

## American government praises Lithuanian stand for freedom

WASHINGTON (AP) — The White House on Monday welcomed what it called signs of flexibility from Moscow in its standoff with Lithuania, and said President Bush will meet with congressional leaders Tuesday to discuss the crisis.

The State Department said U.S.-Soviet trade talks are still scheduled to begin in Paris on Tuesday.

Bush, answering reporters who asked if he might call off those talks in response to the Soviet economic crackdown, said: "I'll sure let you know when I make a decision."

Secretary of State James A. Baker III cautioned last week that economic relations "are being put to risk by Soviet actions in Lithuania."

In another sign of business as usual, a senior State Department official said Monday that Baker will meet May 5 in Bonn with the foreign ministers of the Soviet Union, Britain and France on security concerns raised by prospects of German unification.

In Moscow, the spokesman for Soviet President Mikhail Gorbachev said the Kremlin might negotiate with Lithuania if it freezes its March 11 declaration of independence for two years.

Arkady Maslennikov, Gorbachev's press secretary, said Soviet leaders were willing to talk to Lithuanian leaders if they will acknowledge they are still subject to the Soviet Constitution.

Lithuanian leaders have refused to do that, saying the republic was forcibly annexed by the Soviet Union in 1940.

Lithuania's 3.8 million people began their first full work week since Gorbachev cut off supplies of oil, natural gas and other raw materials to the republic. On Sunday, Lithuania halted exports to Soviet republics and foreign customers.

White House spokesman Marlin Fitzwater said Monday that the Bush administration was still consulting

with allies on what course to take.

The statements from the Kremlin "do appear to show some flexibility. We are hopeful that that's the case," he said.

"It's impossible for us to know exactly what these statements ... mean, but if they are indicative of the two sides being able to get together, that would be a welcome sign," Fitzwater said.

Baker said Monday that consultations with West European governments on a course of action "will be completed very soon." He denied reports the administration was taking its time, hoping a solution would emerge.

Baker discussed Lithuania at the State Department with European Community officials.

"We've talked ... about the fact that instability in the Soviet Union does not operate to the advantage of anyone and is not something to be desired," Baker said at a news conference.

Fitzwater said Bush would meet Tuesday morning with bipartisan leaders of Congress to "discuss the Lithuanian matter."

"I would not expect any announcements from us on any course of action before that point," Fitzwater said. Fitzwater declined to comment on speculation that the United States might postpone planned trade and investment assistance to the Soviet Union.

However, he said, "I rule out no options." "The decision has not been made by the president yet. It depends upon analysis being conducted by the NSC (National Security Council) and the State Department at this time," Fitzwater said.

Meanwhile, a planned meeting Monday between Alexandr Yakovlev, the Soviet Communist Party secretary, and Vice President Dan Quayle was postponed at the Soviets' request, the White House said. The Soviets gave no reason for postponing the meeting.

## New Nicaraguan leader faces many challenges

MANAGUA, Nicaragua (AP) — Diehard Contra rebels, an economy in such poor shape that it is not producing enough food for its people and opposition from the outgoing Sandinistas are among the problems facing Violeta Barrio de Chamorro when she takes office Wednesday.

The effort to find solutions in Central America's largest republic is made more difficult because her United National Opposition is a 14-party coalition that spans the political spectrum from communists to conservatives.

But Chamorro will be taking over following the mandate of free elections on Feb. 25, something rare in this tropical nation of 3.5 million residents. Nicaragua has been ruled by autocratic and oppressive governments much of the time since it gained independence in 1821.

"It's the beginning of democracy in Nicaragua," Chamorro said when she and Vice President-elect Virgilio Godoy were officially presented with their election certificate Monday by the Supreme Electoral Council.

Nevertheless, it will be a tough start for Chamorro, 61, a newspaper publisher who has little political and no governmental experience.

The Contras are foremost among the problems her administration faces. They have been fighting the Sandinistas for nine years and don't want to demobilize, as they promised to do so by June 10, unless the army is purged of Sandinista officers.

Chamorro's team has agreed to "respect the professional status" of the Sandinista army but forbid its officers to hold any positions in political parties.

Some Contras want their officers to replace Sandinista officers, something that could lead to conflict with still-militant Sandinistas. The army is under their political control and many party activists also have modern weapons.

The Sandinista interpretation of that became clear Monday when the party announced all military and security forces on active duty have stepped down from party leadership posts.

