

2 MORE SUSPENDED AS PORT AUTHORITY EXAMINES EXPENSES

'IRREGULARITIES' IN ACCOUNTS

Treasurer and Director of Aviation Said to Have Voluntarily Told of Actions—Repayment Promised

By RALPH BLUMENTHAL The treasurer and the director of aviation of the Port Authority of New York and New Jersey were suspended without pay late yesterday after admitting "irregularities" in their expense accounts, the agency announced.

The suspensions of the two men—Alexander Leslie, the treasurer, who is paid \$52,000 a year, and Caesar B. Pattarini, the aviation director, who receives \$61,000—were ordered and announced by Peter C. Goldmark Jr., the authority's executive director.

Mr. Goldmark said both officials "had voluntarily reported the irregularities and in each case the individual had indicated his willingness to reimburse the Port Authority for the minor amounts of money involved."

The action came five days after the suspension of another top official of the agency, John Tillman, the \$55,000-a-year chief spokesman and director of public affairs, who admitted after an investigation by The New York Times that he had regularly padded his expense accounts with fictitious entries since 1974.

Subject of 3 Inquiries The giant agency, with nearly 8,000 employees and control of \$4 billion worth of real estate, has become the object of at least three New York State investigations since it was disclosed last June that commissioners and directors had been traveling, sometimes recreationally with their wives, to all corners of the globe at the authority's expense.

The inquiries into possible fiscal abuses and tax cheating are being conducted by the State Comptroller, the State Tax Commissioner and an Assembly committee.

The announcement of the latest disciplinary actions followed two days of intensive staff meetings in which Mr. Goldmark asked department directors and deputies to report to him any further padding or other discrepancies.

Mr. Leslie and Mr. Pattarini came forward, according to Mr. Goldmark's announcement. Neither could be reached afterward for comment.

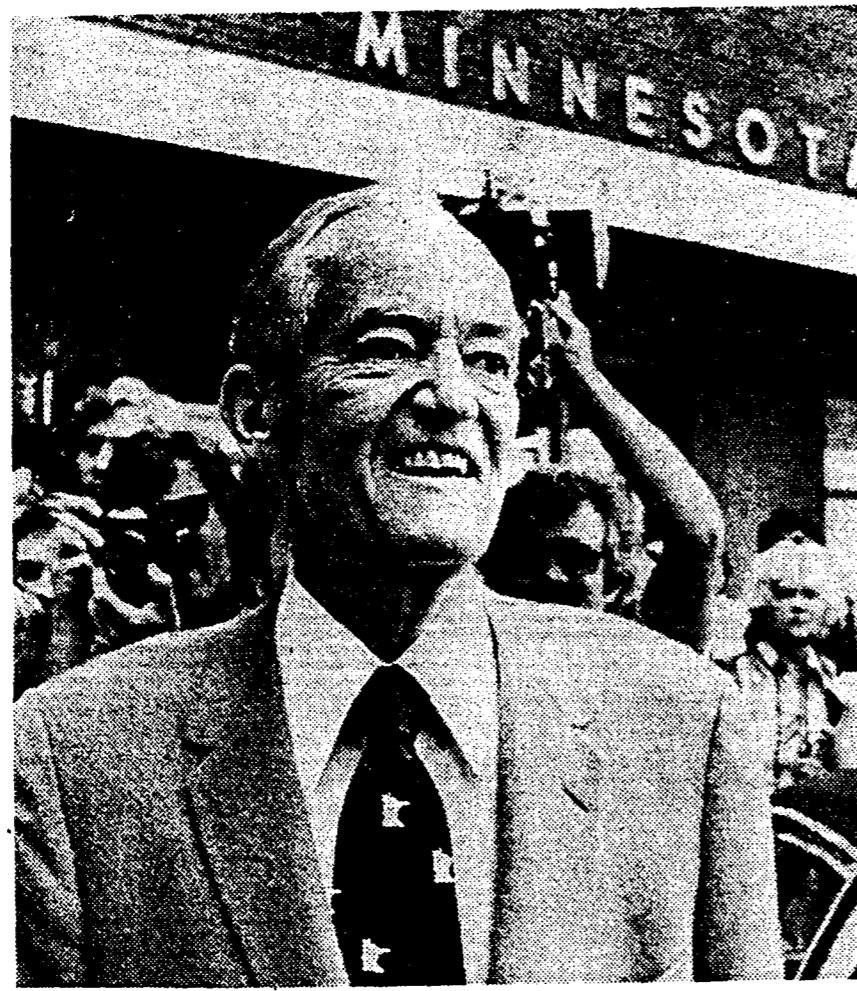
Cited Over Helicopter Use Mr. Leslie, who is 59 years old, joined the Port Authority in 1950 and became treasurer in June 1969. He has two listed residences—an apartment on East 72d Street and a home in Litchfield, Conn.

