

News Summary

TUESDAY, FEBRUARY 1, 1977

International

The Carter Administration will "speak frankly about injustice" wherever it occurs—including the Soviet Union—but only "from time to time" and in a nonprovocative way, Secretary of State Cyrus R. Vance said at a news conference at the State Department. "We do not intend," he said "to be strident or polemical, but we do believe that an abiding respect for human rights is a human value of fundamental importance and that it must be nourished." [Page 1, Column 6.]

American-Soviet accommodation of the kind that flourished in President Nixon's time is an objective of the Soviet leadership for which it is looking to the Carter Administration for help, despite an early run-in over human rights. Moscow seemed surprised at the spirited defense of Andrei D. Sakharov, the physicist and human rights advocate, but nevertheless hopes new momentum will be added to the sluggish détente policy. [1:6.]

Mexico's new President, José López Portillo, acknowledged that his country is going through a period of crisis, and said that "two basic priorities" of his administration were to improve the supply of "food and energy" to the Mexican people, thus guaranteeing them "at least minimum levels of subsistence." This will be done, he said in an interview, through a program of economic restructuring in both agriculture and industry. [1:4-5.]

National

Curbs on prices and wages will be sought by his Administration, President Carter said in an economic message to Congress outlining his previously announced \$31.2 billion tax and job stimulus program. But the President's economic deputy, Charles L. Schultze, said Mr. Carter still opposed

outright controls. The President said he plans soon to announce a "substantial strengthening" of the Council on Wage and Price Stability. [1:1.]

"Tough" and "comprehensive" were the terms used by a Congressional critic to describe a new code of ethics approved by a panel in the House. The proposed code would limit for the first time the outside earned income of members of Congress. It would also require disclosure of income, investments, debts and other financial transactions. [1:5.]

Metropolitan

Heavy snow storms struck western New York State again, dropping 18 inches of snow in the Watertown area within 24 hours. The State Public Service Commission estimated that 250,000 employees in factories and businesses had been forced out of work because of controls on natural-gas supplies. Governor Carey asked President Carter to give Federal disaster status to nine western New York counties, an upgrading of emergency-aid declarations that were made earlier four of the counties. The President, meanwhile, declared 35 Florida counties a major disaster area. [1:2.]

Buffalo remained isolated and paralyzed after the worst winter storm in its history. City crews and the National Guard were defeated by howling winds and drifting snow as they tried to plow pathways through the city. The blizzard killed seven persons. The economic loss was estimated in the millions of dollars. [1:3-4.]

The New Jersey Legislature passed a bill prescribing the death sentence for first-degree murder when the crime was particularly vicious and the victim did nothing to bring it on himself. The convicting jury would not set the penalty. Governor Byrne has indicated he would sign the measure. [1:1-2.]

The White House supported the Senate Banking Committee's opposition to a proposed five-year extension of the \$2.3 billion Federal Loan assistance to New York City beyond the June 30, 1978, expiration date. Earlier, the Senate Banking Committee said that the city "is on target" in its financial recovery plan and that there was "no need need at the present time for any additional Federal assistance." [1:3.]

Business/Finance

Continued cold weather through February would make negligible most of the \$8 billion stimulus expected from the \$50 income-tax rebate President Carter has proposed, and it could affect the economy's performance for the rest of the year. This is the view shared with varying degrees of emphasis by three leading economic forecasting services, which use computerized models of the economy to predict its reaction to changes. [37:6.]

Stores in areas affected by the severe cold and the fuel shortage suffered losses that are mostly believed to be irrecoverable. [37:4-5.]

Federal bank regulators have failed to bring sufficient pressure on errant banks to change their ways, an investigation by the General Accounting Office concluded. "We noted a tendency by each agency to delay legal action until the banks' problems had become so severe as to be difficult at best to correct," the G.A.O. said. [37:1.]

Stock prices, apparently influenced by the weather and the nation's energy problems, declined moderately. The Dow Jones industrial was off 3.16 points at the close to 954.37. Its low for the session was 9.64 points. The recovery was attributed to bargain hunting. [37:2.] Fixed-income securities advanced and then fell back, closing little changed from Friday as the credit markets headed into this week's schedule of Treasury sales. The most interesting news of the day was the LTV Corporation's 9¼ percent yield on an offering of debentures. The rate had not appeared on new issues since last July. [38:3-4.] Orange juice futures cut short their sharp recent rise—10 consecutive limit advances of 3 cents a pound. [45:3-4.]

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Quotation of the Day

"We do not intend to be strident or polemical, but we do believe that an abiding respect for human rights is a human value of fundamental importance and that it must be nourished."—Secretary of State Cyrus R. Vance on the Carter Administration's policy on human rights abroad. [1:6.]

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