

News Summary and Index

NYTimes SATURDAY, JANUARY 4, 1975 JAN 4 1975

The Major Events of the Day

International

President Ford signed a wide-ranging trade reform act yesterday, but left uncertain the fate of the controversial part that would provide trade benefits to Moscow in return for assurances of freer Soviet emigration policies. He told the 200 guests at the signing ceremony in the White House that because of recent Soviet denials that any such "assurances" had been given to the United States, it was questionable whether the trade-benefit clause would be carried out. [Page 1, Columns 3-4.]

Officials in six Arab countries say that their new oil wealth will create a framework for stability in the Middle East, but their vast income is now being used to put international pressure on Israel. Western and Japanese financial institutions and industrial corporations are reportedly slaying away from dealings with Israel to avoid the danger of being barred from the enormous market the Arabs are opening to foreigners. [1:2-4.]

National

Unemployment in the United States in December was at its highest rate in more than 13 years. The Labor Department reported that 7.1 per cent of the labor force, a total of 6.5 million persons, was out of work last month. The 7.1 per cent rate was last reported in May, 1961, and was last exceeded in August, 1958. Ron Nessen, the White House press secretary, said President Ford had heard estimates that the jobless rate could reach 8 per cent over the next few months. [1:8.]

The Federal Reserve Board cut its discount rate—the rate at which banks borrow temporarily from the Federal Reserve when they are pinched for funds—to 7¼ per cent from 7½ per cent. This was an indication that the Federal Reserve was adopting an easier monetary policy as an anti-recession move. The board said "the action was taken in view of the weakening in economic activity." [1:6-7.]

Pentagon officials said that the Administration had approved a \$95-billion defense budget for the coming fiscal year, an \$11-billion increase over the current defense budget. The argument expected to be offered by the Administration when the new budget is presented to Congress this month is that the increase is necessary to maintain the country's basic defense position in the face of inflation. Whether this view will be ac-

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"You mean I won't have to spell out my name any more?"—Mannfred Ohrenstein, after he was named as the Democratic leader of the State Senate. [28:1.]

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David T. Griggs, geophysicist at U.C.L.A. Page 26

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CORRECTION

In an article on P. G. Wodehouse in The New York Times Thursday it was reported erroneously that Mr. Wodehouse had said: "I don't understand why authors receive knighthoods." Mr. Wodehouse's comment was: "I don't understand why authors refuse knighthoods."