Mr. Pattarini, 54, has been working for the agency since 1947. He was named aviation director in November 1973. He lives in Garden City, L.I.

In what did not appear to have any direct connection with their suspensions, both executives were cited in a New York State legislative inquiry report on Tuesday for what it called improper personal use of Port Authority helicopters.

Mr. Goldmark said later that Mr. Pattarini had agreed to reimburse the agency for what the Assembly Committee on Authorities said were at least 30 personal flights by his wife.

The four-sentence announcement of the suspensions said there would be "no further comment on this issue pending further verification and final disposition of



GOING HOME: Senator Hubert H. Humphrey leaving University of Minnesota Hospital following 18-day stay during which inoperable cancer was found.

Did Banks 'Dump' City Notes?

Report by S.E.C. Also Raises the Issue of Whether They Failed to Disclose Inside Data to Investors

By DEBORAH RANKIN at the same time the banks were asking the public to buy the city's obligations. The S.E.C. report clearly indicates that the underwriters held back on alerting investors to this danger because they feared full disclosure would render the city notes unsalable.

The S.E.C. maintains that the banks' intimate knowledge of the city's deteriorating financial condition—and in particular, the banks' own investment decisions not to buy any more of New York's short-term debt—constituted "material" information that the underwriters were obliged to disclose under Federal securities laws.

How those laws apply to municipal debt is largely unsettled, but if the same situation had prevailed between a business corporation and its underwriters, disclosure clearly would have been required.

The issue of disclosure has been largely overshadowed, however, by the emotionally charged dispute over dumping, a charge leveled at the banks by Mayor Beame at a news conference a week ago. In like fashion, all six banks named in the

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C.I.A. SAYS IT FOUND MORE SECRET PAPERS ON BEHAVIOR CONTROL

Senate Panel Puts Off Hearing to Study Data—Dozen Witnesses Said to Have Mised Inquiry

By JO THOMAS Special to The New York Times WASHINGTON, Sept. 2—The Central Intelligence Agency said today that it had discovered 10,000 additional documents describing its secret research on control of human behavior, which was conducted from 1943 to the mid-1950's.

The Senate Subcommittee on Health and Scientific Research, which had scheduled for Sept. 9 hearings on human experiments by the C.I.A. and the Department of Defense, today postponed those hearings until Sept. 20 to study the documents and other related materials newly found in a West Coast college library.

Sources close to the investigation said that the papers found on the West Coast indicated that about a dozen persons had made misleading statements in interviews with Senate investigators who are studying the C.I.A.'s research. Inactive Records Reviewed

The newest discovery of C.I.A. records, an agency spokesman said today, was made Aug. 15 in "a routine review of inactive records" in which they were to be designated for disposal or to be placed in archives.

An agency spokesman said today that agency personnel were reading and "sanitizing" the newly discovered documents for public release.

A statement issued today by Senator Edward M. Kennedy, Democrat of Massachusetts, who is chairman of the Senate health subcommittee, said that the recent discovery of other documents also influenced the subcommittee's decision to postpone hearings.

These include the diaries and personal papers of the late George H. White, a former Bureau of Narcotics agent believed to have been a key figure in the C.I.A.'s drug experimentation program.

Mr. White, who served with the Office of Strategic Services in World War II, they cannot realistically count either on the refugees' accepting repatriation or on traditional immigrant-receiving nations' taking all or even most of the present camp population and those who may follow.

Thailand has come closer than others. As unwilling host to 87,000 refugees—70,000 Laotians, 14,000 Cambodians and 3,000 Vietnamese—it has borne the brunt of the problem and is given credit by refugee officials for having done its part, however unwillingly.

