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What's News

Business and Finance

World-Wide

MONETARY DISCIPLINE is essential to curbing inflation, Fed Chairman Volcker said. At a session with reporters, a cautious Mr. Volcker wouldn't predict interest rates or the economic outlook and argued that, though he favors a tax cut more heavily weighted to business, it is currently a bit premature to make that decision.

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The basic money supply, M1, surged an unexpected \$1.8 billion in the week ended Aug. 15, while a broader gauge, M2, jumped \$3 billion. The gains put added pressure on the Fed to squeeze credit further.

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The budget-deficit estimate for fiscal 1979 was widened by the Carter administration to \$30.26 billion, due to a \$594 million increase in projected outlays. The White House also raised its estimate of receipts for the year.

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Car sales in the U.S. climbed 22% in mid-August to an estimated 242,982 units, a record. General Motors and Ford posted volume highs in the period, when they both had extensive factory sales-incentive programs. Most analysts termed the increase "a fluctuation," discounting any idea of an auto sales recovery.

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THE SECURITY COUNCIL debated a UN resolution on Palestinian rights.

The U.S. failed to win postponement of the debate on the resolution, a strong affirmation of Palestinian demands for "self-determination." The U.S. is expected to veto the resolution if it is introduced when debate resumes today.

Egypt opened the debate by saying the council should restore "the inalienable rights of the Palestinian people." But Israel condemned the pending resolution as an attempt to subvert its peace treaty with Egypt.

A Palestine Liberation Organization observer said he will ask his Arab supporters to seek an emergency General Assembly session if the U.S. uses its veto.

The Israeli military reported that its troops staged an armored raid into southern Lebanon, blowing up two houses allegedly used by Palestinian guerrillas. One officer was killed and two soldiers were wounded. Lebanon said the 40-man Israeli unit struck the village of Barrachit six miles from the border.

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A PRESIDENTIAL PANEL blocked resumption of nuclear-plant licensing.

The panel, which is probing the Three Mile Island accident, sharply criticized the Nuclear Regulatory Commission's plan to lift a moratorium it imposed on licensing May 21. The criticism prompted Harold Denton, a top NRC official, to agree to put off action until the five NRC commissioners meet on the question.

Dartmouth College President John Kemeny, chairman of the presidential commission, said the NRC shouldn't resume licensing until his panel issues its report Oct. 25. Panel member Carolyn Lewis complained