

World and Nation

Fitzwater to stay on as spokesman

From Associated Press reports

WASHINGTON — President-elect George Bush announced Monday that Marlin Fitzwater, President Reagan's spokesman for the past two years, would keep his job in an example of "continuity in the best sense."

Bush also sought to make peace with a former rival, Senate Minority Leader Bob Dole, inviting the Kansas Republican to a private lunch and declaring "the focus is properly on looking to the future."

Dole, who lost the GOP presidential nomination to Bush, agreed to set any past animosities aside. "The election is over and we both have obligations and certainly mine is to help him become a great president

and I intend to do that," he said.

The naming of Fitzwater represented yet another Bush selection from the ranks of veterans of previous administrations. Asked when the new faces he has promised would begin to appear, Bush said, "Stay tuned for the changes. We'll be getting to them soon."

Transition sources said they expect the naming of former Sen. John Tower as defense secretary and Texas oilman Robert Mosbacher as commerce secretary later this week. However, the vice president gave no clue as to when he'd name additional Cabinet choices.

He showed up unexpectedly at Fitzwater's usual 11:30 a.m. briefing in the White House to announce his

decision to retain the 46-year-old career government spokesman, who had been his press secretary in 1985-87.

"I think he's the best," Bush said. "He represents the old and the new. He represents the Reagan administration and he also represents the Bush administration. . . . This is continuity in the best sense."

Fitzwater, with his own brand of self-deprecating humor, called the offer "a wonderful opportunity" but added, "I think I represent the old and the older."

"The transition should be a smooth one," Fitzwater joked. "I have a lot of ideas for my successor, but I haven't had a chance to think about them yet."

Fitzwater said the new president would make the scheduling of news conferences "as regular as possible."

"It's a new administration, a new president. I'm sure we'll have new ways of dealing with the press. I'm sure there'll be all kinds of interviews and press conferences and meetings," he added.

Fitzwater has had the title "assistant to the president for press relations" since February 1987, when he succeeded Larry Speakes.

Although Bush said Fitzwater would be retained as "press secretary," that title is actually still held by James Brady, who was wounded in the March 1981 assassination attempt on the president.

Grand jury may soon indict former PTL leader Bakker

From Associated Press reports

CHARLOTTE — A federal grand jury investigating PTL founder Jim Bakker and several of his former aides returned to Charlotte Monday amid speculation that indictments could be returned before the end of the week.

"It's anybody's guess," said Bakker's attorney, Jim Toms of Hendersonville. "All we can do right now is sit around and wait."

"I would think they're not quite to that (indictments) but they're not far from it," he said. "They're still taking testimony. I guess we could all be surprised. We're certainly getting closer."

Toms said earlier that he believes Bakker will be indicted. "It's a question of when," he said, "and what the particular allegations will be."

The 23-member grand jury reconvened Monday morning, hearing testimony from a number of so-called "lifetime partners," people who contributed money to the PTL ministry in exchange for free hotel lodgings at Heritage USA.

Bakker, who resigned as PTL president in March 1987 after the revelation that he had a tryst with church secretary Jessica Hahn and paid her hush money, has denied any criminal wrongdoing, and has called the investigation "a fishing expedition."

Three months ago he predicted, "I don't think I'll be indicted. I never have. If I am, I'll be shocked."

Soviets change constitution

MOSCOW — The Communist Party Central Committee on Monday endorsed constitutional changes that critics say give the Kremlin too much power, setting the stage for approval over the objection of several restive republics.

Officials in Estonia, the tiny Baltic republic that led the challenge to Kremlin authority by declaring its sovereignty in internal policy and its right to review all new Soviet legislation, said they would stand firm despite a ruling the move was unconstitutional.

The more than 300 members of the party's policy-making body, meeting on the eve of an extraordinary meeting of the Supreme Soviet, or national parliament, declared the amendments "will mean a major step along the road of democratization of Soviet society," the official Tass news agency said.

It instructed President Mikhail Gorbachev, also chief of the Communist Party, to make a report on the amendments to the Supreme Soviet.

The Central Committee promised election campaigns "unlike all the previous ones as real compe-

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tiveness of candidates is introduced in the political life of the country," Tass said.

Gorbachev proposed the amendments to make the system more democratic, but the Estonians, as well as activists in Latvia, Lithuania, Armenia and Georgia have criticized them for taking away some of the local control that Gorbachev has said he wants to foster.

They say the amendments take away the right of the 15 Soviet republics to secede, giving a new 2,250-member Congress of People's Deputies the right to determine the boundaries of the Soviet Union.

Those republics have demanded major changes in the amendments, or that they be rejected outright. Some legislators from the small republics have said they will object in the Supreme Soviet, but they most likely will be far outnumbered by deputies from much bigger republics such as Russia and the Ukraine.

Walesa to debate rival on TV

WARSAW, Poland — Both sides have agreed to terms for a nationally televised debate Wednesday night between Solidarity leader Lech Walesa and the head of the official trade union alliance, a Solidarity spokesman said.

The debate between Walesa and Alfred Miodowicz is to take place immediately after the main evening news show.

