



By Michael Urban, Reuters

A break from the G8: President Clinton, his daughter, Chelsea, and his wife, Hillary, attend an art lecture Sunday in Cologne's cathedral.

On Father's Day, Clinton has no time for neckties

COLOGNE, Germany — No back-yard barbecues or garish neckties here. Father's Day for President Clinton meant a quick morning lesson on art history and High Gothic architecture with his daughter, Chelsea.

After that, it was back to the grindstone with other world leaders wrapping up the three-day summit of the Group of Eight industrialized nations.

The president, Chelsea and first lady Hillary Rodham Clinton began their Sunday an hour ahead of schedule in order to catch a lecture and musical presentation inside Koelner

Dom, the massive and sooty cathedral dating to 1248 that dominates the skyline of this city along the Rhine.

Canadian Prime Minister Jean Chretien, German Chancellor Gerhard Schroeder, Japanese Prime Minister Keizo Obuchi and Russian first lady Naina Yeltsin were among those sitting in pews for the lecture, which was in German without translation.

When the president left for his summit meetings, Hillary and Chelsea Clinton toured the cathedral's lower crypt.

The Associated Press

PHOTOCOPY
PRESERVATION

MONDAY, JUNE 21, 1999

The Washington Times

1 Bdrm, Rvr Vu

Is it a walk-up or a doorman building? Only first lady Hillary Rodham Clinton knows for sure.

The new U.S. News & World Report reports that Mrs. Clinton will vacate 1600 Pennsylvania Avenue before her lease is up — and move to Manhattan by fall.

Not so, President Clinton told CNN yesterday.

"It's not true that she's going to move out of the White House," he said. "She's not going to stop being first lady and doing her other responsibilities."

But the president hinted his wife may get a New York place, nevertheless.

"If she runs for the Senate, she'll obviously have to spend a lot of time there, but it will be more like an incumbent member of Congress running for re-election," Mr. Clinton said.

A New York Daily News poll found that 69 percent of voters surveyed said Mrs. Clinton's outsider status didn't bother them. The poll also ranked Mrs. Clinton ahead of her most likely opponent, New York Mayor Rudolph W. Giuliani, 47 percent to 39 percent.

But crank up the fund-raisers, folks. Manhattan housing is very dear, indeed.

Here's a sampling from Realtor Ashforth Warburg in New York, where the motto is "living well is the best revenge."

Three bedrooms, 2½ baths on Park Avenue at 76th St.: \$1.675 million.

Two bedrooms, three baths on 60th Street at Park Avenue: \$2.7 million.

One bedroom loft in the West Village: \$625,000.

PHOTOCOPY
PRESERVATION

Monday, June 21, 1999

ISTIAN SCIENCE MONITOR

U S A

Hillary Rodham Clinton, the first lady, is planning to move to New York by the fall to position herself for a Senate campaign, U.S. News and World Report said. According to the magazine, Mrs. Clinton is prepared to leave the White House early – and live apart from President Clinton for a time – for the sake of a Senate bid she has not yet formally launched. Meanwhile, New York City Mayor Rudolph Giuliani, who may run for the Senate seat as a GOP candidate, is preparing for a fund-raising sortie into Arkansas.

PHOTOCOPY
PRESERVATION



FOUNDED IN 1908 BY MARY BAKER EDDY

H.R.C. LOVES N.Y.

FIRST lady Hillary Rodham Clinton looks increasingly likely to run in 2000 for the United States Senate seat currently held by retiring Sen. Daniel Moynihan (D). It's getting harder to find a serious political observer who will predict otherwise — publicly, at least.

Yet many of those same observers frankly wonder why Mrs. Clinton is willing to put herself through New York's political meat-grinder. She already has a platform to air her views and push her causes, and that won't go away when her husband's presidency ends. A political race may only tarnish the respect she now enjoys from an overwhelming majority of Americans polled.

Clinton faces serious challenges: She's never run for nor held elected office. She's never lived in New York. Famously media-shy, she's about to undergo tough press coverage that's sure to drag up all her nightmares of the last 10 years: from Whitewater to missing law-firm billing records to her husband's impeachment.

In addition, the first lady may face a formidable GOP opponent: New York City Mayor Rudolph Giuliani, who boasts a take-no-prisoners style and a record of positive achievement. The two are near even in the polls.

But Mr. Giuliani has his own problems. He's feuded on and off with Republican Gov. George Pataki ever since endorsing Democratic Gov. Mario Cuomo in 1994. In addition, New York mayors are rarely popular upstate, where Republicans roll up their majorities.

Not only that: Hizzoner may have a primary opponent in Rep. Rich Lazio of Long Island. Mr. Lazio will play to those who find the mayor's Republicanism a bit too liberal. Even if Giuliani wins, Lazio could stay on the ballot if he can get the Conservative Party nomination. That could split the GOP general-election vote, creating an opening for Clinton to ride to victory.

It could prove the hardest-fought Senate race in the country. Look for it to attract as much media attention as the presidential contest.

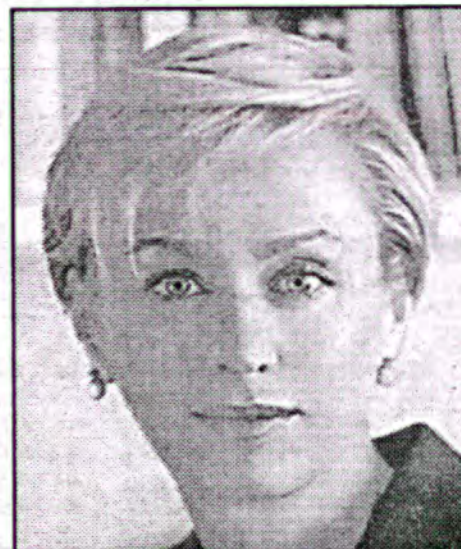
PHOTOCOPY
PRESERVATION

PHOTOCOPY
PRESERVATION



UNCOVERED: Hillary Clinton is being talked about because after agreeing to be the September cover girl for John Kennedy Jr.'s (below left) George magazine, the first lady was pressed by Democratic supporter Harvey Weinstein to drop George and appear only on Tina Brown's (below right) Talk Magazine.

New York Post photos: Francis Specker; Don Halasy.



WINE-STEINS TALK Hillary off George's September cover

By KEITH J. KELLY

John F. Kennedy Jr. thought he had Hillary Clinton sewn up as his cover girl for the September issue of George — only to have the first lady change her mind at the last second and back out due to pressure from Miramax Chairman Harvey Weinstein, who wanted her exclusively for Talk Magazine.

Talk is the new title backed by Miramax and Hearst Corp. that is set to debut in the first week of August with the former editor-in-chief of The New Yorker, Tina Brown at the helm. Weinstein, a prodigious Democratic fundraiser, had told Clinton in no uncertain terms that if she posed for George — or any other magazine that month—then her Talk cover would be pulled, according to the buzz in political and publishing circles.

The Post's Page Six first reported on June 11 that photographer Michele Comte had already snapped Clinton for the Talk cover. The magazine is also said to have Elizabeth Taylor as a backup.

Clinton apparently never posed for a George shoot — although she had at first said she would be delighted to do so. Now sources close to the first lady are saying she is willing to be John's cover girl at a later date.

Clinton was traveling in Europe and could not be reached.

Marcy Granada, a spokesman for Miramax said, "The truth is that there has been no decision about the cover." But she insisted Weinstein did not personally try to dissuade Clinton from posing for George or any other magazine.

"The rest of the information is untrue," she said of

Counting down
to **TALK** **DAYS TO GO**
42

the chain of events, that had publishing and political insiders buzzing yesterday. Kennedy's camp would neither confirm nor deny the report on the grounds that the magazine never discloses its cover subjects in advance.

Meanwhile, Kennedy has to be nervously awaiting the outlook of top level executive talks currently underway in Sardinia between Gerald de Roquemaurel, the chairman of the Paris-based parent company Hachette Filipacchi Medias, and Jack Kliger, the newly installed president of Hachette Filipacchi Magazines in New York and Kennedy's nominal boss.

The meeting is for top Hachette executives in the worldwide media conglomerate.

Kliger and Kennedy held additional talks over the past 10 days prior to Kliger's departure for the Mediterranean resort, insiders said. The contract that expires on Dec. 31, 1999 is clearly a top priority. But so far, no new deal has been cut for the magazine that has cost about \$20 million but it still believed to be several years away from profitability. Industry observers say they expect Kliger to come back from Sardinia with marching orders — either cut the magazine loose and let Kennedy shop for a new backer or renew for several more years.

Said one inside source, "Whatever happens, it will be a mutual decision."

Note to Hillary: New York is not a support group

HILLARY CLINTON isn't running for Senate. The woman with a weakness for freebies is acting out her private therapy sessions in public.

There's something unsettling about the daily dose of Hillary the people of New York are expected to ingest — why she'll run, where she'll sleep and with whom. Months

into her threatened campaign, it's as if Hillary Clinton isn't seeking a seat in the Senate at all.

Rather, Hillary Clinton is searching for love.

She flirts and she teases and she demands attention, exuding a smug sense of entitlement — as if 20-some years of marital humiliation has earned her elective office — combined with a pathetic thirst for being taken seriously.

As she flies around the state on the taxpayers' nickel, it is clear the needs

of the voters will always run a distant second to the needs of the scorned wife who is Hillary Clinton.

"She thinks being a United States senator is a big deal and it's a very attractive alternative given what she thinks are her

other alternatives," Hillary's adviser, Harold Ickes, told the Associated Press, making his desperate client sound

more Monica Lewinsky than Daniel Patrick Moynihan.

This past weekend, in a statement that smelled of payback for Hillary's public distancing from her husband, President Clinton said he will indeed share a post-White House roof with his wife. If not a bed.

But before you hide your daughters and whip out those pork rinds, think for a moment what a Hillary Clinton Senate campaign would look like.



ANDREA PEYSER

Hillary Clinton isn't seeking a seat in the Senate at all. Rather, Hillary Clinton is searching for love.



