

# News Summary

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## International

A new approach for peace in the Middle East was outlined by President Carter at a news conference. It would urge Arabs and Israelis to agree on sovereign, recognized borders, but would permit the possibility of keeping Israeli forces stationed beyond those frontiers for the "foreseeable future." This latest attempt to break the impasse in negotiations seeks a phased withdrawal, perhaps up to eight years, during which it is hoped normal relations would develop. [Page 1, Col. 3.]

The lifting of all travel bans on Americans to Cuba, Vietnam, North Korea and Cambodia, effective March 18, was announced by President Carter. Mr. Carter, speaking at a news conference, linked the action to his expressed desire to improve the United States position on human rights in line with the Helsinki agreement on European security and cooperation. [11:1.]

Paul C. Warnke was confirmed by the Senate as the chief United States arms negotiator, but the vote of 58 to 40 fell short of the broad support sought by the Carter Administration. Seven hours before the vote, President Carter said at a news conference that opposition would indicate "a lack of confidence in the Senate in my own ability as chief negotiator." [1:2-3.]

Brady Tyson, the American diplomat who apologized in Geneva Tuesday for what he said was the United States role in the subversion of the Allende Government in Chile, was called to Washington for instruction in diplomatic procedures. [13:1.]

## National

Small bands of gunmen, most claiming to be members of the Hanafi Moslem sect, invaded three buildings in downtown Washington, killing one person, wounding at least 11 and taking hun-

dreds of others hostage. The raids occurred at the B'nai B'rith headquarters the Islamic Center and Mosque and a District of Columbia building. [1:6.]

Kenneth S. Axelson withdrew his name from consideration to be nominated as Deputy Secretary of the Treasury. His sudden decision not to seek the agency's second highest post was announced by a Treasury spokesman hours after the Carter Administration was informed of a pending New York Times article describing some questions raised about Mr. Axelson's business conduct in a Federal grand jury inquiry. [1:3.]

A job program costing \$1.8 billion was requested in a message to Congress from President Carter, who said it would aid young people, the biggest group of unemployed Americans. The funds were included in his \$31.2 billion economic stimulus program. They would create two projects reminiscent of President Roosevelt's Civilian Conservation Corps. [1:4.]

A ban on the use of saccharin in foods and beverages was announced by the Food and Drug Administration, which said the artificial sweetener had been found to cause malignant bladder tumors in rats. Agency officials said the ban, which is not effective immediately, was based on a study sponsored by the Canadian Government, which discovered that large amounts of saccharin fed to the animals caused cancer [1:2.]

## Metropolitan

In a surprise move, Mayor Beame unveiled a detailed plan to raise the money needed to pay off the city's \$983 million short-term debt without the aid of the city's banks. If the plan can win the approval of the Emergency Financial Control Board today, the Federal Government could then provide the city with the cash it needs to remove the danger of default. The greatest surplus financial aides described as "surplus city cash." [1:1.]

A \$1 billion package to pay off New York City's short-term debts, disclosed Tuesday, was patched together from sources that city officials had long been unwilling to use, or had been found only in the last week or two, fiscal officials said. They heatedly denied they had created a false impression by having warned earlier that, without issuing new bonds, the city did not have the money to pay the debts. [1:1.]

State Supreme Court Justice Leonard H. Sandler ruled that it was permissible for a prosecutor to stage a crime to catch corrupt prosecutors and judges, a practice some courts have condemned. Justice Sandler said he was "persuaded that the carefully selected use of the contrived crime under appropriately compelling circumstances comes close to being indispensable in the investigation of corruption" involving criminal-justice system. [1:2-3.]

## Business/Finance

A trade decision with political implications must soon be faced by the Carter Administration. In a few weeks the White House must decide whether to support rulings of the International Trade Commission that imports of shoes, television sets and sugar are injuring domestic industries. [49:5-6.]

Grasping the initiative in advance of the Carter Administration's over-all energy policy statement, Senator Henry M. Jackson plans to introduce today a bill to compel electric power plants and factories to burn coal instead of oil or natural gas. Conversion to coal is broadly backed by Presidential aides, but they favor an imposition of an accelerating tax on gas and oil burned at existing plants. [49:1.]

Stock prices fell and glamour issues were particularly weak amid fears of double-digit inflation rates expected in a key group of Government statistics. The Dow Jones industrial average dropped 9.14 points to close at 942.90 in its biggest setback since Jan. 20. [49:3-4.] Interest rates on top-quality corporate bonds advanced in a generally quiet market. [51:1.] Coffee futures prices rose again in accelerated activity. Soybean prices were irregularly higher, while wheat and corn futures fell. [55:3-6.]

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## Quotation of the Day

*"It's a period of transition that has its ups and downs. You know—you had the responsibility. There's the initial temptation to pick up the telephone and tell somebody what to do. It takes a while to realize there's no one at the other end of the telephone."—Henry A. Kissinger, at a reception, at the Georgetown University School of Foreign Service. [This Page, Column 1.]*

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