

News Summary and Index

NYTimes WEDNESDAY JANUARY 8, 1975 JAN 8 1975

The Major Events of the Day

International

The nine members of the European Economic Community agreed in London yesterday to support a plan to invest surplus revenues of oil-producing countries through the International Monetary Fund. It would involve creation of a \$10-billion to \$12-billion facility which the I.M.F. would guarantee. They showed coolness to a United States proposal to create a \$25-billion facility. The American plan would involve only the industrialized consumer countries in setting the lending policy, while the European plan would also involve oil-producing countries and developing nations. [Page 1, Column 8.]

North Vietnamese forces captured Phuoc Binh, a provincial capital, after a week-long siege. The Vietcong's Provisional Revolutionary Government has asserted that the aim of its stepped-up military campaign is to "force" the United States and the Saigon Government to carry out the two-year-old Paris peace agreements. [1:7.]

Secretary of State Kissinger is considering "a massive effort" to persuade Congress to give him more flexibility in the day-to-day conduct of foreign affairs, ending what he regards as unwarranted interference, he has told his closest aides. The last Congress, he has complained, severely restricted Administration action in crucial areas including the Soviet Union, Indochina, Latin America and the Near East. [1:5-6.]

National

President Ford's emerging energy policy will feature higher taxes on crude oil, imported and domestic, to discourage energy consumption and oil imports. This would raise perhaps \$15-billion in annual revenue to finance a tax cut without adding significantly to the budget deficit. He has statutory authority to impose a \$3-a-barrel tax on imported crude, but Congress would have to enact a parallel tax on domestic production. The tax would add 7 to 10 cents to the price of gasoline. Some Administration planners fear the policy will create inflationary shocks, aggravate the recession and provoke high foreign prices. [1:7-8.]

The Chrysler Corporation, in the first significant attempt to stimulate car sales by reducing prices, plans to announce a system of rebates amounting from \$200 to \$400 buyers of certain new Chrysler cars. It aims at unloading a 120-day backlog

of unsold cars and winning customers from its competitors in the five-week program running from Jan. 12 to Feb. 16. [1:5-6.]

Metropolitan

Governor Carey will ask added funds for the court system in his address opening the Legislature today. He will propose constitutional amendments to give the Governor power to appoint all judges down to the county level. Meanwhile, he will ask a law barring statewide challenges in the judicial primary elections of the sort that led to the election of Jacob Fuchsberg, an insurgent, to the Court of Appeals. Stanley Steingut of Brooklyn was chosen Speaker of the State Assembly. [1:1-2.]

Governor Carey called off the appointments of two prominent attorneys to investigate the nursing-home industry. He had planned to name Bernard Nussbaum, formerly of the House Judiciary Committee's impeachment staff, as special prosecutor, but Mr. Nussbaum notified him he had decided at his wife's urging to devote himself to private practice. He had chosen Morris B. Abram of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison to head a Moreland Act commission with broad investigative powers. The announcement was canceled after the Governor learned that the law firm, though not Mr. Abram himself, was indirectly mentioned two months ago in articles on nursing homes in The New York Times. A Carey aide said it was "a question of appearance." [1:1-2.]

The city reluctantly accepted an interest rate of 9.4 per cent on \$620-million worth of short-term notes. This is the second highest rate it has ever had to pay and was jointly denounced by Mayor Beame and Controller Harrison J. Goldin as "unfair, unwarranted and outrageously high." They plan to meet with leaders of the financial community "to avoid a repettition." [1:3.]

An affidavit from the special state prosecutor's office charged that Irving Goldman, the city's Commissioner of Cultural Affairs, lied when he denied being president of a dummy candy company set up to funnel thousands of dollars to Transit Authority policemen and officials. On this basis, State Supreme Court Justice John M. Murtagh authorized the special prosecutor, Maurice H. Nadjari, to resume his grand-jury investigation of Mr. Goldman's finances. He also ordered Mr. Goldman to give all the company's records to Mr. Nadjari. [1:4.]

The Other News

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Quotation of the Day

"People don't care whether you're right or wrong. They just want the problem solved."—Thomas J. Meskill, leaving office as Governor of Connecticut. [39:5.]

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CORRECTIONS

In an article in The New York Times of Dec. 28, Michael Krinsky, an attorney with the New York law firm of Rabinowitz, Boudin & Standard, was incorrectly identified as an assistant to the firm which represents Representative Michael Harrington, Democrat of Massachusetts, in a suit against the Central Intelligence Agency.

In a Nov. 28 article on a paralyzed Federal drug enforcement agent, it was reported that the United States Civil Service Commission had "proscriptions" against Federal service by the incapacitated. The commission has no such proscriptions.