EGO TRIP? Senate hopeful Hillary Clinton waves as she leaves Germany with Bill and Chelsea yesterday. AP

Despite the mass salivation over a matchup featuring Rudy vs. Hillary, a campaign between Mayor Giuliani and Mrs. Clinton would be no contest at all.

The race would pit a man with a track record against a woman who deserves a prison record.

It would pit a hard-working problem-solver who has reduced taxes and cut the welfare rolls against an aggravating moralist who never saw a big, expensive government program she didn't like.

From City Hall, Rudy Giuliani has reduced crime to levels unseen since the

constructionist tactics in the investigation of her involvement in the Whitewater scandal, Mrs. Clinton has perpetrated a veritable crime wave in the White House.

Giuliani has tussled with slow-moving schools Chancellor Rudy Crew and the lethargic education bureaucracy in an uphill battle to improve the quality of schools. Hillary Clinton has insulted New York voters by sucking up to an eager Crew in the name of education, when her blatantly selfish motive was to embarrass Giuliani politically.

Perhaps the best way to

Rudy vs. Hillary is to examine the places where they've made their indelible marks.

New York under Giuliani is a safer, more prosperous and pleasant location to raise a family than at any time in recent history.

Arkansas, where the Clintons reigned, remains one of the poorest and corrupt states in the country. Despite all the hoopla over Hillary's alleged record of excellence on education, Arkansas' kids fare among the worst in the nation academically.

Hillary's threatened run for Senate is not about public service. This delusion of

ting old scores.

Wronged by her husband, maligned by the media, despised by old, discarded friends, Hillary is enveloping the state in her mass hallucination that she's more powerful, more competent, more appealing than reality would indicate.

The Senate may be, in the words of Ickes, "a big deal." But you don't hand a powerful seat to a woman who feels she deserves a reward for her long, illustrious career as a doormat.

New Yorkers ought to just give Hillary a group hug and send her home to Chicago. And leave the business of government to

PHOTOCOPY
PRESERVATION

OWNER TURNS UP THE HEAT

RUDY TORPEDOES NAVY YARD BASH

By PETER FEARON

Mayor Giuliani is pulling the plug on the mammoth Brooklyn Navy Yard party to launch Tina Brown and Harvey Weinstein's new magazine — if Hillary Rodham Clinton gets the premiere issue's cover.

Weinstein, a major Democratic contributor who runs Miramax Films, has been told that if Clinton is on the cover of the first issue of *Talk*, Miramax can't use the Navy Yard — or any other city-owned property — for their launch party, scheduled for Aug. 2.

A Navy Yard party could have served a dual purpose — providing a breathtaking site for the monthly's debut and serving to show off the site of Weinstein's planned mammoth \$150 million movie studio with 12 sound stages.

Giuliani and staffers were angered by reports in *The Post's* Page Six that photographer Michel Comte has shot a cover of Clinton, who's expected to run as the Democratic candidate for U.S. Senate from New York next year.

Giuliani is eyeing the Republican nomination for the seat, which is being vacated by Sen. Daniel Patrick Moynihan.

Miramax insisted no decision had been made about who would be on the cover.

But *The Post's* reported yesterday that Weinstein, a close friend of the Clintons, persuaded the First Lady not to pose for the cover of John F. Kennedy Jr.'s magazine, *George*, because it would clash with the *Talk* cover.

Randy Levine, Deputy Mayor for Economic Development, broke off negotiations for the bash on the grounds that if Hillary is on the cover, the launch party would be, in City Hall's view, a political event, a source said.

Giuliani saw no reason for the city to pay for preparing and policing the Navy Yard lot for what

Sinks mag launch if Hillary's on cover



COVER GIRL: Mayor Giuliani says he won't allow *Talk* magazine to hold a launch party at the Navy Yard if Hillary graces its cover.

PHOTOCOPY PRESERVATION

could turn out to be a celebrity-studded party for Clinton, the source said.

"The Navy Yard is city property and you can't use city property for political events," said press secretary Sunny Mindel. "Having Mrs. Clinton on the cover politicizes the event because it becomes an opportunity for her to use it as a vehicle."

"We haven't canceled the event because no contracts were signed."

Steve Hutensky, senior vice president of legal affairs at Miramax, sent a stinging letter to Levine yesterday — blasting him

and Giuliani over the decision and complaining arrangements for the launch party had gone too far to change the venue. The letter charged that there was a deal with the city even if contracts had not been signed.

"There never was an agreement and no one can produce one," Levine told *The Post*. "It would have been difficult to hold an event at the Navy Yard. They were asking us to move heaven and earth. But it has always been policy not to hold political events on city property."

Weinstein and Brown, stunned by the city's move, were keeping a low profile. A Miramax spokeswoman had only a mild two-sentence response: "We are surprised that the event has been canceled. We are disappointed and hope that the

The bash was expected to be one of the summer's biggest events, with fire boats spraying gigantic arches of dyed water in the East River to provide a colorful backdrop.

Hundreds of celebrities from the worlds of movies, publishing and politics are on the guest list. They include Robert De Niro, who, with developer Steven Roth, is a partner with Weinstein in the movie studio proposal.

Continued bad blood between Weinstein and Giuliani could jeopardize the ambitious movie complex, which is designed to give the booming \$2.6 billion movie industry in the city an even greater boost.

"The Navy Yard is city property and you can't use city property for political events."

GIULIANI PRESS SECRETARY SUNNY MINDEL

**Ex-lawyer sorry
she spilled beans
on Hill / Page 18**

WEDNESDAY, JUNE 23, 1999



Refugee rally: President Clinton salutes ethnic Albanian refugees as Mrs. Clinton speaks at the Stenkovich refugee camp outside of Skopje, Macedonia, yesterday. Daughter Chelsea looks on (lower left). Story, A10.

PHOTOCOPY
PRESERVATION

THE PRESIDENT

Clinton Meets Refugees, and Pledges to Aid Kosovo

By JANE PERLEZ

STANKOVIC CAMP, Macedonia, June 22 — In the shadow of Kosovo, President Clinton came today to meet face-to-face with the people on whose behalf he had fought the war. He heard their stories of brutality and vowed that he would help make their homeland safe.

The visit to this muddy refugee camp, now emptying at the rate of more than 1,000 people a day, was planned while the NATO air attacks were at their peak and an end to the war seemed far away.

But today, this camp, the first established in Macedonia and once overflowing with 30,000 refugees, was in the throes of closing down and in several weeks will most likely be an empty, trash-strewn field.

Mr. Clinton could have made this visit a stirring conclusion to a conflict that caught the imagination at home only fitfully but represented survival to the Kosovar Albanians who escaped Serbian brutality to find shelter here.

Instead, standing on a crude wooden box and without the trappings of the White House podium, Mr. Clinton spoke in muted tones to a crowd of several hundred refugees, their faces now brighter at the prospect of going home, though often to homes burned and looted by the Serbs.



Associated Press

Chelsea Clinton joined her parents in meeting with selected refugees in Macedonia yesterday.

"We are committed not only to making Kosovo safe but to helping people rebuild their lives, rebuild their communities and then helping Kosovo and all the countries of the region," he said during his speech of a few minutes.

Accompanied by Hillary Rodham Clinton, who was here last month, and Chelsea, Mr. Clinton

stopped by a selected group of refugees whose well-spruced tents were at the entrance to the camp. He heard first-hand a version of a story that had been told repeatedly on television and newspapers since nearly one million Kosovar Albanians were forced over the borders in late March.

Idriz Macastena, 29, his wife, Nerimane, 26, with their son, Besart, 4, described their escape from their home near Podujevo, in northern Kosovo, soon after the NATO bombing started.

Mr. Macastena described how they fled to a nearby village in the mountains, and then how, as they tried to leave in a convoy of cars and tractors for Pristina, the capital, the Serbs attacked. "Sixty people were massacred," Mr. Macastena said.

In his account to reporters, before Mr. Clinton arrived, Mr. Macastena, a carpenter, said the Serbs took one man from each of the vehicles in the second half of the convoy and killed them.

After reaching Pristina, Mr. Macastena told Mr. Clinton, his family stayed for five weeks. Soldiers of the Yugoslav Army surrounded the building where they were staying, he said, beat many of the Kosovar Albanians and threatened their son, Besart, with a knife and a lighted

cigarette held to his neck.

When Mrs. Clinton told Mr. Macastena's wife, Nerimane, that her son — decked out in clean white jeans and a vest for the occasion — was a "beautiful boy," the mother replied: "He's still very much afraid. He has suffered very much. He has seen people killed and wounded."

Like many of the refugees at the camp, some of the Macastena family had already returned to Kosovo; the couple told the Clintons.

Besides the refugees, Mr. Clinton had other business here: dealing with the leaders of Macedonia whose country was economically battered by the war. Mr. Clinton met with the President, Kiro Gligorov, and pledged as Secretary of State, Madeleine K. Albright had done 10 days before, that the West would help restore the economy.

Mr. Clinton announced a gift of \$12 million in food commodities assistance that some officials described as modest given the dramatic economic decline here and the attention paid by Mr. Clinton's visit.

