

News Summary

NYTimes

SATURDAY, NOVEMBER 20, 1976

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International

Brazil's military Government has come under the strongest attack by the Roman Catholic Church since President Ernesto Geisel took office in 1974. The bishops accused the right-wing regime of allowing policemen to go unpunished for torture and killing, of presiding over unjust distribution of rural land and of failing to protect the dwindling Indian population against encroachment by white settlers. [Page 1, Cols. 1-3.]

A 27-year alliance between West Germany's conservative Bavarian Christian Social Union party and the Christian Democratic Union ended with a vote by the Social Union, led by Franz Josef Strauss, to break away from the Christian Democrats. An aide said that Mr. Strauss wanted to make his regional party a national force and would seek to do so in the 1980 elections. [2:4-6.]

The Palestine Liberation Organization plans to open an office in Washington to lobby among American officials and members of Congress and provide general information about the Palestinian cause. [6:1-3.]

National

Patricia Hearst was freed from prison after her family posted bonds totaling \$1.5 million, \$100,000 of it in cash. Miss Hearst, who has been in prison for 14 months, is eligible to remain free pending appeal for a new trial on her bank-robbery conviction. She was sentenced to seven years in prison on Sept. 24 by Federal District Judge William H. Orrick Jr., who also allowed her release on bail. [1:1-2.]

Inflation continued to abate in October as consumer prices registered their smallest increases since March, the Labor Department said. The October index of consumer prices was 173.3 percent of its base, which is calculated on average prices in 1967. The department also reported that the increase in con-

sumer prices in the 12 months ending in October was the smallest for any 12-month period since early 1973. [1:3.]

A 12-hour strike ended as the United Automobile Workers and General Motors tentatively agreed on a new three-year contract. The accord is expected to be ratified by union members the week beginning Dec. 6. [10:1-2.]

Metropolitan

The year-old moratorium on the payment of more than \$1 billion in New York City's short-term notes was declared unconstitutional by the New York State Court of Appeals. The 5-to-1 ruling, a dramatic reversal of two lower-court decisions, invalidated the cornerstone of the financial mechanism that saved the city from bankruptcy last year and stunned state and city officials. However, the state's highest tribunal said that holders of city notes were "not entitled" to any immediate payments, if the payments disrupted the city's delicate fiscal situation. [1:6.]

Bonds of the Municipal Assistance Corporation dropped sharply following the tribunal's decision. The ruling surprised and brought confusion to the bond market. Several dealers speculated that the notes would have to be paid off with a Federal Treasury loan to the city. The court chose a Friday afternoon to announce its decision so that the bond market would be upset as little as possible. [1:4-5.]

Treasury Secretary William E. Simon said he was "absolutely not discouraged" by the Court of Appeals overturning the moratorium. He said Treasury officials would work with city and state officials to develop a plan to make up the lost money. [14:4-5.]

The New York Post, the oldest continuously published daily American newspaper, will be sold to Rupert Murdoch, whose publishing empire includes newspapers in Australia, England and this country. Dorothy Schiff, editor in chief

and publisher of The Post, announced that she had agreed to sell the newspaper to Mr. Murdoch but details were not disclosed. They issued a joint statement about the proposed purchase. Mrs. Schiff has owned the Post since 1939. [1:4-5.]

Ewald B. Nyquist was dismissed as Education Commissioner, his term to end no later than June 30, by the New York State Board of Regents in an 8-to-7 vote. Members of the Regents, the state's highest education policy-making body, exchanged bitter charges and angry denials about the board's motivations in dismissing the controversial Commissioner. Several board members and State Education Department officials wept, and a deputy commissioner, Thomas D. Sheldon, submitted his resignation in protest. [1:1-3.]

Business/Finance

The shift of industry and jobs from the North to the South has been greatly exaggerated, according to a report sponsored by the Office of Economic Research of the Government's Economic Development Administration. The report said that "rhetoric and biased studies" that contributed to competition between the regions may harm the economic development of both. [1:4-5.]

The Morgan Guaranty Trust Company unexpectedly cut its prime lending rate from 6½ percent to 6¼ percent, effective Monday. No other banks followed suit immediately but other reductions are expected if money market conditions remain soft. [31:4.]

A reduction in its discount rate, from 5½ to 5¼ percent, was announced by the Federal Reserve Board. The Fed said that "the action will bring the discount rate into better alignment with short-term rates generally." But the reduction was widely interpreted as a response to growing signs of a "pause" in economic growth. [31:6.]

Stock prices extended their broad-based advance, but the Dow Jones industrial average closed at 948.80, with a token loss of 1.33 points. Dow industrials rose 21 points in the week, after losing 37 points in the two previous weeks. [31:5-6.] **Prices of soybean futures** rose to near the limit and then fell back sharply in profit-taking. [35:1-2.]

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Quotation of the Day

"It would be a lot better if I were home right now, and I would like to get this over with so I can go home."—
Patricia Hearst at a news conference after being released on bail to her parents' custody. [1:1].

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CORRECTIONS

The piano recital by Jerome Rose listed in yesterday's paper as taking place tomorrow night at the 92d Street YM-YWHA will be given on Dec. 21.

It was incorrectly stated in the restaurant review in The Times yesterday that Romeo Salta's sister Giuletta had opened the new Romeo & Juliet restaurant in Washington. It was his sister Carmelina De Chiara who opened the restaurant.