

News Summary

NYTimes SATURDAY, JULY 16, 1977 JUL 16 1977

International

The United States and North Korea appeared determined to keep the shooting down of an American helicopter over North Korea from growing into a confrontation as negotiators prepared to meet today in the Panmunjom truce area. North Korea's first official account of the incident, which it described as an "unhappy" one, seemed especially moderate and avoided its customary invective. [Page 1, Column 1.]

About 15,000 Indochinese refugees—Laotians, Cambodians and Vietnamese—will be admitted to the United States this year and next. President Carter gave his approval to a State Department recommendation that the refugees be permitted to enter the country to ease the plight of at least some of the more than 80,000 Indochinese stranded in Thailand and elsewhere in south-east Asia. [1:2-3.]

National

Alcoholics, drug addicts and terminal cancer patients apparently were unwitting subjects of drug experiment programs conducted by the Central Intelligence Agency in the 1950's and 1960's. Admiral Stansfield Turner, the Director of Central Intelligence, told the Senate Intelligence Committee that the additional information had just been uncovered and that he was confident there had been "no previous attempt to conceal this material." [1:3.]

Following public personal criticism by the chairman of the House ethics committee, Philip A. Lacovara, the committee's special counsel for the Korean investigation, resigned. Representative John J. Flynt Jr., the chairman, who said in an interview that Mr. Lacovara had "temper tantrums," also asked the General Accounting Office to audit his June bill for \$35,212.50. [1:1-3.]

A Senate committee was told by Bert Lance, director of the Office of Man-

agement and Budget, that he would take further steps to avoid a conflict of interest if the committee would release from a pledge to sell about 207,000 shares of a Georgia bank's stock before Dec. 31. Mr. Lance confirmed that he had debts totaling some \$5.3 million and \$373,000 a year in interest payments and that if he took a loss of \$1.5 million on National Bank of Georgia stock he would have to sell other holdings. [10:3-4.]

An offer of \$25 million in Federal funds and 100,00 state-owned acres in Maine was recommended by President Carter's special representative on Indian land claims to settle a suit by the Penobscot and Passamaquoddy tribes who maintain that Maine had acquired their land without the approval of Congress. The Indians had sued for \$25 billion and for 12 million acres. [36:1.]

Metropolitan

New York City and Westchester County were designated as disaster areas by the Small Business Administration as investigations, damage assessments and cleanup operations followed the 25-hour power blackout. Full power was restored by Consolidated Edison, and New York's business and financial activities and municipal and transportation services were at near-normal . . . levels. [1:6.]

Consolidated Edison, fearful of public hostility and lawsuits, might have held out too long Wednesday night before cutting out limited parts of its power system and thus lost the entire system, according to some investigators of the 1965 blackout. Engineers said that, in a crisis, the utility had long been regarded as reluctant to "shed load," or produce small, temporary blackouts to prevent a prolonged big one. [1:5.]

Outrage and despair overwhelmed neighborhoods that were plundered during the blackout and raised the ques-

tion whether the devastation caused by looting and arson would give a death blow to those already failing areas. On almost every street corner in the South Bronx and in Harlem and in the shopping areas of Queens and Brooklyn men and women gathered and asked each other whether their neighborhoods would return to normal. [1:4.]

A 20 percent increase in monthly charges would be paid by Co-op City tenants and they would make certain additional payments to the financially troubled cooperative corporation under a tentative agreement reached by New York State officials and tenant representatives. In exchange, more than \$25 million of the co-op's existing debts would be excused for two years and possibly forever, it was said. The settlement is subject to a referendum among the tenants. [1:1-2.]

Business/Finance

A business equipment output helped push industrial production up seventenths of 1 percent in June, the Federal Reserve Board said in its monthly report on the output of factories, mines and utilities. Production of business equipment, the report said, "continued to advance strongly, rising 1.5 percent in June and at about an 18 percent annual rate for the second quarter as a whole." [27:5-6.]

Computer issues led a modest advance in stock prices. Advances outnumbered declines by an 8-to-5 ratio as trading volume rose to 29.12 million shares from 23.16 million Wednesday. The unusually large midsummer volume was attributed to a backlog of orders held over from Thursday's power blackout "holiday." The Dow Jones industrial average closed at 905.95, up 2.96 points from Wednesday. [27:1-2.]

Confirming rumors in Wall Street, the American Stock Exchange announced the Paul Kolton, its chairman, would leave at the expiration of his contract in November. He joined the Amex in 1962 as executive vice president and in 1972 became its first full-time salaried chairman. His decision not to seek a contract renewal appears to make Robert J. Birnbaum, the recently appointed Amex president, a leading candidate to become chairman. [27:5-6.]

