

Clinton confidant pleads guilty to felonies

LITTLE ROCK, Ark. - A disgraced Webster Hubbell, confidant to President Clinton and once the nation's third-highest law enforcement official, pleaded guilty Tuesday to defrauding his former law partners and clients of nearly \$400,000.

Hubbell's voice cracked with emotion as he entered guilty pleas to two felony charges that ended a remarkable fall from government power.

Under a plea bargain, Hubbell, 46, will cooperate with Whitewater prosecutor Kenneth Starr's wide-ranging investigation into the business activities of the Clintons and other prominent Arkansans.

Starr declined to comment on a likely sentence but said he was "looking forward" to Hubbell's cooperation.

Lawyers familiar with the probe have told The Associated Press that Starr intends to question Hubbell about whether the Clinton administration exercised any political interference in the early investigations that spawned the Whitewater affair. The administration has denied any such interference.

As a key member of Clinton's transition team and later No. 3 official in the Justice Department, Hubbell was privy to the most private conversations inside the administration. And as a government contractor in the late 1980s, he also had access to the internal records of the failed Arkansas savings and loan that is a central focus of the Whitewater probe.

"I deeply regret that my actions have afflicted my family and friends and those who have placed me in a position of trust," the former associate attorney general said in federal court Tuesday.

"I know today is a very painful day for them. If the consequences of my action were only mine, this could be easier but they're not," he said.

The first Clinton administration official to admit to criminal activity as a result of the Whitewater probe, Hubbell said he was guilty of mail fraud and tax evasion.

Each charge carries a maximum of five years in prison and a \$250,000 fine. U.S. District Judge William R. Wilson agreed to release Hubbell on his own recognizance,

pending sentencing. No date was set.

Under federal sentencing guidelines discussed in court, Hubbell would face 27 to 33 months in prison if Wilson chose to impose concurrent sentences. Hubbell also could ask the court for a shorter sentence or probation.

Calling Hubbell "an old friend," Clinton said he and his wife, Hillary, were saddened by Tuesday's events.

"We should remember that Webb is a man who has given much to his family, his community and his country," Clinton said in a statement released by the White House. "The matter is in the hands of the court, and I don't think it would be appropriate to say anything more than that."

Meanwhile, the Clintons' lawyer immediately sought to distance them from Hubbell's legal troubles.

"This matter simply does not concern the president, the first lady, or Whitewater Development Company in any way," Attorney David Kendall said in a prepared statement.

"The charges here are totally unrelated — they arise out of Mr. Hubbell's personal

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WEBSTER HUBBELL

former Associate Attorney General

income tax returns and individual billing procedures as an attorney in private practice in Little Rock before he came to Washington," Kendall said.

On the tax evasion charge, prosecutors alleged Hubbell underreported his income by more than \$100,000 in 1992. They said he paid federal income taxes of \$32,193 that year but should have paid \$71,358.

"Light" doesn't mean healthier cigarette smokers, experts say

BETHESDA, Md. — Cigarette packages deceive smokers by listing very low tar and nicotine contents and should instead disclose the maximum amount smokers can inhale, a federal panel of tobacco experts said Tuesday.

Cigarettes also should list the carcinogens they contain, warn that certain smoking habits increase absorption of those chemicals, and add a disclaimer that "light" brands aren't really more healthful, concluded the panel convened by the National Cancer Institute.

"The health benefits of switching to low-tar and -nicotine cigarettes is minimal compared to quitting entirely," said Dr. Harold Freeman of the President's Cancer Panel, who headed the special committee.

The panel's recommendations came at the request of the Federal Trade Commission and Congress after complaints that FTC-designed testing of cigarettes' tar and nicotine deceive smokers into thinking low-yield brands are less threaten-

ing. The FTC pledged to review the recommendations but warned that it has jurisdiction only over false advertising of cigarettes, not health claims.

And the tobacco industry immediately noted that many of the recommendations would require congressional intervention because federal law prohibits any addition or deletion to health warnings already on cigarettes.

"Some of those recommendations might be put in place by the FTC without congressional action," responded Rep. Henry Waxman, D-Calif. "I certainly would be willing to work on legislation to make sure consumers have the full information they ought to about the dangers from cigarette smoking."

But now that Waxman's high-profile tobacco probe is about to be ended by the new Republican Congress, such legislation might fail, he acknowledged.

Industry representatives wouldn't say if they would chal-

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DR. HAROLD FREEMAN

the President's Cancer Panel

llege the recommendations, but said the changes could backfire.

"If the ranges of nicotine in ultra-light and light brands overlap, a smoker might move up to the higher-yield brand," suggested R.J. Reynolds spokeswoman Maura Ellis.

And the terms "light" and "ultra light" merely describe different brands' tastes, not health risks, added the Tobacco Institute's Brennan Dawson.

Fewer farms reduce demand for services

WASHINGTON — Southern states, which have dramatically lost farm population over half a century, will take the biggest cuts when Agriculture Secretary Mike Espy closes 1,070 field offices.

