

News Summary and Index

NYTimes TUESDAY, MARCH 25, 1975

The Major Events of the Day MAR 25 1975

International

President Ford ordered yesterday a total re-examination of United States policy toward the Middle East following the collapse of Secretary of State Kissinger's efforts to attain a new agreement between Egypt and Israel. The White House and the State Department said the policy review would include "all aspects and all countries." Several Congressional leaders who attended a briefing held by President Ford and Mr. Kissinger said later they had the impression that a principal objective of the study would be to re-evaluate United States policy toward Israel. [Page 1, Column 8.]

Israeli Government officials responded bitterly to the White House announcement of a reassessment of United States policy on the Middle East. The statement's significance was not immediately clear in Jerusalem, but it tended to confirm the Israelis' worst fears that Washington would place the major blame on Israel for the breakdown of the mediation efforts for a new Sinai agreement between Israel and Egypt. [1:6-7.]

American officials in Phnom Penh, in what they conceded was a "calculated gamble," ordered the resumption of the United States airlift into besieged Pochentong Airport, the last supply link open to the Cambodian capital. The insurgents kept up their attack on the airport area. While planes landed through the day, rockets fell on the airport, many near the planes as they were being unloaded. The airlift was stopped Saturday when rockets hit two planes. [1:5.]

North Vietnamese tanks and troops reportedly cut off Da Nang, South Vietnam's second largest city, by seizing Tam Ky, the capital of Quang Tin Province, after heavy shelling and an infantry attack. Tam Ky is situated on the South China Sea, 55 miles south of Da Nang. The fall of Hue, about 55 miles northwest of Da Nang, appeared near. [1:2-4.]

Da Nang, South Vietnam's second largest city, was the only reasonably secure base of Government authority in the northern two-thirds of South Vietnam, and refugees were converging on it. Communist forces, which during the past week surrounded Hue to the northwest and occupied the western flank of the road leading south, were evidently meeting little opposition. [1:3-4.]

National

Administration officials said that the potential budget deficit for the fiscal year 1976 had reached the \$100-billion level and was still rising under the tax reduction and spending proposals being considered by Congress. The \$100-billion would be nearly twice the \$51.9-billion deficit projected by President Ford in his Budget Message two months ago. [1:6-7.]

The New York stock market had its largest loss in more than four months as prices tumbled in reaction to the breakdown of Secretary of State Kissinger's negotiations for a Middle East peace settlement. The selloff in accelerated trading affected the entire market, except for gold mining issues, which generally run against the market trend. Losses of a point or more were not unusual. [4:5-8.]

Metropolitan

Mayor Beame told the City Council that he did not doubt that there was going to be a need for new taxes to balance the 1975-76 expense budget. He did not specify what new taxes he had in mind, but he said they would be in addition to his proposed 74-cent rise in the real estate tax from \$7.35 to \$8.09 for each \$100 of assessed valuation. He also said that he had reduced an anticipated \$1.69-billion deficit in his new budget to \$883.9-million by taking into account the proposed realty tax increase and growth in city revenues. [1:1.]

A bipartisan agreement in the Legislature to cut \$297-million from Governor Carey's budget proposal cleared the way for passage today of a \$10.4-billion budget for the fiscal year beginning next Tuesday. The agreement however, between the Republican-controlled Senate and the Democratic-controlled Assembly covers only spending. The two houses are still far apart on whether the state needs new taxes to support that level of spending. [1:2.]

The New Jersey Supreme Court unanimously struck down zoning ordinances that would exclude poor persons or families with low or moderate incomes and ruled that every community in the state must share the housing needs of its surrounding region. The court's ruling nullified restrictive zoning laws that prohibit apartments and mandate large-lot home sites. [1:3-5.]

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Quotation of the Day

"Luis, if you don't want to cut, then vote some more taxes"—Mayor Beame to Councilman Luis A. Olmedo, at a briefing on the city's expense budget. [1:1.]

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