

News Summary

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International

Japan's toughest election in years appears to have taken away the majority the governing Liberal-Democratic Party has had in the lower house of Parliament since the party—a coalition of conservative factions—was established 21 years ago. Definite results from yesterday's election show that the Liberal Democrats won only 230 of the 457 decided seats in the expanded 511-seat house. Computer projections of the uncounted results give the party only a probable total of 246 seats. The party needs 271 seats. [Page 1, Column 6.]

France's conservative Gaullist bloc was transformed into a new mass antileftist movement by Jacques Chirac, the former Prime Minister, who was elected leader of the new group, whose name is Assembly for the Republic. The transformation took place at a rally at the Port de Versailles fairgrounds near Paris, which was attended by 50,000 people from all over France. [1:4-5.]

Italy's Prime Minister, Giulio Andreotti, has started a trip to the United States to ask for financial aid and to assure the incoming Carter Administration of his ability to deal with his country's economic crisis and the growing power of the Communist Party. [1:3.]

The Spanish Socialist Workers Party held its first congress in Spain since the Franco forces broke it up. The meeting in Madrid was attended by prominent European socialists, including Willy Brandt of West Germany and Olof Palme of Sweden. [8:3-6.]

The search for the Loch Ness monster begun by an American-led expedition last summer has ended. The legendary inhabitant of the Scottish lake failed to show up on any of the 108,000 pictures taken underwater. The searchers were said to be disappointed, but not discouraged. [2:3-4.]

National

Pessimism about whether the Carter Administration could cut the unemployment rate to 6.5 percent by the end of 1977, which is one of President-elect Carter's goals, was expressed in a television interview by Bert Lance, director-designate of the Office of Management and Budget. He said that it was "almost a certainty" that Mr. Carter would recommend a tax cut in an effort to spur the economy. [1:1-2.]

Whether the blanket pardon President-elect Carter has promised Vietnam War draft evaders will be broadened has not been decided, Mr. Carter told reporters after leaving church in Plains, Ga. "We're trying to decide how to word the pardon," Mr. Carter said, adding that action on the pardons would be taken during his first week as President. [3:4-6.]

Metropolitan

"One single approach" to the \$1 billion in short-term debt that New York City is under court order to repay reportedly was agreed on by city officials, union leaders and executives of the Municipal Assistance Corporation following a meeting at Gracie Mansion. The participants said that progress had been made in reaching an agreement at the city level. Some said that a pledge from the state also was needed. [1:5.]

Two years after the first budget and personnel reductions in the New York City Police and Fire Departments, the Commissioners of both departments say that the cuts may have been less harmful than they had anticipated. Essential services have been maintained, the Commissioners said, despite the loss of more than 5,000 policemen and 2,000 firemen, and the job performance of each department has apparently improved as well. [1:3-4.]

Business/Finance

With unanimity, which has been rare, not one of the 12 members of the Conference Board's Economic Forum, predicted a renewal of the recession next year, despite an apparent uncertainty among the public and businessmen. The coming year will bring a modest but steady expansion in the nation's economy, with slightly lower rates of both inflation and unemployment, the Conference Board's economists, who have a national standing, said. [53:5.]

Euphoria reigned for a while in the credit markets last Friday, but, as in most euphoric situations, there was a letdown as the Federal Reserve drained some reserves from the banking system. Another strong advance in fixed-income prices pushed short-term interest rates to their lowest levels in more than four years before the setback. [53:6.]

The appliance industry, which got off to a fast start early this year, has been shutting down operations in a number of states to allow swelling inventories to shrink. In such situations workers feel the impact and this is one of the factors in the increase to 8.1 percent in the jobless rate in November. [53:2-4.]

The New York Cocoa Exchange's traders and analysts wondered whether the climb of cocoa futures to the daily limit last Friday after a decline most of the week might be a precursor of a drop this week. The record prices of cocoa futures, reflecting a shortage in Africa, have alarmed many traders recently. Friday's closing price for March cocoa was \$1.36 65/100 a pound, up the 4-cent limit for the day and not much below the recent record price for the contract of \$1.46, set Nov. 16. [53:2-4.]

The British Government must, before Christmas at the latest, decide how and where to cut at least \$1.65 billion from public spending to get a new \$3.9 billion line of credit from the International Monetary Fund. The loan is needed to satisfy the Government's previous debts and to pay for its chronic balance of payments deficits. Thus, cuts in public spending will be made, perhaps at the risk of losing the goodwill of the labor movement. [53:1.]

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Quotation of the Day

"Europe is waiting for you."—Willy Brandt to the 27th congress of the Spanish Socialist Workers Party, the first held in Spain in 44 years. [8:3.]



Associated Press
Willy Brandt speaking in Madrid

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CORRECTION

It was erroneously reported in The Times Saturday that requests for stays of execution for two Texas convicts, James Livingston and Robert Excell White, were pending before the Supreme Court. In fact, only the request of Mr. White is still pending. A stay was granted in the Livingston case last week.