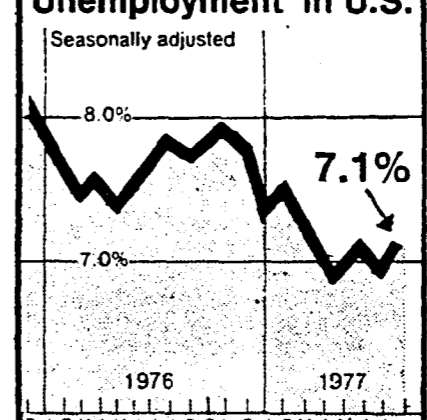
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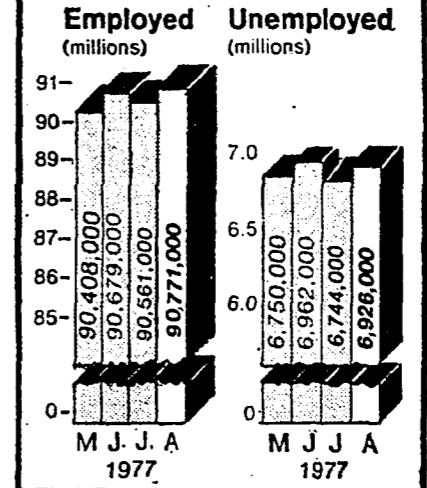
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Unemployment in U.S.



Seasonally adjusted



The New York Times/Sept. 3, 1977

BLACKS BEAR BRUNT OF JOBLESS RATE RISE TO 7.1% FOR AUGUST

CARTER ASKS REPORT ON CAUSE

Figure Reaches 14.5%, Matching Highest Postwar Level—Rights Leaders Score President

By PHILIP SHABECOFF Special to The New York Times WASHINGTON, Sept. 2—The Labor Department reported today that the unemployment rate rose two-tenths of a percentage point in August, to 7.1 percent of the work force, and said that the increase reflected almost exclusively higher unemployment among black workers.

Civil rights leaders immediately asserted that the new figures confirmed charges by black leaders earlier this week that the Carter Administration had neglected blacks, the poor and the cities.

President Carter, apparently spurred by the August unemployment results and by the criticism of the black leaders, today asked Charles L. Schultze, chairman of the Council of Economic Advisers, and Secretary of Labor Ray Marshall to prepare a report on the reasons for the rising unemployment among blacks and on steps for attacking the problem.

Ask Report Next Week Jody Powell, the White House press secretary, said that the President had asked that the report be ready for a meeting he has scheduled with the Congressional Black Caucus next week.

At his news briefing, Mr. Powell said that "it is our view that the fundamental economic situation is good for continued healthy recovery." He added, however, "The President is deeply concerned about figures from the Department of Labor which indicate a very large jump in minority unemployment in August."

After the unemployment figures were released, George Meany, the president of the American Federation of Labor and Congress of Industrial Organizations, reiterated his demand for a new program of direct job creation by the Federal Government.

The unemployment rate among black workers moved from 13.2 percent in July to 14.5 percent in August, which matched the highest post-World War II level for jobless blacks.

6.1 Percent for White Workers Among white workers, the unemployment rate was 6.1 percent in August, unchanged from the July figure.

Together, the number of jobless people rose by 180,000 last month to 6.9 million. Many of those joining the unemployment rolls were laid off from their jobs, according to the Labor Department.

Unemployment was high among all categories of black workers, but the jobless rate among black teen-agers, 40.4 percent, was called "extremely high" by the Labor Department's Bureau of Labor Statistics.

The bureau also reported that the ratio of black to white jobless rates "continued its recent updraft to the unusually high level of 2.4 to 1 in August," meaning that 2.4 black workers were without jobs for every unemployed white worker.

Meanwhile, total employment rose by 210,000, bringing the number of working Americans to 90.8 million in August. All of the increase occurred among white workers, both adults and teen-agers, according to the report.

Julius Shiskin, the Commissioner of Labor Statistics, said that the increase in unemployment among black workers was a "serious problem" and that the Administration must take action to address it.

WIDER LANDING RIGHTS FOR CONCORDE HINTED

Administration Reportedly Weighing 10 Additional Airport Sites

By ERNEST HOLSENOLPH Special to The New York Times WASHINGTON, Sept. 2—The Carter Administration is weighing the possibility of giving the Concorde supersonic airliner landing rights at 10 cities in addition to New York and Washington despite the controversy surrounding the noise of the craft, Government sources said today.

Under the terms of the Concorde test agreement formulated by the Administration of President Ford, the Government may issue a ruling on permanent landing rights for the plane Sept. 24, the date that marks the end of the 16-month test at Dulles International Airport in northern Virginia to determine if the Concorde's noise levels meet posted standards.

