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What's News

Business and Finance

World-Wide

RCA agreed to acquire C.I.T. Financial for \$65 a share, or a total of \$1.35 billion in cash and preferred stock. The tentative terms, set in resumed talks, would result in one of the largest corporate combinations.

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Exxon delayed deciding whether to buy Reliance Electric after a U.S. court cleared the purchase but limited Exxon's control over the company. Under the \$1.17 billion offer, Reliance holders therefore may withdraw their tendered shares.

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A prime rate of 12¼% before the end of the month is possible, analysts say, if pressures from sharp short-term interest-rate rises don't ease. A Fed panel voted on July 27 to push up the range of the federal funds rate, a base for determining other short-term fees, to 10½% to 10¾%. The Fed recently indicated it wants the rate as high as 11%.

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Corporate profits fell an adjusted 2.4% in the second quarter after a 7.3% first period gain, the Commerce Department said. Officials predicted that business won't soon sharply cut employment and production.

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Antitrust clearance will soon be given to Exxon, Standard Oil (Ohio)

ISRAEL'S CABINET opposed U.S. proposals for a new UN resolution.

The cabinet said it "rejects unequivocally" Washington's suggestion for Security Council language giving guarded support for Palestinian rights. The proposal, aimed at encouraging Palestinian participation in the peace process, "contradicts the commitment of the U.S. to Israel," a cabinet spokesman declared.

Later, U.S. Mideast envoy Robert Strauss emerged from a meeting with Prime Minister Begin, saying the U.S. will consider Israeli and Egyptian reservations before proceeding with the plan. The Security Council will take up the Palestinian issue this week.

Rejection of the UN initiative was another sign of the strain in U.S.-Israeli relations. Israeli officials are said to be pushing for a Carter-Begin summit to ease the tensions.

UN Ambassador Andrew Young, who resigned after a furor surrounding his meeting with a Palestine Liberation Organization official, said U.S. policy toward the PLO is "ridiculous." He said peace won't advance unless the U.S. opens communications with the PLO. But policy changes are being blocked.

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CARTER USED his Mississippi River trip to plug his energy program.

A crowd in Alma, Wis., was urged by the President to "contact your own members of Congress" about supporting his program. He specifically mentioned his plan to tax the so-called windfall profits oil companies will make when price controls are lifted. Carter made a similar pitch in Prairie Du Chien, Wis., where he took questions from a radio audience.

At Moment City, Mass., the Pres-