

The Major Events of the Day

International

President Ford, in an address to heads of state at the meeting of the North Atlantic Treaty Organization in Brussels, vigorously reaffirmed the United States commitment to the Atlantic alliance yesterday, but warned that "partial membership or special arrangements" could endanger it. American officials said that the warning was directed in part, at least, at Portugal, which is viewed by the United States as moving toward Communism. Mr. Ford also said that NATO remained the "foundation" in the relationship between the United States and Europe and that important "tasks" confronted the alliance. [Page 1, Column 1.]

In an explicit statement of American readiness to use tactical nuclear weapons against Warsaw Pact conventional forces, Defense Secretary James R. Schlesinger has informed Congress that if there were a conventional Soviet-led attack against Western Europe, the United States might have to be the first to use battlefield nuclear weapons to avoid defeat. He said that "the attack should be delivered with sufficient shock and decisiveness to forcibly change the perceptions of the Warsaw Pact leaders and create a situation conducive to negotiations." [1:1-2.]

National

The Government's new composite index of leading indicators, which is intended to forecast economic activity, signaled strongly that an upturn was imminent. The index had declined steeply, with only one short-lived interruption, since the summer of 1973. It nearly leveled off in February, but it turned up by 1 per cent in March and then climbed by a record 4.2 per cent in April. [1:2-3.]

The White House announced that President Ford had vetoed a \$5.3-billion package designed to finance job-producing projects across the country through 1976. In returning the bill to Congress, Mr. Ford declared that "this bill is not an effective response to the unemployment problem." [1:4.]

A month after the end of fixed commissions, a rate-war is raging among stock brokers, leading some of the nation's major financial institutions to warn that it could bring about the end of one or more Wall Street houses. Brokers are cutting their fees for the most part by 25 to 35 per cent and, in some cases, by 50 and 60 per cent. The

reductions are principally benefiting major financial institutions. [1:2.]

Terry Sanford, the 57-year-old president of Duke University and a former Governor of North Carolina, became the sixth Democrat to enter the Presidential race. He is also the fourth Democratic Southerner to enter the race and the first to make a confrontation with Gov. George C. Wallace of Alabama the central test of his candidacy. "I'm the one to take him on," he said of Mr. Wallace as he announced his candidacy at the National Press Club in Washington. [1:3-5.]

Metropolitan

Mayor Beame, declaring that in the absence of state assistance "we must move from a programmed recovery to shock therapy," submitted what he called an "unthinkable, two-level budget for the fiscal year beginning July 1 that contained two sets of figures, in effect, two budgets." [1:8.]

The state advanced New York City \$200 million in welfare funds it would have received next year, staving off a threatened default today by the city and only temporarily easing the city's cash-flow problems. Governor Carey said that the advance was only a "Band-Aid" on the city's \$1-billion cash need between now and the end of June and that a long-range plan was needed. "We're reaching the end of the options for the state, and there's no more kiddy to dip into," he said. [1:5.]

An outside group of nonpolitical "trustees" would take over payment of New York City's multibillion short-term debt and assume powers—as yet unclear—over the city's fiscal operations, under a plan proposed by Governor Carey's four emergency advisers on the city's fiscal problems. When details trickled out in Albany, the plan was greeted with some wariness by the seven Republican state senators from the city who hold the key to its acceptance. [1:6-7.]

Mayor Beame's "crisis" budget proposals brought forecasts from the firemen's union chief that "a lot more people are going to die" and from the sanitation union's chief that the city will be "covered by oceans of garbage." There were also gloomy statements from officials of the teachers union and the Patrolmen's Benevolent Association. Labor leaders and officials supporting the Mayor called for public outcries of protest and demands for more state aid. [1:7.]