The proposal is likely to come from a set of recommendations being considered by the State and Commerce Departments, the Environmental Protection Agency and trade negotiators.

A final ruling will be made by next week, sources said.

U.S. and Canada Agree on a Plan For Gas Pipeline

By ROBERT TRUMBULL Special to The New York Times OTTAWA, Sept. 2—Negotiators for Canada and the United States reached an agreement "in principle" tonight on conditions for the construction of a multibillion-dollar pipeline to carry Alaskan natural gas to the lower 48 states through Canadian territory, but the final decision rests with President Carter.

James R. Schlesinger, the United States Secretary of Energy, and Allan MacEachen, the chief Canadian negotiator, announced that the two sides had reached an accord on fundamental principles for the pipeline project after more than 12 hours of discussions yesterday and today.

The agreements reached today will go before the Canadian Cabinet next week. Meanwhile it was announced in Washington that Mr. Carter had asked Congress for a postponement until Sept. 15 for his decision on whether to accept the Canadian route or approve an alternate proposal by the El Paso Natural Gas Company to bring the gas south from Prudhoe Bay, on the Alaskan North Slope, to Valdez for liquefaction and shipment to California by tanker.

Canada was expecting a possible solution of the remaining problems to emerge from a meeting between Mr. Carter and Mr. Trudeau on Sept. 7, when the Canadian Prime Minister will be in Washington, along with the heads of Latin-American governments, to observe the signing of the Panama Canal Treaty.

The American negotiators were reported to have balked at the additional cost for United States consumers entailed in the Canadian conditions. Mr. Schlesinger and Mr. MacEachen declined to discuss the details of the agreement.

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Malaysia, Spurred by U.S., Is Letting In Indochinese

By HENRY KAMM Special to The New York Times BANGKOK, Thailand, Aug. 31—President Carter's decision last month to admit 15,000 more refugees from Indochina has already produced one important result, American diplomats report: Malaysia, where most of the Vietnamese fleeing in fishing boats run ashore, no longer pushes them back out to sea, as it frequently did.

Of the 8,000 "boat people" in transit camps from Japan to Indonesia, 3,000 are in Malaysia, many of them after having been sent back to sea several times until they scuttled their craft and had to be sheltered.

The diplomats attribute the change of attitude—which has not spread to Singapore, where refugees continue to be rejected—to more than the American action. Other countries have followed the American lead in offering to take in refugees.

Australia will accept 1,500 to 2,000 in a year, Canada 450, New Zealand 420 Belgium 150 and Denmark 50.

This, with a continuing French program of admitting up to 1,000 a month, has given some Asian nations, notably Thailand and Malaysia, hope that they will not be permanently burdened.

Thai officials have acknowledged that they cannot realistically count either on the refugees' accepting repatriation or on traditional immigrant-receiving nations' taking all or even most of the present camp population and those who may follow.

Pneumonia Bacteria Building Resistance

By HAROLD M. SCHMECK JR. Special to The New York Times

WASHINGTON, Sept. 2—Germs that are among the leading causes of pneumonia throughout the world have developed resistance to the main drugs usually used against them, Federal health authorities reported today.

The problem has arisen with some strains of bacteria called pneumococci, the most common cause of bacterial pneumonia in the world. These bacteria are also common causes of meningitis and some other serious diseases.

If the drug-resistant bacteria become widespread they could develop into a major health problem, according to authorities in the field. At present, the bacteria appear to be limited to South Africa, where they have caused four known deaths among children, experts at the Center for Disease Control in Atlanta said today.

The center, the Government's main agency for dealing with infectious disease outbreaks, has sent a doctor to South Africa to study the situation. Experts say there is no way of predicting whether, or how fast, the resistant strains of pneumococci may spread elsewhere. Ever since penicillin first came into use

