

News Summary and Index

NYTimes

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The Major Events of the Day

The City's Fiscal Crisis

Mayor Beame asked the City Council to give him the emergency power to freeze the wages of all municipal workers as part of a broad austerity program. The freeze was the principal proposal of a series of economies proposed by the Mayor "to overcome a crisis of confidence in our fiscal integrity." Mr. Beame also asked for a freeze on the salaries of managerial employees at the July 1, 1973, level. Meanwhile, municipal unions, representing 175,000 employees, agreed to a voluntary graduated wage freeze, but the city's policemen, firemen and teachers refused to accept a freeze, and they face the prospect of having one imposed by the city. [Page 1, Column 8.]

The Metropolitan Transportation Authority announced a 15-cent increase in subway and bus fares to 50 cents, effective Sept. 1, when a new token will be introduced. The agency also approved 25-cent toll increases at most of the crossings operated by the Triborough Bridge and Tunnel Authority, and made plans for a 25 per cent increase on its commuter rail lines. [1:3.]

The Municipal Assistance Corporation called on Mayor Beame to implement numerous budgetary and management reforms—beyond the ones Mr. Beame announced at City Hall—as essential to the restoration of investor confidence in city affairs. The demands were made in a nine-page document in language that reportedly had been diluted after Mr. Beame charged, in heated private negotiations, that members of the corporation were trying to "humiliate" him and assert themselves as a "shadow government" within his administration. [1:5-6.]

The jobs of 750 sanitationmen were saved only hours before a scheduled layoff, when Mayor Beame announced that "new calculations" would make it possible to retain them for at least "a couple of months" without allocating more money to the Sanitation Department's budget. Nevertheless, Sanitation Commissioner Robert T. Groh said it "might not" be possible to clear up the garbage that has accumulated in the city's streets, since 1,434 men were laid off two weeks ago. [1:7.]

International

Portugal's High Council of the Revolution approved the setting up of a three-man military junta that will rule the country. Soon

after the announcement, nine officers and four sergeants of a special commando unit stationed near Lisbon were removed from their posts. Some of the commandos were reportedly arrested. [1:1-2.]

Premier Suleyman Demirel of Turkey rejected a plea from President Ford to reopen a gift of \$50-million in arms. Secretary of State Kissinger told reporters later that there was "no reason to believe" Mr. Demirel would reopen the bases if Congress did not lift the embargo on arms sales to Turkey. [1:1-2.]

National

Copies of the "pumpkin papers"—a set of five microfilms presented as evidence that Alger Hiss was a Communist spy at his two trials in 1949 and 1950—were released by the Justice Department. One film had been overexposed and was totally blank. Two others were faintly legible copies of Navy Department documents relating to life rafts, parachutes and fire extinguishers. The other two were photographs of State Department documents. Mr. Hiss was convicted of perjury and imprisoned for 44 months. He was present when the microfilms were made public in New York. [1:2.]

After rejecting successive Presidential proposals for a gradual decontrol of oil prices, Congress sent President Ford a bill extending the present legal authority for controls for six months beyond the expiration date of Aug. 31. Frank G. Zarb, the Federal Energy Administrator, and Ron Nessen, the White House press secretary, said the bill would be vetoed. It seemed likely that all oil price controls would be removed at the beginning of September. [1:3-4.]

Metropolitan

The Governors of New Jersey, New York and Delaware asked Congress to appropriate no money for the construction of the Tocks Island Dam in Pennsylvania. Their recommendation was expected to kill the controversial \$400-million project, which has been opposed by environmentalists. The three Governors, in addition to Gov. Milton J. Shapp of Pennsylvania, and a representative of the Department of the Interior, met to discuss the dam, and then voted 3 to 1 for the recommendation. Mr. Shapp voted against it and the Interior Department representative, abstained. [1:4.]

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Quotation of the Day

"To those who have demanded sharp evidence of reform I say, we have cut to the bone—but we cannot and will not cut into the bone. We will sacrifice and change our life-style, but we will not cripple or hobble our great city."—Mayor Beame, announcing his program of economies for the city. [1:8.]

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CORRECTION

It was incorrectly reported in The New York Times yesterday that former Gov. Terry Sanford of North Carolina, a candidate for the Democratic Presidential nomination, had only a small downtown office and no functioning headquarters in Washington. Mr. Sanford has a headquarters with a full-time staff headed by Jean Westwood, former chairman of the Democratic National Committee. It is housed in a suite of rooms in an office building at 1028 Connecticut Avenue.

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