

News Summary

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International

Relations between Moscow and the Carter Administration are less strained, White House officials said, because of the recent cooperation between the Soviet Union and the United States in dissuading South Africa from proceeding with a nuclear bomb test. The officials said they were also impressed by the tone of Leonid I. Brezhnev's private communication with President Carter. [Page 1, Column 1.]

He is ready to sign a "peace agreement" ending a state of war with Israel, President Hafez al-Assad of Syria said in an interview, but he rejected President Carter's idea of a "normalization" of relations until Israel has eliminated its "expansionist character." Mr. Assad was pessimistic about a peace conference on the Middle East, saying that "it is difficult to see even a glimpse of light" on the "rocky road" ahead. War was inevitable, he said, unless a settlement was reached on the "rights of the Palestinians." [1:1-2.]

National

There was sufficient concern in Washington in the last two years about the Soviet Union's electronic eavesdropping to make the Government increase the security of its sensitive telephone calls. According to communications experts in both the Carter and Ford Administrations, the Government has arranged with the American Telephone and Telegraph Company to install, at Federal expense, equipment that will bypass areas where Soviet listening devices could intercept calls. [1:2.]

The Senate committee studying Bert Lance's nomination as budget director was given only limited information on Mr. Lance's background by Robert Bloom, the Acting Comptroller of the Currency, Mr. Lance's lawyer said. Sidney Smith, the lawyer, said that Mr. Bloom had cleared the information through him and Mr. Lance before it was made public. [1:4-5.]

Migrant workers in the South live in squalor and work under conditions that legal aid officials describe as little better than slavery. Despite the tightening of the nation's 14-year-old migrant protection laws in 1974, the workers are held in virtual bondage through intimidation, threats of beatings or because they find, after months of work, that they owe money to their crew leaders for meals, housings, cigarettes and wine. "It's like slavery—it is slavery," said a lawyer. [1:4-6.]

New York's Cosmos defeated the Seattle Sounders, 2-1, at Civic Stadium in Portland, Ore., winning the North American Soccer League's championship for the second time. Their first championship was won in 1972. Giorgio Chinaglia scored the team's winning goal in the Portland game, which was the last league game for the team's star, Pelé. [1:2-3.]

Metropolitan

A strong rebuttal was made by New York City's Comptroller, Harrison J. Goldin, to the Securities and Exchange Commission's charge that he had misled the public about the city's financial condition. He insisted at a news conference that he had repeatedly warned of unsound fiscal practices, saying that "on more than 50 major occasions, in increasingly grave and urgent language, I warned the public about the city's worsening fiscal condition and budget practices." He made public 448 pages of testimony he gave to the S.E.C. over a four-day period in August 1976 in support of his claim that he had disclosed all essential information concerning the city's finances. [1:6.]

Mayor Beame took to the sidewalks of the lower East Side and Little Italy—where people are usually friendly toward a regular Democrat like him—to test the reaction to the Securities and Exchange Commission's unfavorable report on his role in the city's fiscal crisis. When the tour was finished he said he felt good. "The people

are great. They're warm," he said. "They indicated their desire to support me." [1:4-5.]

Consolidated Edison said that a system operator "may not have pushed the buttons properly" to cut off some customers to avert the collapse of the entire electrical system in the final moment before the blackout of July 13. Contrary to its own previous findings the company concluded in its second report on the failure that the system operator on duty in the company's control center on West End Avenue in Manhattan may have erred. [1:3.]

Business/Finance

An anticipated rise in the Federal Reserve's discount rate and the Federal funds rate did not occur last week, contributing to the credit markets' advance for the second consecutive week. The anticipated increase seems to have been absorbed by the markets anyway. "It's probably 99 percent discounted," said an economist of the Commercial Credit Company of Baltimore. [45:6.]

The world economic outlook is not good, according to some analysts, who believe that a "growth recession"—their term—is enveloping the industrial nations. Evidence that a general economic recovery is faltering is cited in Western Europe, where growth rates fail to meet economic potential and unemployment is without precedent in the last quarter century, and in the United States where the jobless total is still an unusually high 6.9 percent of the total labor force. "The lagging world recovery with unemployment rising and feeding a protectionism not seen in many years, is an alarming development," said Richard B. Cooper, Under Secretary of State for Economic Affairs in Washington. [45:1.]

Wheat and corn farmers helped steady grain prices in the Middle Western commodity futures markets by withholding supplies from the general market and by sharply increasing the pawning of grain under the Federal crop-loan program. The benefit to the futures market was inadvertent because the farmers had their eyes on Washington. President Carter is expected to sign the new farm bill in a few days. The bill contains sharply higher "target prices," while the loan rates would be maintained. [45:2-5.]

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Quotation of the Day

"To say I did not disclose the city's fiscal condition is like saying that Ralph Nader did not warn consumers about unsafe cars because people continued to get killed in auto crashes, or Gen. Billy Mitchell did not warn the Navy about air power."—Harrison J. Goldin, denying charges in a Securities and Exchange Commission report that he misled the public about New York City's financial condition. [1:6.]

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CORRECTION

In the announcement of Deborah Gayl Sorcher's marriage to Bruce Martin Berman in *The New York Times* last Monday, the bride's first name was inadvertently omitted.