

News Summary and Index

TUESDAY, JANUARY 28, 1975

The Major Events of the Day

International

International airlines said yesterday that they had voted to restore cut-rate youth fares between the United States and Europe, effective April 1, in an attempt to stimulate declining trans-Atlantic travel and to discourage the young from going to Canada for cheap flights. The airlines agreement must be approved by government regulatory agencies on both sides of the Atlantic. [Page 1, Column 5.]

The Chinese Government, which recently became this country's biggest grain customer, canceled contracts to buy 601,000 tons of wheat that had been scheduled for shipment between next month and September, it was announced by Cook Industries, Inc., a major grain trading company. The tonnage was about two-thirds of the total wheat registered for shipment to China from the present to mid-1976. Most grain traders appeared baffled by the shipment's cancellation. [1:7-8.]

National

Seven economists of various political persuasions agreed unanimously that a tax reduction of at least the \$16-billion proposed by President Ford, perhaps as much as \$25-billion, was needed to pull the economy out of its recession. They testified before the House Ways and Means Committee, which is trying to determine the kind of tax-cut and energy-conservation proposals it should recommend. [1:8.]

The stock market in New York erupted in a sharp rally in the heaviest trading day in New York Stock Exchange history. Brokers attributed the upward surge in prices to further declines in interest rates from previous high levels and to a court ruling last Friday that was favorable to the International Business Machines Corporation, a market favorite. [1:6-7.]

The sharply higher cost of oil imports pushed the nation's trade deficit to \$3.07-billion last year, the second largest in this century, after \$6.4-billion in 1972. The trade deficit—the excess of imports over exports—rose to \$606-million in December from \$113-million in November. If oil imports in 1974 had cost the same as in 1973, the nation would have had a huge trade surplus—about \$14-billion. [1:6-7.]

The operations of the Central Intelligence Agency, the Federal Bureau of Investigation

and more than a dozen other law enforcement agencies of the Government will be investigated by a special Senate bipartisan committee. The Senate voted 82 to 4 to establish the committee, whose chairman is expected to be Senator Frank Church, Idaho Democrat, a severe critic of some of the practices of the C.I.A. [1:4.]

A major statistical study by the American Medical Association has found that pills used by more than 1.5 million Americans to control diabetes are probably hazardous and capable of causing premature death from heart disease. Among the pills, the one most closely studied, was one based on the drug tolbutamide, sold by the Upjohn Company under the trade name Orinase. [1:2-3.]

Metropolitan

Mayor Beame dismissed 11 high-salaried, appointed city employees, including five holdovers from the administration of Mayor John V. Lindsay. Three of the five had been politically active in Lindsay neighborhood associations. Several of those dismissed were Mr. Beame's appointees. [1:1.]

A state advisory committee reported to State Attorney General Louis J. Lefkowitz that Vice President Rockefeller's gifts to state aides while he was Governor did not violate the state Code of Ethics but it said that the gifts were "not in the public interest" because of a "great deal of suspicion" they created. [1:2-3.]

Governor Byrne of New Jersey announced that he would again propose a state income tax in his budget message to the Legislature next week, coupled with a reduction of the state sales tax to 3 per cent from 5 per cent. He also said he would urge the Legislature to approve a \$5,000 homestead-tax exemption for property owners. [3:8.]

Frank C. Article, executive director of personnel on the Board of Education, said that fingerprint checks of recent candidates for school jobs, including those of teacher and security guard, had uncovered a number of arrest records for sexual offenses, child abuse and illegal possession of guns, among other offenses. He said that fingerprint checks would soon be made of virtually all of the school system's 55,000 teachers and 65,000 other employees, and that identification cards would soon be issued, for the first time, to all employees. [1:1-2.]

The Other News

International

Six bombs go off in England in one day. Page 2

Kuwait plans for day when oil flow ebbs. Page 2

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Soviet doubles its oil price in East Europe. Page 3

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Mrs. Gandhi defends the Indian system. Page 4

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Quotation of the Day

"My belief is that the death penalty, if it is enforced, in a limited area, is a deterrent."—Attorney General designate Edward H. Levi, testifying at hearings on his confirmation by the Senate Judiciary Committee. [17:6.]

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