

News Summary

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Metropolitan

The 10-cent coin-box telephone call would be raised to 20 cents in New York State under a recommendation of a hearing officer of the Public Service Commission, which is considering a proposed overall rate increase of \$245.2 million a year for the New York Telephone Company. The 20-cent initial charge for local calls had been turned down by the full commission when it was proposed by the company in 1973 and 1975. At the same time, another commission official recommended that the telephone company be required to reduce long-distance toll rates within the state by 10 percent. [1:2.]

Business/Finance

Record corn and soybean crops will follow the above-average August rainfall over the Great Plains and Corn Belt, the Crop Reporting Board predicted. The rain is also said to be partly responsible for the third bumper wheat crop in a row. [43:6.]

A surge in car buying brought August retail sales in the nation over the July level by 1.7 percent, the Commerce Department said. It was the second consecutive month of gain following three months of decline. [43:4-5.]

The Treasury rebuffed American oil interests in an attempt last year to obtain Treasury assistance in fashioning a favorable overseas contract to salvage an adverse tax ruling, according to a internal Treasury document. The attempt, made in mid-1976 by Washington tax lawyers representing Mobil Oil, took place one day after the Internal Revenue Service had issued a controversial private tax ruling denying tax credits for Mobil's natural gas project in Indonesia. [43:1-3.]

Stock prices fell under the specter of higher interest rates. The Dow Jones industrial average made one of its poorest showings of the year. It declined 2.69 points to 854.38, almost even with the 854.12 registered on Aug. 25, which was a 20-month low. The market's weakness was across the board. Declining stocks outnumbered rising ones by a ratio of almost 2 to 1. [43:1-2.]

International

Palestinian involvement in the peace-making process is essential to insure a successful Middle East settlement, the State Department said, adding that Palestinian representatives will have to be at a reconvened Geneva conference. The statement went far toward meeting Arab insistence on this point but it reaffirmed that all participants must adhere to the Security Council resolution accepting Israel's right to exist. [Page 1, Column 5.]

An exhortation appears on every pack of cigarettes sold in Taiwan. It urges calm in the face of adversity—an unstated reference to the possibility that the United States might break its political and military ties with the island as it normalizes relations with China. Although Secretary of State Vance's Peking visit brought no visible progress in that direction, anxiety on Taiwan is increasing. [1:5-8.]

China, in a major review of economic policy, called for increased centralization, higher profits and production in industry, and more imports of Western technology. Any immediate wage raises for workers, which seems to have been debated in Peking, were apparently ruled out. [3:4-6.]

National

A letter from Robert Bloom that commended Bert Lance and omitted adverse information about him, misled the Senate Governmental Affairs Committee, Mr. Bloom, former Acting Comptroller of the Currency, conceded under intensive questioning by committee members. Mr. Bloom said concern over his future job prospects made him reluctant to disclose all he knew and prompted his statement that Mr. Lance's Georgia banks had not suffered any losses because of the Lance family overdrafts. [1:6.]

Criticisms of Mr. Lance in an F.B.I. report had not been passed along to President Carter, even though his closest aides had read them, Jody Powell, the White House press secretary said. [18:1-4.]

The tax revisions the Administration is planning are likely to include a limit of about \$10,000 on mortgage interest deductions and a Federal subsidy of 35 to 40 percent of the interest paid on taxable state and local bonds, Government officials said. The tax message will be delivered to Congress Oct. 3 under present White House plans. [1:3.]

A measure outlawing fuel-inefficient cars after 1979 was voted by the Senate, 55 to 27, after it had rejected an effort to strike the ban from an energy conservation bill. The Senate vote affirmed the recommendation of its energy committee to require all 1980-model cars to achieve at least 16 miles per gallon, a minimum that would rise to 21 miles per gallon by 1985. The Senate Energy Committee, meanwhile, narrowly rejected a plan for the gradual deregulation of natural gas prices. [1:4.]

Subway projects being considered by many cities probably will not get Federal aid. The Carter Administration, seeking to hold down the budget, has ordered a go-slow policy in the construction of mass transit lines. The Urban Mass Transit Administration has told local officials that they may no longer count on the Government. [1:1-3.]

A \$3 million slander award against Southwestern Bell Telephone Company was returned by a Texas jury in a suit brought by James Ashley, a former executive of the company, and to the family of another executive who was said to have been driven to suicide by the company's investigation of the executives' private lives and financial activities. [16:1-2.]

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Quotation of the Day
"You were asking me to shoot to kill. If I were to shoot to kill, and I shot and missed, I'd better go back to private enterprise."—Robert Bloom, the former Acting Comptroller of the Currency, explaining to the Senate Governmental Affairs Committee why he wrote a letter to the committee in January commending Bert Lance, then the nominee for budget director. [19:1.]

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ROSH HA-SHANA
 New York City public schools will be closed today and tomorrow in observance of Rosh ha-Shana, as will some suburban schools. Alternate-side-of-the-street parking regulations will be suspended both days.