

News Summary and Index

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The Major Events of the Day

International

President Anwar el-Sadat said yesterday that he had "no hesitation" about giving his approval to the initiative by Egypt of the Sinai agreement with Israel, which is in the final stages of negotiation. He made the remark at a news conference at his summer residence in Alexandria in the presence of Secretary of State Kissinger. However, reporters flying back to Israel on Mr. Kissinger's plane were told that problems still existed between Egypt and Israel on the language of the final draft, but that any problems still remaining were, in Mr. Sadat's opinion, caused by Israel. [Page 1, Columns 1-2.]

Arab delegates to the conference of non-aligned countries in Peru agreed not to press demands for Israel's expulsion from the United Nations. This was a success for Egypt, which has opposed the radical stand against Israel by Syria, Iraq, Libya and the Palestine Liberation Organization. [1:3.]

National

The Food and Drug Administration announced plans to halt the packaging of many food items—cold cuts for example—in semi-rigid or rigid polyvinyl chloride plastic because the plastic has a cancer-causing potential. The F.D.A. Commissioner, Alexander M. Schmidt, said the action was being taken because the "r.d.a. and the scientific community agree that vinyl chloride poses certain risks to human health." The use of the film-type polyvinyl chloride plastic widely used to wrap fresh meats and fruits would be permitted, for the time being. [1:4.]

The Federal Trade Commission completed a two-year investigation of the nation's \$2-billion-a-year funeral industry and found "a compelling need for consumer protection," according to J. Thomas Rosch, director of the commission's bureau of consumer protection. The F.T.C. proposes regulations that would prohibit a number of funeral-industry practices—including unnecessary embalming and bait-and-switch sales techniques—that inflict "economic and emotional injuries" on the consumer. The agency also ordered the Service International Corporation, which operates 139 funeral homes in 16 states, to refund alleged overcharges on cremations dating to Jan. 1, 1971. 1:1-2.

Metropolitan

City and state officials were assembling another patchwork plan of financing arrangements to raise the cash to avert a city default. The plan would be based on the immediate sale or transfer—possibly to the Federal Government—of mortgages that the city is holding on Mitchell-Lama middle-income housing projects; prepayment of real-estate taxes by major property owners; a purchase of Municipal Assistance Corporation bonds by the city and by state pension funds; and some form of short-term borrowing by the state. [1:3.]

The city's Corporation Counsel, W. Bernard Richland, said the city's first priorities if it defaults would be to pay municipal employees and keep city services functioning. Holders of city securities would have to wait for their money. "This is a city and a government and it will continue to operate," Mr. Richland said. His was the first unequivocal statement on what the city would do under a default by any city administration official. [2:5:1-3.]

The Board of Education began sending out layoff notices to 1,500 regularly licensed and junior-high school teachers because of the schools' financial crisis. School officials expressed concern that the number of dismissals would eventually be considerably higher. [1:6-7.]

Mayor Beame turned down an attempt by the Carey administration, which was under pressure from some bankers to dismiss his closest aide, Deputy Mayor James A. Cavanaugh, and his budget director, Melvin N. Lechner. "From the standpoint of the banker, these were anonymous guys," a source in the Municipal Assistance Corporation said, "and they saw the kind of numbers these guys came with and they didn't like them." [1:4-5.]

Vice President Rockefeller said that he knew of poor conditions in some New York nursing homes as early as 1965, but that he had been powerless to prevent Medicaid abuses by nursing-home operators because of state budgetary restrictions affecting audits and inspections. In testimony before the Moreland Commission investigating nursing-home abuses, Mr. Rockefeller defended his administration while he was Governor, under sharp questioning by Morris B. Abram, the commission's chairman. [1:5-7.]

The Other News

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Quotation of the Day

"The funeral transaction is unique in its potential for consumer exploitation. Buyers are grief-stricken and emotionally ill-equipped to protect themselves." — J. Thomas Rosch, director of the Federal Trade Commission's Bureau of Consumer Protection. [40:2.]

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