

The Major Events of the Day

International
 Secretary of State Kissinger returned to Washington yesterday convinced that his step-by-step approach to Middle East settlement has been shattered by the failure to achieve a new Egyptian-Israeli accord, and that a return to the Geneva conference seemed inevitable. He seemed upset by what he regarded as a shortsighted attitude in Israel that did not permit a more flexible approach. [Page 1, Column 8.]

Officials in Washington said that President Ford was in touch with both sides during Secretary of State Kissinger's Middle East talks, but refused to confirm that he had sent a last-minute message to Israeli leaders, even though Premier Yitzhak Rabin said he had received a message. Their remarks, however, indicated that a message had been sent and that it was stiff. [1:1-2.]

Egypt firmly maintained her position that Secretary of State Kissinger's mediation in the Middle East had collapsed and could not be revived. The Egyptian Foreign Minister, Ismail Fahmy, said "this is the end" when he was asked by reporters whether Egypt would "accept renewal of Mr. Kissinger's mission." He said Egypt would call for a reconvening of the Geneva conference. [1:7.]

In a rare display of political unity, Israelis on the left and right stood behind the Government's firm stand on its decision not to relinquish the strategically valuable Sinai passes and the oilfield at Abu Rudeis for less than a firm Egyptian commitment to nonbelligerency. But there was disappointment over the breakdown of Secretary of State Kissinger's mediation efforts and fear about the impact it might have on Israel's relations with the United States. [1:6.]

The breakdown of Secretary of State Kissinger's negotiations came as a relief to Syrians and Palestinian officials and it was reported that fighting broke out in southern Lebanon between Israelis and guerrilla forces. Syrian and Palestinian guerrilla groups have viewed Mr. Kissinger's efforts to obtain a separate Sinai agreement between Israel and Egypt as an attempt to divide the Arab bloc. [1:6-8.]

The North Vietnamese offensive virtually engulfed Thua Thien, a major northern province whose capital is Hue, and pressed toward Saigon's eastern and western flanks, the Saigon command reported. The North

Vietnamese mined a bridge on Route 1, the escape path for thousands of refugees fleeing Hue towards Da Nang. They also shelled Hue and military sources in Saigon said that the North Vietnamese had cut all overland routes to Hue. [1:4.]

The American airlift of food, fuel and ammunition to Phnom Penh, the last supply link to Cambodia's capital from the outside world, has been suspended indefinitely until "the military situation near the airport improves," an official of the United States Embassy in Phnom Penh disclosed. [1:5.]

National

President Ford met with his economic advisers to discuss the action he should take on a Senate-House compromise tax relief bill Congress plans to send him by mid-week. His press secretary, Ron Nessen, said in a television interview that Mr. Ford "has not ruled out a veto." Representative Al Ullman, chairman of the House Ways and Means Committee, said in another television interview that if a responsible compromise bill was worked out Congress probably could override a veto. [1:2-3.]

Air travel in the United States is in the fourth month of its sharpest decline since World War II. The situation has precipitated a broad review of airline pricing policies that have raised domestic fares an average of 20 per cent in the last 16 months. Airlines are looking for ways to stimulate travel by selectively lowering fares. [1:2-3.]

Metropolitan

Mayor Beame, declaring that "we're dealing with a condition, not a theory," announced that the city would sharply reduce its short-term borrowing, and explained how he intended to cut back city services—including police, fire, sanitation and education—to save \$95-million in the next fiscal year. He held an unusual Sunday news conference, he said, to "clear the air of some misconceptions and misunderstandings, which if left unchallenged, could seriously damage the city's economy and its position in the short-term and long-term money markets." [1:1.]

The chairman of two state commissions investigating nursing homes both indicated that they would call on Vice President Rockefeller to testify on the regulation of nursing homes and the role of political influence while he was Governor of New York. [30:1.]

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 "You can't pay bills without money. The city is no different from the home. We have to live within our income and we just won't be able to provide the same degree of services we do now."—Mayor Beame. [1:8.]

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