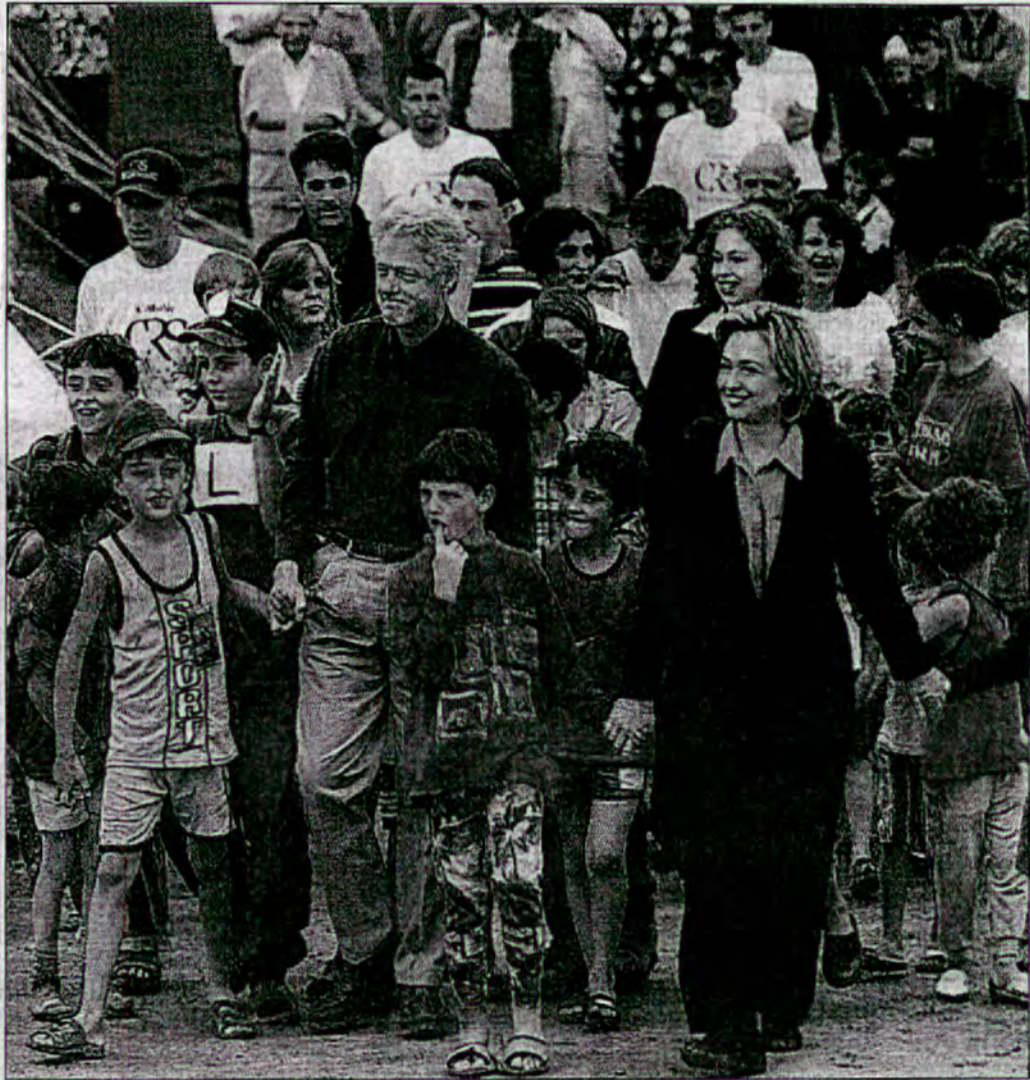
Mr. Clinton said that the clothing manufacturer, Liz Claiborne, would reopen Macedonian factories so that 2,000 to 3,000 Macedonians could work again.

PHOTOCOPY
PRESERVATION

WEDNESDAY, JUNE 23, 1999 • USA TODAY

PHOTOCOPY
PRESERVATION

Refugees hail Clinton

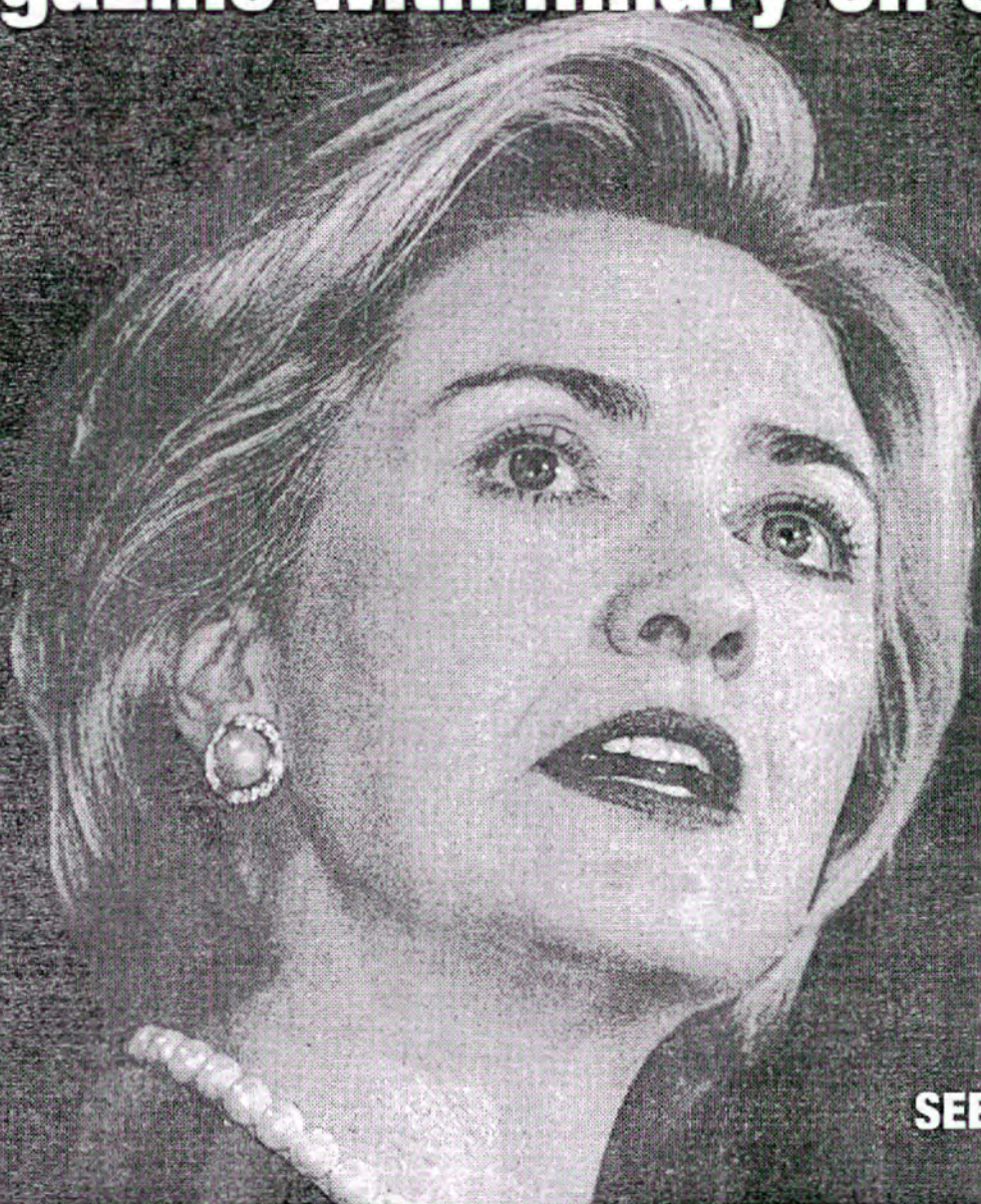


By Paul Richards, Agence France-Presse

'Proud of what we did': President Clinton, Hillary Rodham Clinton and daughter Chelsea visit a refugee camp Tuesday in Macedonia. Clinton asked the Kosovars to be patient about going home; one woman told him that refugees 'will never forget that you brought the most precious gift of all: freedom.' **10A.**

BANNED IN B'KLYN

**Rudy KOs Navy Yard bash for
magazine with Hillary on cover**



SEE PAGE 3

Political Party? New Magazine Is Denied Use of City Yard for Fete

By DAN BARRY

WHAT: A party to celebrate the debut of Talk magazine.

WHO: The glitterati of the publishing and movie worlds.

WHERE: The Brooklyn Navy Yard, the city-owned property that's so out it's in.

HOSTS: Tina Brown and Harvey Weinstein, among others (if you don't know who they are, you might as well turn to the Mets' box scores).

These are the vital statistics of the party that almost was — until the Giuliani administration realized that the maiden cover of Talk magazine might feature the likeness of Hillary Rodham Clinton, a probable opponent of Mayor Rudolph W. Giuliani in next year's race for the United States Senate.

Rumor or not, the tidbit has led the administration to deny the request of the magazine's co-owners to use the Navy Yard for its party. That decision has done more than temper excitement over yet another lavish party in the big city; it has also blessed Talk magazine with the all-important element known as buzz.

Deputy Mayor Randy L. Levine said last night that the magazine's

owners, Miramax Films and Hearst Magazines, had asked to use the site for a party, one being designed to reflect all the flash and glamour that have become the stock-in-trade of Ms. Brown, the editor of Talk.

He said city officials had concerns about using city services and preparing a long-deserted site for a private party. Then, when city officials read a newspaper item last week that Mrs. Clinton — a friend of Harvey Weinstein, a co-chairman of Miramax — was being considered for the cover of Talk's first issue, Mr. Levine said, they decided to deny the request.

"I told them, 'It's your call — put whoever you want on the magazine,'" Mr. Levine said. "However, we told you going in that we didn't want any of these city facilities used in a way that could be perceived as being political."

Mr. Levine, who is also Mayor Giuliani's liaison to the national Republican Party, insisted that the logistical concerns carried more weight in the final decision. And he said that it wouldn't have mattered whether the cover depicted the First Lady or the Mayor. Either way, he



From left, Rudolph W. Giuliani, Hillary Rodham Clinton, who might be on the debut cover of the new Talk magazine; Tina Brown, its editor, and Harvey Weinstein, a co-chairman of Miramax, part-owner of Talk.

said, "It would be deemed political."

When reached at a book party in the East Village last night, Ms. Brown said that the city's denial seemed to hinge largely on rumors about her new magazine's first cover. The party's planners "had already done the save-the-date letters, so it was clearly an ongoing project," said Ms. Brown, the former editor of The New Yorker and Vanity Fair. But when speculation arose about Mrs. Clinton's appearance on the magazine cover, she added, a party at the Navy Yard "was no longer happening."

"Obviously, I would have hoped that a social and festive occasion would not break down along party

lines," she said.

The administration's refusal was made all the more awkward by its agreement last month to work with Miramax in a \$150 million project to build a movie studio at the Navy Yard, a sprawling property along the East River. Mayor Giuliani, Mr. Weinstein and the actor Robert De Niro held a press conference then to announce plans for 12 sound stages in three buildings, a venture they said would employ thousands.

