

News Summary

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International

America's allies might face "an unimaginable catastrophe" if they do not maintain strong defenses while pursuing mutual restraint with the Russians, Secretary of State Henry A. Kissinger said at a news conference at the headquarters of the North Atlantic Treaty Organization in Brussels. At the end of his last official overseas mission, Mr. Kissinger defended détente and virtually every other aspect of his often-controversial policies. [Page 1, Cols. 1-2.]

Chinese army leaders appear to be taking an increasingly important role in Peking and in the provinces, analysts in Hong Kong say, and may have a key decision-making role in the Communist Party. The army's new importance was indicated by the attendance of Peking's top political leaders—many of them military figures—at a graduation ceremony at the Military and Political Academy of the People's Liberation Army. Hua Kuo-Feng, new chairman of Communist Party, wore an Army uniform. [1:1-2.]

National

The recall of 208,000 Chrysler 1975-model cars was ordered by the Environmental Protection Agency on the ground that faulty design and maintenance problems caused excessive air pollution. The order to the Chrysler Corporation was said to be "precedent setting" because it was the first time that cars were ordered recalled for design and maintenance faults rather than for manufacturing defects. Chrysler said it would appeal the order. [1:3-5.]

By a narrow margin the Corps of Cadets at the United States Military Academy at West Point retained expulsion as the single penalty for a violation of the honor code. The cadets rejected a proposal by their leaders that would have enabled honor boards to recommend that some cadets found guilty in a recent cheating scandal remain at the Academy. [1:4-5.]

President-elect Carter has selected the persons who will fill the top national security positions in his administration, but was still undecided about where to place the candidates, an aide said. He reportedly has settled on about six persons for the four or five top jobs at the Defense Department, the Central Intelligence Agency, the National Security Council and the State Department. Zbigniew Brzezinski of Columbia University seems to be Mr. Carter's choice for national security adviser. [1:1-2.]

Metropolitan

The bizarre Bronfman kidnapping case ended with the acquittal of Mel Patrick Lynch and Dominic P. Byrne on charges of kidnapping Samuel Bronfman 2d, but they were convicted of grand larceny for extorting a \$2.3 million ransom from Mr. Bronfman's father. Samuel Bronfman said that he was "shocked and stunned" by the verdict. [1:6.]

Representative Bella Abzug, Democrat of Manhattan, was bade farewell at a large luncheon by the women, and some men, on Capitol Hill. They loved her, the Congressional aides, secretaries, Congresswomen and administrators said among many other tributes. Mrs. Abzug, who lost the Senate primary to Daniel P. Moynihan, told the gathering: "Keep your voices up, keep your faith up, keep your spirits up, and we'll all be heard." [1:3-5.]

A series of reforms for New York City's municipal hospitals was recommended to the Mayor's Task Force on the New York Health and Hospitals Corporation in an attempt to end the red tape and the breakdowns that are common in the semi-independent agency. One of the reforms would break the agency's total control of individual hospitals and grant considerable autonomy to their executive directors instead. The reform report was sharply critical of the agency's leadership. [1:6.]

Business/Finance

Consumer spending, reflected in retail sales, took a big jump in November and was higher in October than earlier figures indicated, the Commerce Department said. Based on a preliminary estimate, store sales in November of \$55.58 billion, seasonally adjusted, were up 1.7 percent from October, a large increase for a single month, and were 10 percent over November 1975. [29:6.]

Breaking ranks again with the banking industry, the Morgan Guaranty Trust Company cut its prime lending rate from 6¼ percent to 6 percent. Many other big banks in the meantime—Citibank, Chase Manhattan and Bank of America—reduced prime rates to 6½ percent from 6½ percent. Morgan Guaranty made a similar reduction Nov. 19. [29:3.]

A record wheat harvest of 2.147 billion bushels was gathered by American farmers this year, the Agriculture Department estimated in its final crop production report. Last year's wheat harvest totaled 2.135 bushels, which was also a record. American farmers last month also set a record for corn production, which was estimated at 6.06 billion bushels. [30:4-5.]

Variations in the growth of the nation's money supply explain most of what has happened in the economy over the last 30 years, particularly the ups and downs of inflation, according to a Congressional staff study, the first of its kind. The main conclusion was that the rate of growth in the money supply "isn't all that matters," but that it "matters very, very much." [35:4-6.]

The stock market extended its strong recovery, but with a somewhat reduced momentum, following the surprise cut in the prime rate by the Morgan Guaranty Trust Company. The Dow Jones industrial average finished with a gain of 2.41 points at 973.15. [29:1-2.] Profit taking in soybeans continued following a price rally earlier in the week that brought their price to more than \$7 a bushel. The March delivery on the Chicago Board of Trade closed at just \$7, or down about 7½ cents a bushel, being as high as \$7.09. [30:3.]

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Quotation of the Day

"Like Jimmy Carter, I expect to be born again."—Representative Bella S. Abzug of Manhattan at a farewell luncheon of the Capitol Hill Women's Political Caucus. [12:6.]

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CORRECTIONS

The inclusion of an aerosol can of Old Spice shave cream in a photograph published in The Times Nov. 20 illustrating an article on fluorocarbons may have created a mistaken impression. While aerosol deodorants and hair sprays use fluorocarbons as propellants, shaving cream is propelled by hydrocarbons.

An item in yesterday's Times incorrectly listed the dates of two concerts by the Queens Symphony Chamber Orchestra. It will play on Saturday, Dec. 18, at 8:30 P.M., in the Queensborough Community College Theater in Bayside and on Sunday, Dec. 19, at 3 P.M., in the New York Shakespeare Festival Public Theater, 425 Lafayette Street.