

The Major Events of the Day

International

The 53 hostages who were herded into cell-like rooms in the United States Embassy in Kuala Lumpur last Monday lived with a constant threat of violence that underlay a veneer of courtesy shown them by the five Japanese terrorists, who were their captors. One of the 53 recalled yesterday—after the last of the hostages had been freed and the plane carrying the terrorists had departed for Libya—a moment of unbearable tension when one terrorist, "the most nervous of them all," was "fiddling with a grenade he was carrying, and dropped it." [Page 1, Columns 3-4.]

Maj. Gen. Otelo Saraiva de Carvalho, chief of Portugal's security forces, flew to Oporto, in northern Portugal, to try to put an end to a wave of anti-Communist violence in the region and restore military discipline. He emphasized that what was needed in Portugal was "a firm government, a coherent government, but above all a firm policy that avoids the use of repressive force." He is a warm admirer of Cuba. He made his statements, which were unusually mild, after a meeting with officers of the Oporto regional command. When he left the command, he was booed by onlookers. [1:6-7.]

National

Gerald R. Ford, who came to power at a time of deep national crisis as an unelected President from a minority party, has spent much of his first year in office trying to reverse Federal social and economic policies begun nearly 50 years ago. Given the circumstances, he has been surprisingly successful. The first of three articles assessing his first year in office appears today. [1:6-7.]

The Labor Department reported that the Government's Wholesale Price Index, spurred mainly by higher farm and food prices, rose 1.2 per cent in July. A rise had been widely forecast by Government officials. It was the second largest monthly increase this year, but was still far less than the typical monthly rise in inflation-ridden 1974. [1:8.]

A Federal grand jury in New Orleans indicted a corporate affiliate of two leading grain companies, the manager of its New Orleans division and 21 other persons on steal grain from foreign shipments. [1:4:1-2.]

The Other News

International

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Metropolitan

It was disclosed that Mayor Beane's new management advisory board headed by Richard R. Shinn will be a nine-member panel that will seek broad authority over city operations, evaluating both the productivity of city workers and the performance of top-level commissioners. Meanwhile, the Municipal Assistance Corporation completed a \$960-million package that its directors said would carry the city over its cash-flow crisis this month. Members of the corporation will go to Washington again to seek Federal guarantee of the corporation's bonds. [1:1.]

The city's Health and Hospitals Corporation announced that it would close sections of Sea View Hospital on Staten Island and Van Etten Hospital in the Bronx and lay off a total of 1,593 employees. [5:1-3.]

Governor Carey told heads of state agencies and departments that their budgets for the next fiscal year would, in effect, be frozen at this year's levels except for increases attributable to inflation or to the completion of new facilities. [1:2.]

The Good Humor Corporation and a present and former officer have been indicted by a grand jury on charges of producing and selling ice cream with an illegally high bacteria content. The 244-count indictment was announced by District Attorney Eugene Gold of Brooklyn. [1:5.]

State officials warned the public not to eat striped bass from the Hudson River or salmon from Lake Ontario because Federal and state researchers have found that the fish contain dangerously high amounts of PCB, a toxic chemical used in many manufacturing processes. [1:4-5.]

Herbert Hikin, the informant whose testimony helped send more than a dozen New York City officials and organized-crime figures to jail, has become involved in a Byzantine, high-stakes industrial espionage case in Southern California, where he and his family were relocated by the Government to start a new life under a new name. [1:3-4.]

Quotation of the Day

"Every proposed expenditure must be viewed as a potential candidate for reduction."—Governor Carey, in a message to agencies and departments. [1:2.]

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CORRECTIONS

It was incorrectly reported in The New York Times yesterday that the United Nations Security Council had voted 14 to 0, with the United States abstaining, to put on the agenda the application of South Vietnam and North Vietnam for United Nations membership. Actually, that was a preliminary vote; the final vote on the agenda was 12 nations in favor, with the United States opposed and Britain and Costa Rica abstaining.

An article in The Times yesterday on the Shakespeare and Company bookstore in Paris incorrectly implied that two of the writers mentioned were still alive—Langston Hughes and Richard Wright.