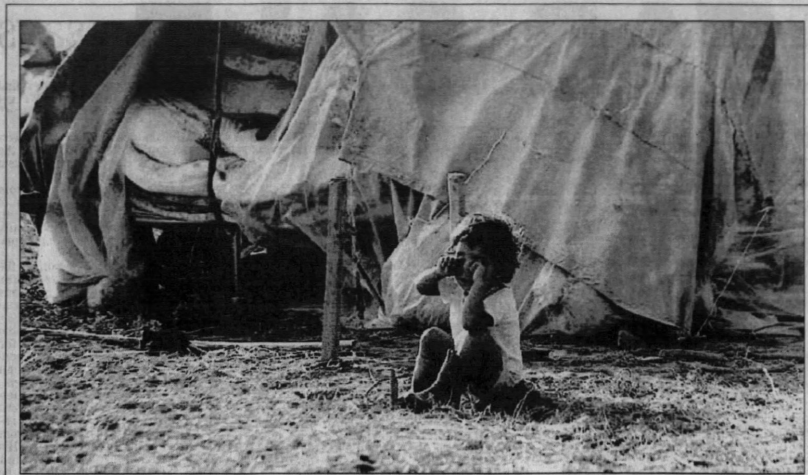


Nation/World



Tiny refugee: A boy made a refugee by the fighting in the mainly Armenian enclave of Nagorno-Karabakh in Azerbaijan sits near his makeshift home Tuesday in Agdam. Armenian-Azerbaijani peace talks are to be scheduled to begin on Thursday.

Aspin: Gay rules no lawsuit magnet

ASSOCIATED PRESS

WASHINGTON—Defense Secretary Les Aspin dismissed complaints Wednesday that President Clinton's policy on homosexuals in the military will be a magnet for legal challenges. He told a Republican critic the policy is "frankly more enforceable" than the current ban.

Legal questions were the issue at hearings on both sides of the Capitol. While Aspin tackled Republican charges before the House Armed Services Committee, the Defense Department's general counsel sought to clarify any confusion about details before the corresponding Senate panel.

Counsel Jamie Gorelick told the senators the policy leaves the grounds for discharge unchanged and as a general rule, says homosexuality is incompatible with military service.

Rep. Jon Kyl (R-Ariz.) opened the House committee's hearing by criticizing the president or written for the courts."

Aspin responded: "It is just not a credible attack on the proposal to say it's headed to the courts." He said any policy, whether crafted by the president or written by Congress, would be the subject of court tests.

The secretary also pointed out that the Defense Department regulation in place before Clinton took office has been challenged in the courts.

"There are people out there who want to litigate lots of things and test the limits and push different agendas both from the Right and Left, and they'll be doing it through the courts no matter what you do, no matter what we do," Aspin said.

The new policy says sexual orientation is a private matter and not a bar to service unless an individual declares his or her sexuality or engages in a homosexual act.

Recruits and service members no longer would be asked about their sexual orientation.

"The proposal we are making here is essentially a proposal which is a sound compromise and one that is frankly more enforceable," Aspin testified.



AP photo
Defense Secretary Les Aspin and Gen. Colin Powell testify before a House panel Wednesday.

As senators did Tuesday, Members of the House presented the Joint Chiefs with a series of hypothetical situations and questioned what their response would be if they were the immediate commander.

Rep. Ike Skelton (D-Mo.), chairman of the Armed Services personnel subcommittee, described four situations: A private says he is gay; another says he thinks he is gay; members of an entire unit announces at 6:30 a.m. muster that they are all gay, and a private frequents a gay bar every Friday, reads gay magazines and marches in gay parades.

Gen. Colin Powell, the Joint Chiefs chairman, said that, under the new policy, if he were the commander he would talk to the private in the first case but that a statement remains grounds for discharge.

He would talk to the private with a chaplain or medical officer in the second case, check the personnel system in the third case and ensure that the soldier was aware of the policy in the fourth case and, perhaps, launch an investigation.