Although Mr. Weinstein stood alongside Mr. Giuliani that day, the movie producer has been a reliable contributor to both the Democratic Party and the Clinton Legal Expense Trust. And his well-known connec-

tions to President Clinton and the First Lady have contributed to the Hollywood aura that sometimes seems to envelop the Clinton White House.

In December, for example, Mr. Weinstein escorted Mrs. Clinton to the premiere of the Miramax film "Shakespeare in Love." She returned the gesture by praising Mr. Weinstein at length during the event. She called him "my friend Harvey"; he called her "the First Lady of all our hearts."

The New York Post reported last week that a photographer had already taken a picture of Mrs. Clinton for the first cover of Talk magazine. And yesterday, The Post reported that Mr. Weinstein told the First Lady that if she posed for the cover of George magazine, she would not appear on the cover of Talk. A Miramax spokeswoman denied that account.

Mr. Levine said the site had never been used for a party, and would need to be cleaned and made safe.

Asked whether a new venue for the party had been selected, Ms. Brown said: "I was wondering whether Gracie Mansion would be available."

HILLARY

From page A1

would figure in the trial.

Mr. Hubbell goes on trial Aug. 9 on charges he concealed his and Mrs. Clinton's work at the Rose Law Firm in Little Rock, Ark., on a fraudulent Arkansas land development called Castle Grande.

Mrs. Clinton is not mentioned by name in the indictment, but rather as the other "Rose billing partner."

At a court hearing yesterday, U.S. District Judge James Robertson estimated the trial would last at most five weeks.

The 1,050-acre Castle Grande tract — which federal banking regulators concluded was riddled with "insider dealing, fictitious sales and land flips" — was owned by Mr. Hubbell's father-in-law, Seth Ward, and the Clintons' Whitewater business partner, James B. McDougal. Federal regulators calculated damages to Mr. McDougal's savings and loan association from the Castle Grande transactions at \$3.8 million in unpaid principal and interest.

Mrs. Clinton drafted a real estate option that pegged the price of a 22-acre slice of Castle Grande at \$400,000. The government, which ended up owning the property when the S&L collapsed, got \$38,000 for the parcel.

"I have no recollection of doing this" and "I do not believe I would have drafted such real estate documents from scratch," Mrs. Clinton told federal regulators in 1996. "I have no recollection of who may have asked me to prepare these documents."

Mrs. Clinton told regulators 55



Webster L. Hubbell

"She knows . . . how Hubbell worked, what his day-to-day lawyering was like and she certainly does have some recollection."

—Professor John Barrett

times in a 1996 interview that she didn't recall various aspects of the work she and her law firm did on Castle Grande — including authorizing the destruction of her warehoused law firm files on the project.

Mrs. Clinton had more than a dozen contacts with Mr. Ward about Castle Grande, a fact that wasn't revealed until her law firm billing records mysteriously turned up three years ago.

The billing records appeared in the White House family residence under still-unexplained circumstances in early January 1996, two years after prosecutors subpoenaed them. The fingerprints of Mrs. Clinton, Mr. Hubbell and former Rose partner Vincent W. Foster Jr. — who later killed himself — were on them.

The inspector general at the Federal Deposit Insurance Corp. concluded that Mr. McDougal's S&L used the option prepared by Mrs. Clinton to deceive federal bank examiners about the payment of hundreds of thousands of dollars in real estate commissions to Mr. Ward.

The 15-count indictment against Mr. Hubbell states that from 1989 through 1995, Mr. Hubbell "covered up" the true nature of his, Mrs. Clinton's and their law firm's relationships with Mr. Ward, Mr. McDougal's failing S&L and the Castle Grande transactions.

The indictment charged that Mr. Hubbell concealed the Castle Grande work from federal regulators to avoid conflict of interest regulations so that Rose could get lucrative government work in a lawsuit against the accounting firm for Mr. McDougal's failed S&L.

If it had been disclosed that Mr. Hubbell and the law firm had previously done work for the S&L, they would have been blocked from representing the government, the indictment says.

Starr may call on Hillary for Hubbell's trial

by John Solomon
ASSOCIATED PRESS

First lady among 63 potential witnesses

Independent counsel Kenneth Starr has named first lady Hillary Rodham Clinton as a possible witness in the upcoming trial of her former Arkansas law partner, Webster L. Hubbell, legal sources said yesterday.

The independent counsel's office submitted Mrs. Clinton's name April 21 as one of 63 potential witnesses in the Hubbell case, said sources, who spoke on the condition of anonymity. Mr. Hubbell's

attorneys countered with a list of 17 possible defense witnesses May 25. The defense filed both lists under seal in federal court.

The sources are outside of Mr. Starr's office. Starr spokeswoman Elizabeth Ray declined to comment. Clinton attorney David E. Kendall also did not comment.

Mrs. Clinton "will be like most of the witnesses prosecutors have to call in public corruption cases, trying to prove their case with tes-

timony from colleagues and confidants and friends who aren't happy to be government witnesses," said former Iran-Contra prosecutor John Barrett, who now teaches at St. John's University.

"Prosecutors may need her to authenticate some of the Rose Law Firm records, things she actually authored, and she's the witness and they need to put it in evidence," he said. "She knows how the firm worked, how Hubbell

worked, what his day-to-day lawyering was like and she certainly does have some recollection."

Mr. Starr is under no obligation to call the first lady as a witness even though he put her name on the list. In January 1996, she was the first first lady to be summoned before a federal grand jury.

While Mrs. Clinton has never been charged with wrongdoing, she was referred to about three dozen times in Mr. Hubbell's indictment, making it clear that she

see HILLARY, page A13

GOP's latest request for bribes

Those clever Republicans have found a way to prostitute themselves to the tobacco companies and other corporate interests whose activities might run afoul of the public welfare.

They have announced an audacious scheme to take giant "soft money" donations, meaning those without limit, from tobacco companies and other corporate interests and use the money to elect Republican attorneys general who would not sue or otherwise bother the people giving the money.

They've done so by forming a Republican Attorneys General Association, an innocent name that belies the scandal.

As there are only a dozen Republican state attorneys general around the country at present, the membership is necessarily small. But that's the point.

The group, operating under the National Republican Committee umbrella, had a big inaugural fund-raiser in Washington two nights ago to bring in corporate fat cats who'd like to see some "restraint" from these state attorneys general who have extracted giant payments from the tobacco companies and threatened some of these high-tech billionaires with antitrust actions.

The Republicans promise to provide that restraint, you see. It's a *quid pro quo* if ever I saw one.

This Republican scheme, being bribery, is marginally worse than Bill Clinton's turning the White House into a bed-and-breakfast. Your Boy Bill abused a public building and left the policy implications unstated. The Republicans are blatant. It's public policy they promise to sell; it's the public welfare they promise to betray.

They say the following to corporate interests concerned about being sued by attorneys general in the interests of consumer protection, antitrust or fighting fraud or environmental neglect: Give us big money and we'll try to elect Republican attorneys general who'll promise not to sue you for damages if you lie to people in your advertising or kill people with your products or maltreat them generally and specifically, straining the taxpayer dollar in the process.

This Republican scheme, mixing law



**John
Brummett**

and politics, is a different animal altogether from the varied other partisan groups: Democratic and Republican governors associations and Democratic and Republican senatorial and congressional campaign committees.

Attorneys general are not strictly political beings. They function as the states' lawyers and as such are bound by the standards of the bar association to represent state governments and general interests.

The Republican scheme is to let the attorneys general hire themselves out to the other side, a conflict of interest not permitted of private attorneys.

Charlie Condon, Republican attorney general of South Carolina, is the driving force. He says public policy needs to be made by legislation, not litigation, and that all these "activist" attorney general have disturbed the appropriate balance by going to court to pursue policy changes and settlements in lieu of taxes.

It sounds simple enough, but let's consider the practical effect.

An activist attorney general is one who intervenes on behalf of residential ratepayers in utility cases at the Public Service Commission. Mightn't the Entergy Corp., just for example, prefer an attorney general who would show "restraint" by not involving himself in what the utility could recover in so-called stranded costs after supposed deregulation? If so, Entergy would be welcome to contribute to the Republican Attorneys General Association, which would try to get a passive attorney general of the Republican persuasion elected down in Arkansas.

An activist attorney general is one who goes to court to stop landowners from running barbed wire over a national bass fishing haven. Mightn't those landowners worried about their property rights prefer an

attorney general who would show "restraint"? If so, these landowners would be welcome to make investments in the Republican Attorneys General Association, which in turn would try to get a passive attorney general of the Republican persuasion elected down in Arkansas.

If arch-conservatives need a better understanding of how a state attorney general is obligated only to his client, I'd refer them to one of their heroes, Pat Robertson, the televangelist who squared off long ago with Steve Clark, the eventually disgraced Arkansas attorney general.

In 1981, Clark was preparing to do his duty defending the state's moronic new creation-science law, which Robertson supported. Clark made the mistake of telling a reporter he didn't actually like the law, though he'd do his job defending it as best he could.

Robertson blasted Clark on his "700 Club" program for effectively undercutting his own case, using the word "crooked" to describe the action of a lawyer expressing a negative opinion about his client's position.

Robertson's broader point, correct though overheated, was that an attorney general's job shouldn't be politicized—that his job is to represent the state's interest without regard for personal politics, philosophy or opinion.

For example, a Republican attorney general declining to enter his state in the tobacco sweepstakes because of philosophical opposition would be doing his client a disservice, mainly by costing his state a windfall in the billions.

Our current attorney general, the "activist" Mark Pryor, has taken the lead among Democratic attorneys general in opposing this new Republican association. He has sent his colleagues a letter lamenting the advent of partisanship in a lawyer's job that would be best served by the attorneys general sharing resources rather than trying to get each other beat in the next election.

John Brummett's column appears every Tuesday, Thursday, Saturday and Sunday.

