

"All the News
That's Fit to Print"

The New York Times

Late Edition

New York: Today, sunny with puffy clouds, chilly winds. High 50. Tonight, clear and cold. Low 34. Tomorrow, sunny and cool. High 53. Yesterday, high 51, low 41. Details, page B14.

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NEW YORK, FRIDAY, MARCH 24, 1995

\$1 beyond the greater New York metropolitan area.

60 CENTS



Ed Quinn for The New York Times

Demonstrators and police officers clashed yesterday as thousands of students gathered at City Hall to protest cuts in money for education proposed in the city and state budgets. Sixteen people were hurt and 60 arrested.

Students Leave Classes to Rally Against Budget

By MARIA NEWMAN

Thousands of university and high school students, accompanied by professors and teachers, walked out of their classrooms yesterday to protest proposed budget cuts to education, drawing instant rebuke from Mayor Rudolph W. Giuliani and Gov. George E. Pataki.

Public Hospitals Chief Quits, Opposing Giuliani Over Cuts

By ESTHER B. FEIN

The chairman of New York City's Health and Hospitals Corporation resigned unexpectedly yesterday, saying he could not support the deep Medicaid cuts that Mayor Rudolph W. Giuliani and Gov. George E. Pataki are seeking.

The chairman, Luis A. Miranda Jr., resigned minutes before the agency's board of directors was to

vote on his resignation. At the board meeting, Ms. Mitchell cast the deciding vote to defeat the resolution. The vote was 7 to 6 with 1 abstention. Two members of the 16-member board did not vote.

Just a day earlier, the Mayor added another supporter to the board, John Ballan, an attorney specializing in public finance. He replaced Dr. Calvin J. Simons, who was ap-

SENATE APPROVES MEASURE GRANTING PRESIDENT A VETO OVER ITEMS IN BUDGET BILLS

SMUT BAN BACKED FOR COMPUTER NET

Vote by Senate Panel Opens
Battle Over Free Speech
on Electronic Frontier

By EDMUND L. ANDREWS

WASHINGTON, March 23 — In a vote that moves the battles over pornography and free speech onto the electronic frontier, the Senate Commerce Committee approved a proposal today to ban smut in cyberspace.

The measure, attached without any debate to a sweeping proposal to overhaul the nation's communication laws, would levy fines as high as \$100,000 and prison terms up to two years on anyone who transmits material that is "obscene, lewd, lascivious, filthy or indecent."

While the proposal will have to pass many more legislative hurdles to become law, its warm reception in the committee suggests that it has momentum — despite vigorous opposition from Internet users and skepticism among experts that anyone can govern the sprawling and largely anarchistic array of interconnected networks.

The committee approved the entire communications bill today by a vote of 17 to 2. [Page D7.]

No one disputes that sex is abundant on the Internet, where magazines like Playboy offer nude pictures at no cost and electronic bulletin boards share information on a wide variety of practices, from mas-

Here are the highlights of each version of the line-item veto bill. The House passed its version last month.

THE SENATE VERSION

- Each spending item in a bill would be sent to the President separately.
- President could veto an item within 20 working days.
- President could veto certain narrow tax cuts
- Veto could be overturned by a two-thirds vote in each house.

THE HOUSE VERSION

- President could rescind spending items already approved within 10 days.
- These cancellations would take effect unless disapproved by a majority of Congress within 20 days.
- President could veto any disapprovals.
- Veto could be overturned by a two-thirds vote in each house.

The New York Times

VOTE IS 69 TO 29

Plan Gives Vast Control
of Federal Purse to
Executive Branch

By JERRY GRAY

WASHINGTON, March 23 — With wide bipartisan support, the Senate today voted to give the President unprecedented control of the Federal purse — the power to veto specific items in spending bills and some future tax benefits.

The Senate passed the bill, on a vote of 69 to 29, nearly eight weeks after the House had approved a different version of the line-item veto. A central piece of the Republican agenda, the veto is being pushed as a budget-cutting tool.

Before the bill can be sent to President Clinton, who has said he will sign it, differences between the Senate and the House versions must be resolved by a conference committee.

Fifty of the Senate's 54 Republicans voted for the line-item veto; they were joined by 19 Democrats, including Senator Tom Daschle of South Dakota, the minority leader.

Two Republican Senators, Mark O. Hatfield of Oregon and James M. Jeffords of Vermont, voted against the legislation. Senator Hatfield had also broken party ranks in voting against the balanced-budget amendment.

Absent from the vote were two other Republican Senators: Phil Gramm of Texas and Ted Stevens of Alaska. Since Mr. Gramm is a rival

Shabazz Case:
Informer Says
U.S. Paid Him

At a rally in front of City Hall, the protest turned into a skirmish when police officers in riot gear tried to keep demonstrators, mostly students, from marching down Broadway. Some officers sprayed pepper gas at the protesters; some protesters threw black paint at the officers. Sixty people, mostly students, were arrested, and 16, including 11 police officers, were injured. All of the injuries were minor, the police said.

Some 14,000 public school students cut their classes to protest the budget cuts, school officials said. Not all of them made it to the City Hall rally, however, which was organized by students from the City University of New York. City officials estimated the crowd at 10,000.