The lone bit of humor came when Marine Corps Gen. Carl Mundy commented on the third situation. He said his response to the mass statement at dawn would be: "At 6:30 a.m., I see you're in good spirits. ... About face, let's run 5 miles."

Clinton's economic team backs energy tax

ASSOCIATED PRESS

WASHINGTON—President Clinton's top tax and budget advisers insisted anew to jittery Democrats on Wednesday that any credible deficit reduction must include an energy tax, even if an average family pays only \$50 a year.

"That has to be part of it," Treasury Secretary Lloyd Bentsen told reporters after he and White House Budget Director Leon Panetta met with the House Democratic caucus. "The energy tax we are talking about will cost \$50 for an average family a year."

A House-Senate conference committee is trying to reconcile two versions of Clinton's deficit reduction plan.

larger tax on heat content of fuel that Clinton originally proposed and the House passed.

He and Panetta spoke at various times during the day of a gas and diesel tax increase that would bring in perhaps \$80 billion over five years. That would mean an increase of about 6 cents a gallon in the 14.1-cent tax on gasoline and the 20.1-cent levy on diesel.

There is an assumption there will be an energy tax in the deficit reduction bill, Rep. Vic Fazio (D-Calif.), who heads the party's campaign committee, said after the caucus.

But there remains opposition to higher gasoline taxes, especially among rural members of the House, which passed the original bill by only a six-vote margin. Too large an increase also could cost the votes of one or more Western members in the Senate, where the bill passed only because Vice President Al Gore

broke a 49-49 tie.

The House version of the bill, which aims to cut the deficit by \$50 billion over five years, includes Clinton's original proposed new tax on most energy, including electricity, natural gas and gasoline, that would raise \$72 billion. The Senate substituted a 4.3-cent increase in gasoline and diesel taxes, to raise \$23 billion.

The Senate made up part of the \$48-billion revenue difference by requiring even greater restraints in Medicare spending than voted by the House and by stripping several social initiatives requiring higher spending. But House liberals, including the newly powerful Congressional Black Caucus, are demanding those restraints and cuts be moderated.

Clinton held a fence-mending session with the Black Caucus on Wednesday and heard members plead for him to stick by the plan he proposed and to reject any

compromise close to the Senate plan.

Afterward, Rep. Charles Rangel (D-N.Y.), a caucus leader and a senior negotiator on the bill, told reporters, "I'm just not that certain how hard the president is going to fight for the increases in the programs. ... We're fighting for what the president was fighting for."

Although it now appears there is no chance of a broad energy tax and little prospect of a large increase in the gas tax, negotiators still are looking at other revenue sources in order to finance the job-creation and social spending Clinton proposed.

One possibility under consideration would make the bill's major increases in income taxes on high earners retroactive to Jan. 1, as the House voted, rather than July 1, as the Senate wanted. That six-month change would bring in more than \$8 billion over five years.

12 dead in S. African rampages

Black, white leaders finish draft of new constitution

FROM TRIBUNE WIRE

JOHANNESBURG, South Africa—Mobs wielding firebombs and stones rampaged through townships outside Johannesburg on Wednesday, and at least 12 blacks died in a new burst of fighting, police said.

Other reports said the toll could be as high as 17 dead.

As attacks terrorized the townships of Tokoza, Kaitleng and Daveyton, black and white leaders put the final touches on a draft constitution designed to guide the country peacefully toward democracy.

The draft, the result of nearly two years of on-again, off-again talks, wasn't to be made public until the rightist Inkatha Freedom Party reviews it.

The Zulu group has boycotted talks because of a dispute with the dominant African National

Congress and the government, which are urging Inkatha to return and to participate in decisions on the constitution.

Wednesday's violence was an example of the obstacles facing negotiators as they try to plan free elections for April 1994, when the black majority will be able to vote for the first time.

