

News Summary

NYTimes

SATURDAY, JANUARY 8, 1977 JAN 8 1977

International

American and European banking officials will meet in Basel, Switzerland, tomorrow and Monday to discuss, according to American and British officials, a novel and possibly lasting solution to the long-standing problem of Britain's sterling balances. Agreement is expected but is not certain. Details have been kept secret, but the new proposals are known to be significantly different from the type of arrangement occasionally and unsuccessfully used in the past. [Page 1, Cols. 5-6.]

Chou En-lai, who died a year ago, has become the real folk hero of China, triumphing over his longtime antagonists and tormentors, the "leftist" group around Chiang Ching, Mao Tse-tung's widow. Chou's ambitious program to modernize China by the end of this century has now become state policy, and his disciples have assumed power in Peking. It may even be that the selection of Hua Kuo-feng, the new Chairman of the Chinese Communist Party, was one of Chou's last moves. [1:3-4.]

The Czechoslovak Government detained at least five dissident intellectuals, and others were warned by the Communist Party newspaper in Prague that "those who lie on the rails to stop the train of history" must expect to get their legs cut off. A new manifesto in support of human rights signed by nearly 250 prominent Czechoslovaks apparently set off the arrests. [7:1-4.]

National

A Federal tax rebate for all taxpayers this year is part of an economic stimulation package on which President-elect Carter and Democratic Congressional leaders said they had reached general agreement. There are also proposals to increase spending to increase jobs, lower income tax payments for low and moderate income people and for businesses. There was some uncertainty about the program's total cost.

Mr. Carter estimated "a little less" than \$15 billion in this fiscal year, and a "little less" than that amount next year. Charles L. Schultze, chairman-designate of the Council of Economic Advisers, came up with higher estimates. [1:5-6.]

Blanket amnesty for Vietnam war deserters and draft evaders has been ruled out by President Ford, officials at the White House said, but the President was said to be considering as a "gesture" some action that would provide clemency for some offenders. Mr. Ford does not intend to reopen his program for limited amnesty, which expired last year, his aides said. [1:2.]

J. Wallace LaPrade, head of the Federal Bureau of Investigation's Manhattan field office, has been summoned to appear before a Federal grand jury in New York City next week. The subpoena was issued by the Justice Department's Civil Rights Division which is investigating alleged illegal activities, including burglaries and wiretaps, by F.B.I. agents in New York City. [33:1-3.]

Metropolitan

New York City and State officials were advised to reject, at least for the time being, the latest demands laid down by the banks as a condition for their helping the city to balance the budget and pay off its short-term notes. The advice came from Felix G. Rohatyn, chairman of the Municipal Assistance Corporation. He told the Emergency Financial Control Board that "we are at an impasse right now." [1:3.]

Borough President Percy E. Sutton of Manhattan will formally announce his candidacy for the Democratic mayoral nomination this month. He told this to Mayor Beame at a breakfast meeting at Gracie Mansion, and also informed his fellow members on the Board of Estimate. He would be the first Democrat to challenge Mr. Beame's expected bid for renomination. [1:1.]

Rupert Murdoch gained control of the New York Magazine Company after reaching an out-of-court settlement with Clay S. Felker, its president, who had opposed him. The settlement calls for Mr. Felker's resignation as president and editor of the magazine. Next week's issue of New York will be out on time despite a walkout by the staff in support of Mr. Felker. [1:2.]

CBS Inc. purchased for \$50 million Fawcett Publications, the publishers of Woman's Day Magazine and mass-market paperback books. Fawcett was bought from the sons of Wilford H. Fawcett, who started the company in Minneapolis in 1919 with a joke book called "Whiz Bang." [16:1-2.]

Business/Finance

A sharply erratic trend in buying was reflected in sales of New York City's major department stores last month, which showed only a moderate gain over December 1975. This rise appeared small in view of the Sunday store openings. [25:6.]

Last November, when questions were being raised about the strength of the economy, consumers increased their debts by \$1.24 billion, the slowest growth in personal credit since February, the Federal Reserve Board reported. Christmas sales indicated that consumer credit probably rebounded in December, but figures will not be available until next month. [25:5.]

Quick action was asked of Congress by President Ford in a long message on the energy problem to assure "an adequate and secure supply of energy at reasonable prices." [25:4.]

Stock prices continued to rally, but feebly, after a series of sharp declines in the opening days of 1977. The Dow Jones industrial average rose 3.24 points and closed at 984.13. Over the week it declined 21½ points. [25:1-2.] Cocoa futures were up sharply. The March contract closed at \$1.48¾, up the 3-cents-a-pound limit. The Chocolate Manufacturers Association reported that the grind for the final quarter of 1976 was 8.3 percent lower than the same period a year ago. The decline may be due to the increasing purchases by chocolate manufacturers of chocolate liquor instead of the ground raw chocolate. [27:5-6.]

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Quotation of the Day

"We've arrived at a remarkable degree of agreement, and I think this is a good approach to the resolution of a very seriously stagnant American economy."—President-elect Carter, announcing his economic proposals. [6:3.]

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CORRECTION

It was incorrectly stated in The Times yesterday that Rupert Murdoch used assets of The New York Post to pay for the major part of his interest in the New York Magazine Company. The funds came from the City Post Publishing Corporation, the newly created parent company of The Post. The Post is the only operating entity of the corporation.