Starr Could Call Hillary Clinton As Witness in the Hubbell Trial

By NEIL A. LEWIS

WASHINGTON, June 23 - Kenneth W. Starr, the independent counsel, may call Hillary Rodham Clinton as a witness in the criminal trial this summer of her former law partner, Webster L. Hubbell, a lawyer familiar with the case said today.

A final decision by Mr. Starr on whether to seek testimony from the First Lady in the Hubbell trial, scheduled to begin in August in Federal court in Washington, has not been reached, the lawyer said.

But the trial will certainly deal with Mrs. Clinton's role as a lawyer in Little Rock, Ark., in connection with a land deal criticized as a sham by Federal regulators.

For Mrs. Clinton, the trial could come at an awkward moment, just weeks after she is expected to announce her candidacy for the Senate from New York. In addition, Mr. Starr and his aides are considering producing a report on the investigation into the Whitewater real estate

venture and other controversies in which Mrs. Clinton has become embroiled.

Mr. Hubbell has pleaded not guilty to charges that he sought to conceal from Federal regulators the role he and Mrs. Clinton played in a complicated land transaction in Arkansas that helped lead to the collapse of a savings and loan institution.

Mr. Hubbell, a former chief justice of Arkansas and once the No. 3 official in the Clinton Justice Department, was charged with 15 counts of fraud, making false statements and trying to impede two Federal regulatory agencies and with perjury before a Congressional committee.

The indictment concerns a real estate development known as Castle Grande, for which Mrs. Clinton did legal work. The indictment does not mention Mrs. Clinton by name but refers more than 30 times to the "1985-86 billing partner" on the Castle Grande account, a description of Mrs. Clinton's role in the transaction.

First Lady Sets Upstate New York Swing

■ PROSPECTIVE Senate candidate Hillary Rodham Clinton will begin an extended campaign-like swing across New York next month with

a visit to the rural home of Democratic **Sen. Daniel Patrick Moynihan**, advisers to both told the *Associated Press* Wednesday.

Moynihan's planned retirement next year has set up a possible clash between the first lady and New York City Mayor Rudolph Giuliani, a Republican, for the seat — although Giuliani faces a likely primary challenge from GOP **Rep. Rick Lazio**.

Clinton plans to announce formation of her Senate exploratory committee shortly after the July 4th weekend. Kicking off her New York foray will be a visit to Moynihan's rural hideaway near upstate Oneonta, probably on July 7.

After her visit with Moynihan, the first lady plans to make a series of stops across central and eastern New York, hitting small towns and cities alike.

On July 9, Clinton will be in Albany for a fundraising reception for Democratic **Rep. Michael McNulty**.

The next week will see her concentrating on more western areas of the state, including a July 16 fundraiser in Rochester for Democratic **Rep. Louise Slaughter**.

Later in July or in August, Clinton plans to visit the lower Hudson Valley and Long Island, concentrating on the politically crucial suburbs north and east of New York City.

PHOTOCOPY
PRESERVATION

PHOTOCOPY
PRESERVATION

Hillary Clinton Is on Witness List

Starr Could Call First Lady in Law Partner Hubbell's Case

By PETE YOST
Associated Press

In a move that could complicate the first lady's political aspirations, Whitewater independent counsel Kenneth W. Starr has named Hillary Rodham Clinton as a potential witness for the trial of former law partner Webster L. Hubbell, legal sources said yesterday.

The independent counsel's office submitted Clinton's name April 21 as one of 63 potential witnesses in the Hubbell case, said the sources, who spoke on the condition of anonymity. Hubbell's lawyers countered with 17 possible defense witnesses May 25. The defense filed both lists under seal in federal court.

At a hearing yesterday, U.S. District Judge James Robertson esti-

mated the trial—scheduled to begin Aug. 9—would last five weeks at most.

Clinton is pondering a race for the Senate from New York.

If Starr calls her to the witness stand, it would be her second appearance to testify at the federal courthouse here.

Her first was in January 1996, during a furor over the discovery of her law firm billing records that revealed the work she and Hubbell had done on a fraudulent Arkansas real estate development called Castle Grande.

The billing records turned up in the White House family residence under still-unexplained circumstances in January 1996, two years after they were subpoenaed. The fingerprints of Clinton, Hubbell and for-

mer Rose partner Vincent W. Foster Jr. were on them.

The 15-count felony indictment against Hubbell stemming from the emergence of the billing records mentions Clinton three dozen times. Hubbell, a former associate attorney general in the Clinton administration, is charged with concealing his and Clinton's legal work on Castle Grande.

The 1,050-acre project, which federal banking regulators concluded was riddled with "insider dealing, fictitious sales and land flips," was owned by Hubbell's father-in-law, Seth Ward, and Clinton's Whitewater business partner, James B. McDougal. Federal regulators concluded that Castle Grande transactions cost McDougal's savings and loan nearly \$4 million, contributing to the institution's failure.

Starr spokeswoman Elizabeth Ray declined to comment. Clinton lawyer David E. Kendall was not available for comment.

The billing records revealed that Clinton drafted a real estate option that pegged the price of a 22-acre slice of Castle Grande at \$400,000. The government, which ended up owning the property when the S&L collapsed, got \$38,000 for the parcel.

The inspector general at the Federal Deposit Insurance Corp. concluded that McDougal's S&L used the option prepared by Clinton to deceive federal bank examiners about the payment of hundreds of thousands of dollars in real estate commissions to Ward.

NEW YORK POST
ONLY 50¢

METRO EDITION
 NEWSPAPER 4000 700 0000 / Friday 100 0000 00 / Edition Page 00 / 1999 / www.nypost.com

BANNED IN B'KLYN

Rudy KOs Navy Yard bash for magazine with Hillary on cover



SEE PAGE 3

Each in its fashion, the New York papers were in a tizzy yesterday over Mayor Rudolph Giuliani zapping the Brooklyn Navy Yard site of Tina Brown's Talk magazine launch party because Senate rival Hillary Clinton is Talk's first cover girl. Aside from the Post, there was the Daily News: "PARTY POOPER." And, of course, that zippy New York Times: "In Losing Its Party Location, A Magazine Gains the Buzz."

PHOTOCOPY
PRESERVATION



BY DAVID KIRBY — THE WHITE HOUSE VIA ASSOCIATED PRESS.
Hillary Rodham Clinton, who returned yesterday from a visit to the Balkans, meets at the White House with human rights leaders Aferdita Kelmendi, left, and Vjosa Dobruna, both of Kosovo, and Natasha Kandic, right, of Belgrade.

PHOTOCOPY
PRESERVATION

Hillary Clinton to Road-Test Upstate New York

First lady **Hillary Rodham Clinton** is planning an extensive get-acquainted tour in New York State next month that will focus heavily on wooing the upstate voters who may be most skeptical of her outsider's campaign for the Senate.

Clinton, who has never lived in New York but has been urged by Empire State Democrats to launch a candidacy there, will soon form an exploratory committee—most likely, an adviser said yesterday, July 5 or July 6. That will be followed by a three-day road trip that will start at the rural retreat (outside Oneonta) of the Democrat she hopes to succeed, Sen. **Daniel Patrick Moynihan**.

That kickoff tour will be followed by other trips that will have the first lady in New York for about 10 days in July. Her travels will take her to a July 16 fund-raiser in Rochester for Rep. **Louise M. Slaughter**, who is originally from Kentucky and is telling Clinton not to worry about the carpetbagger charge. "They say it's difficult for a Democrat to win upstate, but I do—and I have a different accent," she said.

Clinton's eagerness to explore New York, however, might not extend to the first family's August vacation plans. The New York Daily News reported yesterday that a vacation in New York by a family known to favor Martha's Vineyard, Mass., might look like a campaign stunt. "For them to go to the fly-infested Adirondack Park would be a mistake," an adviser told the Daily News. "People would see right through it as purely politics."

PHOTOCOPY
PRESERVATION

PHOTOCOPY
PRESERVATION

POLITICS: She hasn't even said she's decided to run, but Hillary Rodham Clinton's expected Senate candidacy in New York already is mobilizing Republican fund-raisers. Winton Blount, chairman of the Alabama Republican Party, sent letters to more than 10,000 donors in his state last week and said he'll personally deliver a percentage of the money raised to the chairman of the New York GOP. He called on other state parties to follow Alabama's lead. "We must rid ourselves of the Clintons once and for all," Blount said in a statement. Meanwhile, Clinton has hired Howard Wolfson as spokesman for the Senate exploratory committee she will form next month. Wolfson has been chief of staff to Rep. Nita Lowey, D-N.Y., who had planned to run for the Senate but dropped out last month after concluding Clinton was serious about the race. — Jill Lawrence



Clinton: Target of
GOP fund-raisers

PHOTOCOPY
PRESERVATION

Running shoes? Hillary stocks up

First lady buys 18 pairs in Italy

By Jennifer Harper
THE WASHINGTON TIMES



Hillary Rodham Clinton

If she runs, Hillary Rodham Clinton can run for the Senate in 18 pairs of new shoes worth around \$5,000.

The first lady had a shoe-shopping experience of the first magnitude in Palermo, Italy. Former Philippines first lady Imelda Marcos, renowned for her collection of shoes, would have been proud of her.

According to Italian manufacturer Bruno Magli, shoemaker to the rich and famous, Mrs. Clinton "took a break from the G-8 summit for a presidential-sized shopping spree" and visited the shop on Via Ruggero Settimo.

The street was mobbed while Mrs. Clinton bought a dozen pairs of shoes. She then asked if "a showroom could be set up for her at her suite" at the swank Villa Igea so she could see more.

Mrs. Clinton bought another six pairs at the impromptu showing.

"They are classic mid-heel pumps, in black, bone, navy, brown," said Bruno Magli spokeswoman Jill Eisenstadt. "It's not normal, though, to buy this many shoes at once."

Indeed, Bruno Magli shoes are in the \$250 to \$375 range; the pumps in question, Miss Eisenstadt estimated, were around \$275.

Still, no one expects a first lady to just show up with her credit cards at Payless.