In the worst attack, seven blacks were shot, hacked or knifed to death outside a Zulu-dominated workers' hostel in Daveyton east of Johannesburg, police said. It wasn't immediately clear whether the victims lived in the hostel.

In another part of Daveyton, two people were killed and shacks were torched when assailants went on a rampage that targeted Zulus, police said.

In nearby Kaitleng, the bodies of three men who were shot to death were discovered, police

said.

Residents of squatter camps armed themselves and stood guard over their shacks Wednesday as hundreds of men with firebombs and stones staged sporadic attacks. A gang in Daveyton held two Reuters Television journalists at gunpoint and stole their bullet-proof vests. The journalists weren't harmed.

More than 20 people have died this week in township violence connected to Inkatha supporters' long war with backers of the ANC.

Inkatha pulled out of talks this month to protest a decision, supported by the ANC and government, to hold elections in April. Inkatha says the date is too early.

Its opponents say Inkatha wants to delay the vote because it fears getting trounced at the polls. The ANC is expected to sweep the election.

Japanese ex-kingpin pleads not guilty

NEW YORK TIMES NEWS SERVICE

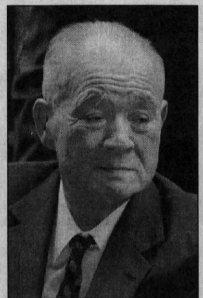
TOKYO—At the opening of what could prove the most explosive political trial in the post-war era, the former political kingmaker Shin Kanemaru pleaded not guilty to tax evasion charges Thursday morning. He also said that the \$50 million in gold bullion, bearer bonds and cash that investigators had found in his home and offices was for political, not personal, purposes.

The 78-year-old, stony-faced Kanemaru was thronged by hundreds of journalists and photographers as he entered the Tokyo District Court in a wheelchair.

In court, he read slowly from a written statement, claiming his innocence to the charges that he evaded nearly \$10 million in taxes. He also explained that he had collected the \$50 million to achieve his "dream," a realignment of the corrupt Liberal Democratic Party he all but controlled for the past decade.

In his opening statement, the prosecutors contended that Kanemaru had received more than \$10 million a year in contributions from construction companies and other businesses in his home district in Yamaguchi Prefecture, and that most of the money was illegal.

Kanemaru's case has already contributed to the Liberal Demo-



Shin Kanemaru's case contributed to Japan's ruling party losing its majority in parliament.

crats losing their majority in Parliament in elections Sunday, ending 38 years of one-party rule. Party officials had decided to call the election for July 18 in part because it would take place before Thursday's trial, which raised the possibility of disclosures of wrongdoing by other leading politicians.

So intense is the media interest in the case that news helicopters

followed the course of Kanemaru's limousine from his home Thursday morning to the modern courthouse building, where the networks had set up portable studios in tents so their anchors could report live on the proceedings.

Kanemaru selected the last two prime ministers and reportedly helped install another, Noboru Takeshita, in 1987 by asking a powerful organized crime boss to silence some critics. But his career and his party began to unravel last year when he admitted to charges that he had accepted an illegal contribution of \$4 million from a trucking company with ties to organized crime.

He was subsequently forced to resign from Parliament and the party. He had been the party's vice president and the key dispenser of patronage and cash.

A power struggle broke out for control of his faction, which eventually split the Liberal Democrats and caused a fifth of its members to defect.

The split caused Prime Minister Kichi Miyazawa to lose a vote of confidence last month. That set up the elections on Sunday.

Kanemaru was indicted in March after a horde of money was found in his home and offices.

ISAAC MIZRAHI TRUNK SHOW THE FALL COLLECTION WILL BE INFORMALLY MODELED IN THE 28 SHOP FROM TEN A.M. TO FOUR P.M. ON FRIDAY, JULY 23, AT THE STATE STREET STORE. DESIGNER REPRESENTATIVE AMY MEADOW WILL BE AVAILABLE TO ASSIST YOU WITH YOUR SELECTIONS.



MARSHALL FIELD'S 28 SHOP