If it comes off as planned, the debate would be the first time Walesa has ever been allowed to appear live on state-controlled Polish television to present his reasons for wanting the banned union made legal again.

Dali arrives at clinic

BARCELONA, Spain — Spanish surrealist painter Salvador Dali was transferred to a Barcelona clinic Monday for suspected pneumonia and heart failure, a hospital official said.

Elena Garcia, a secretary at the Quiron Clinic in Barcelona, confirmed that the 84-year-old Dali arrived at the clinic from a hospital in his hometown of Figueras, 60 miles north of Barcelona.

Dow Jones moves upward

NEW YORK — The Dow Jones average of 30 industrials rose 6.76 to 2,081.44 Monday.

Advancing and declining issues ran about even on the New York Stock Exchange with 704 issues rising, 720 falling and 517 unchanged.

Freshman senators arrive at Capitol Hill

From Associated Press reports

WASHINGTON — The 10 men who will become new senators in January gathered in the Capitol Monday for a hectic orientation tour that, for Democrats, included lobbying by the three veterans who want their votes for majority leader.

"It's a special day you'll never forget," said Sen.-elect Herbert Kohl, D-Wis. "But it's also like going to college as a freshman."

The newly elected senators, five Republicans and five Democrats, were quickly embroiled in Senate politics as they eyed coveted committee assignments, prime office locations and other perquisites of life in the Senate.

For Trent Lott it wasn't necessarily a step up in life. The veteran congressman gave up his position as House Republican whip to run for, and win, the Senate seat vacated by the retiring John Stennis.

"You look at the House and the Senate and there certainly are a lot of differences," Lott said. "Like why it takes three months in the Senate to move in 10 guys, when in the House they move in 43 people in 30 days."

The five freshmen Democrats hadn't even had time to sit down for lunch before being lobbied by the three men who want their votes

Tuesday when the majority party elects its leaders.

Kohl announced he would support Sen. George Mitchell of Maine for the job because "he's a person I'm comfortable with." Joe Lieberman of Connecticut said he hadn't made up his mind and called it "the first major decision I'll have to make as a senator."

"I honestly don't know them very well," Lieberman said. "They're all saying roughly the same thing. It comes down to a decision in your gut."

Mitchell, 55, also picked up the endorsements of Sens. Edward Kennedy and John Kerry of Massachusetts and Bob Graham of Florida over the weekend. But Sens. Daniel Inouye, 64, of Hawaii and Bennett Johnston, 56, of Louisiana also have support and no one is predicting the outcome.

"I haven't the vaguest notion who's going to win," said Sen. Alan Dixon, D-Ill. "There must be 75 of us if you add up the promised votes," he said, suggesting that some of the 55 Democrats were playing multiple

choice in the verbal straw balloting.

"My experience, my seniority should be in my favor," Inouye said in an interview Sunday.

"Clearly, my centrist approach is an advantage," Johnston said. "It would be a good message for the country; it would be a good message for the Democratic party."

Most of the freshmen were more interested in lobbying for office space and committee assignments, and in finding their way through the labyrinth of hallways, corridors and subways that honeycomb the Capitol.

Banks raise prime lending rates; consumer loans to be affected

From Associated Press reports

NEW YORK — Major U.S. banks boosted their prime lending rate a half percentage point Monday to 10.5 percent, the steepest level since mid-1985 and the fourth rise this year.

The increase will mean a jump in rates on a variety of consumer loans pegged to the prime, including home-equity loans. It also will raise borrowing costs for companies that rely on banks for financing.

Economists had been predicting a prime rate increase because interest rates in the bond markets rose recently due to inflation fears and the dollar's weakness in foreign exchange markets.

NCNB National Bank of Charlotte, Wachovia Bank and Trust of Winston-Salem and First Union Corp. of Charlotte boosted their interest rates Monday from 10 percent to 10.5 percent, effective immediately.

The financial markets had no major reaction to the announcement. Stock and bond prices were up modestly, while the dollar steadied against other major currencies.

"It comes as no surprise. In fact, they (banks) seem to have held back longer than I expected," said Edward Yardeni, chief economist for the investment firm Prudential-Bache Securities Inc.

Federal Reserve Board Chairman Alan Greenspan also has warned of

higher short-term rates unless the government trims its huge budget deficit, the source of the dollar's woes.

"There's a building perception in the marketplace that the Fed is, in fact, tightening conditions. . . ." said William Sullivan, an economist for the investment firm Dean Witter Reynolds Inc.

Sullivan and other economists predicted the Fed might soon raise its discount rate, or the interest it charges on loans to member banks. If that happened, the prime rate could be increased again, they said.

Chase Manhattan was the first institution to increase its prime rate Monday, and other major banks quickly joined the move.

The prime stood at 8.5 percent at the start of the year and has been raised four times since. Monday's increase put the key lending rate at its highest level since May 20, 1985, when it was lowered a half percentage point to 10 percent.

The prime rate reflects a bank's costs of borrowing money, including interest it pays on savings accounts and certificates of deposit, and trails subtler increases in other interest rates.

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