

News Summary

NYTimes

SATURDAY, JULY 2, 1977

JUL 2 1977

International

Moscow ignored President Carter's decision to halt production of the B-1 bomber and instead focused on his reliance on the cruise missile, a new weapons system that worries the Russians. This appeared to be another indication of the Kremlin's uncertainty about Mr. Carter, which has seemed to have led the Russians into taking an increasingly harder line on Soviet-American relations. Page 1, Column 5.]

South Africa was warned again by Secretary of State Cyrus R. Vance that relations with the United States "will inevitably suffer" if steps are not taken soon to end racial discrimination and allow full political participation by blacks. An outline of the Carter Administration's views on the situation in southern Africa was presented by Mr. Vance in a speech to the National Association for the Advancement of Colored People in St. Louis. "We cannot defend a Government that is based on a system of racial domination and remain true to ourselves," Mr. Vance said. [1:4.]

The United States is considering an offer to Panama of as much as \$50 million a year in tolls from the Panama Canal pending complete transfer of the canal to Panama by the year 2000. The two sides, Carter Administration officials said, were still far apart on the question of financial compensation, the biggest issue in the transfer negotiations. Panama has hinted that it wants much more money as part of a new treaty. [2:1-2.]

National

"Many billions of dollars" will be saved as a result of President Carter's decision to stop production of the B-1 bomber, according to Defense Secretary Harold Brown. The Administration was preparing, however, for a major Senate debate on the decision, probably in two weeks. [1:6.]

The Senate debated in secret and then tentatively preserved funds for the development of a new series of weapons known as neutron bombs that are said to be more harmful to human beings than to buildings, highway or bridges. Opponents of the bombs started a filibuster in an attempt to force their abandonment. [1:3.]

In the first formal outline of its long-term economic projections, the Carter Administration estimated that its budget could be in a small surplus as early as 1980, with inflation and unemployment hovering at about 5 percent. Of these two most serious problems, inflation is expected to be more difficult. The main theme of the economic report, issued by the Office of Management and Budget, is that the economy can generate the improvements envisaged by President Carter during his campaign. [1:6.]

Senator Edward M. Kennedy issued his own tax "reform" proposals, a 41-page list that led with the suggestion that a number of standard deductions from taxable income be converted to tax credits. Mr. Kennedy said that his approach resembled that of Treasury Secretary W. Michael Blumenthal in that it was "reformist" rather than "radical." His purpose, he said, was to encourage the Carter Administration to be bold. [7:2-4.]

Metropolitan

Governor Carey said he would not sign the controversial bill that had hidden within it special benefits for some New York State officials and employees. He said that he would meet with legislative leaders next week to find a way to carry out the bill's intent, which is to implement the state's labor agreement with 150,000 employees. [1:1-2.]

City Councilman Matthew J. Troy Jr. was acquitted of a perjury charge in State Supreme Court in Queens. Justice

Howard A. Jones, in announcing the verdict following a nonjury trial, said he was not convinced "beyond a reasonable doubt" that the prosecution had proved every element required by law for a perjury conviction. Mr. Troy faces another trial on a grand-larceny indictment. [1:2-3.]

The ban by the Port Authority on Concorde landings in New York will be considered again by the Authority's commissioners on Thursday, a week ahead of schedule. Moving the meeting ahead would allow the commissioners to make a final decision on the ban before the Federal District Court holds hearings July 12 on whether the ban had been reasonable and nondiscriminatory. [20:4.]

Business/Finance

A pipeline across Canada to carry Alaskan natural gas seems to be favored by a group of Federal agencies that evaluated three proposals. Of the two trans-Canada proposals, the Alcan route developed by the Northwest Pipeline Corporation appeared, for environmental reasons, to have the edge. The reports were made public by the White House. The President is expected to make a recommendation to Congress by Sept. 1. [23:6.]

The troubled First Women's Bank has temporarily been lent the services of two experienced bank officers from larger banks to help improve systems and procedures, particularly in commercial lending and installment credit operations. The bank will be assisted by John Edghill, an assistant vice president and business development officer of the Chemical Bank, and Virginia Maynard, a vice president and department head in the comptroller's division of Citibank. [23:5.]

The stock market for a change did not show its traditional flourish before Independence Day and retreated instead, but only modestly. In the last 23 years the market has declined only three times on the trading day preceding the Fourth of July. With blue-chip issues under pressure, the Dow Jones industrial average declined 3.65 points to 912.65. The average lost more than 17 points during the week. [23:1-2.]

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JULY 4TH WEEKEND

Businesses—Virtually all will close Monday. Many department and other retail stores will be open today and tomorrow.

Post Office—Regular Saturday service. Special delivery only tomorrow and Monday.

day, none tomorrow and Monday.

Banks and stock exchanges—Closed.

Libraries—Most New York City branches open today, all closed tomorrow and Monday.

Government offices—Closed.

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Quotation of the Day

"It must be hard work."—Queen Elizabeth, after Virginia Wade won the Wimbledon title. [12:3.]

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CORRECTION

In yesterday's Weekend section of The Times, a photograph illustrating the Art People column was captioned Dr. Armand Hammer. Actually, the photograph was that of Peter Blake, architect-critic.