"Shopping for her is an event, with an entire delegation along. She doesn't get out all that much to do it," Miss Eisenstadt said. "We heard that she visited quite a few stores in Paris as well."

There is a need, of course. White House fashion statements are noted by both the press and the public, whether of presidential ties or inauguration gowns.

Mrs. Clinton chose to wear a sunny yellow suit during her husband's finger-wagging denial of his affair with former White House intern Monica Lewinsky last year. This was, we were told, a kind of "psychological" statement.

Her purchase, Bruno Magli noted in a press release, will help the first lady stay "on her toes traveling in style while she is campaigning for her upcoming run for senator." She has "a passion for fashion and fine Italian shoes."

Not so among White House men, though. Allen-Edmonds handmade shoes appear to be the shoe of choice among presidents. George Bush, Ronald Reagan and Bill Clinton have all been known to wear the shoes. Presidential numbers obviously have a whole lot of sole at an average price of \$1,500 a pair.

Bruno Magli shoes became a household word through O.J. Simpson. Thirty-one incriminating photographs of Simpson wearing a pair were used as evidence at his murder trial. An FBI expert linked his Bruno Maglis to bloody footprints found at the murder scene.

Grisly associations aside, the shoes persist as favored footwear of the elite. Mel Brooks, Joan Collins, Helen Hunt, Roma Downey, Michelle Pfeiffer and Paula Abdul are among the devotees. Mrs. Clinton, the manufacturer says, has worn them for years.

But were they declared to U.S. Customs upon her return stateside?

Colomba Bush, wife of Florida Gov. Jeb Bush, found that even first ladies are not exempt from the rules. Mrs. Bush paid a \$4,100 penalty for failing to declare \$19,000 worth of clothing and jewelry she bought on a trip to Paris last week.

PHOTOCOPY
PRESERVATION

Hillary's Pentagon

First lady Hillary Rodham Clinton's expected run for a New York Senate seat is permeating defense policy, according to an administration insider who suspects the White House is using the Pentagon to woo Puerto Rican voters.

The story goes like this:

There has been a long-festering disagreement between Puerto Rico and the U.S. Navy over a live-fire bombing range on the commonwealth's island of Vieques. The Navy considers the Atlantic Fleet Weapons Training Facility as a vital asset to sharpen pilots' skills before deploying at sea.

But Navy officials concede the site is not popular with most Puerto Ricans. Their anger reached new heights in April when two Marine pilots mistakenly bombed an observation tower on Vieques, killing a Puerto Rican security guard. His death incited a stream of organized protests and anti-U.S. Navy stories in the local media.

Here's the Hillary angle: The Navy has operated the range for more than 50 years. The April accident marked the facility's first fatality. Yet, high-level White House officials took an immediate interest. An administration source said Maria Echaveste, White House deputy chief of staff who was national Latino coordinator for Clinton-Gore '92, discussed the matter with President Clinton. Not long after, the Pentagon was being pressed to do something.

The action plan emerged June 11 when the Defense Department issued a two-page press release. It said Mr. Clinton had directed Defense Secretary William S. Cohen to appoint a special panel to

see if there are "viable alternative locations."

Navy Secretary Richard Danzig, a Clinton campaign supporter in 1992, announced a suspension of live-fire bombing on the range until the report is filed in August. This came despite the uniform Navy's insistence that Vieques is vital to pilot training, says an administration official.

A decision to close the site would please not only the people of Puerto Rico, but also presumably the hundreds of thousands of Puerto Ricans living in and around New York City — an important voting bloc should Mrs. Clinton decide to run.

At 900,000, New York City has the largest concentration of Puerto Ricans in the U.S. All told, there are 2.6 million Hispanics in New York state.

FRIDAY, JUNE 25, 1999

■ Folks in Upstate New York are loudly complaining about a fly in their soup over a comment by one of **Hillary Rodham Clinton's** unidentified Senate campaign advisers that she shouldn't "go to the fly-infested Adirondack Park." We immediately thought of **Harold Ickes**, who in the past has issued dire warnings about ticks on golf courses, but Ickes stoutly denied authorship. "The Adirondacks is a wonderful place and its beauty is well known," he told us. "I think there is a black fly season. . . . But I have no idea where the Clintons will take their vacation."

PHOTOCOPY
PRESERVATION

One day Hillary soon will thank Ken Starr

At last, something for Hillary Clinton to be grateful to Ken Starr for.

By listing her as a prospective witness in the income-tax evasion trial of Webb Hubbell, scheduled to begin Aug. 9 in Washington for a five-week run, the infamous Clinton nemesis has given the first lady the good and sufficient reason she needs to return to her duties at home.

Miss Hillary, who is not necessarily the brightest bulb in the socket illuminating how politics works (it was she who designed the deny-everything strategy for Whitewater, Travelgate and Thong-pantagate), has to fish or cut bait soon and she's surely wondering how she ever let a schoolgirl fantasy get so out of hand.

The last thing she needs is a star's role in the continuing saga of Webb Hubbell's pursuit of lasting infamy. She would be called to tell the truth, the whole truth and nothing but the truth about high times and low life at the Rose Law Firm at the very instant she has to be turning up the flame under a Senate campaign. Most New Yorkers don't expect a virgin, having never met one, but even Harold Ickes and his friends would prefer not to have to sell a certified crookette.

"Look," says Dick Morris, her old pal and the man she brought in to save her husband's career in Arkansas two decades ago, "she's about 5 points behind right now, and this can't help her. And she's going to make her decision in September and October and this'll probably knock her a few extra points back. If she's 8 or 9 or 10 down, she's not going to run.

"You know, she's got a tough problem, because she testified that she did no work on this Castle Grande deal, and then the billing records, which nobody could find, show up in the White House, that show she billed for 60 hours on it.

"Now either she billed for the 60 hours and didn't do the work, in which case she committed a crime, or she did the work and lied when she said she didn't, in which case she committed perjury."

Now we understand why she was so distraught — the smart cookie as tough as any man moved to a woman's tears — when she was subpoenaed by a U.S. grand jury 30 months ago, and maybe why the Castle Grande billing records, long sought by an army of FBI agents, mysteriously



Ken Starr

"turned up in the White House family quarters. Everyone assumed, wanting to give a lady a lady's due, that the Tooth Fairy dropped them there. Now we can't be so sure. Fraud, she wrote.

The spin, naturally, will be that Ken Starr is still out to "get" the first lady, and we can be sure he is. What else are prosecutors paid to do? Further spin: The timing is "suspicious." Certainly true. But the bottom line is that Ken Starr has a good case, and the footprints of Hillary's Bruno Maglis are all over it.

If Hillary doesn't want to take Ken Starr's word that bad times lie ahead, she could consider new poll findings of Celinda Lake, a Clinton true believer who polls for Democratic candidates. She and her partner, Ed Goeas, learned to their surprise that Republicans, who thought the impeachment trial had hurt them, actually helped them, and boosted their prospects for the year 2000. Democrats, not Republicans, are damaged goods, and continue to suffer from "time-release" Clinton fatigue. A surprising number of Americans who didn't want the president impeached now want him to go away. A lot of them may want him to take Hillary with him.

Democrats, says Mzz Lake, paid a big price. "It has diminished our credibility on morality." Moral values — faith, family, ethics, knowing the difference between right and wrong — are suddenly important and in their poll they found that voters trust Republicans more than Democrats on these issues by a margin of 20 points.

The good news for Hillary, such as it may be, is that New Yorkers are not always impressed by the larger issues that move the rest of us. Pete Hamill, the reporter/editor/author and authority on all things New York, says his colleagues in the press know better than to try to recognize anything as unfamiliar as a stray ethic.

"What they are looking for is mistakes," he says. "They are looking for flaws. They are looking for her to go into the Carnegie delicatessen and order a corned beef sandwich and a glass of milk. They are waiting for someone to ask her who was number 42 and she doesn't know it was Jackie Robinson."

Mario Cuomo, the former governor, trying to find good news, scoffs at the notion that the carpetbagger issue will hurt the first lady, though he concedes that he probably wouldn't try to run for governor himself in Texas and certainly not in Arkansas. Hillary, he says, can learn everything she needs to know about New York from a book.

Well, maybe. But Hillary, if she is half as smart as her ladies-in-waiting insist she is, is too smart to make book on such a proposition.

The Washington Times

FRIDAY, JUNE 25, 1999

We need rest

Wall Street Journal columnist Al Hunt admires Hillary Rodham Clinton, but he thinks it is "a mistake, a bad idea" for the first lady to run for the Senate.

"In the last couple of weeks, I've had a Democratic woman who has raised considerable campaign funds for the Clintons, a Democratic senator who forcefully opposed impeachment and votes with the president most of the time and a prominent Washington attorney with Democratic political connections who

passionately defended Clinton during the scandal inquisitions all say virtually the same thing about Ms. Clinton's potential candidacy: 'Go away for a while, give us some rest.' "

PHOTOCOPY
PRESERVATION

Hillary watch

REAL estate brokers are having a field day telling prospective buyers they could be next door neighbors of **Hillary Clinton**. Latest area where she's said to be establishing residency? **Lloyd Harbor** on Long Island's North Shore. "The town is abuzz with rumor," former state Transportation Commissioner **James Larocca** said yesterday. The former gubernatorial candidate also told Post state editor Fredric Dicker on his "Inside the State Capitol" program on www.wrow.com, "If she buys a house here, it will double the number of Democrats in Lloyd Harbor." Larocca's the other.

PHOTOCOPY
PRESERVATION

Upstaters bugged as Hillary aide 'flies' in the face of good sense

By GREGG BIRNBAUM
Post Correspondent

ALBANY — Angry Adirondack residents may be biting a lot worse than the region's notorious black flies do if First Lady Hillary Rodham Clinton decides to visit the popular tourist area.

Locals are buzzing mad at a comment by an unnamed adviser to Clinton — that it would be a bad idea for the First Lady to vacation in the "fly-infested Adirondack Park" this summer.

Newcomb town supervisor George Canon, a Republican, fumed, "She wouldn't have to worry. Our flies won't bite her because they are particular about what they eat."

