

# News Summary

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## International

Saudi Arabian officials told Secretary of State Cyrus R. Vance to expect an imminent change in the Palestine Liberation Organization's hostile view toward a key United Nations resolution that recognizes Israel's right to exist. Mr. Vance disclosed this information in Taif, where he was meeting with Saudi Arabian leaders, but soon afterward a spokesman for the P.L.O. in Beirut denied any fundamental change in policy toward Resolution 242, which was adopted by the Security Council in 1967. The spokesman said the P.L.O. would continue to oppose the resolution, as it has done over the years, unless it was rewritten to take note of he said were the P.L.O.'s political right, such as the right to establish an independent state on Israeli-held territory. Israel meanwhile remained adamant on Palestinian participation in Middle East peace talks. Prime Minister Menahem Begin, who is also going to meet with Mr. Vance, said it would be futile to prepare the P.L.O. for a role in the talks by making it express recognition of Israel. [Page 1, Cols. 1-2.]

A growing number of blacks in South Africa seem to have abandoned hope for peaceful emancipation. More than a year after the first black protester died in Soweto on June 16, 1976, the Government and the people who claim to speak for the black township's 1.25 million residents remain at an impasse. The situation seems gloomier than when the protests started. [1:2-3.]

## National

Vice President Mondale said that a new set of regulations for the Federal Bureau of Investigation and the Central Intelligence Agency would bar all warrantless wiretaps, searches and mail opening. He told reporters before a speech to the American Bar Association in Chicago that he favored strengthening the Carter wiretap bill now before Congress to require evidence of a crime, rather than merely an act harmful to

national security, before a warrant could be issued. In his speech, Mr. Mondale gave some details of citizen protection to be written into the "charters" that President Carter has said he will submit to Congress. [1:6.]

Intelligence officials have "strong suspicions" that highly enriched uranium was stolen from a Pennsylvania nuclear plant more than a decade ago, a House investigator said. The statement by Michael Ward conflicted with the testimony of several Government officials at a House hearing that there was no evidence that significant quantities of nuclear materials were stolen. [15:1.]

## Metropolitan

An unexploded bomb turned up in one of the buildings mentioned last Wednesday by callers who said they spoke for the F.A.L.N., a Puerto Rican terrorist group. Two other bombs exploded that day, killing one person. In another development yesterday, Vincente Alba, wanted for questioning about the terrorist group, appeared voluntarily at the New York District Attorney's office, refused to answer questions and was then arrested on charges of possessing weapons. [1:3-4.]

An uprising of about 150 inmates armed with clubs and makeshift weapons at the Eastern Correctional Facility in Nanpoch, N.Y., ended when negotiators for the rebels were persuaded that demands for better food and institutional reforms would be seriously considered. The 14 hostages seized by the inmates at the prison near Ellenville in Ulster County were released. [1:5.]

Abolition of the New York City's Board of Education will not be pursued by Mayor Beame, who had proposed it. In a major policy shift, the Mayor recommended that it be retained, but with the Mayor appointing its members and its chairman serving as a salaried Schools Chancellor. His proposal that the board be disbanded was opposed at public hearings in June [1:1-3.]

Of the 176 persons indicted on looting charges after last month's blackout, almost half had full-time jobs and less than 10 percent were on welfare, according to statistics provided by District Attorney Eugene Gold of Brooklyn. Mr. Gold said the 176 cases represented a fair sample of the 1,004 persons arrested in New York City's worst-hit borough in the July 13 blackout. His report said that 21 percent of the indicted defendants were 16 to 20 years old, 62 percent 21 to 30, and 16 percent older. [34:1.]

## Business/Finance

The Dow Jones industrial average dropped to its lowest closing level since early January 1976 because of fears by investors of further credit tightening by the Federal Reserve. The average declined through the session, closing down 9.27 points to 879.42, which was below its previous 19-month low of 886 registered last Wednesday. The average is now hovering in the upper limit of what market technicians call the "support" zone between 880 and 875. A decisive break below 880-75, the technicians believe, could put further strong pressure on stock prices. [43:5-6.]

Prime Minister Pierre Elliott Trudeau announced in Ottawa that Canada and the United States would hold negotiations with a view toward an early agreement on a natural gas pipeline from northern Alaska and eventually from the Canadian Arctic along the Alaska Highway route to terminals in Canada and the United States. Mr. Trudeau appointed Alan J. MacEachen, the Government leader in the House and a former Foreign Minister, to head the Canadian negotiating team of Cabinet members. [43:1.]

Americans increased their borrowing on the installment plan in June over the month before while repaying old loans in record amounts, the Federal Reserve said. The amount borrowed in June totaled \$18.6 billion up from \$18.1 billion in May. Old loans paid off in June totaled \$16.3 billion. The payback totaled \$15.6 billion in May. [43:3-4.]

India told the Coca Cola Company of the United States to transfer majority shares of its wholly owned India subsidiary along with industrial "know-how" to shareholders in India or get out of the country. [45:1-4.]

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## Quotation of the Day

"We tried to figure out how they came up with \$173 million, and we couldn't do it." First Deputy Mayor Donald D. Kummerfeld, referring to the figure that President Carter said would accrue to New York City when his welfare proposals take effect. [36:1.]

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## CORRECTION

Because of a typographical error, the word "not" was dropped from the final paragraph of a Middle East news analysis. The sentence should have read: "But unlike the situation in that period, a failure to bring about a Geneva conference now would not be likely to lead to war immediately, since the military balance in the region has shifted in Israel's favor."