

News Summary

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International

In a policy statement directed at Israel's new Government, the Carter Administration said that in return for an Arab agreement for a true peace, Prime Minister Menahem Begin should agree to an Israeli withdrawal from some occupied lands on all fronts and to the formation of a Palestinian homeland. The statement, affirming previous Administration positions, had the effect of warning Mr. Begin in advance of his trip to Washington next month that he faced a dispute if he refused to negotiate a withdrawal from at least part of the West Bank and the Gaza Strip. [Page 1, Column 1.]

The era in which one country directed the Communist movement is over, the Spanish Communist leader, Santiago Carrillo, said at a news conference, brushing aside an attack on him by the Soviet Union. He likened the attack to "excommunication by the Holy Office." He said Moscow might attempt to set up a rival Spanish party to battle the new doctrine of Eurocommunism, "but if they do I am sure they will fail again." He recalled the futile Soviet maneuvers against his leadership after the Spanish party criticized the Soviet invasion of Czechoslovakia in 1968. [1:2.]

National

The Supreme Court ruled 9 to 0 that Federal courts may order school districts to provide remedial education programs to help children recover from the effects of going to segregated schools. An opinion by Chief Justice Warren E. Burger said that such an assignment alone was not always enough to erase the effects of segregated education. The ruling specifically upheld a court-ordered desegregation plan for Detroit and also upheld a lower court judgment requiring Michigan to pay part of the cost of the remedial program called for in the new plan. The Court, in another case, reaffirmed by a vote of 8 to 0 the right

of Federal courts to order citywide school desegregation plans, including citywide busing. [1:6.]

Lawyers cannot constitutionally be prevented from advertising fees charged for routine legal services, the Supreme Court ruled, 5 to 4. The Court, upsetting bar association rules and state laws against such advertising in virtually every state, said that prohibitions against lawyers' advertising violated the free speech guarantees of the First Amendment. [1:5.]

Cyanide fumes and carbon monoxide pouring from a padded cell apparently set afire by a juvenile inmate were said to have caused the deaths of 42 inmates and visitors at Maury County Jail in Columbia, Tenn., Sunday. The gases were generated by the fire in the padding. On the basis of tests, the padding was said to be nonflammable, but those tests "may not have been appropriate," a fire official said. [1:5.]

Adoptable Caucasian babies have become so scarce in this country that prices paid for them on the illegal market now run as high as \$20,000, with brokers getting most of the money. An extensive black market has developed that includes international connections and is under investigation by prosecutors in New York and other major cities. [1:1-2.]

Metropolitan

Governor Carey said he would sign a bill banning topless entertainment in bars licensed by the New York State Liquor Authority. "It's a bill against decency," he said. He believes that it would involve a constitutional challenge. [1:3-4.] The Governor also said that he would veto any bill permitting the use of laetrile, the purported anticancer drug, because, "I believe it's not only quackery, it may be fraud and, indeed, profiteering on a worthless drug." Two bills permitting the use of laetrile are pending. [1:8-4.]

A \$250,000 Rembrandt portrait of a rabbi, stolen in France in 1971, was recovered with other valuables in the breakup of a stolen-goods operation in Buffalo. Agents of the Federal Bureau of Investigation and state and local policemen arrested 23 suspects. Other suspects were being sought. [1:3-5.]

Following two more shooftings by "Son of Sam" early Sunday morning, New York City detectives were besieged with telephone calls from mystics, astrologers, amateur handwriting analysts and people who suspect their boyfriends, ex-husbands and brothers-in-law of being Son of Sam. [28:1.]

Business/Finance

The United States trade deficit in May was the smallest of the year, the Commerce Department said. Imports exceeded exports by only \$1.2 billion—less than half of the \$2.6 billion high in April—mainly because shipments of coffee and oil to this country declined. Coffee imports were said to be off because of consumer resistance to high prices. Oil shipments declined because of a steep buildup of domestic inventories, the Commerce Department's chief economist said. [39:5-6.]

About 55,000 charge customers of three major New York fashion stores will share \$4 million of a \$5.2 million settlement of seven price-fixing suits brought against the stores under the Sherman Antitrust Law. The customers will receive charge-account credits, not cash. The stores are Saks Fifth Avenue, Bonwit Teller and Bergdorf Goodman. The customers entitled to the charge-account credits are those who made purchases totaling at least \$250 between Jan. 1, 1968 and Oct. 9, 1974. The remainder of the \$5.2 settlement is expected to be used to pay administrative and legal fees. [39:4.]

Blue-chip stocks, including the principal steel issues, U.S. Steel and Bethlehem, led a general market decline. The Dow Jones industrial average closed at 924.10, down 5.60 points. The steel issues were affected by a report that July steel orders were down and fears by the steel industry that it would be in a slump in the second half of 1977. [39:1-3.]

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Quotation of the Day

"A lot of people have called me commie, and say why don't I go to Russia. I love the freedom that I have to do what I'm doing right now. I love the freedom to fight a law I don't like. In other countries I'd have to keep my mouth shut."—Deborah Lipp, a high-school sophomore who won a preliminary Federal court injunction preventing school officials from requiring her to stand during the pledge of allegiance to the flag. [33:5.]

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CORRECTIONS

The caption under a picture in The Times yesterday incorrectly identified a New York State Assemblyman as George W. Miller. It was a picture of Woodrow Lewis, Democrat of Brooklyn.

Because of an editing error, an article in yesterday's Times warned of a possible shortage of unleaded gasoline this summer. It should have referred to a possible shortage during the summer of 1978.