

News Summary

NYTimes

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International

Teng Hsiao-Ping, China's Deputy Prime Minister, said that efforts to establish normal diplomatic relations between Washington and Peking were set back during the visit of Secretary of State Vance last month. He told Associated Press executives and directors visiting Peking that the discussions with Mr. Vance represented a retreat from what he said was a promise by President Ford in 1975 to break relations with the Taiwan government if he was re-elected. [Page A1, Column 3.]

The Justice Department unsealed an indictment against **Tongsun Park** on charges stemming from an alleged influence-buying operation in Washington to raise support for the Korean Government. The indictment named former Representative **Richard T. Hanna**, Democrat of California, and two former heads of the Korean Central Intelligence Agency as unindicted co-conspirators. [A1:4.]

President **Carter** welcomed Panama's chief of government, **Brig. Gen. Omar Torrijos Herrera**, to the White House at the start of a whirl of diplomatic activity intended to build support for the Panama Canal treaties. Negotiators of both countries initialed the texts. [A14:1.]

Russian book-lovers were delighted by Western publications at the opening of Moscow's first international book fair. But some American and British exhibitors complained of censorship as at least nine books were barred by customs officials and four American and British publishing catalogues were confiscated. [A1:1-2.]

National

Budget Director Bert Lance's use of airplanes owned or leased by a bank he then headed has been referred by the Comptroller of the Currency to the

Department of Justice for possible criminal prosecution. In the Senate, the Governmental Affairs Committee headed by **Abraham A. Ribicoff** voted a full-scale investigation with subpoena powers of Mr. Lance's activities. [A1:5-6.]

Senator Ribicoff said he regretted as soon as he said it, his July 26 statement that the news media had "smeared" Mr. Lance. His announcement that he was now recommending Mr. Lance's resignation was widely interpreted on Capitol Hill as dooming the Budget Director in view of the Senator's reputation for political acumen. [A1:4-6.]

Long sentences to Hanafi Moslems who seized three buildings in downtown Washington last March by taking 134 hostages at gunpoint were meted out in Superior Court there. The 12 defendants showed no contrition, defending their acts as "the will of Allah." [A18:1-2.]

Metropolitan

Judge Jacob D. Fuchsberg's transactions in New York City securities while on the New York State Court of Appeals will be investigated by a special court on judicial discipline. The judge had disqualified himself from taking part in the ruling last November on the constitutionality of the moratorium on \$1 billion in city notes. Judge Fuchsberg, who said he welcomed the inquiry, will continue to hear cases before the court. [A1:1-2.]

Seven Democratic candidates in tomorrow's primary election for the party's mayoral nomination exchanged more personal charges and shook more hands at the end of a campaign marked by few substantive issues. Few professionals were willing to pick the outcome. The four considered leading are the incumbent, Mayor **Beame**, **Bella**

S. Abzug, Representative **Edward I. Koch** and **Mario M. Cuomo**. Borough President **Percy E. Sutton** of Manhattan, and Representatives **Herman Badillo** contend, however, that their support in black and Puerto Rican areas, respectively, has not been reflected in the polls. **Joel Harnett**, a businessman, completes the list. [A1:1.]

A tentative settlement of a dispute with the Federal Government over alleged discrimination against women and minority-group members in schools, threatening millions of dollars in aid to the New York City system, was reached a day before the new school year was to open. The Board of Education was said to have agreed to an affirmative-action program that would redress the alleged discrimination in hiring and promotion by September 1978. [A1:2.]

A major shake-up of detectives in the narcotics and vice enforcement divisions of the New York City Police Department will send about 40 of the most senior members to less prestigious jobs. The move was defended as bringing in "fresh blood" and attacked as hampering investigations. [43:1-2.]

Business/Finance

Car sales broke records for the last 10 days of August, with total new car sales of the big four domestic producers running 23.7 percent ahead of the corresponding period last year. General Motors had a 44.9 percent gain. Analysts expressed amazement at the increased demand. [51:5-6.]

Canada's finance minister resigned, a move paving the way for a major cabinet reshuffle and causing renewed speculation that a faltering economy could inspire a shift in economic policy. **Donald S. Macdonald**, a leading political figure for a decade, said that he was retiring from active politics for family reasons. He has faced recent criticism for the declining economy in the last two years. [59:1.]

Stock prices recovered from early losses to record a gain for the fourth straight session. The Dow Jones industrial average closed at 873.27, up 0.96, after GM's report of rising new car sales reached investors. [51:1-2.]

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Weekend

FRIDAY IN The New York Times

Quotation of the Day

"We've come to the end of a long road here."—Ellsworth Bunker, co-chairman of the United States negotiating team, before he initialed the Panama Canal Treaties. [A14;1.]

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CORRECTION

Because of a transmission error, an article in The Times Saturday stated erroneously that prosecutors in the Don Bolles murder trial in Arizona have evidence to substantiate allegations in the case made against Kemper Marley, a prominent rancher. The article should have said that the prosecution does not have such evidence.

Because of an editing error, Clarence M. Kelley, Director of the Federal Bureau of Investigation, was quoted incorrectly yesterday as agreeing that the F.B.I.'s major problems lay in things it does badly, rather than in bad things it might do or has done. Mr. Kelley said in an interview that he had done a great deal to improve the bureau's internal management and was convinced that most of the abuses of the past had been exposed and ended.