Mikhail Gorbachev and his maverick rival Boris Yeltsin on Monday both emerged from the first referendum in

Soviet history able to claim victory.

In the nonbinding election held Sunday in 11 time zones across the Soviet Union, Gorbachev won overwhelming support for preserving a renewed federation with the majority of the population.

But partial returns showed Yeltsin winning on a question that has been opposed by Gorbachev: Creating a strong presidency for the Russian federation, and filling it by direct elec-

Yeltsin was elected chairman by Russia's legislature in May. Known as the Russian president, he is in danger of losing that job. The hard-line members of Russia's Congress are planning a no-confidence vote on March 28. Even if Yeltsin lost that vote, he would be strongly favored in a popular election.

Gorbachev's referendum won by

MOSCOW - Soviet President Byelorussia, and in the five republics of Central Asia: Kazakhstan, Uzbeki-stan, Tadzhikistan, Turkmenia and Kirgizia.

There were no final totals for Russia and Azerbaijan on Monday. Local counts were running strongly in favor of the union in the Russian countryside and many cities, but weak in Yeltsin's strongholds, Moscow and Sverdlovsk.

Six independence-minded republies refused to hold the referendum and the majority of their voters appeared to stay away from polls held in Communist Party and military bases. Less than a 50 percent turnout renders an election invalid under Soviet law.

But officials claimed 500,000 voted in Latvia and 652,000 in Lithuania. with a 97 percent 'yes' vote in Lithuania. The turnouts were less than the required 50 percent, but still higher than expected because both republics tary spokesman Harris Subacius. voted strongly for independence several weeks ago.

In Lithuania, the count could be margins of 70 percent to 95 percent in accurate only if there were at least seven of the 15 republics: the Ukraine, 200,000 'no' votes, said parliamen-



Both republics reported widespread ballot-stuffing on Sunday, because voters' names were not checked against registration rolls.

Gorbachev first proposed the referendum in December as a means of pressuring leaders of the 15 Soviet republics into signing a new Union Treaty to preserve central control over politics and the economy.

The main referendum question did not mention the Union Treaty and was so vague that even Gorbachev's allies were not sure how to translate an electoral victory into policy.

## Bush demands payment for Iraqi war damage

Monday demanded that Iraq pay war reparations for its "environmental terrorism" and said he wanted to cut arms sales to the Middle East. The administration also announced new steps to underwrite sales of military

Bush, just back from postwar talks with leaders of Britain, France and Canada, compared notes with Secretary of State James Baker, who returned Sunday from a trip to the Middle East and Moscow.

The president said he wanted to build on a feeling of good will in the aftermath of the war against Iraq to calm the turmoil in Lebanon, reconcile Arab-Israeli differences and find a solution for the Palestinian prob-

He cautioned, "I don't think the American people ought to think that you can wave a wand and solve all three of these very difficult problems at once.

However, he added, "I think the longer one waits to take any initiatives, the danger is things revert back to a status quo. And I think that will be unacceptable.

WASHINGTON - President Bush the Gulf war are holding talks at the United Nations this week on conditions for a permanent cease-fire.

Broadly speaking, people know what is required," Bush said. "I would like to see us reduce the flow of weapons into the area. . . . Iraq must pay reparations or pay damages. The more one looks at the environmental terrorism that they embraced . . . the more the world understands that they have got to do something about that."

He said Iraq is a wealthy nation that spent its money on weapons and aggression. "Now we've got to see that they use their resources for helping their own people.

The president spoke at a White House ceremony where he received a humanitarian award for his "moral courage and unshakeable resolve." It was presented by Nobel laureate Elic Wiesel, who implored Bush "to listen to Israel's fears, just as Israel should listen to the president's hopes.

Separately, the White House said Bush would seek congressional approval allowing the Export-Import Bank, a government agency, to underwrite up to \$1 billion in foreign military sales by U.S. companies.

White House press secretary Mar- national interest



lin Fitzwater said the program did not conflict with Bush's goal of reducing the spread of arms to the Middle East.

We're not talking about cutting off all arms sales," he said. "We're talking about a balance and a stability in the region. . . . Sometimes you've got to make reductions, sometimes you have to build up. It goes both

The program, intended to help the domestic arms industry during an era of dwindling defense spending, provides government-guaranteed loans to protect against default by purchasers. Sales would be automatically covered to any NATO countries, as well as Israel, Japan and Australia.

Moreover, the financing would be available to any other country, should the president determine it is in the

Iraqi army's entire arsenal

NICOSIA, Cyprus - Kurdish rcbels said Monday the Iraqi army was using virtually every weapon it has to try to break the back of the rebellion in northern Iraq.

Spokesmen for Shiite Muslims also fighting to topple President Saddam

Hussein maintain their fighters are holding off a three-pronged assault by Iraqi troops on the southern cities of Basra, Karbala and Tannuma. government-controlled

newspapers claimed the army crushed the revolt in the south, despite attacks from Shiite rebels that had left cities in ruins. Kuwait's Crown Prince disputed that, saying Iraqiresistance was winning in the north as well as in southern Iraq near Iran.