Index

International

- Talk of Havana: The Americans are coming 2
 Begin leaves Israel for Carter talks 3
 Britain fights to head off explosive pay increases 3
 Senate panel backs Carter on aid 4
 U.N. sea-law conference agrees to reconvene next year 4
 Harvard professor finds sea-law talks full of former students 4
 World News Briefs 5
 G.A.O. report criticizes radar-plane sale to Iran 34

Government/Politics

- Carter indicates support for raising mandatory retirement age 6
 Carter cuts White House staff by 28 percent 22
 Carter agrees to optional Election Day registration 24
 Chairman says House energy panel will back higher "gas" tax 24
 Albany Legislature votes prisoner-release bill and recesses 38

General

- Around the Nation 6
 Drought threatens crops across the country 6
 Indiana town beset by violence accompanying 3-month strike 6
 Denver man accused in mail threats 6
 Few in Chowchilla talk about bus kidnapping of one year ago 7
 Grandson of Groucho Marx may supervise estate 7
 Hearings under way on cause of blackout 8
 The big difference in the two blackouts 8
 Beame tours Brooklyn areas that were looted 8
 Many more looters arrested in blackout than in '60's riots 9
 A stroll down Bushwick's Broadway 9
 For the aged, camp life has slower pace 23

- Metropolitan Briefs 25
 Darien cracks down on prostitutes who solicit over CB radio 25
 S.E.C. releasing New York City fiscal study after primary 25
 Police officer killed by robbery suspect 34
 Former shoe company head held on cocaine-smuggling charge 38

Amusements/Arts

- "The Last Remake of Beau Geste" opens 12
 "Orca" on local screens 12
 Ibsen's "The Master Builder" is staged in Westport 12
 National Ballet of Canada projects new image 14
 "Outlaw Blues" is film about country-and-western music scene 14
 The Star-Spangled Washboard Band is pure country corn 14
 Marilyn Walton is reminiscent of Mildred Bailey 14
 Nancy Reynolds's history of the City Ballet is reviewed 19
 "Like It Is" to discuss southern Africa on Channel 7 tomorrow 37

Obituaries

- Dr. Robert D. London, pediatrician 24
 William Gerhardie, novelist 24
 David Krech, experimental psychologist 24

Business/Finance

- Sotheby's artful profits draw investors to stock offering 27
 Attorney generals ask engine-switch payments 27
 United Technologies wins a court ruling 27
 Senate airs choice of McKinney for S.&L. post 27
 Bankers Trust earnings declined 5.9 percent in quarter 27
 Senate passes bill spurring search for energy 27
 Personal Investing: Banks' new lines affect old trust roles 29
 Safeway Stores reports sales and profits rose for second quarter 31
 American Export Industries files Chapter XI bankruptcy petition 31
 Patents: Converting chemicals into wires 31

Quotation of the Day

"I think this repeated blackout points out again an obvious fact that too many forget: We ought not to operate our electric system on the bare edge of sufficiency, because then Jupiter sends a lightning bolt and we are in trouble."—The nuclear physicist, Dr. Edward Teller, who served on a panel investigating the 1965 East Coast blackout. [8:4.]

Most cocoa futures contracts rise sharply; soybeans are irregular 34

	Page		Page
Amer. Stocks	32	Exchange Rates	34
Bond Sales	30	Highs and Lows	29
Business Records	29	Market Profile	27
Commodities	34	Money	34
Corp. Affairs	31	Mutual Funds	33
Counter List	33	N.Y. Stocks	28
Dividends	30	Out-of-Town	34

Sports

- Pirates put Mets to rout, 7-1 15
 Steinbrenner addresses the troops 15
 Knicks open a new legal front 15
 Putting is name of Hatalsky game 16
 Issler's 214 paces Jersey golf 16
 Vilas gains Austrian net semifinals 16
 Giants have 5 passers, no starters 16
 Powell shows strength in Jet drill 16
 Bernard King is arrested again 16
 Hernandez rides Belmont choice 17
 Post-Olympic lottery bill passed 18

Features/Notes

- About New York 9
 Going Out Guide 13
 Weekly News Quiz 19
 Notes on People 19

News Analysis

- Drew Middleton on Middle Eastern military issues 3
 Hedrick Smith on Carter's political dichotomy 22

Editorials/Comment

- Editorials and Letters 20
 C. L. Sulzberger interviews Israel's Gen. Ariel Sharon 21
 Russell Baker's column insists it is 11, not 15 21
 William Herrick celebrates the planting of a tree 21
 David Sive: dilemmas of an environmental lawyer 21