"I hope . . . she stays the hell out of here."

Gene Goff, the owner of Gene's Grocery & Propane Filling Station in Vermontville, said,

"If Hillary Clinton feels there are too many flies up here, then she best not come this far up the Northway," referring to the highway that passes through the Adirondack region.

The First Lady, who is considering a bid for the U.S. Senate, has been weighing a summer vacation in the Adirondacks to get more in touch with everyday New Yorkers.

The notorious black-fly problem in the Adirondacks — which studies have shown has cost the region hundreds of millions of tourist dollars — largely comes to an end in early July due to the rising temperatures.

"It just shows that she does not know New York, and it shows that we don't need her," said Lake Placid Mayor James Strack.

Assembly Republican leader John Faso (R-Columbia County) said, "If

you dip your toe in the water and presume to run for office in this state . . . you're gonna get bitten by a little more than flies."

"She has no connection to New York. She is just trying to use this state and its electorate as a stepping stone."

Clinton's spokeswoman, Marsha Berry, said that the First Lady does not think the Adirondacks are fly-infested and that no plans for her summer vacation have been completed.

Mayor Giuliani, who is aiming for the Republican nomination for the Senate seat, offered no criticism of his likely opponent yesterday, but praised the upstate region.

Mayoral spokeswoman Sunny Mindel said, "The mayor thinks the Adirondacks are a great place. He's looking forward to visiting there over the next year and a half."

PHOTOCOPY
PRESERVATION

Independent counsel Kenneth Starr has listed Hillary Rodham Clinton, the first lady, as a potential witness at the trial of her former law partner Webster Hubbell, officials familiar with the case said. They did not know whether she would actually be called. Hubbell is scheduled to go on trial Aug. 9 on charges that he lied to conceal the work he and Mrs. Clinton did in connection with a failed Arkansas land development.

PHOTOCOPY
PRESERVATION

First lady on witness list for Hubbell trial

By Tom Squitieri
USA TODAY

WASHINGTON — Hillary Rodham Clinton is scheduled to be called as a witness in the August trial of Webster Hubbell, during the opening stage of her expected campaign for a U.S. Senate seat from New York.

Clinton's name is on a witness list that was submitted by Whitewater prosecutors in preparation for the Hubbell trial on 15 counts of fraud. The start date, Aug. 9, is the five-year anniversary of Whitewater independent counsel Ken Starr being sworn into office.

The prosecution's list of 63 potential witnesses was attached to a motion filed under seal by Starr's office. Being on a witness list does not mean for sure that a person will testify, but several people with knowledge of the list said the first lady is expected to be called. The witness list for the defense contains 17 names.

It would be the first testimony in a federal trial by a first lady while her husband was in office. Clinton has already made history as the only first lady to testify before a federal grand jury under subpoena.

David Kendall, Clinton's lawyer, could not be reached for comment.

U.S. District Judge James Robertson, who is scheduled to preside, said Tuesday that he expects the trial to last at least five weeks.

Clinton has formed an exploratory committee for the Senate race, in which she hopes to succeed retiring Democratic Sen. Daniel Patrick Moynihan.

Hubbell, President Clinton's first associate attorney general, is accused of con-



By Khue Bui, AP

Hubbell: Friend of Clintons accused of concealing legal work on Castle Grande.

cealing his and Hillary Clinton's legal work on Castle Grande, a proposed real estate project south of Little Rock that was never developed.

The \$3.8 million failure of that project contributed to the collapse of the savings and loan owned by the Clintons' Whitewater business partners, Jim and Susan McDougal, at a cost to the government of \$60 million.

Clinton and Hubbell were partners in the Rose Law Firm in Little Rock.

The legal work they did on Castle Grande was not revealed until Clinton's billing records turned up without explanation in the White House family residence in 1996, two years after prosecutors subpoenaed them.

Poll: H. Clinton can work, run

More than two-thirds of Americans believe Hillary Rodham Clinton would be able to perform her duties as first lady while running for the U.S. Senate in New York, according to a poll released Wednesday.

Although 68% of those responding to the NBC/*Wall Street Journal* poll say Clinton can juggle the White House and the campaign, 57% say her candidacy is inappropriate because she has never lived in New York.

The poll of 2,011 adults last Wednesday-Friday has a margin of error of +/- 2.2 percentage points.

Meanwhile, New York City is abuzz over an effort by Mayor Rudy Giuliani, Clinton's likely rival in the Senate race, to squelch a potential public relations bonanza for her.

Giuliani's deputy, Randy Levine,

acknowledged Wednesday that the mayor denied Miramax Films and Hearst Publishing a permit for a gala Aug. 2 at the Brooklyn Navy Yard to celebrate the debut of their magazine, *Talk*, after hearing that Clinton might be on the cover.

"Just the fact they are considering it will make the thing political," Levine said. "If they were going to put the mayor on the cover, we'd tell them the same thing."

The first lady will formally launch her Senate bid July 7 by announcing the formation of an exploratory campaign committee and a trip through upstate New York. Next week, she'll be in New York City for a Democratic fund-raiser with President Clinton.

By Kathy Kiely

In a plea bargain with Starr, Hubbell pleaded guilty to other Whitewater-related fraud charges in 1994. He served 18 months in prison.

It is rare for someone to be indicted a second time in the same criminal probe, but as Starr's investigation widened, it

led to new allegations of wrongdoing by Hubbell.

Hubbell also faces a trial on charges of income tax evasion, also brought by Starr.

The income tax trial is expected to begin this fall.

PHOTOCOPY
PRESERVATION

Wise Words About Hillary — From a Real New Yorker

•Andrea Peyser is right again with her take on Mrs. Clinton's "qualifications" to be a New York senator ("Note to Hillary: New York Is not a support group," June 22).

Not only is Mrs. Clinton totally unqualified to serve as a senator from this state, but, considering the alternative (presumably, and thankfully, Rudy Giuliani) the idea of a Clinton campaign is laughable. Unfortunately for New York citizens, if Hillary Clinton is elected to the Senate, the joke could be on us.

Peyser rightly describes this Senate run for what it is: The Next Thing to Keep Hillary Busy. It's clear that to Hillary a New York Senate seat is nothing more than a political laboratory in which to make yet another attempt at one of her failed social experiments.

One need only recall the disastrous health-care reform effort as the perfect example of how Hillary operates: After gathering as many Ivory Tower academics as you can in one room, announce that since "we" know what's best, any other approaches to solving the problem won't be tolerated. Sounds reasonable, right? Well, it's just a preview of how New York would be represented at the federal level if Hillary Clinton

was elected.

And Hillary doesn't stop at telling people how to live every aspect of their lives. She also figures out a way to spend the maximum amount of other people's money doing it.

John Mohan
Manhattan

•It's nice to see at least one New York newspaper not rolling over like a trained puppy, salivating at the prospect of Sen. Hillary. Keep up the good work!

Kim Weissman
Longmeadow, Mass. (via e-mail)

•I was dismayed that, according to recent polling data, Hillary has a commanding lead over Mayor Giuliani for the upcoming New York Senate race.

Rudy might not be the most personable guy, and I don't agree with all of his ideas, but the city was on the verge of anarchy when he took over. He didn't try to please everyone, he made the tough decisions, and his policies have been effective. We all have benefited from his leadership.

Why then would New York's well-educated, intelligent entrepreneurs want a corrupt, carpet-bagging, socialist — who knows nothing about New York — to represent them? **Robert Reeg**
Stony Point (via e-mail)

Hillary may again be tangled in Webb

By BRIAN BLOMQUIST
Post Correspondent

WASHINGTON — Whitewater prosecutor Kenneth Starr has put First Lady Hillary Clinton on his witness list for the upcoming Webb Hubbell fraud trial, sources said yesterday — a move that could hurt her Senate campaign.

If called to testify in the Hubbell trial, Mrs. Clinton probably will be asked about her legal work on a fraudulent land deal in the mid-1980s, when she worked at the Rose Law Firm with Hubbell.

The trial — slated to start Aug. 9 — could provide a damaging reminder of her role in the Castle Grande scandal, an offshoot of Whitewater, just as she's trying to project an honest image to New Yorkers as a wannabe senator.

Mrs. Clinton has said she doesn't recall performing the legal work for Madison Guaranty Savings and Loan in the mid-1980s, even though she billed the Arkansas S&L for phone calls and meetings.

Her billing records became famous when they vanished for two years — eluding Starr's subpoena — then mysteriously reappeared in the White House with Mrs. Clinton's fingerprints — though she claims she has no idea how they got there.

Mrs. Clinton's press secretary, Marsha Berry, referred questions to her scandal lawyer, David Kendall — who didn't return calls.

Former Starr deputy Bob Bittman said Mrs. Clinton could be a "hostile" witness for Starr — creating a perception that the Hubbell trial is a "political prosecution."

But Bittman said he doesn't see how Mrs. Clinton's testimony could be anything but bad for her if she continues to claim she can't remember her legal work — since there have been numerous trials and investigations to "remind" her.

