

# News Summary

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## International

The Carter Administration would support passage of a law that would bar American companies from taking part in the 'Arab economic boycott' of Israel, reversing a stand taken by the Ford Administration. The shift in policy was made known by Secretary of State Cyrus R. Vance, who told a Senate Banking subcommittee that the Administration did not favor either of two pending anti-boycott bills and that it would prefer drafting of new legislation. [Page 1, Column 2.]

President Idi Amin of Uganda postponed for a second time a meeting he had called with Americans in Uganda. A new date will be announced later, the Uganda radio said. No reason was given for the further delay. The White House disclosed, meanwhile, that President Carter had expressed thanks to President Amin for his assurances that the Americans were not in danger. [1:2.]

An electronic listening device was secretly placed in the home of one of West Germany's prominent nuclear physicists with the authorization of the Minister of the Interior, who has charged that the scientist, Dr. Klaus R. Traube, had frequent contacts with an internationally sought terrorist. [6:4.]

## National

The Government will sue Maine to recover land for the Passamaquoddy and Penobscot Indian tribes if an out-of-court settlement of a suit brought by the tribes is not settled by June 1. "We have no choice but to proceed," the Justice Department said in papers filed in Federal District Court in Portland, Me. Government lawyers believe that the Indians have a valid claim to five million acres of forest land in northern Maine. [1:3.]

Severe cold weather this winter was held responsible last month for a decline in the Commerce Department's

composite economic index and the nation's biggest foreign trade deficit on record. The index of trends in production, finance and employment, declined 1.2 percent, the first time since September. The record \$1.67 billion trade deficit reflected soaring oil imports and a decline in export shipping because of frozen harbors and waterways. [1:1.]

## Metropolitan

Talks at City Hall collapsed, leaving the immediate financial outlook for New York City in disarray. Leaders of the municipal labor unions stormed out of their negotiations with bankers, and Mayor Beame accused the banks of stalling and holding "a gun at our head." The potential deadline for default is March 11, but some city aides felt that the negotiations could be resumed and that the positions of banks and unions were not inflexible. [1:6.]

A \$100 million cut in New York State's personal income tax proposed by Governor Carey almost certainly will not survive the legislative bargaining in Albany over the 1977-78 budget, according to key members of both parties. Most of the \$100 million will probably be used instead to offset business taxes for which the Governor proposed no reduction this year, despite his frequent stress on the need to improve the business climate. [1:4-5.]

Law enforcement agencies are investigating the involvement of J. Jay Frankel, a self-described "venture capitalist," with the private lottery vendor, Automated Ticket Systems Ltd., following the murder last month of the company's president, Arthur Milgram. It was found that Mr. Frankel was allowed to become one of the principal officers of the vending company despite a state investigation that found he was suspected of having received the financial backing of organized crime figures. [1:4-5.]

Daniel P. O'Connell died at 91 in Albany, where he had dominated Democratic city politics since 1922. Although in semi-retirement, he continued to make election-year predictions for a favored few political reporters. [1:6.]

## Business/Finance

Slightly higher food costs may follow a 2 percent price rise farmers got for their products in the month ended Feb. 15. The farmers had their third consecutive month of recovery, bringing the index of farm prices where it was a year ago, the Agriculture Department said. [39:6.]

The Grumman Corporation is being sued for \$114.6 million in compensatory and punitive damages by a former sales agent and his wife on the ground that close associates of President Kennedy had intimidated him into selling his contract under which he sold Grumman's F-14's to Iran. The two associates of the late President named in the complaint were Kenneth O'Donnell, Mr. Kennedy's appointments secretary, and Benjamin Smith, who filled the last two years of Mr. Kennedy's Senate term. The plaintiffs are Houshang and Anette Lavi. [39:1.]

Thousands of merchants will lose money when a new Oregon law that prohibits the sale of aerosols containing chlorofluorocarbons, which are believed to damage the earth's protective ozone area, becomes effective today, two years after it was passed by the state Legislature. Sales of chlorofluorocarbon sprays in the state when the law was passed were estimated at about \$40 million a year, or one-quarter of 1 percent of the national volume. [39:2-4.]

Stock prices advanced slightly, but trading still was the slowest in three months. The Dow Jones industrial average was up 2.99 points to 936.42. [39:5.] New York City's Municipal Assistance Bonds declined sharply, as much as 2½ points, as the city's financial difficulties worsened. Underwriters, meanwhile, prepared to bid in today's \$96 billion bond sale by New York State. It appeared that only one bid would be submitted. The bonds were still unrated by Moody's late yesterday afternoon. [43:1-2.]

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"We're all outraged at the fact that the banks have come here on the 11th hour and told us they're going to come in on Friday with an answer. Apparently now it's got to the point where they want to dot the i's and cross the t's. The city and the unions don't want a proposal given to us as if it's a gun at our head."—Mayor Beame. [1:6.]

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