

News Summary

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International

Israel's decision to establish three new Jewish settlements on the West Bank were denounced by the Carter Administration as "illegal," and it said that there would be new "obstacles to constructive negotiations." The Administration, in a statement issued by the State Department, also criticized Prime Minister Menahem Begin's decision to extend Israeli Government services to Arabs living on the West Bank as "unhelpful". [Page 1, Column 3.]

Egypt cautiously disclosed a proposal to cut food-price subsidies and stressed that this would be compensated by a substantial rise in wages. The Government was apprehensive of a recurrence of January's riots that were provoked by an abrupt cut in subsidies on flour, sugar, cooking gas and other basic commodities. [A5:1-5.]

National

Criminal prosecution of Bert Lance is not warranted, the Comptroller of the Currency, John Heimann, said in presenting a report on his office's investigation of the budget director's financial affairs. Mr. Heimann, however, criticized Mr. Lance's business practices while he was an official of a Georgia bank. [A1:6.]

President Carter said that the Comptroller's report on Mr. Lance had reconfirmed "my faith in the character and competence" of the budget director and that Mr. Lance would remain in office. Mr. Carter left Camp David to introduce Mr. Lance at a Washington news conference. "Bert I'm proud of you," the President said as he shook Mr. Lance's hand. [A1:4-5.]

His physicians said that Senator Hubert H. Humphrey had cancer of the pelvis that was beyond surgical help. The Senator underwent an operation in Minneapolis to relieve an obstruction

of the large intestine, and the surgeon said the cancer was "terminal." Mr. Humphrey underwent surgery for bladder cancer last year. The doctors said that he can continue his usual activities while being chemically treated for the inoperable cancer. [A12:3.]

Metropolitan

The parking ban in midtown Manhattan may end soon. New York City and the Federal Government announced that they had agreed on a new clean-air plan for Manhattan that would rely less on banning parking and put more stress on the use of mass transit and the enforcement of traffic laws. The new plan is expected to be approved by Federal judge. [A1:1-2.]

The promoter of a million-dollar Las Vegas backgammon tournament scheduled for December has solicited and collected what his associates say could be as much as \$400,000 in entry fees by promising to keep the funds in an escrow account, but bank officials say that the account never existed. The promoter, Jules H. Klar of Phoenix, a 42-year-old travel executive, said that he had advertised the account in brochures, but at the time the brochures were prepared he had applied for such an account at a Phoenix bank and had been given to believe that it would be established. [A1:3.]

Mayor Beame disclosed that the day after David R. Berkowitz was arrested and accused of being the .44 caliber killer, a pretrial agency had recommended his release without bail on his own recognizance because he had a permanent residence and a steady job. "This monumental irony," the Mayor said, "underlines my contention that we must crack down on loopholes in the criminal justice system." [A1:4-5.]

Even though "certain officers" of his company had been "forced to resign" by Nevada's casino regulatory agency because of questionable associations,

William T. O'Connell, president of the Bally Manufacturing Corporation, said he was confident that New Jersey would grant Bally a license to operate a casino in Atlantic City. He said his company, manufacturer of pinball and slot machines, "never has had any association with organized crime." [B3:6.]

Business/Finance

Bethlehem Steel announced a cutback in plant operations for the second time this month. Lewis Foy, the company's chairman, said certain coke ovens in blast furnaces would be closed down at the Lackawanna, N. Y., plant, reducing the number of employees there by about 3,500. The plant's steel capacity would be cut from 4.8 million tons a year to 2.8 million. [D1:4-6.]

A brisk midday rally failed to save the Dow Jones industrial and transportation averages from finishing at a new 1977 low for the third consecutive trading session. The industrial average was ahead by nearly 7 points at noon but then began steady decline, finishing with a token loss of 0.43 points at 864.26. The average has dropped nearly 60 points over the last four weeks. The transportation average, reflecting a decline in railroads and airlines issues, dropped 1.07 points to 215.33. Utilities also continued to move downward. [D1:1-2.]

Swiss and Dutch police announced the break-up of an international ring that dealt in phony American blue jeans that were actually made in Taiwan and South Korea and sold in Europe under the forged label of Levi Strauss, the world's best known manufacturer of jeans. The police arrested four men and seized 52,000 pairs of jeans that had been destined for West Germany and Eastern Europe. [D1:3-5.]

A civil complaint was filed by the Securities and Exchange Commission against Fisco Inc., a Philadelphia-based automobile insurance company that was charged with using a computer program to understate losses and inflate profits to raise the value of its stock now said to be practically worthless. Fisco's subsidiaries at one time had written \$57 million in face value of insurance. Its computer program had been code-named "clean." [D1:5.]

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Quotation of the Day

"Bert Lance enjoys my complete confidence and support. I'm proud to have him as part of my Administration as he has been throughout."—President Carter. [A17:3.]

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