

# AP NewScope

## Getty ransom demanded

ROME — A family lawyer said last night that kidnapers demanded \$17 million ransom for the release of J. Paul Getty III, grandson of the American oil billionaire. He said the boy's parents could not meet the demand and made a counteroffer, which was not accepted. The lawyer did not reveal the amount of the counteroffer.

Young Getty, 16, disappeared in Rome July 9 after having been seen at two night spots popular with the young set.

The boy's grandfather has said he will not pay any ransom, for fear of encouraging kidnappings of his 14 other grandchildren.

## Beef supplies grow smaller

WASHINGTON — From steaks to hamburger, beef grew shorter in supply throughout the nation yesterday.

An increasing number of layoffs and shutdowns were reported at slaughterhouses and wholesale houses dealing in beef as cattlemen increasingly kept their animals in the pasture rather than the market place.

Some hamburger chain outlets were reported stocking up on fish and hot dogs and two wholesalers predicted that steakhouses may have to serve stew next week.

There were reports of purchases of buffaloes and horses by consumers and meat sellers.

An Associated Press survey found an overwhelming belief on the part of persons at all levels of the meat industry that the beef shortage will get worse, and quickly. Many wholesalers who are still in business predict they won't be by next week if the government's price freeze is not lifted.

## Wholesale prices decline

WASHINGTON — Wholesale prices in July registered their biggest monthly decline in 25 years, but administration economists cautioned that the drop seems only temporary and apparently won't help the American consumer much.

"The decline ... is a long way from the grocery shelf," said Herbert Stein, chairman of the President's Council of Economic Advisers, in commenting on Labor Department statistics announced yesterday.

Secretary of the Treasury George P. Shultz was asked by Sen. William Proxmire at a hearing if he agreed that "it seems that the July wholesale price index is definitely not a trend and you can't rely on it as indicating inflation is under control." Shultz said he agreed this was correct.

The biggest decline was in farm prices, but Stein said many farm product prices "have now risen to exceed not only the July but even the June levels."

Wholesale prices of farm products and processed foods and feeds decreased 4.6 per cent on a seasonally adjusted basis in July, the biggest single monthly decline ever.

## President's veto overrode

WASHINGTON — In major action yesterday the Senate: — Voted to override President Nixon's veto of a bill blocking administration attempts to close eight Public Health Service hospitals. The 77 to 16 margin was 15 votes more than required to override.

The measure, which also would authorize a \$185-million three-year program on developing emergency medical-service systems, now goes to the House.

— By an 84 to 5 vote adopted an amendment ending the freeze on beef prices. The action, still subject to House con-

sideration, would place beef under the same price-control situation as other foods.

On Wednesday the Senate voted to direct the President to take control of the nation's oil supply and oversee its equitable distribution among all areas and all segments of the oil industry.

The oil and beef-price provisions were added to a House-passed bill to require that copies of coins be labeled as such. The bill, passed 88 to 0, with its amendments, now returns to the House where action on the two key amendments is expected today.

## Ceiling diverts mortgage funds

HARRISBURG — The state's eight per cent interest ceiling on home mortgages is drying up mortgage money for low income families and diverting it to more expensive housing, Banking Secretary Carl Dellmuth said yesterday.

"Legislation that was aimed at protecting the home buyer of average means is accomplishing the exact opposite of what it was intended to do," said Dellmuth.

The ceiling, enacted last week, applies to mortgages under \$35,000. Above that, the rate is unlimited, a situation that is directing available mortgage money to homes above \$35,000, Dellmuth said.

Hurt by the squeeze, he said, are persons wanting to sell average priced homes plus builders of middle income homes and realtors whose sales are mostly to lower income families.

## Pension bills face vote

HARRISBURG — Two bills to reform private pension systems in Pennsylvania should come up for House votes during September, the sponsor of the package said yesterday.

"We have been urged by organized labor and industry to go slow in passing legislation protecting the worker's pension rights," said Rep. Benjamin Wilson, R-Bucks. "They say this is a national problem that can be dealt with only by Congress on a national level."

"But I don't believe these spokesmen really speak for the working man... We could be a leader here in Pennsylvania and force reform."

The legislation was reported to the House floor by the Labor Relations Committee before the summer recess.

The first bill would require companies with pension plans to offer at least half pensions to eligible employees who have worked for the firm at least 10 years. The pension plans would be required to offer full benefits to any employees leaving after 20 years or more of service.

The companion bill would force companies to insure their pension plans or set aside funding equal to at least half of their liabilities.

