News Summary
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International
The Pentagon for the first time will have a representative at Kremlin-level talks on arms control with Leonid I. Brezhnev, the Soviet Communist Party leader. President Carter, in an apparent gesture to the Defense Department and his Senate critics, appointed a representative of the Joint Chiefs of Staff, Lieut. Gen. Edward L. Rowny, to participate in the talks. Secretary of State Cyrus R. Vance will head the American delegation. [Page I, Col. 1.]

* Brazil canceled its 23-year-old military assistance treaty with the United States over a State Department report criticizing its alleged violations of human rights. The Carter Administration had planned to ask Congress for more than $50 million in military aid credits for Brazil. The Brazilian Foreign Ministry said the report was an intolerable interference in domestic affairs. [1:1-2.]

National
Church bells rang and automobile horns blared early yesterday upon the release of 134 hostages who had been held by Hanafi Moslem gunmen. Twelve of the Hanafi Moslems were tentatively charged with armed kidnapping and several, including their leader, Hamaas Abdul Khanis, were freed pending further legal proceedings. [1:6.]

* The 134 men and women held hostage by the Hanafi Moslems were ash and shaken, and many were bloodied and bruised, but all were elated that they had survived. Their separate stories provided a composite picture of numbing fear, puzzling contradictions, humor and even some flickering respect for their menacing captors. [1:3-5.]

* The release of the 134 hostages followed tedious negotiations conducted jointly by the Washington police, the Ambassadors from three Islamic countries and State Department specialists in terrorists' tactics. The role of the Ambassadors—from Pakistan, Egypt and Iran—developed almost by accident only moments after the gunmen seized the hostages Wednesday. [1:3-5.]

* The Carter Administration reversed a Ford Administration policy and decided to enter into negotiations for international financing to stabilize key world commodity prices. The United States participation was recommended by President Carter's Economic Policy Group after intensive discussions. [1:2.]

* The Senate majority leader, Robert C. Byrd, told President Carter in a letter of his colleagues' 'anger and frustration' at how decisions in which the Congressmen wanted a voice. The letter was prompted by the Administration's unilateral suspension of 19 water projects but was intended, Mr. Byrd said, as a general warning. [1:2.]

Metropolitan
New York City's request for a $255 million Federal loan to help stave off bankruptcy was approved by Treasury Secretary W. Michael Blumenthal. He said the Carter Administration would develop legislative proposals later this year for dealing with the country's urban problems, including those of New York. "New York was warned that "it's not going to be a free lunch." [1:1.

* An 18-year-old part-time elevator operator in a garment center building was charged with the murder of a Brooklyn woman and her unborn child. The body of Rachel Brecher, 21, who was eight months pregnant, was found early yesterday in a box in front of the building at 244 West 39th Street, which she had visited. She was the wife of a rabbinical student, and the daughter of a rabbi. [27:8.]

* Business/Finance
Office of the Sterling Homex Corporation, a New York State manufacturer of prefabricated homes, were fined and sentenced for participating in a stock-fraud scheme that illegally cost investors almost $440 million. The five defendants were free on bond pending an appeal. [29:6.]

* Winter vacations in the southern United States are costing Canadians substantially more this year because of a decline in the value of the Canadian dollar, which is at its lowest level in seven years compared to its American counterpart. [29:4-5.]

* The Continental Illinois National Bank of Chicago dropped a $50 million plan to invest tax-exempt pension funds in farm land because of strong opposition by critics who said the plan was a threat to family farms. [29:3.]

* The number of banks with serious problems dropped to 23 from 28 in the last year. Robert Bloom, Acting Comptroller of the Currency, told the Senate Banking Committee that the banking system has improved significantly as the economy had recovered from the worst recession since the Great Depression of the 1930's. [29:4-5.]

* The Bank of Japan announced a reduction in its official discount rate to 6 percent from 6 1/2 percent, effective today. The bank said the reduction was necessary because "the recovery of Japan's economy is still slow and domestic demand is inactive. [29:1-4.]

* Robert S. Strauss, the former chairman of the Democratic National Committee was appointed by President Carter as international trade negotiator with the rank of ambassador. His title will be Special Representative for Trade Negotiations. [29:5-6.]

* Most stock prices varied slightly in slow trading. The Dow Jones industrial average, ahead by more than 2 points in the opening hour, closed with a token advance of 0.09 point to 947.72. It lost a total of more than 5 points through the week. [28:1.] Soybean futures declined in the nearby months, which call for delivery of old crop beans. May closed at $8.20 a bushel, down from $8.23. The new crop months gained. [35:1-2.]

