

News Summary

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International

Ending his Middle East mission, Secretary of State Cyrus R. Vance said that although Arabs and Israelis expressed a strong desire for peace, they remained "deeply divided" on how to resolve the key issues that have blocked a settlement. It will be "a very hard and difficult road ahead," Mr. Vance said. "I don't want to underestimate the complexity and difficulty." [Page 1, Column 6.]

Dr. David Owen, Minister of State in Britain's Foreign Office, was named by Prime Minister James Callaghan to succeed Anthony Crosland, who died Saturday, as Foreign Secretary. The new Foreign Secretary, a physician, has been regarded as one of the rising stars of the Labor Party since he entered Parliament 10 years ago. He is 38 years old, the youngest man named to the post since Anthony Eden was appointed in 1935. [1:5.]

Uganda's Anglican Archbishop, Janani Luwum, was shot and killed last Wednesday by President Idi Amin, according to the Tanzanian Government's newspaper, the Daily News. The Archbishop was shot twice in the left side of the chest during a torture session, the newspaper said, because he had refused to say that he had plotted a coup against President Amin. The report was attributed to what the newspaper described as reliable sources in Kampala. [3:3-5.]

National

Pittsburgh's Mayor, Peter Flaherty, is expected to be nominated as Deputy Attorney General, according to Government sources, who said that a formal announcement was awaiting routine background reports. Mr. Flaherty, 50 years old, is serving his second four-year term as Mayor and was seeking

a third term. He was one of the first of the big-city mayors to support President Carter's candidacy. [1:1.]

Friendly foreign intelligence agencies apparently helped the Central Intelligence Agency obtain information about United States citizens traveling abroad, according to C.I.A. documents that have been declassified but not yet made public. The documents provide information about "Operation Chaos," the counterintelligence program initiated by the Government in the late 1960's against activists and others considered "radicals." [1:3-4.]

Organized labor would refuse to cooperate if President Carter asked for voluntary notification of union-negotiated wage increases before contracts are signed, George Meany said following a meeting of the executive council of the A.F.L.-C.I.O. Agreement with the President's proposal, offered as an anti-inflation measure, "would destroy collective bargaining," Mr. Meany said. He also repeated his criticism of the economic stimulus program. [1:1-3.]

Jerry Cappello, a California farmer, will be able to plant only 350 of his 1,500 acres this year in the normally productive Central Valley because of sharp cuts in irrigation allotments for agriculture brought about by the 17-month drought in the West. He is only one of many farmers affected. State officials say the drought will result in a loss of 48,000 agricultural jobs and \$3 billion in agricultural income. [1:5-6.]

Metropolitan

Mayor Beame's proposal to strengthen the Municipal Assistance Corporation was rejected as "vague" and "unacceptable" by leaders of the municipal employee unions, but they said they were prepared to negotiate with both the Mayor and the banks on ways to return New York City to credit worthiness. The unions objected mainly to the Mayor's willingness to give the

M.A.C. the authority to go to court to force the city to balance its budget and adhere to strict fiscal controls. They also want the M.A.C. to include union members. [1:2.]

Mayor Beame said he needed assurances that free rides on New York City subways for policemen in civilian clothes would not upset the city's budget and would actually deter crime before he would consent. [28:3-4.]

Business/Finance

A merger agreement between the New York Stock Exchange and the American Stock Exchange is said by Wall Street sources to be "extremely close," but there are still unresolved issues. John J. Phelan, vice chairman of the Big Board and one of the industry's trading-floor leaders, said "I think it's do-able in a very short period of time." In an interview late last week, Roderick Hills, chairman of the Securities and Exchange Commission, emphasized that "the issue is not so much that they merge but how they merge." Several names for the merged exchange are under consideration. Among them are the American Securities Exchange, the United States Securities Exchange and the National Securities Exchange. [45:6.]

The Quebec Government is seeking to buy control of the Asbestos Corporation from General Dynamics, which has 54 percent of the shares. The announcement came from Quebec's Minister of Finance, Jacques Parizeau, who said that the Government was seeking control of the asbestos industry as a whole and would begin negotiations in a few months. [45:1-2.]

While Secretary of State Cyrus R. Vance introduced himself to Israeli leaders last week, Israel's new Central Bank governor, Arnon Gafni, was doing the same in New York's financial community. Mr. Gafni's assignment in New York is to put the best face he can on Israel's current economic difficulties—resulting from heavy military spending, high inflation and a huge balance of payments deficit—before the banking community and the Carter Administration. "There has been improvement and we will see more," he said. [45:2-4.]

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Quotation of the Day

"I do not see why people in the upper brackets should get \$50 from the Government so they can flip it at the first headwaiter they see."—George Meany, president of the A.F.L.-C.I.O., on President Carter's tax rebate proposal. [20:2.]

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