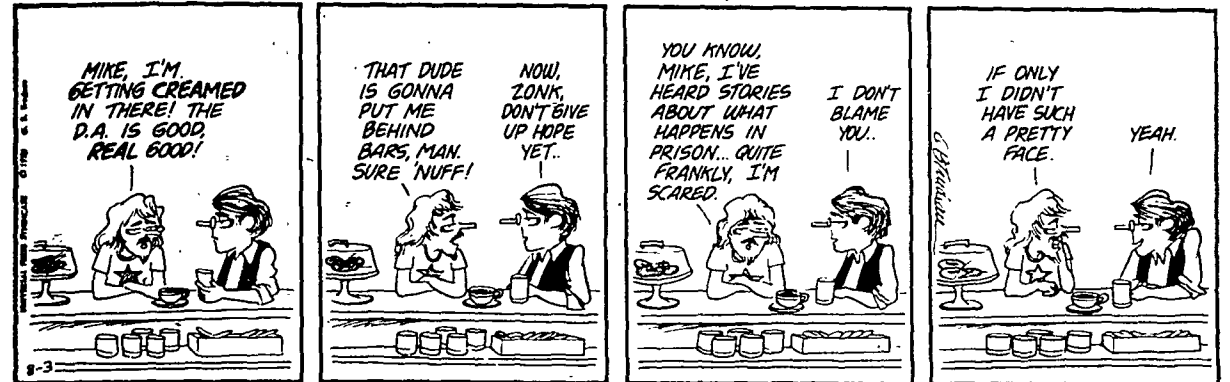
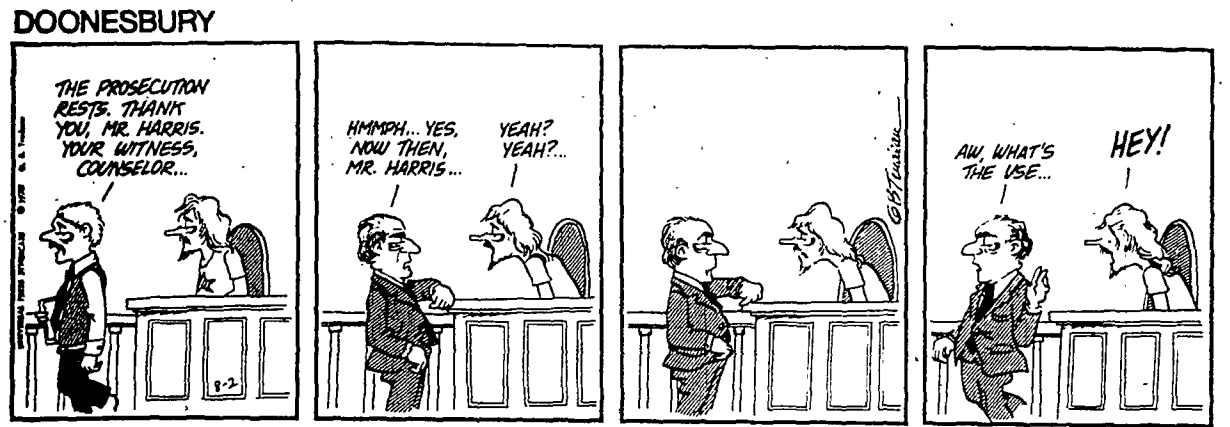
## Shapp denies allegations

HARRISBURG — Gov. Shapp denied yesterday allegations leveled directly at him by former Liquor Control Board counsel Alexander Jaffurs.

In a three-page statement Jaffurs was accused of "incompetence and poor judgment," both in his work for the LCB and in his appearance Wednesday before the House Liquor Control Committee.

Jaffurs charged Wednesday that Shapp had rejected an LCB proposal to cut liquor prices, warned Jaffurs not to question legislative ethics, and asked him to "go after" Republican board member Edwin Winner.

All three charges were denied in the statement issued by the governor's office. Richard Doran, a Shapp aide, said the governor had dictated the statement to him in an hour-long telephone conversation from Canada, where the governor is on vacation.



# India—U.S. ties stronger

NEW DELHI (AP) — India and the United States, estranged for the past two years, at last seem serious about wanting a reconciliation.

For the first time since their friendship eroded following Washington's tilt toward Pakistan during the 1971 war over Bangladesh, India and the United States are finally asking each other

about how they can build a new economic relationship. One thing is certain, say officials from both countries who are directly involved in the negotiations that began this month: The United States will not — and India does not want it to — pour money, food, aid and American experts into

this country in the magnitude it did from 1951-71. That was the era when Washington provided New Delhi with \$10 billion in economic assistance — more than India received from all other countries put together.

when Prime Minister Indira Gandhi is facing an economic crisis considered the worst since independence 26 years ago.

The current food crisis appears to have spurred the start of the present Indian-U.S. dialogue, which President Nixon proposed 18 months ago.

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