[Page 1, Col. 2]
Index

International
Toulon mayoral elections reflect nationwide trends 2
India’s election campaign imperils family-planning efforts 3
Lowenstein calls rights panel session “far more balanced” 3
Opposition strike disrupts Pakistani cities 3
World News Briefs 4
Rumania makes up lists for earthquake aid 4
Spain proclaims new amnesty for political prisoners 5
Carter and Callaghan cite gains made during talks 6
Zaire says its forces have retaken two towns 6
Press-curb bill raises storm in South Africa 6
Talk of Ophira: Roughing it in Sinai 6

Government/Politics
Woman confirmed as California’s top judge 10
Powell trips up in taking swipe at Udall 11
Louis O. Schwartz running for New York City Comptroller 21

General
Around the Nation 10
Water contamination linked to oil producers 10
12 jailed in power-line protest 21
Mrs. Trudeau says she intends to cut down on official duties 24
Metropolitan Briefs 27
M.T.A. says drivers bridle at kneeling buses 27
New York soliciting convention business in Washington 27
Seventy arrested in after-hours club on West Side 27
Residency requirement for municipal employees pushed 27
Judge’s ruling in divorce case hailed as worthy of Solomon 28
Moses urges support for “inevitable” bridge across Sound 28

Health/Science
U.S. court stays F.D.A. plastic bottle ban 11
Saccharin ban stirs anti-F.D.A. move 11
City shoppers stock up on saccharin 11
Panel links adequate flu vaccine to U.S. subsidy 24

Amusements/Arts
North Carolina Symphony heard 14
Buddy Greco at Rainbow Room 14
“Texas Dynamite Chase” and “New Girl in Town” on screens 15
“Pour Ruffians” a charming opera 15
Trisha Brown dance company at Brooklyn Academy of Music 15
Rodney Friend, violinst, gives assured performance 15
Richard Eder appointed Times drama critic, starting next fall 15
“Wonderful Town” is revived by Equity Library Theater 16
Retrospective on Kirchner played 16
Stephen Oates’ biography of Lincoln is reviewed 21

Family/Style
Women’s advocate fights Houston Council to keep post 12
Wife of British Foreign Secretary remains American 12
Sweating out spring without a winter tan 12

Obituaries
E. Power Biggs, organist 26

Business/Finance
Big Board approval of access plan reported 29
Court tells G.M. to verify Oldsmobile engine 29

Page | Page
--- | ---
Amer. Exchange | 34 | Market Indicators | 32
Bond Sales | 33 | Money | 35
Business Records | 30 | Mutual Funds | 36
Commodities | 37 | N.Y. Stock Exch. | 33
Corp. Affairs | 31 | Out-of-Town | 35
Dividends | 33 | Over the Counter | 36
Foreign Exchange | 35 | People/Business | 30

Sports
Monroe cleared on wrong-way basket 17
Story behind Kuhn-Cubs stalemate 17
Blue Jays top Mets, 9-1, in debut 17

Quotation of the Day
“It really transcended what went on—Arab ambassadors saving Jewish lives at B’hai B’rith. It showed that in a crisis we can all work together.”—Dr. Steve R. Pieczenik, Deputy Assistant Secretary of State for Management and a participant in negotiations with the Hanoi Moslem gunmen. (9:6)

Harrah’s two homers beat Yanks 17
Boeser is N.C.A.A. 880 victor 17
Bean widens lead to two strokes 17
Campbell reviews Ferguson’s election 18
Coaches grumble over college play-offs 18
Nets down slumping Suns, 82-73 19
Velazquez rides favorite today 20

Features/Notes
Going Out Guide 16
About New York 21
Notes on People 21
Weekly News Quiz 21

News Analysis
John F. Burns on Rhodesian attitudes 7

Editorials/Comment
Editorials and Letters 22
C. L. Sulzberger discusses reaching accord on Concord 23
Russell Baker on the Riviera raid and why it happened 23
Stephen Toulmin on regulating recombinant DNA research 23
Mattiyyahu Feled examines developing F.L.O. position 23

CORRECTIONS
The medieval and early Renaissance music festival at Christ Church, Park Avenue and 60th Street, will take place at 8 o’clock tonight, not earlier, as incorrectly listed in The Times yesterday.

An article by Reuters in The Times Thursday incorrectly reported the date by which companies with common stock listed on the New York Stock Exchange would have to set up independent audit committees. The correct date is June 30, 1978.