Officials of the Shiite and Kurdish rebel groups in Damascus and London charged Iraqi forces were using napalm and phosphorus bombs to try to put down the twin revolts against

None of the claims could be inde-pendently verified.

Refugees fleeing Basra told re-

porters with U.S. troops in southern Iraq that rebels still held parts of the city and were being pounded by Iraqi artillery.

Tehran radio, monitored by the BBC in London, said 12,000 to 16,000 people were reported killed on the highway between the Shiite holy citics of Najaf and Karbala in the Iraqi south. It gave no source for the figure.

In Washington, State Department deputy spokesman Richard Boucher said there was heavy fighting between Iraqi forces and Kurdish dissidents in northern Iraq.

Rebels: Opposition resisting

In the southern part of Iraq, especially the areas that are in the borderline between Iran and Iraq, this is some sort of no-man's land. It is not under control of either the Iragis or the Iranians.

Crown Prince al-Sabah

pear to be in control of large portions of predominantly Kurdish areas of northern and northeastern Iraq.' Fighting is also continuing in the

He said the dissidents "now ap-

south along the lower Tigris and Euphrates rivers and in the vicinity of Shia holy cities, he said, adding there had been damage to holy shrines.

In Kuwait City, Crown Prince Saad Abdullah al-Sabah told U.S. congressmen the Iraqi resistance has the upper nand in northern trad and in southern Iraq along Iran's border.

Based on intelligence reports, al-Sabah said Iraqi forces "have not been able to control the situation, especially in the northern part of Iraq.

"In the southern part of Iraq, especially the areas that are in the borderline between Iran and Iraq, this is some sort of no-man's land. It is not under control of either the Iraqis or the Iranians," he said.

## Kuwaiti recovery Rebuilding of economy begins

KUWAIT CITY - Gasoline is free, but it's tough to find a chocolate bar at any price. Unskilled Filipino laborers have suddenly become the subject of bidding wars. In one of the world's richest countries, hardly anyone has

Kuwait's once prosperous economy is now distinguished by widespread shortages and quirks that are bewildering Kuwaitis as they try to recover from the Gulf war.

"We don't know what the government is planning to do. We don't know how things are going to work," said Mohammed al-Yahya, general manager of the Commercial Bank of Kuwait, the emirate's second-largest bank.

Kuwait City's skyline of sleek glassand-steel towers now looks like a ghost town that was hit by a tornado. At street level, row after row of shops sit empty after being looted or burned during the seven-month Iraqi occupa-

Insurance won't cover war losses.

clothes to electronics to cars, are not expected to reappear soon.

Some merchants have goods, but won't offer them for sale until the government announces the Kuwaiti dinar-U.S. dollar exchange rate.

"I have \$5 million of stock ready to go, but I'm not opening until know the exchange rate," said Samid Samad Rahami, an Iranian who runs Seven Sea Ready-Made Garments. "I have to buy everything in dollars."

The government is importing gasoline from Saudi Arabia and pumping it free at filling stations that often have lines snaking for several blocks. t's a start, but businesses still lack electricity, telephones, labor and supplies, and only a few have reo-

Restoring the banking system is essential for Kuwaitis, even wealthy ones, who are desperate for cash. Most banks have been closed since December, and Kuwaitis who have currency Banks say new loans are a distant are likely to be holding Iraqi dinars

prospect. Most consumer goods, from they were forced to use during the occupation - money now considered largely worthless.

For now, U.S. dollars, Iraqi dinars, old Kuwaiti dinars and Saudi Arabian riyals all are in use.

Abdul Rahman al-Awadi, minister of state for cabinet affairs, said Sunday that Kuwait would reissue its currency "within a maximum of 10

But the Kuwaiti dinar, worth \$3.30 before the occupation, will now be much weaker, al-Yahya predicted.

In a country dependent on imports, that means higher prices. Food staples such as sugar, milk, chicken and sheep meat already cost much more than before - if they are available at all.

Kuwait has enough wealth - even with most of its oil fields in ruins - to help moderate the frustrations of ordinary citizens. The government has promised 500 dinars to every Kuwaiti, though distribution won't begin until the banks reopen.

## Nebraskan

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The Daily Nebraskan(USPS 144-080) is published by the UNL Publications Board. Nebraska Union 34, 1400 R St., Lincoln, NE, Monday through Friday during the academic year; weekly during summer sessions.

Readers are encouraged to submit story ideas and comments to the Daily Nebraskan by phoning 472-1763 between 9 a.m. and 5 p.m. Monday through Friday. The public also has access to the Publications Board. For information, contact Bill Vobejda, 436-9993.

Subscription price is \$45 for one year.

Postmaster: Send address changes to the Daily Nebraskan, Nebraska Union 34, 1400 R St., Lincoln, NE 68588-0448. Second-class postage paid at Lincoln, NE.

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