It was the largest student protest in New York City in several years. Even some elementary school students attended on unofficial class trips led by teachers and parents, among them several classes from Public School 3 in the East Village.

The rally included thousands of City University faculty members, who marched in the morning across the Brooklyn Bridge to City Hall in their colorful academic robes.

Shortly before 3 P.M., some demonstrators tried to turn the rally into an unauthorized march to Wall Street. The police said students be-

Continued on Page B4, Column 1

Tax Software Flaw May Expose Returns

Intuit said a flaw in a popular tax preparation program, Macintax, has exposed thousands of Federal and state tax returns to unauthorized viewing, tampering or deletion.

The software flaw enabled computer users with modems to gain access to the central computer that stores electronic tax returns filed by its customers. The announcement follows the disclosure of more minor flaws in the company's tax preparation software.

Intuit said there was no evidence that any of the electronic tax returns stored in a computer operated for the company by a subcontractor had been tampered with or deleted, but it also acknowledged that there was no way to be sure of this. Intuit said programmers had corrected the flaw and restricted access to the system after a Macintax customer made the company aware of the flaw yesterday morning.

The customer said he had been able to dial into the computer and assume administrative control of the returns, which were not encrypted.

Article, page D1.

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cuts, which would effectively slash the agency's budget by close to 30 percent.

Mr. Miranda said that as an appointee of the Mayor, he was obliged to support the administration's position, but that he could not in good conscience vote against the board's resolution.

But some people in the agency who were familiar with the move said the Giuliani administration made it clear to Mr. Miranda that if he defied the Mayor by voting to condemn the Medicaid cuts, he would be forced from his position.

The Mayor immediately appointed Maria Mitchell, his special adviser on health, as the interim chairwoman of the agency, which operates the city's 11 public hospitals. After she arrived to take Mr. Miran-

Dunkins and whose term expired on Monday. The board changes consolidate the Mayor's influence on the agency at a time that the administration is seeking to sell at least three public hospitals and considerably reduce the size of the remaining institutions and the agency's bureaucracy. The Mayor has indicated that he would like to get the city entirely out of the health delivery business.

Mr. Miranda said that he generally supported the Mayor's goals of streamlining the agency and forcing it to be more efficient. He said that over the last 14 months, he had stood by the Mayor's decision to eliminate nearly 4,000 agency jobs, to shrink the number of beds and to consoli-

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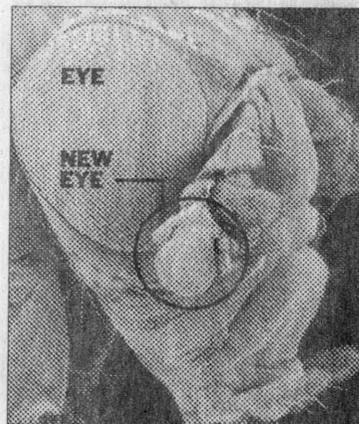
With New Fly, Science Outdoes Hollywood

By NATALIE ANGIER

Combining elements of the sublime and the macabre, scientists have created flies that grow large, perfectly formed eyes on the most inappropriate parts of their bodies: on their wings, on their legs, on the quivering tips of their antennae.

The experiment offers graphic evidence that scientists may have discovered what they call "the master control gene" for the formation of the eye, one of the most complex structures in nature. Researchers in developmental biology have been struggling, with scant success, to identify the genetic signals that initiate the growth of the body's specialized components, whether limb, liver or brain.

But the latest work, reported today in the journal *Science*, suggests that the gene with which the scientists prompted laboratory flies to sprout as many as 14 eyes apiece is indeed the kingpin of vision, the gene that touches off an intricate biochemical event able to transform a nondescript speck of cells into a fully outfitted eye. Whether these extracurricular fly eyes can see remains to be determined.



Walter Gehring/Science

Flies with additional eyes have become scientific fact.

Though the work was done with fruit flies, which are genetically amenable to such manipulations, the eye gene in the fly turns out to be similar to a gene identified in mammals, including humans, indicating that the equivalent gene in human embryos may direct the creation of the paired windows to the soul.

The gene used in the fly experiments is called *eyeless*, because the absence of the gene results in flies with no eyes at all.

person can summon up color pictures of the latest Playboy model. Playboy, in a provocative move to enter the age of high technology, is asking for women to apply for a future portfolio called "Women of the Internet."

Much more explicit fare, in text and pictures, can be found in other locations. One site on the World Wide Web, called "For Your Eyes Only," offers the likes of the Leather and Fetish Community Outreach and quick access to on-line forums devoted to bondage, domination, submission and masochism.

But attempts to clamp down on the Internet's sexual content face vex-

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"It's an amazing example of how a single gene can switch on an entire developmental program," said Dr. Walter J. Gehring of the University of Basel in Switzerland, the senior author of the report. "It came as a total surprise to us."

Dr. Gehring estimates that at least 2,500 different genes participate in the construction of the eye, and that all those genes answer directly or indirectly to *eyeless*.

