

News Summary

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International

Foreign Minister Moshe Dayan of Israel has told members of the House International Relations Committee in Washington that his country would be ready to let the United States establish a naval base for the Sixth Fleet in Haifa. He reportedly said he did not want American troops involved in a peacekeeping role as part of a peace settlement with the Arabs. Administration officials said the idea of a naval base had been under study for some time but was not under active consideration, although it might be considered as part of an overall settlement. [Page A1, Column 1.]

Mark Peter Bischoff, aged 5, goes to an English-speaking kindergarten in Montreal, against the law of the Province of Quebec, which says children who are not from the English-speaking community must go to school in French. The boy's parents immigrated to Canada as children. [: .]

National

Bert Lance resigned as budget director after weeks of controversy over his past business and banking practices, and President Carter said he accepted his friend's decision with "regret and sorrow." The President said Mr. Lance had "exonerated himself completely" of all charges and denied any mistake of judgment in appointing him. However, he said Mr. Lance was right in stepping aside because it would be difficult for him to devote full time to the responsibilities of the office, and because he might need to turn his attention to his personal financial difficulties. [A1:1-6.]

The smallest consumer price increase since last November was reported by the Bureau of Labor Statistics for August—three-tenths of 1 percent. Some government economists thought declining farm prices this fall would continue

to keep the increase at this relatively low rate. But the general belief is that a sudden upsurge of prices is more likely, and the Administration sees the sag in farm prices as separate from the underlying inflation rate for the rest of the economy. [A1:2.]

The theory that the universe is infinite and destined to expand forever is being challenged by two studies reviving the possibility that it is finite and predestined to collapse. The new observations taking separate but related approaches suggest that expansion has slowed enough to bring about a falling back together of all galaxies and stars in billions of years. [A1:2-3.]

Sidney Gottlieb, who supervised C.I.A. drug tests, said that the agency carried out such tests on unsuspecting people with the cooperation of the old Federal Bureau of Narcotics, which wanted to know if potential narcotics informants could be made to talk. This testimony by the man supervised the tests for the Central Intelligence Agency contradicted denials by former bureau officials that they knew anything about this. [55:1-3.]

Metropolitan

Governor Carey and Mario M. Cuomo, whom Mr. Carey backed in the contests for the Democratic nomination for Mayor of New York City, met amid reports from the Governor's aides that he would support the party nominee, Edward I. Koch, in the election. Mr. Cuomo is still on the lire of the Liberal party, whose state chairman said nothing had changed. [A1:1-2.]

Edward I. Koch, who is expected to become New York City's next mayor said that he is "not the government-in-exile." He explained that he had told some city commissioners to make their own decisions after they had called him for advice. He said he would resume activity Monday in what aides called a "full-scale campaign." [16:1-2.]

New York City's budget deficit will be at least \$350 million next year, four times greater than Mayor Beame had projected. Fiscal officials who disclosed the gap said they hoped an expanding economy would generate additional revenue to offset it. [A1:3.]

Nassau County was accused of discriminating against blacks, Hispanic people and women in the County Police Department in a suit brought by the United States Attorney General. The County Police Commissioner, when told of the suit in Federal Court in Brooklyn, denied any discrimination and called the Justice Department's call for goals and timetables a euphemism for quotas. He urged that civil service lists be followed. [31:6.]

Business/Finance

Trade with Arab countries would still be possible under new regulations to enforce the new Federal anti-boycott law outlined by the Department of Commerce. Several officials close to the proposals, which would take effect Jan. 18, said they would continue to give American business considerable leeway in carrying on such trade. No immediate comment came from Jewish groups that helped formulate the law. Several experts from those groups said there were "loopholes" that would allow many transactions with Arab countries to go on as before. [37:1-2.]

H. Johannes Witteveen, head of the International Monetary Fund since 1973, said he would not seek another five-year term as managing director in 1978. The 56-year-old former Dutch Finance Minister told a closed meeting of the fund's executive board that he was retiring for personal reasons. [37:3.]

Stock prices declined sharply across the board, with losers on the New York Stock Exchange outnumbering winners 2-to-1. Dow Jones industrials dropped 10.82 points to 840.96, the lowest closing level in 21 months. One analyst attributed the selloff to an investor vote of no confidence in equities, citing uncertainties about the provisions of the Carter tax bill and Administration failure to get its energy program through Congress. [37:6.]

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YOM KIPPUR

Alternate-side-of-the-street parking regulations will be suspended today for the Jewish holiday of Yom Kippur. The city's public schools will be closed in its observance, as will some suburban schools. Banks and both stock exchanges will remain open as will most department stores and most government offices, including post offices. Mail deliveries will not be affected.

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Quotation of the Day

"Because of the amount of controversy and the continuing nature of it, I have decided to submit my resignation as director of O.M.B. I desire to return to my native state of Georgia."
 —Bert Lance. [33:1.]

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CORRECTION

The Arts and Leisure Guide in Section 2 of The Times last Sunday incorrectly listed Sept. 22 as the date for a lecture on Isadora Duncan at the New York Public Library at Lincoln Center. The event was held the preceding week.