Announcement Tuesday of the planned closings culminates more than two years of wrangling. President Clinton, facing a Republican takeover of Congress, called the plan "an example of how Democrats and Republicans can work together."

"I am proud of the USDA reorganization because it shows that with a lot of hard work government can be changed to do a much better job with fewer dollars," Clinton said.

Republicans noted the plan differed little from the one introduced by the Bush administration shortly before leaving office in January 1993.

The department says the plan is part of a larger streamlining effort that could cut the payroll by 11,000 people and save \$3.6 billion over five years. The department has 110,000 full-time employees and a 1995 budget of \$67 billion.

Some closings will begin immediately, but the process will take up to three years, giving time for leases to expire and some new locations to be built. The department expects few layoffs, because many employees are retiring or taking buyouts.

The department says farmers will be better served by fewer locations, because service centers for commodity programs, crop insurance, loans and some conservation programs will be put under one roof. A new Consolidated Farm Service Agency will do most of the work of four.

But many people out in farm country were skeptical.

"If this streamlines the situation and doesn't require a lot of sacrifice, we're all for it," said Greg Hicks, communications director for the Farm Bureau in Virginia, where the number of office locations will drop from

111 to 54. "But we have a feeling it's really going to create a difficult situation for some farmers."

Virginia and the rest of the South will account for more than half the 1,070 closings, which will drop the number of locations from 3,601 to 2,531. Georgia will be hit hardest, losing 101 of its 193 offices. Texas follows, losing 98 offices, but will keep 219 — far more offices than any other state.

The offices sprouted up because of laws enacted in the Depression era, when 6.8 million farms operated. Today, the nation has fewer than 2 million farms, fewest since before the Civil War.

In the five decades since the end of World War II, the South lost 10.5 million farm residents as the area became increasingly urban and developed, leaving just 1.4 million people on farms.

Better highways and telecommunications also have made it easier for farmers to get information and reach government offices. The Southeast, settled earlier than the Midwest, has many small counties, and single counties tend to have offices in separate locations.

But as recently as early 1993, agencies that served farmers occupied 3,700 offices in almost every one of the nation's 3,150 counties. Since then, about 100 offices have been quietly closed.

Even before 1993, offices were put under one roof in Midwestern states. Iowa as a result, will have an office in each of its 99 counties, but 13 offices will be closed.

Of the closings, 498 will require farmers and others to travel to a neighboring county. The remaining 572 offices will simply be moved to a new location within a county.

Tuesday's plan does not affect nearly 7,000 other agency offices of the department that handle everything from forestry to nutrition.

Pilot suspended after refusing to fly during holiday ice storm

CHICAGO — American Eagle has suspended a pilot who questioned the safety of the airline's small turboprop planes following a crash that killed all 68 people aboard.

Steve Fredrick says company officials suspended him without pay on the spot at O'Hare International Airport last Saturday after he refused to show them the contents of a satchel. He said the pretext was insubordination, but the airline was actually punishing him for saying its ATR planes aren't safe to fly in icy weather.

"I'm not afraid of going on the record. Come heck or high water, I'll deal with it," Fredrick said Tuesday in a phone interview from his home in Elkhart Lake, Wis.

American Eagle spokesman Marty Heires confirmed the suspension. He said Fredrick was being investigated for misconduct but declined to give any other details.

Fredrick said that in the five years

he has flown ATRs for American Eagle, he has worried about the ability of the European-made plane to fly safely in icy conditions.

Fredrick said that when he was initially trained on ATRs he was warned by an instructor that "this plane will try to kill you in ice, so go fast. Speed means life in this aircraft."

Investigators looking into the fatal Oct. 31 crash of an American Eagle ATR-72 outside Roselawn, Ind., are focusing on wing icing. The cause of the crash has not been determined.

Fredrick, 36, acknowledged he was the anonymous source for stories concerning ATR safety published last week in the Chicago Tribune. He also appeared in silhouette without his name being used on ABC's "Good Morning America."

Last week, safety questions arose again when the airline canceled 14 ATR flights out of O'Hare.

There were reports that some pilots had refused to fly, but airline officials said the flights were grounded Nov. 27 only because information the flight crews had sought about the weather wasn't immediately available.

Fredrick said he and other pilots refused to fly because of the weather.

"I and my captain both refused to fly," Fredrick said. "We refused to fly a turn from Chicago to Columbus, Ohio, and back because of the weather."

American Eagle is an umbrella name for Simmons Airlines and three other regional subsidiaries of Dallas-based AMR Inc., which also owns American Airlines.

American Eagle is the world's largest operator of the ATR-72 and the smaller ATR-42.

Since the Roselawn crash, the National Transportation Safety Board has recommended that ATRs not fly in known icing conditions.

Daily Nebraskan

FAX NUMBER 472-1761

The Daily Nebraskan (USPS 144-080) is published by the UNL Publications Board, Nebraska Union 34, 1400 R St., Lincoln, NE 68588-0448, 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 Tim Hedegaard, 438-9258.

Subscription price is \$50 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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