

News Summary

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International

The Carter administration's No. 2 man in the State Department under Secretary of State-designate Cyrus R. Vance will be Warren M. Christopher, a Los Angeles lawyer. Mr. Vance chose Mr. Christopher to be deputy secretary of state. They worked together in 1967 when Mr. Vance was a special representative for President Lyndon B. Johnson and Mr. Christopher was a deputy attorney general. The appointment was not news to the State Department. It was known for weeks there that Mr. Christopher would replace Charles W. Robinson, who will leave office when the new administration takes office. [Page 1, Columns 5-6.]

Portugal's financially troubled young Socialist Government will get a \$300-million emergency loan from the United States under an agreement reached in Lisbon with the United States Under Secretary of the Treasury, Edwin Yeo. Negotiations had been going on for three months. [2:3-4.]

National

Statehood for Puerto Rico was proposed by President Ford in a statement issued in Vail, Colo., that asked that "the people of Puerto Rico and the Congress of the United States begin to take those steps which will result in statehood for Puerto Rico." The announcement apparently took the Government and the officials in Puerto Rico by surprise. Mr. Ford's aides said that they had not known it was coming, and the President said that he had not told the incoming Governor of Puerto Rico, Carlos Romero Barceló, that he was going to make the announcement. [1:6.]

In the mostly Hispanic Mott Haven section of the South Bronx, an area called "El Pueblo," people were pretty well divided over the prospect of Puerto Rico becoming the 51st state. Astonishment, though, was the first reaction to President Ford's proposal. "Is this a

realistic proposal: Is this about to happen?" Roberto Lebron, a lawyer, asked. George Rosas was delighted. "Most certainly," he said, "it is time that Puerto Rico shared the wealth of this country than just the other way around." [5:2-3.]

The ultimate success of the reforms being made in the Federal Bureau of Investigation under its director, Clarence M. Kelley, depend to a considerable extent on the man that President-elect Carter will choose to head the agency. The President-elect and Griffin B. Bell, the Attorney General-designate, have indicated they were considering keeping Mr. Kelley in the job, but sources close to the Carter camp believe that the director has no chance of staying on for more than a few weeks after Mr. Carter takes office. Meanwhile, an internal crisis is going on in the bureau. [1:4-5.]

Metropolitan

The Westway Interstate system highway proposed for Manhattan's West Side is expected to be approved Tuesday by William T. Coleman Jr., United States Secretary of Transportation. The Government will finance 90 percent of the project's \$1.2 billion cost. A long fight with environmentalists is also expected before the six-lane highway is started, if it ever is. Mr. Coleman, an aide said, plans to go to New York Tuesday to make an announcement about the project. [1:2-3.]

A new law adopted by New York City to bring about faster property-tax foreclosures could result in as much as \$200 million in accelerated revenue, or it might put a further strain on the city's finances and further erode its tax base. Those are the contrasting predictions being made about the law, which cuts from three years to one year the time that must elapse before the city can move to take over properties with tax delinquencies. The measure went into effect today. [1:1.]

An attempt to buy the controlling stock of the New York Magazine Company was halted by the Washington Post Company, apparently leaving Rupert Murdoch, the Australian publisher as the lone bidder. The controlling stock is owned by City Councilman Carter Burden and his former campaign manager, Bartle Bull. [13:5-6.]

Business/Finance

The Dow Jones industrial average advanced 5.56 points to 1,004.65, the second highest year-end closing in its history. Yesterday's closing was exceeded only in 1972 when the index ended the year at 1,020.02. Eleven days later it reached its record daily closing high of 1,051.70. In 1976, the index advanced 152.24 points, or 17 percent. Stock prices moved in a narrow range. Analysts noted that the average stock price yesterday will be used in figuring the taxable gain, if any, of future sales of inherited stocks as required under the 1976 Tax Reform Act. [21:6.]

Indonesia announced a 6 percent increase in the price of its most widely used crude oil, a lightweight, low-sulfur crude. The rise was substantially below the 10 percent that it and 10 other members of the Organization of Petroleum Exporting Countries had voted two weeks ago. Analysts quickly pointed out that the announcement did not mean a break with OPEC, but was instead a part of a continuing effort by OPEC members to bring the price of various grades of crude oil into economic balance. It was also suggested, however, that Indonesia wanted to put itself into a better competitive position with Saudi Arabia, which increased its oil price by only 5 percent. [21:5.]

Utility customers continue to pay their bills in the same way, some on time and some later, even when they do not have to put up deposits or pay penalty fees for late payment, according to a study of utility billing practices in Michigan. The study by the Michigan State Public Service Commission of six electric and gas utilities is being circulated throughout the industry and could have a considerable influence in areas where deposits and late-payment fees are charged. [21:1-4.]

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Quotation of the Day

"The common bonds of friendship, tradition, dignity, and individual freedom have joined the people of the United States and the people of Puerto Rico. It is now time to make these bonds permanent through statehood, in accordance with the concept of mutual acceptance which has historically governed the relationship between Puerto Rico and the United States."—President Ford. [5:3.]

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