The Other News

International

Laos to accept Thai and Chinese rice. Page 2
 Bangkok and Hanoi plan further talks. Page 3
 British Market debate becoming gimmicky. Page 3
 Paris alters view on European unity. Page 3
 East Europeans find drawbacks in détente. Page 4
 Portugal insists she is a loyal NATO member. Page 5
 Military in Portugal split on parties' role. Page 6
 Sadat on his way to meet with Ford. Page 6
 Chile is accused by international labor group. Page 11

Government and Politics

1961 memo is reported on C.I.A.-Mafia link. Page 20
 Brookhaven Republican chairman is indicted. Page 28

General

Middle class angered at city fiscal crisis. Page 10
 Four are indicted on grain fraud charges. Page 17
 Witness says Gurney protested investigation. Page 28
 Integration of armed forces: a progress report. Page 34
 Metropolitan Briefs. Page 35
 Council unit backs residency for city employees. Page 35
 Ida Klaus, key city labor negotiator, is retiring. Page 35
 Judge bars new beef grading standard. Page 50
 Assembly passes consumer-protection bill. Page 52

Industry and Labor

Farm worker law is passed in California. Page 29

Health and Science

U.N. parley assays thermal energy. Page 32
 Purification of uranium by laser described. Page 50
 First captive whooping cranes hatch chick. Page 50

Amusements and the Arts

Vita Brevis gives a tasteful concert. Page 12
 The Pop Life. Page 14
 Mexican orchestra to tour in the United States. Page 14
 Beame presents an award to Cary Grant. Page 14

Quotation of the Day

"The fact that I must submit to the City Council and the Board of Estimate a crisis budget presents a humiliating prospect for this great city. The unwillingness to respond to the city's program is an insult to every person who calls himself a New Yorker."—Mayor Beame in a speech at City Hall. [8:3.]

Sports

U.S. beats Britain, 15½-8½, in Walker Cup golf. Page 23
 3 share lead at 66 in Atlanta golf. Page 23
 Racing board fines Martin, a trainer, \$6,000. Page 23
 Questions abound as Month mouth opens. Page 23
 Maddox recalls days riding Rangers' bench. Page 23
 Knicks' draft Short, "Bradley type" forward. Page 23
 Chris Evert gains semifinal in Rome tennis. Page 25

Notes on People

Man in the News
 Sol Chick Chalkin, I.L.G.W.U. president. Page 52
 Editorials and Comment
 Editorials and Letters. Page 30
 James Reston discusses capital policy tiff. Page 31
 Tom Wicker assays bleak employment outlook. Page 31
 N. Hahn, S. Christianson on second-felony act. Page 31
 Pierre Hassner views flexible containment. Page 31

Obituaries

Rufus C. Rose, the creator of Howdy Doodo. Page 34

Business and Financial

Prices of stocks slip as trading slows. Page 39
 O.E.C.D. ministers confident of recovery. Page 39
 Farm exports expected to show drop. Page 39
 Construction contracts climb by 16 per cent. Page 39
 Monthly Perspective: May's view is recovery. Page 39
 Money supply continues to rise sharply. Page 39
 Arlen will drop Atlantic Stores. Page 39
 British Petroleum earnings down 62.5%. Page 39
 People and Business: Tax reform proposal. Page 41
 About Real Estate: "Fee Simple" housing. Page 48

CORRECTIONS

An article about Joseph Papp's production plans in The New York Times Tuesday erroneously stated that the Mizzi Newhouse Theater, in Lincoln Center would be devoted to the production of classics. The Newhouse Theater will become a children's theater. The Vivian Beaumont Theater will be devoted to revivals of classics.

The scheduled opening of the new City University law school at Queens College was incorrectly given in The Times Wednesday. The school is scheduled to open in the fall of 1976.

Advertising News	Page 47	Gaits	Page 49
Amer. Exchange	46	Market Indicators	40
Bond Sales	45	Market Place	40
Business Briefs	45	Mutual Funds	38
Commodities	49	N.Y. Stock Exch.	46
Dividends	45	Out-of-Town	40
Foreign Exchange	46	Over the Counter	38