

News Summary

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International

President Carter said at a news conference that South Africa had informed the United States that it had no nuclear weapons and planned no nuclear tests at any time, countering a report circulated by the Soviet Union to which a French warning had given greater credibility. Mr. Carter welcomed the commitment and said the United States would renew its efforts to persuade South Africa to sign the treaty against the spread of nuclear weapons. He also expressed interest in the idea of a new sea-level canal in Panama and of assuring American participation in it. [Page 1, Column 3.]

Bansi Lal, who was defense minister of India in the government of Indira Gandhi and one of its most important members, was arrested on charges of having misappropriated political party funds. It was the successor Government's most decisive move so far against the inner circle that ran the country. Since it involved funds of the Youth Congress, led by Mrs. Gandhi's son Sanjay, speculation grew that the trail of criminal prosecution might lead to him. [A1:1]

China's third-ranking leader, the recently rehabilitated Teng Hsiao-ping, will join the talks in Peking with the delegation headed by Secretary of State Cyrus R. Vance when they resume today, and Taiwan is on the agenda, according to a source in the delegation. Mr. Vance has been presenting a general view of American foreign policy in his talks with Foreign Minister Huang Hua, the highest Chinese he has met so far. [A3:1-6.]

National

Gov. Marvin Mandel of Maryland and five of his friends were found guilty by a Federal jury in Baltimore of mail fraud and racketeering. His lawyer said he would appeal, but under state law Mr. Mandel would automatically be removed from office after 45 days. His

resignation is expected because he would lose his pension if he failed to resign before being removed, but he told a news conference that questions about this were premature. [A1:6.]

Renewing his defense of Bert Lance, President Carter said the Federal budget director had handled his business affairs in accordance with common banking practices. At the same time, Mr. Carter questioned the propriety of traditional banking practices and the efficacy of current regulations. [A1:1.]

Affirmative-action programs have won Carter Administration support after intense internal debate. It has decided to enter the case now before the Supreme Court involving Allen Bakke. He brought suit charging that he was refused admission to the University of California Medical School at Davis because he was white while some members of minorities with lower academic records were admitted under a special affirmative-action program. [A1:2.]

The worst forest fire season in 25 years is only two-thirds over, according to some experienced officials at the Federal Interagency Fire Center in Boise. They attributed the outbreak of fires mainly to last winter's drought in the Western states, the most severe in 70 years, turning timber stands from Alaska to New Mexico into dangerous tinder boxes. [A1:4-5.]

Metropolitan

Mayor Beame and Bella S. Abzug are running neck and neck for the lead in the New York City Democratic mayoral primary, according to a survey of registered and likely Democratic voters by The New York Times and WCBS-TV. Both Mario M. Cuomo and Representative Edward I. Koch could catch up with either or both. The indication was that none of the seven candidates would capture the necessary 40 percent of the vote making a runoff almost certain. [A:14-5.]

A sharp letter from the chairman of the Securities and Exchange Commission, Harold Williams, accused Mayor Beame of trying to make a political football out of its upcoming report on New York City's financial troubles. He wrote that Mr. Beame had no basis for attributing to Robert J. Haft, the main author of the report, any political views that might be held by some of his former law partners. Mr. Beame had noticed that some of them support Mr. Cuomo. [A1:6.]

Business/Finance

Prices of General Motors cars for the 1978 model year will rise by an average of 5.7 percent, or \$387, the industry's pricing leader announced. The increase was about what had been expected and would appear to raise the average "sticker price" of a GM car, usually higher than the actual selling price, to at least \$7,000 for the first time. [A1:3.]

The New York and Pacific Stock Exchanges have tentatively agreed to an electronic link between their trading floors so that members of the two markets can shop in both at the same time for the best price. Approval by directors of both bodies and by the Securities and Exchange Commission is needed, but officials of both boards hailed the agreement as a possible first step toward forming the national exchange Congress wants. [43:1.]

Stock prices lost the impetus of Monday's rally and the Dow Jones industrial average finished down 1.73 points at 865.56. The July drop in orders for durable goods and the raising of the prime interest rates by major banks were cited by analysts to explain the restraint on prices. [43:2-4.]

The fight over Babcock & Wilcox grew sharper as J. Ray McDermott & Company, makers of oil exploration equipment, raised its bid to a new high of \$62.50 a share to add 4.3 million shares, which would bring its holdings to 45 percent. United Technologies made a new offer of \$58.50 a share, conditional on getting at least 6.4 million, or 51 percent. Babcock & Wilcox, makers of steam generating equipment, has recommended the McDermott offer to its shareholders. [43:5-6.]

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Quotation of the Day

"I think it's obviously better had he not had them but it's no reflection on his basic judgment or competence."—President Carter, speaking of Budget Director Bert Lance's overdrafts during his news conference yesterday. [36:5.]

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