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Common

THE WHITE HOUSE
WASHINGTON

Dick Cheney

Will you have a
chart prepared (month by
month from beginning showing
disbursements & repayments
(principal & interest)

Pentagon Awards \$66.6 Million Job To Cal Standard

Texas Instruments Contracts Total \$52.9 Million for Laser and Warning Gear

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Pentagon's Defense Supply Agency awarded Standard Oil Co. of California a \$66.6 million contract for marine diesel fuel.

Texas Instruments Inc. received two Air Force contracts totaling \$52.9 million for laser-guided bomb kits and for homing and warning computer equipment.

Navaho Refining Co. got a \$30.8 million Defense Supply Agency contract for jet fuel.

Pan American World Airways was awarded a \$17.2 million Air Force contract for logistics support at the eastern test range in Florida.

Burlington Apparel Fabrics Co., a division of Burlington Industries Inc., was awarded a \$13.8 million contract by the Defense Supply Agency for worsted fabrics.

ESL Inc. got a \$6.2 million Army contract for special-purpose detecting sets.

Teledyne McCormick Selph, Hollister, Calif., owned by Teledyne Inc. got a \$5.8 million Air Force contract for missile fuel.

J. P. Stevens & Co. was awarded a \$5.4 million Defense Supply Agency contract for worsted fabrics.

Southland Oil Co. got a \$3.9 million Defense Supply Agency contract for jet fuel.

Perkin-Elmer Corp. received a \$4 million Navy contract for atmosphere monitoring systems.

Old Dominion Dairy Products Inc., Norfolk, Va., received a \$3.9 million Air Force contract for fresh milk and dairy products.

Automation Industries Inc. received a \$3.8 million Air Force contract for maintenance and operation of test-range facilities at Eglin Air Force Base in Florida.

San Diego Marine Construction Co. received a \$3.2 million Navy contract for overhaul of a landing ship.

Bendix Corp.'s launch support division was awarded a \$3 million Air Force contract for maintenance of laboratory facilities at Wright-Patterson Air Force base in Ohio.

California Legislature Passes Record Budget Totaling \$12.86 Billion

New York City Wins New Federal Loan With Warnings to Continue Economizing

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Treasury Secretary William Simon approved a new \$500 million federal loan for New York City, enabling it to meet \$627 million in payroll and other obligations falling due this week.

At the same time, Mr. Simon and other Treasury officials emphasized that they won't relax pressure on the city to live within its means and to make progress in solving its longer-range financial problems.

The eleventh-hour agreement of the city's labor unions to accept a \$24 million cut in fringe benefits paved the way for the new federal money. Mr. Simon, who must certify that there's a reasonable prospect for repayment before the government advances loans to the city, had threatened to terminate the loan program if the city emerged from its labor negotiations with a net increase in compensation costs.

Under the federal loan programs, New York may borrow up to \$2.3 billion in any one year. The city had borrowed \$1.26 billion under the program in the fiscal year that ended Wednesday, repaying the last \$100 million of that amount on the last day of the year.

In announcing his approval of the new loan, Mr. Simon praised the economy measures the city already has taken, including the labor agreement. But he emphasized that "we will be carefully monitoring New York City's compliance" with its financial plan "and our action on future loan requests will be directly influenced by what steps are taken."

Robert Gerard, the Deputy Assistant Treasury Secretary in charge of the New York loans, said the city is expected to request another \$350 million federal loans on July 15.

The city has until April 15 to repay the \$500 million approved yesterday.

Mr. Simon said that "without solid and consistent progress" by the city in solving its deeper financial problems, "the loan program will not be continued." Specifically, the Treasury Secretary said, New York must:

—Take "forthright action to phase out

rent control" to stop the erosion of the city's real estate tax base.

—Restructure its employe pension arrangements, which have been criticized as being too generous.

—Establish "an acceptable accounting and financial control system."

—Speed up planning to create a more favorable environment for business.

—Reappraise its tax structure.

The loan approval and the tough talk about future requests are consistent with the carrot-and-stick approach the Treasury has taken with New York so far. At each crucial point, the Treasury has come through with the money the city needs to keep going. But Treasury officials insist they are serious about the threats and confident that New York officials are taking the threats seriously. They cite the labor pact as evidence that the threats have "stiffened the city's backbone," as one Treasury official put it.

"New York City has made considerable progress toward the objective of fiscal and financial reform," Mr. Simon said in a statement. "The revised financial plan... the agreements in principle with all of the major labor unions... and other factors have justified the finding that there is a reasonable prospect of repayment for a \$500 million loan to be repaid April 15, 1977."

Mr. Gerard said "we've received numerous personal assurances" from New York officials that the city will have made additional progress by the time it applies for another \$350 million in federal loans later this month.

Reynolds & Reynolds Co. Stock

DAYTON, Ohio—Reynolds & Reynolds Co. said its directors authorized the repurchase of up to 50,000 of the company's Class A common shares from time to time on the open market.

The company, which makes business forms and offers data-processing services, said the reacquired shares would be used only in connection with the exercise of options under its qualified stock-option plan. The company said it had about 4.7 million common shares outstanding as of March 31.

FROM
OF W

THE WHITE HOUSE
WASHINGTON

7/3

Note:

Original of this went to Connor so he could determine how it should be handled, i. e., sending to Porter, in which case the original should come back to PHW.

Sara