Defense Ministry spokesman Lt. Carlos Lara said he did not know how many officers were affected, but said they included Defense Minister Humberto Ortega, brother of outgoing President Daniel Ortega, and Maj. Gen. Joaquin Cuadra, the deputy defense minister.

## Opponents of new cigarettes gather names

SIOUX FALLS, S.D. (AP) — The deadline has been pushed back as opponents of the new Dakota cigarette to gather signatures in protest of the product's name. But a spokesman for the R.J. Reynolds Tobacco Co. says their efforts may be in vain.

Maura Payne of R.J. Reynolds said everyone is entitled to an opinion, but the real judge of the product will be smokers.

"We, as a company, work with smokers, not for anti-smokers," Payne said. "And it is not at all unusual for us to receive letters or

**"And while they're certainly entitled to their opinion, they are not our consumers."**

— Maura Payne, spokeswoman, R.J. Reynolds

from anti-smokers saying, 'I don't think you should be allowed to bring a new brand to market.'

"And while they're certainly entitled to their opinion, they are not our consumers."

Residents of South Dakota and North Dakota are angered that R.J. Reynolds has chosen Dakota as a name for the cigarettes because they're being marketed to young women in working-class jobs who have no formal education beyond high school.

Opponents of the name are trying to collect 100,000 signatures. South Dakota Healthnet President Dorothy Stake of Lennox said she has pushed back the deadline for collecting signatures until next Monday. She said she hopes that will allow all organizations that have petitions out to return them to her.

Healthnet is a coalition of health organizations.

When all the petitions are in, Stake said, she will send them to the Solberg of the North Dakota Health Department, who will mail the entire package to Washington, D.C., next month.

"The issue is the unethical marketing strategy used by R.J. Reynolds Tobacco Co., and they need to listen to the public when we're upset with what they're doing," Solberg said.

R.J. Reynolds said Dakota markets in the Tennessee and Texas markets anywhere from six months to two years.

## Airline tries to bounce back from bankruptcy

MIAMI (AP) — A new program to attract business travelers and dialogue with striking union leaders are among the early steps in an arduous journey back from Chapter 11 bankruptcy for Eastern Airlines, said the court-appointed trustee Monday.

"I believe Eastern can achieve a financial turnaround," said Martin Shugrue, who was appointed last week to take control of the Miami-based carrier. "The bedrock upon which a viable and profitable company can be built is already in place here."

But Shugrue — described as holding "the hottest seat in corporate America" by one Eastern official — declined to give a timetable for a financial reorganization plan or any labor agreement with pilots or striking Machinists.

He also would not speculate on a sale of the airline, but noted several parties have made initial inquiries in the past several days.

"I did not come here to liquidate this airline," said Shugrue, who resigned as presi-

dent of Texas Air's Continental Airlines in February 1989. He said his pay at Eastern will be negotiated with the bankruptcy court.

Shugrue supported quick approval of the sale of Eastern's Latin American routes to

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— Martin Shugrue, Eastern Airlines trustee

American Airlines, but noted he would review all other agreements, including those involving reservation systems and a \$285 million asset transfer settlement owed by former Eastern parent Texas Air Corp.

Shugrue said the release of \$80 million in

escrow funds by U.S. Bankruptcy Judge Burton Lifland gives the carrier "a very comfortable cash cushion" for the time being.

Shugrue also announced that Eastern's chief labor negotiator Thomas Matthews left

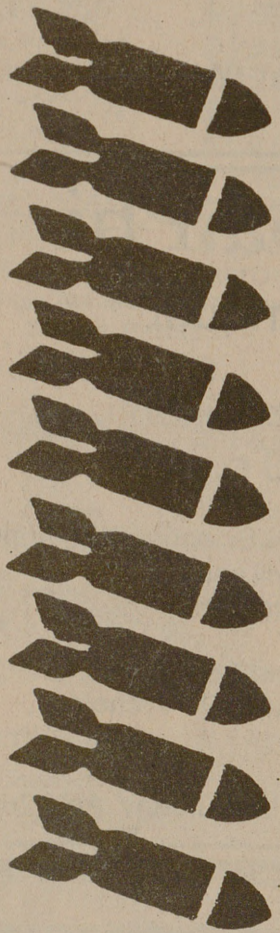
leaders, who have expressed a desire for a quick back-to-work settlement. But Shugrue admitted integrating strikers into the 18,000-employee Eastern work force may be impossible at current operation levels.

