

# News Summary

NYTimes

TUESDAY, MAY 24, 1977

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A suspect in the rape of 10 women was identified by all 10 of them in a lineup run by the assistant Manhattan district attorney who heads the sex-crimes prosecution unit. The women exhibited intense emotional reaction as they made the identification. [1:5-6.]

## International

South Moluccan exiles living in the Netherlands were holding 161 hostages in an elementary school and a hijacked train, apparently in a new effort to force the Dutch Government to help them in their fight for independence from Indonesia for their homeland. In 1975, two South Moluccan gangs hijacked a Dutch train and seized the Indonesian consulate in Amsterdam. The police said that 105 children and six teachers were being held at the village school of Bovensmilde and that there were 50 hostages on the train near the village of Assen in a northern farming region. [Page 1, Column 1.]

Menahem Begin, who is scheduled to be Israel's next Prime Minister, was taken to a hospital suffering from chest pains. He was reported resting comfortably. His aides said his illness was apparently not serious, and was a result of insufficient recuperation from a heart attack in April. Meanwhile, Prime Minister Yitzhak Rabin announced that he would resume the leadership of his caretaker Government. [1:2-3.]

## National

The Supreme Court refused to hear the appeals of John N. Mitchell, H. R. Halde- man and John D. Ehrlichman from their convictions in the Watergate cover-up case. The Court gave no explanation and no indication of how the Justices had voted, but it said that Justice William H. Rehnquist had not participated. The refusal means, barring some unlikely development such as the Court's reconsideration of the case, that the three men must serve terms of from two and a half to eight years in prison. [1:6.]

President Carter signed a bill that will cut more than \$5 billion this year from the taxes of low-income and middle-

income people. The reduction is part of a Federal tax cut that will be spread over the next 28 months. The bill will also simplify most filing procedures, eliminate tax payments for three million low-income families and reduce by slightly more than \$2 the average weekly payroll deduction of nearly 50 million people who use the revised standard deduction included in the law. But two million others who earn more than \$13,750 annually and claim the standard deduction can expect tax increases of about \$50. [1:4.]

President Carter was warned by the Speaker of the House, Thomas P. O'Neill Jr., not to veto funds for water projects if he did not want a serious confrontation with Congress. Mr. O'Neill praised the President for warmth, dedication and morality but said he had told him "a half-dozen times" that if he wants to be remembered as a great President he will have to have the support of Congress. [1:5.]

Transplanted genes have enabled bacteria to produce the gene for insulin in experiments at the University of California at San Francisco. The next goal is to persuade them to make insulin itself, which would likely result in a virtually limitless supply of this vital hormone and have an important impact on understanding and treatment of diabetes. [1:3-4.]

## Metropolitan

Serious structural defects in Co-op City in the Bronx have resulted from the shifting of the filled-in marshland on which the 15,000-family development was built. The shifting land, officials say, might have been responsible for gas leaks and for the shearing off of an electrical cable that caused a power loss last December. The buildings were said not to be threatened, but "safety hazards appear to be involved," a housing expert said. [1:1-2.]

## Business/Finance

Stock prices plunged under selling pressure, bringing the Dow Jones industrial average down 13.40 points to 917.06, its biggest daily loss since Nov. 5, 1976. In the last three sessions, the Dow has lost a total of 24.85 points. Losing stocks outnumbered rising ones by a ratio of 4 to 1, with glamour and blue-chip issues among the weakest. Rising interest rates brought about by the Federal Reserve Board's recent credit-tightening was blamed for the urge to sell. [47:5-6.]

New York State's Comptroller told the state's bankers that he opposed the use of the state's credit on behalf of private companies to keep them from leaving New York. Arthur Levitt said in a speech at the convention of the New York State Bankers Association in Palm Beach that "history teaches us that the use of governmental credit to provide aid to private industry is fraught with risks." He also questioned Governor Carey's proposal for a \$750 million bond issue for the repair and expansion of the state's roads, bridges and port facilities. [47:4.]

The new jobs credit clause of President Carter's tax bill—an employment incentive—has economists divided over its likely accomplishments. It is regarded by some as the most important innovation in tax policy in a generation, and denounced by others, including the Administration, as cumbersome, unfair and a waste of the taxpayers money. The credit is intended mainly to help labor-intensive small business. It gives all employers a tax credit based on the number of new workers they hire above a base level of 102 percent of last year's payroll. Depending on a number of variable factors, the credit ranges from \$630 to \$1,806 per employee. [47:1.]

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## Quotation of the Day

"Do we tell him? Right to the teeth, no question about it. But I don't call that confrontation. I call that sitting around the family table, discussing things that are happening, what's wrong and what's right. It's all right for us to criticize each other when we're talking to him."—Thomas P. O'Neill Jr., Speaker of the House, on the relationship between Congressional Democrats and President Carter. [16:4.]

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