

# News Summary

NYTimes

WEDNESDAY, MAY 25, 1977

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## International

**Nikolai V. Podgorny**, President of the Soviet Union, was dropped from the ruling Politburo without explanation in a move expected to end his political career, and to deprive him of his ceremonial role as chief of state. He had ranked second in precedence to the party chief, Leonid I. Brezhnev, whose authority seemed strengthened by the change. [Page A1, Column 6.]

**Terrorists representing** an extremist element among South Moluccan exiles in the Netherlands demanded that 24 others previously imprisoned for terrorist acts be released and that a jetliner be provided to fly both groups to an unspecified country. But the government refused to discuss the demands until the 105 children among the 160 hostages the terrorists are holding have been freed. [A1:5.]

**Crown Prince Fahd** of Saudi Arabia, speaking on the White House lawn, praised President Carter for supporting the idea of a homeland for the Palestinians and voiced optimism on the use of United States influence to bring about a Middle East settlement. Implicit in his remarks was his hope for pressure on Israel to return all lands occupied since the 1967 war, the basic Arab demand for a settlement. [A1:4.]

**Aides to Menahem Begin**, hospitalized leader of Israel's Likud Party, circulated for him a pledge that as Prime Minister he would not unilaterally exercise his legal right to make the West Bank and Gaza Strip a formal part of Israel. The statement came as Likud sought to persuade leaders of the Democratic Movement for Change to join in forming a majority coalition, and was seen as an attempt to soften Mr. Begin's image as an inveterate hardliner. [A1:3.]

**The House approved** the \$3.2 billion bill for military assistance to foreign

countries after narrowly rejecting an amendment that would have eliminated \$100 million in aid for black-ruled countries of southern Africa. This reflected the uneasiness of many members with the policies of the Carter Administration and of the black governments of that area. [A2:3-4.]

## National

**A long step** toward establishing a pattern of lifetime income security for industrial workers was achieved by the United Steelworkers in its new contract with the country's three largest aluminum makers. The union won substantially greater layoff benefits than in its pioneering pact last month with the Big 10 of the nation's basic steel industry. [A1:1-2.]

**Risking a Presidential veto**, the Senate passed, 69 to 18, a five-year farm bill setting grain price supports well above levels recommended by the Carter Administration. An amendment backing the Administration's proposal for lower wheat support price levels this year was rejected earlier, 50 to 45. [A14:1-2.]

**A government expert's warning** that controls over nuclear materials are a serious potential hazard to public health and national security has been rebutted by the chairman of the special seven-man panel set up to evaluate it. He said that many points in the letter had technical merit but that it did not agree with his general conclusions. [A20:3-4.]

## Metropolitan

**Unemployment pay for strikers** under a New York State law providing it after the first seven weeks of a strike was declared unconstitutional by a Federal judge, Richard Owen, as an intervention by the state on their behalf and in conflict with Federal labor law policy.

His decision grew out of a suit filed by New York Telephone Company and other Bell System units involved in a 1971 strike. The state said it would appeal the decision. [A1:4.]

**New York City's standing** in the eyes of the financial world improved with the upgrading of its credit rating for both city bonds and Municipal Assistance Corporation bonds by Moody's Investors Service. The M.A.C. bonds moved from B to B-AA and the municipals from C-AA to B. [A1:1-2.]

**Business tax reductions** in the form of tax credits for corporations and manufacturers that open offices and factories in New York City, with a promise that real-estate taxes would be held level for all new companies for at least 10 years, were proposed by Mayor Beame. [A2:1-3.]

## Business/Finance

**A critic of the Federal Reserve Board**, Henry S. Reuss, chairman of the House Banking Committee, charged that confidential minutes of the Reserve's 12 district banks disclosed by the Reserve System had a "pattern of disdain for public accountability." [53:5.]

**Sales of American new cars** in mid-May were down 5.2 percent from the same period last year. Auto analysts said buyers were showing some indecision because of the energy situation. Ford was the only American maker to report an increase, with sales up 9.2 percent. Figures for imported cars were not available, but Volkswagen said its preliminary May figures showed Rabbit sales up 97 percent, while Chrysler said its Japanese-built Colt was up 108 percent and its Plymouth Arrow ahead 124 percent. [60:1-2.]

**Stock prices sank** for the fourth straight session, carrying the Dow Jones industrial average down another 4.66 points to 912.40, its lowest level since January 1976. Jitters over inflation, Middle East tension and conjecture won Wall Street that Citibank might again raise its prime rate were possible factors in the day's drop. The market did record a slight improvement in its final hour before closing. [53:2-3.]

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## Quotation of the Day

"We share a special friendship built over a long period of time and our countries are the centers of deep religious convictions. This, I think, adds a degree of stability and morality to the purposes that our governments espouse."—President Carter, in welcoming Crown Prince Fahd of Saudi Arabia at the White House. [A4:4.]

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**Weekend**  
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**The New York Times**