Eastern has achieved a back-to-work pact with flight attendants and is still negotiating with the Air Line Pilots Association. Both unions ended their sympathy walkouts in November.

"The first thing you have to do is open a dialogue, and that's what I've done," said Shugrue. "We intend to enter into open, candid and progressive talks in the days ahead ... there is years of mistrust on the part of the parties here and we have a long way to go."

Eastern spokesman Robin Matell said the promotion aimed at business travelers should begin at the end of the month. Eastern, which expects to lose \$330 million this year, has been operating between 65 percent to 70 percent capacity on its routes.

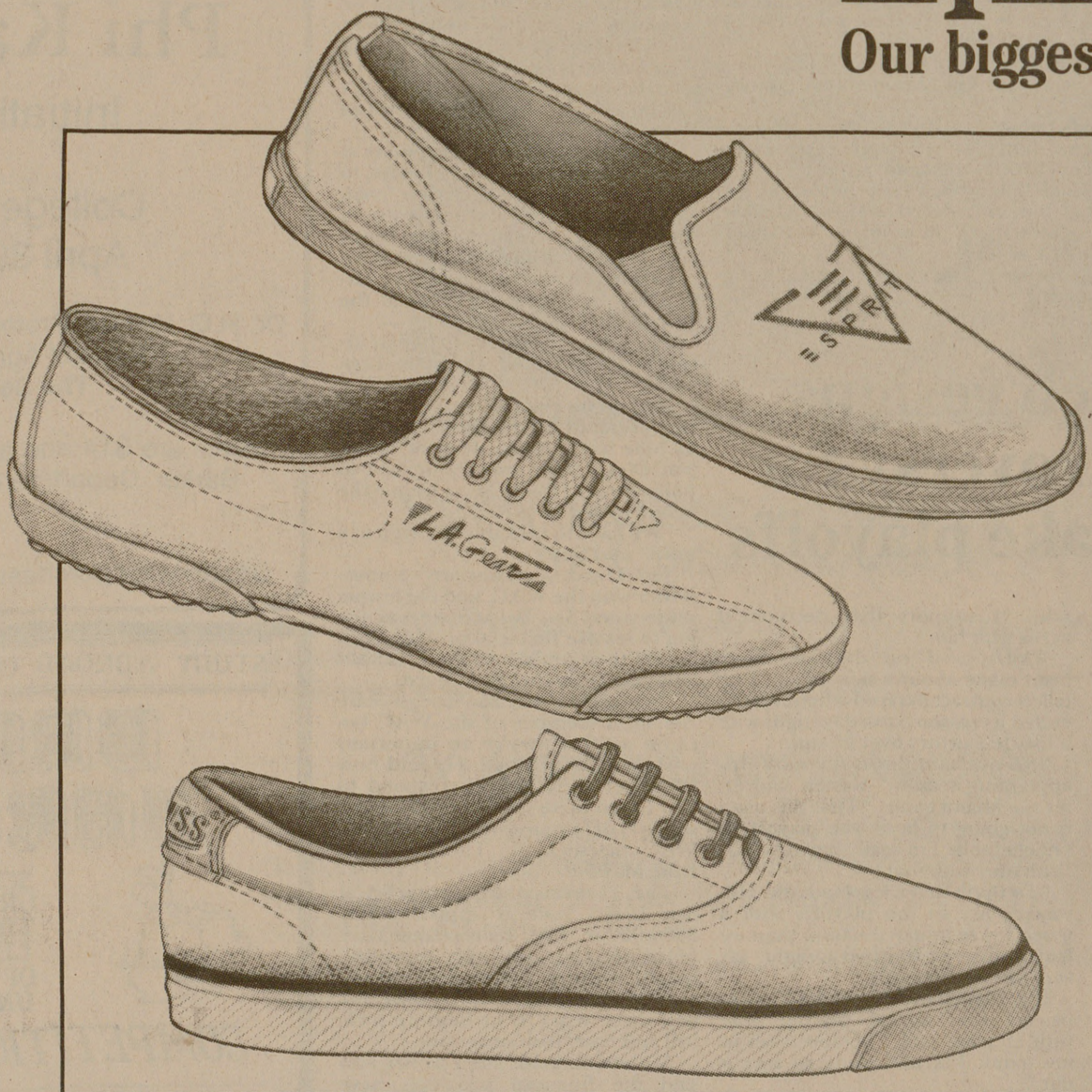
Talks have begun with Machinists union



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