

News Summary

NYTimes

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International

Iran's spending on armaments, in excess of \$15 billion since early 1972, is raising concern about the ability of its armed forces to absorb so much new equipment. Foreign critics find the heavy arms purchases excessive and ill-advised. Iran has allocated \$200 million for the training of air force ground personnel by American experts, and plans have been made for 1,000 Americans to help maintain the advanced F-16 fighter-bombers now on order. [Page A8, Columns, 1-3.]

Soviet citizens will pay more for travel by plane, boat and taxi, less for a range of ready-to-wear clothing, some refrigerators, television sets, tape recorders and electric razors. Carpets, silk fabrics, crystal, custom clothing and some books will cost more. The announcement of price changes stressed the reductions and gave little more than hints of the increases. [A3:5-6.]

National

Carter Administration guidelines to limit conflict of interest were issued by the President-elect. Policy-making officials in the executive branch must disclose their net worth and must promise that for one year after leaving the Government they will not lobby for pay before the agency in which they have served. Mr. Carter said he would try to avoid any personal conflict by placing the bulk of his financial holdings in a trust. [A1:6.]

Senator Robert C. Byrd of West Virginia was chosen majority leader by his fellow Democrats without opposition as Senator Hubert H. Humphrey of Minnesota withdrew his candidacy. The Republicans chose Senator Howard H. Baker Jr. of Tennessee as minority leader in a surprise 19-18 victory over Robert P. Griffin of Michigan. [A1:4.]

President Ford proposed a tax program basically the same as the one Congress

turned down late last year. It includes a permanent \$10 billion cut in personal income taxes, a \$2.5 billion cut in corporate taxes and an increase in Social Security tax rates. With only 16 days left in the Ford Administration, the move was seen as a statement of principle, not a plan for enactment. [A1:5.]

Harmful effects of PBB, a toxic chemical that accidentally contaminated farm products in Michigan in 1973, have been found in nearly one-third of the more than 1,000 state residents studied by a medical team headed by Dr. Irving J. Selikoff of Mount Sinai Medical Center. Their preliminary findings presented to Michigan's Governor contrasted sharply with the state's own 1974 findings. [A1:6.]

Metropolitan

The Westway proposal for a six-lane Interstate System highway replacing the crumbling elevated West Side Highway between the Battery and 42d Street, but largely on a below-grade roadway, got a \$1.15 billion Federal green light. Secretary of Transportation William T. Coleman Jr. called the controversial project sound and vital to New York City's future. Construction could begin in about a year unless delayed by lawsuits. [A1:1.]

Hospital officials at both municipal and voluntary institutions in New York City criticized the restrictions on recruiting graduates of foreign medical schools that come into effect Monday under a new Federal law. They said the drastic limitation was a serious threat to hospital care. [A1:1.]

Columbia University is shifting its academic policies to restructure its graduate program around part-time students and master's degree candidates rather than those seeking doctorates full-time. It will compete seriously in the continuing-education field with other local universities and will open courses at all levels to nonmatriculated students.

The changes result, in part, from financial pressures. [A1:2-3.]

Rupert Murdoch, the Australian publisher, appeared to have gained a controlling interest in the New York Magazine Company, which he joined as a director at a stormy six-hour meeting Monday. But the takeover was surrounded by challenges and controversy on almost every side. [A1:2-3.]

The New York Jets promoted Walt Michaels to head coach, the fifth man to hold the post in 15 months, following two losing seasons for the once-glamorous professional football team. With last week's death of Phil Iselin, the president, Al Ward was given broader responsibility than previously as general manager. [A1:4-5.]

Business/Finance

The stock market plummeted as traders and institutions rushed to take profits following the advance in prices since Nov. 10. The Dow Jones industrial average dropped 11.88 points to close at 987.87, following Monday's loss of 4.90 on the first day of the new trading year. The American Stock Exchange outperformed the New York Stock Exchange. [D1:6.]

A surge in manufacturers' shipments in November while inventories remained steady was reported by the Department of Commerce. Earlier there had been concern about the rising ratio of inventories to sales. New orders also increased, by 1.2 percent. [D1:5.]

Higher coffee export taxes in Brazil and Colombia drew an attack from Representative Frederick W. Richmond, Democrat of Brooklyn. The House Agriculture Committee member accused the two largest exporting countries of unfairly exploiting the worldwide shortage and called for an investigation. A Brazilian coffee industry spokesman countered that the purpose was to slow exports and would not effect the price of green beans. [D1:1-3.]

Credit markets declined fairly sharply as dealers lightened inventories of fixed-income securities acquired late last year. [D5:1.] **Cocoa futures** rose the permissible limit, 4 cents a pound, while grain and soybeans, in a dramatic turnabout, closed higher. [D12:1.]

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Quotation of the Day

"As the Senate leader, I shall cooperate to the fullest with the President at all times, not just because he is a President from our party but, more importantly, because he is the President of all the people and the leader of the country."—Senator Robert C. Byrd, Democrat of West Virginia, after being chosen majority leader of the Senate. [A14:6.]

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CORRECTIONS

The acquisition of the Anaconda Company by the Atlantic Richfield Company, already approved by shareholders, is awaiting a decision by the Appeals Court in Virginia. It was erroneously stated in yesterday's Times that Anaconda was already a subsidiary of Arco.

The "Books of The Times" column yesterday incorrectly identified the book being reviewed. The correct title is "Democratic Promise: The Populist Moment in America." The author is Lawrence Goodwyn.