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What's News

Business and Finance

World-Wide

THE PRIME RATE was raised to a record 12 $\frac{1}{4}$ % from 12% by Chase Manhattan, Bank of America and other major banks. The boost was seen as only a stepping stone to higher rates as banks' interest costs continue to rise.

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U.S. merchandise trade figures for last month showed that the deficit narrowed sharply to \$1.11 billion, the slimmest red-ink total this year, despite soaring oil-import costs. June's deficit was \$1.9 billion.

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GM and Ford made initial economic proposals to the Auto Workers union that included higher wages and pensions and more paid time off. Both sides indicated the pace of bargaining may be heating up.

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Chrysler is telling bankers it expects to post a loss of \$600 million to \$700 million this year and to be profitable in 1981, when it unveils a new line of compact cars. The estimates for 1979 would indicate a loss of as much as \$440 million in the second half.

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United Steelworkers' President Lloyd McBride predicted that the developing recession will close some unprofitable steel facilities. But he said that the union, as it plans its negotiat-

ANOTHER IRA BOMB exploded in Brussels, amid mounting outrage.

The bombing in Belgium, which injured more than a dozen people, came as a British army band prepared to perform for tourists. It followed the assassination of Lord Mountbatten and three others on a yacht and the killing of 18 British soldiers on Monday, the bloodiest day in Northern Ireland in 10 years.

The bombings prompted fresh calls for a new offensive against terrorism and tighter security arrangements. Officials are worried about their ability to control reprisals by paramilitary Protestant groups. An Irish government spokesman said a visit by Pope John Paul on Sept. 29 will go ahead as planned, but security will be increased.

The IRA bombing blitz underscores the political stalemate in Ulster and raises new questions about the British army's ability to control the terrorists.

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CHINA'S PREMIER ACCEPTED "with delight" an invitation to the U.S.

Vice President Mondale, concluding two days of talks with Chinese leaders, said Hua Guofeng had also expressed hope that President Carter would visit China next year. He said steps taken during his trip, including accords on cultural exchange and hydroelectric-power cooperation, have "laid the basis of our relationship for the 1980s."

Mondale said the U.S. and China agree on "a wide range of global and regional problems." He reiterated that the U.S. won't discuss normalized relations with Vietnam, a foe of China, unless Hanoi ends the occupation of Cambodia and the expulsion of refugees. But he denied that improved Sino-U.S. relations are "directed against anyone."