

# News Summary and Index

NYTimes SATURDAY, AUGUST 30, 1975 AUG 30 1975

## The Major Events of the Day

### International

Gen. Vasco Gonçalves, opposed for weeks by overwhelming military and political forces trying to promote Communist rule in Portugal, was dismissed yesterday as Premier by President Francisco da Costa Gomes. He was replaced by Vice Admiral José Batista Pinheiro Azevedo, the 58-year-old Chief of Staff of the navy. But a new conflict was seen possible: General Gonçalves has been appointed Chief of Staff of the armed forces, a move his opponents also resisted. [Page 1, Column 1.]

Gen. Juan Velasco Alvarado, the President of Peru, who headed a leftist military government for seven years, was overthrown in an apparently bloodless coup and replaced by his Premier, Gen. Francisco Morales Bermudez, who is widely regarded as a more conservative and pragmatic leader. [1:2-3.]

Foreign Minister Yigal Allon of Israel said yesterday that the presence of American technicians in the Sinai passes was "one of the central conditions" of Israel's willingness to agree to a new disengagement accord with Egypt. He called on Congress and the American public to support it. Mr. Allon and Secretary of State Kissinger said that they expected the accord to be initiated by Egyptians and Israelis "early next week." [Page 1, Column 4.]

Eamon de Valera, a chief strategist and fighter in the cause of Irish independence, who had a key role in the Easter Monday Rebellion of 1916, died in a Dublin nursing home at the age of 92. He had been three times Prime Minister of the Republic of Ireland, and had served two consecutive seven-year terms as President, the last expiring in 1966. [1:4-5.]

Five major art exhibitions will be exchanged between the Metropolitan Museum of Art in New York and the Soviet Union between now and 1980. It was announced in Moscow yesterday by Thomas P. F. Hoiving, the Metropolitan's director. [1:5-6.]

### National

Following a meeting with President Ford, Mike Mansfield, the Senate Democratic leader, said that Mr. Ford was willing to sign into law next month a 35-to-40 day revival of oil price controls. In that period, Mr. Mansfield said, the Democratic-controlled Congress would try to work out with

the Administration a mutually acceptable formula for a further extension of controls combined with a gradual phasout. [1:5.]

The interest ceiling on Government-backed home mortgage loans will be raised to 9 per cent Tuesday. Carla Hills, the Housing Secretary, said the rise from 8.5 per cent, the rate effective since April, was necessary because home sellers were being charged excessively high penalties by mortgage lenders. By easing the effect of the penalty on the home seller, the burden of higher borrowing costs will be transferred to the homebuyer. [1:6.]

President Ford proposed a 5 per cent pay increase for all Federal employees, including members of Congress. This would assure members of Congress, under a law enacted last month, the same pay increase granted other Federal employees each year. Mr. Ford rejected the recommendation of his Federal pay advisers of an 8.66 per cent salary increase on the ground that it would be inflationary. But Congress will make the final decision on the size of the increase. [1:2-3.]

### Metropolitan

New York City has an accumulated deficit of \$3.3-billion. The figure was agreed on by Governor Carey, Mayor Beame, State Controller Arthur J. Levitt, City Controller Harrison J. Goldin and officials of the Municipal Assistance Corporation. It includes debt from prior years as well as new deficits being incurred in the current fiscal year. The M.A.C. said its \$3-billion borrowing authority could meet most of the accumulated debt, but warned that new economies were necessary. [1:8.]

Governor Carey plans to call a special session of the Legislature next week if an intricate package of financing arrangements can be worked out this weekend to raise the cash the city needs to avert a default. The Legislature would be asked to establish a state fiscal panel—agreed to earlier this week by Mayor Beame—that would have control over the city's revenues. [1:6-7.]

The present token will remain in use when subway and bus fares rise from 35 cents to 50 cents at 12:01 A.M. Monday. Until then, the sale of tokens will be limited to two at a time. The Transit Authority said the option of switching to a new and smaller token to confound hoarders was not taken because a major rush on the present token did not develop. [1:7.]

## The Other News

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## Quotation of the Day

"It is already known to all concerned that the United States presence and I am convinced that Congress will approve this by a majority."—Foreign Minister Yigal Allon of Israel, in remarks on television. [1:4.]

### Amusements and the Arts

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## CORRECTIONS

Because of an erroneous transmission by the Associated Press, The New York Times reported in its dividend table yesterday that Time Inc. had omitted its dividend. Last week, the publishing company declared a dividend of 50 cents a share.

A Reuters dispatch in The Times yesterday contained incorrect information concerning antitrust litigation involving the International Business Machines Corporation and the Telex Corporation. A corrective article appears on Page 26.