Dr. Gehring did the experiments with his colleagues Dr. Georg Halder and Dr. Patrick Callaerts.

"It's the paper of the year," said Dr. Charles S. Zuker, a neuroscientist and fruit fly biologist at the University of California School of Medicine in San Diego. "This is Frankensteinian science at its best."

Other scientists expressed enthusiasm for the work, though some scorned the term "master control gene," which they said was a glib phrase that ignored the highly interactive nature of the body's development, the chattering talk and crosstalk that occurs while the multitudes of growing

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INSIDE

Error Kills Cancer Patient

An overdose of a chemotherapy drug killed one patient and debilitated another, and has raised questions about procedures at a prestigious Boston cancer center. Page A18.

Wisconsin Posts Big Loss

The State of Wisconsin Investment Board lost \$95 million by using complex financial derivatives to speculate on currencies. Page D1.

Hazards at Harlem Building

A housing inspector had reported a crack in a wall of the apartment building that collapsed on Tuesday, a defect experts say could have signaled structural problems. Page B1.

Crackdown on Child Support

The House voted to require states to suspend the driver's and professional licenses of people who fail to pay child support. Page A22.

News Summary

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ST. PAUL, March 23 — The Government informer who has said that Qubilah Bahiyah Shabazz tried to hire him to kill Louis Farrakhan left his hiding place today and said that Federal agents promised to pay him \$45,000 for his help in the case.

The informer, Michael K. Fitzpatrick, said at a hearing here that he had been paid \$34,000 by the Government in the last seven months and expected to be paid at least \$11,000 more for secretly recording dozens of his telephone calls with Ms. Shabazz and later testifying at her trial, if necessary.

Today was the first time Mr. Fitzpatrick has publicly answered questions about the case and his role in it since Ms. Shabazz, the second oldest daughter of Malcolm X, was indicted last January on charges that she had plotted to kill Mr. Farrakhan, the leader of the Nation of Islam.

Mr. Fitzpatrick was pulled from the shadows of the Federal witness protection program by Federal Magistrate Franklin L. Noel, who ruled on Tuesday that Mr. Fitzpatrick had to answer questions from Ms. Shabazz's lawyers.

Ms. Shabazz's defense team is seeking to have the charges thrown out on the ground of "gross governmental misconduct." Nothing in to-

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Secretive Japan Sect Evokes Both Loyalty and Hostility

By SHERYL WUDUNN

TOKYO, March 23 — The last time a lawyer tried to take on the Aum Shinrikyo religious sect, he and his family disappeared.

That was six years ago, and the lawyer, Tsutsumi Sakamoto, his wife and a 1-year-old boy have not been heard from since. Now, partly in memory of their friend, Yoshiro Ito and four other lawyers have taken on his cause, becoming virtually the only legal team bold enough to challenge the sect in court.

"I hope that the police raids will turn up some clues about the Sakamoto family," Mr. Ito said. "But I'm doubtful. It's been such a long time."

The police raided 25 branches of the Aum Shinrikyo sect beginning on Wednesday, two days after the nerve gas attack in the subways here, and found tons of chemicals that can be used to make nerve gas. Although Aum Shinrikyo has denied involvement in the subway attack or the

disappearance of the Sakamoto family, his absence could become an arguing point in the campaign.

Mr. Gramm's legislative spokesman, Larry Neal, said the Senator was out of town tonight and could not make the vote. Mr. Neal, who was reached at his home, said he did not have Mr. Gramm's schedule so he could not say where the Senator was.

In the New York area, all the delegations cast split votes. Senator Alfonse M. D'Amato, Republican of New York, voted yes, and his Democratic colleague, Daniel Patrick Moynihan, voted no. Of the New Jersey Senators, both Democrats, Bill Bradley voted in favor of the bill and Frank R. Lautenberg voted against it. Senator Christopher J. Dodd, a Connecticut Democrat, voted against the measure, while his Democratic colleague, Joseph I. Lieberman, voted in favor.

Whatever the shape of the final bill that reaches Mr. Clinton's desk, it could produce a major power shift in Washington and create what even its most ardent supporters concede will be a political Pandora's box by giving the Democratic White House a far more potent say over the Republican agenda.

Rarely has the legislative branch willingly shifted power to the executive branch. But with the Senate vote

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disappearance of the Sakamoto family, a harsh spotlight has focused on a number of bizarre practices of the highly secretive cult.

The cult's leader, Shoko Asahara, appeared on Japanese television today and denied any links to the subway attack. The television station, NHK, said that it had submitted questions to Mr. Asahara and that he had provided videotaped answers. His whereabouts remain unknown, the station said.

Several hundred families have turned to Mr. Ito's legal team in

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Today's TV Listings

Television and radio news, listings and advertising appear today on pages B17-18.

JEWISH WOMEN/GIRLS LIGHT SHABBAT candles today 18 min. before sunset. In NYC 5:53 PM. Info 718-774-2060, outside NYC 718-774-3000. In merit of Raizel Gutnick, OBM — ADVT.

THE LITTLE BOOK OF COMPUTER WISDOM broke the ice between me and my PC. — ADVT.



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