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INSIDE

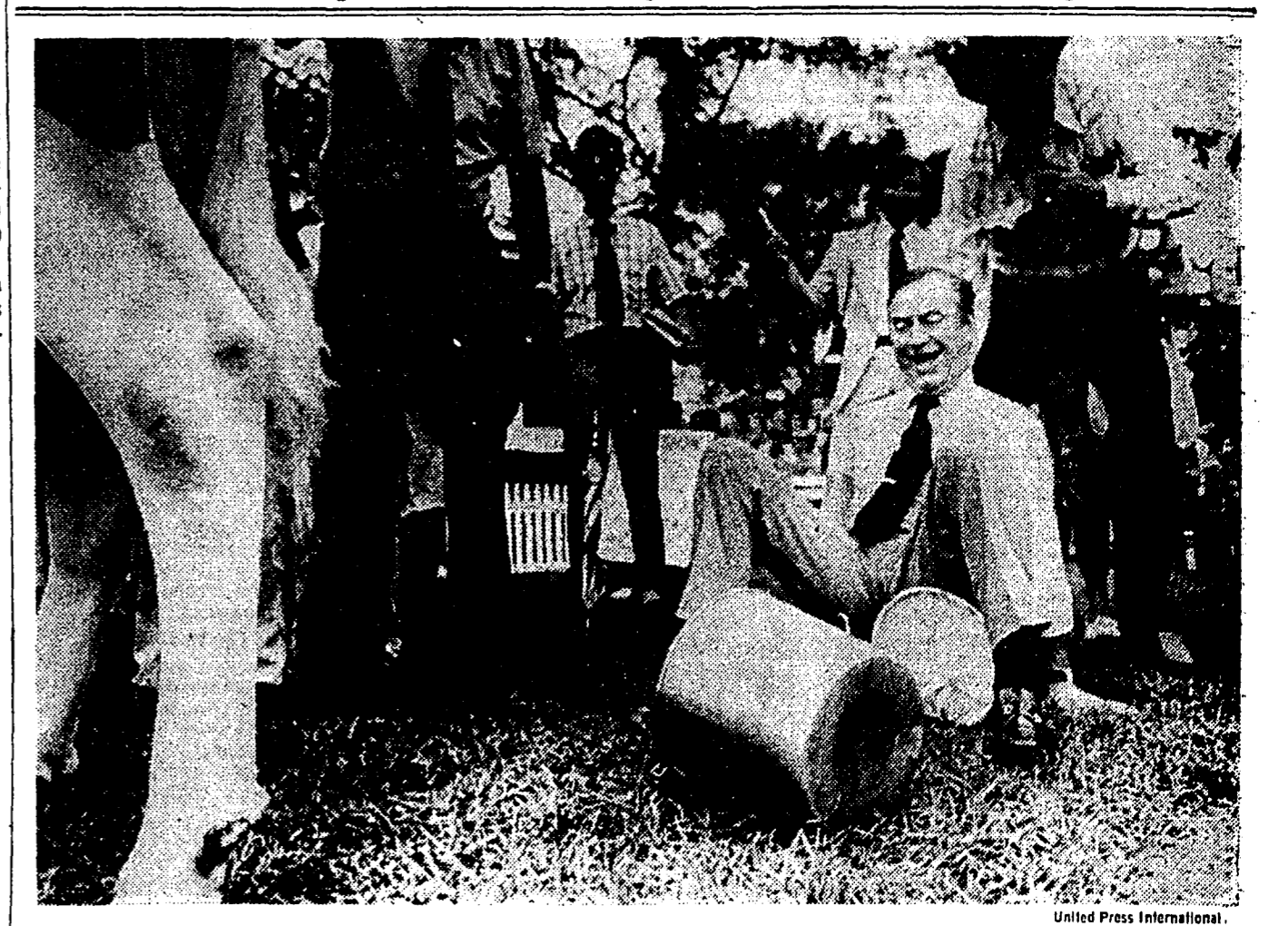
Rhodesia Derides Peace Plan

Prime Minister Ian D. Smith of Rhodesia derided a British-American peace plan, but said his Government would give it "serious consideration." Page 3.

Bhutto Reported Held

Police sources in Karachi said former Prime Minister Zulfikar Ali Bhutto of Pakistan, deposed in a coup July 5, had been arrested. Page 2.

Table listing various sections: About New York, Around Nation, Books, Bridge, Business, Churches, Crossword, Editorials, Family/Style, Finance, Going Out Guide, Movies, Music, News Quiz, Notes on People, Obituaries, Op-Ed, Sports, Theaters, Transportation, TV and Radio, Weather, News Summary and Index.



THE COW HAD OTHER IDEAS: Governor Carey smiling as Rosie, the cow, knocked him off milking stool at New York State Fair in Syracuse late Thursday. Trying a second time, the Governor remarked, "It must be a Republican."