toward the United States and for failing to keep Marxist-Leninist ideology pure. [1:1-2.]

National

There will be no further investigation of Bert Lance's personal or business finances by the Senate Governmental Affairs Committee, which had been concerned with certain aspects of the Director of Management and Budget's private financial dealings when he was a banker. The committee agreed with Mr. Lance's contention that there was "nothing improper" in his financial affairs. "You have been smeared from one end of the country to the other, in my opinion unjustly," said Senator

Abraham A. Ribicoff. Mr. Lance's testimony before the committee will be sent to the office of the Comptroller of the Currency, which is conducting an inquiry into the conditions of a \$3.4 million loan Mr. Lance received from the First National Bank of Chicago. [1:1.]

President Carter charged that criticism of his Administration's record on blacks and the poor damaged "the hopes and aspirations of those poor people." He made this known privately to Vernon E. Jordan Jr., the National Urban League's executive director, who said publicly that Mr. Carter was forgetting the black voters who helped make him President. The President, in a speech to the Urban League at its convention in Washington, said that he welcomed criticism but had no "apologies to make" for his record. [1:5.]

The tax practices of Gulf and Western Industries have come under wide examination. Important questions about G.&W.'s tax policies are now being asked by a number of Government agencies. One of them has to do with the reason for the removal of the tax files of Paramount Pictures, a Gulf and Western subsidiary, from its Manhattan offices to divisional offices in Stamford, Conn. The New York Times in a four-month study of Gulf and Western, interviewed many former company officials who said that the records had been moved because the company's senior tax officials feared that a thorough audit by the Internal Revenue Service of Paramount's tax records—particularly with those dealing with transactions abroad—would find evidence of dubious dealings. [1:3-4.]

The nation's oil companies may have overcharged consumers by billion of dollars, a Federal Energy Administration task force reported, and the F.E.A. announced an intensive audit of the 15 largest refiners starting in about three months. John F. O'Leary, the agency's administrator, cautioned that no wrong-

doing had yet been proved and that the companies may be cleared. [1:5-6.]

The refinancing of \$2.5 billion in debt issued by New York City and the Municipal Assistance Corporation has been agreed to by the city's major banks and employee pension funds. This will clear the way for the city to sell its own securities to the public, possibly as early as September. [1:6.]

Close relatives of nine justices of the State Supreme Court in Manhattan and the Bronx have received 460 appointments in the last nine years as guardians, receivers or referees, for which they have thus far received \$526,353 in legal fees, according to court records. While only one justice gave appointments to his own relative, the vast majority were made to lawyers known to be relatives of colleagues. [1:3-4.]

Arson for profit has brought a Brooklyn welfare family more than \$40,000 in special benefits over a period of more than seven years, according to New York State's Office of the Welfare Inspector General. It accused New York City's Human Resources Administration of laxity bordering on dereliction in the review of 13 fires in the apartments of one welfare client and one of her grown daughters. [31:5-6.]

Business/Finance

The stock-price rally that started six sessions ago was cut short when the Dow Jones industrial average dropped 9.18 points to 914.24 in moderate trading. The average had gained more than 21 points since July 15. The decline was broad-based as losers outnumbered gainers 952 to 470. Doubts about the strength of the economy and the conversion by some investors of recent gains into cash stopped the rally, brokers said. [37:5-6.]

Corporate earnings reports continued. Gulf Oil reported that its second quarter net income was up 3.8 percent on a revenue improvement of 11.6 percent. However, net income in the year's first half slipped 5.9 percent, though revenues were 12.8 percent higher than a year ago. [37:4.]

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Quotation of the Day

"It takes time to change the trends of history and to reverse the bureaucratic mechanism to one of support and compassion and concern and enthusiasm."—President Carter, responding to criticism of his Administration's record on blacks and the poor in an address to the Urban League. [11:4.]

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CORRECTION

A table in yesterday's Times incorrectly reported the second-quarter operating earnings of J. P. Morgan & Company and the Manufacturers Hanover Corporation. Morgan's operating earnings increased 1 percent from the first quarter and Manufacturers Hanover's declined 9 percent. Because of a typographical error second quarter earnings of the Chase Manhattan Corporation were reported incorrectly. Its operating earnings decreased 5 percent in that quarter over the year-earlier period.