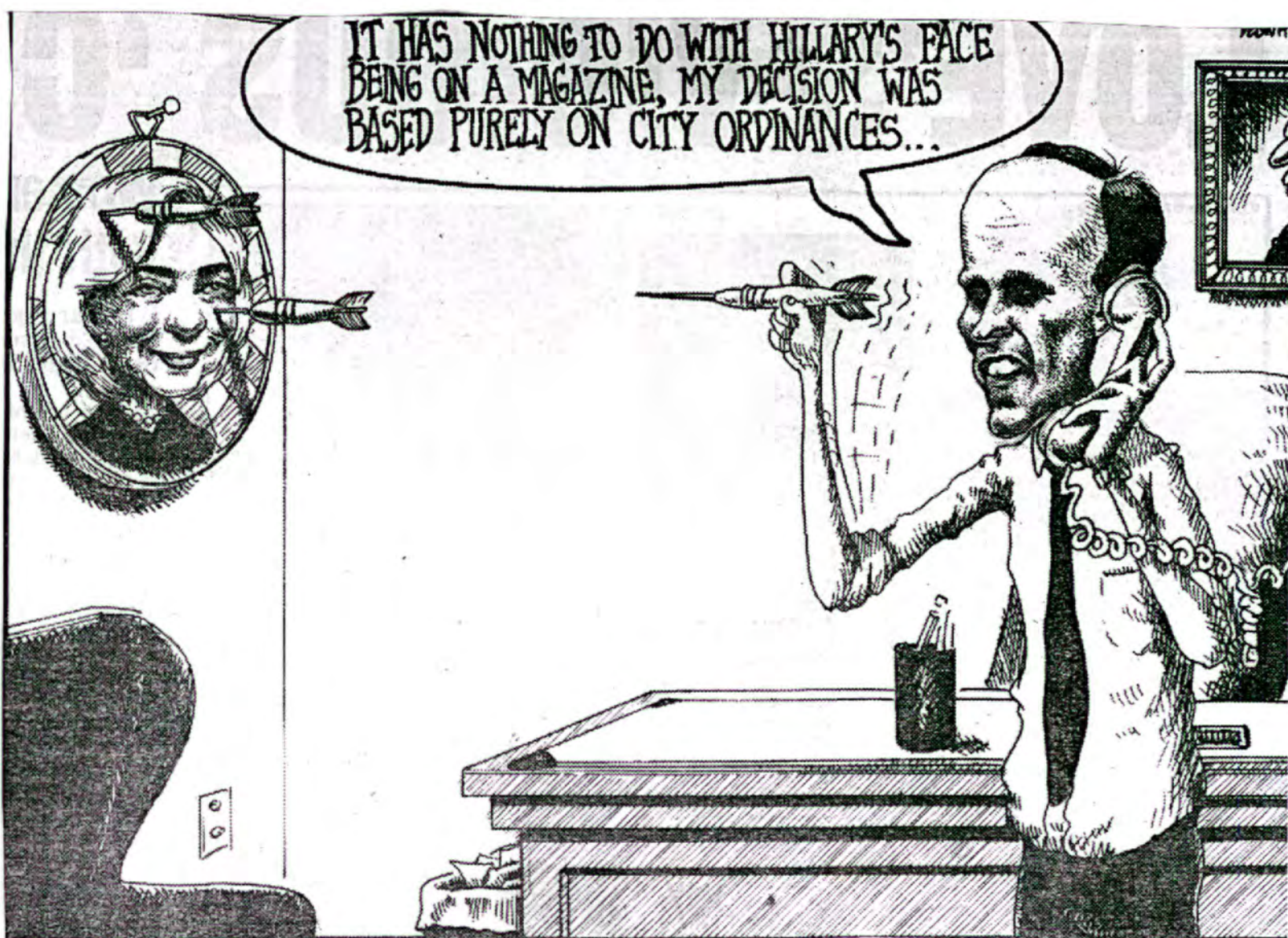
The Federal Deposit Insurance Corp. said Mrs. Clinton's work involved drafting an option agreement "to deceive federal bank examiners."

Mrs. Clinton's billing records showed her option agreement put the price of the Castle Grande project at \$400,000, but the government sold it for just \$38,000 for it when the S&L collapsed.

Hubbell is charged with fraud for lying about the legal work that he and Mrs. Clinton did. At the time, he had tried — successfully — to get Uncle Sam to hire the Rose Firm to clean up the mess when Madison went broke.

Meanwhile, Starr told reporters in Ireland that Mrs. Clinton lacks the "basic gregariousness and warmth" of her famous husband and is a "bit more distant, a bit more cool."

PHOTOCOPY
PRESERVATION



PHOTOCOPY
PRESERVATION

Rudy defends imposing naval blockade for magazine bash

By FRANKIE EDOZIEN and
ROBERT HARDT Jr.

Mayor Giuliani yesterday defended banning Tina Brown's new magazine from throwing a debut party at the Brooklyn Navy Yard, saying city officials should be able to bounce bashes they don't like.

"People have a right to make their own conclusion about how they want their property used and I think it would have been a very onerous event anyway," Giuliani said of the planned Aug. 2 gala for Talk magazine.

The magazine, a venture of Miramax Films and Hearst Publishing, is reportedly putting First Lady Hillary Clinton on the cover of its debut issue — an editorial choice that got the party canceled because city officials deemed the event "political."

Mrs. Clinton and the mayor will likely be facing off against each other in next year's Senate race. As The Post reported Monday, the First Lady is expected to launch her campaign after the Fourth of July weekend at the upstate home of U.S. Sen. Daniel Patrick Moynihan, the Democrat she's seeking to replace.

Brown has been a vocal supporter of the Clintons.

The Miramax party was going to feature fireworks and hundreds of guests were going to be ferried to the site from Manhattan via fireboats.

Speaking to reporters in City Hall, Giuliani first said officials at the city's Brooklyn Navy Yard Development Corp. made the decision to cancel the party.

But when pressed on whether Deputy Mayor Randy Levine had anything to do with the cancellation, Giuliani said: "I'm sure it was their joint decision."

Frustrated by the many questions about the party from the press corps, the mayor tried to change the subject, saying "we've gotten to the point of ultimate frivolity."

"If there are no more questions about another subject, I can go back to work."

Miramax officials were tight-lipped about the Navy Yard flap but were privately thrilled over the amount of free publicity the magazine received from its run-in

with City Hall.

Brown, at a Miramax party last night for Variety magazine, said with a laugh, "I'm looking at federal property now. I've got 800 guests and no place to put them, so I'm still looking."

Miramax boss Harvey Weinstein, also at the party, said: "I hope the mayor reconsiders."

In a statement, Navy Yard President Marc Rosenbaum said the party became "too big and cumbersome" when the guest list swelled from 500 to 1,500 people.

Rosenbaum admitted the cover photo of Mrs. Clinton was also a factor.

"We felt that the party was beginning to take on a political cast and was no longer simply for the launch of a new magazine, a situation which could easily violate our policy against hosting political events."

Sources said despite the anger over the Talk party, Miramax bigwigs reached out to the Giuliani administration on



HILLARY CLINTON
Cover girl.

Tuesday to ensure their deal is still on to build a \$150 million film studio at the decrepit Navy Yard.

"No one wants to jeopardize that project," said one City Hall source.

Marsha Berry, spokeswoman for Mrs. Clinton, wouldn't comment in the Navy Yard battle but confirmed that a photographer for Talk traveled with the First Lady to Africa this spring.

In a separate development, the Zionist Organization of America blasted a Jewish service organization for planning to give Mrs. Clinton an award for humanitarian efforts — because she supports Palestinian statehood.

But Anti-Defamation League President Abraham Foxman said it was inappropriate to condemn Hadassah for its planned honor of the First Lady.

Also yesterday, Mrs. Clinton's spokeswoman dismissed a report on a Web site that The New York Times was preparing a story "revealing the existence of Hillary Clinton's new North Salem, N.Y. home."

"No, no, no," Berry said of the item on The Drudge Report Web site. "She has not bought a house. Obviously, at some point she will need to buy a house, but she's still very much looking. This is just wrong."

PHOTOCOPY
PRESERVATION

Hillary to get packing

Starr is no aid to Giuliani, Hoosier to leave Hill, he's no Bush '92

BY MARIANNE LAVELLE

Paris's chic boutiques may be fine places for a first lady to shop, but New York Democrats want candidate **Hillary Rodham Clinton** closer to Fifth Avenue. They're saying that Clinton can't run from afar—not from France, where she was touring last week, and not from the White House. "She can't do this on the shuttle," says Westchester County Democratic chief **David Alpert**. "She needs to be a real presence here in New York. This race should be treated like the Iowa caucus." An early, aggressive statewide campaign, of course, would mean physical separation from the president. But this is a sacrifice Hillary appears willing to make. According to some of the first lady's advisers, her move to the Empire State is in the works. "She should be here by the fall," says one operative with whom she regularly consults. "Everyone will understand if she has to go back to Washington for a NATO summit or something like that. . . . But there's no doubt that she'll leave the White House early."

Unhelpful Starr

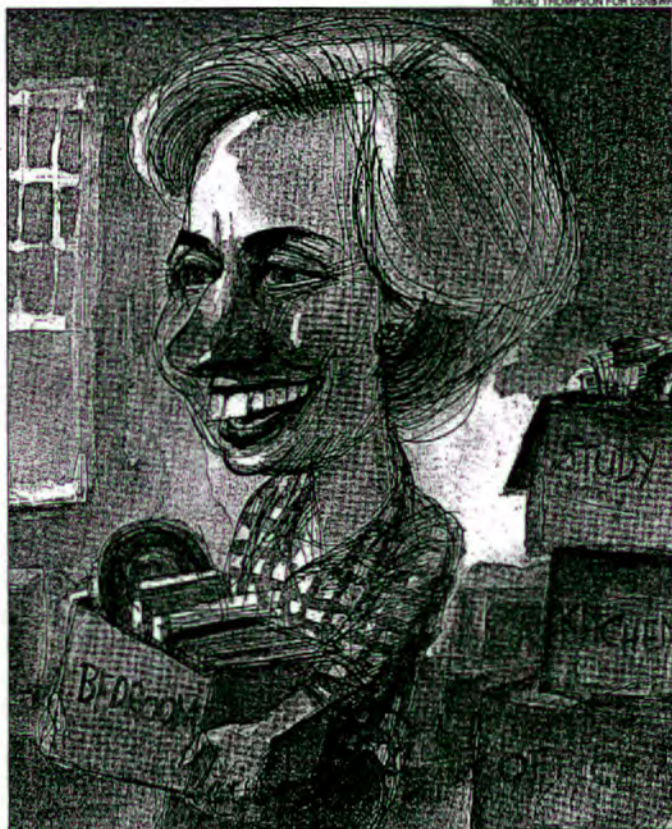
New York Mayor **Rudolph Giuliani** will have to wait to see what final salvo Independent Counsel **Kenneth Starr** may launch at Giuliani's most likely Senate race opponent. Contrary to some published reports, Starr deputy **Edward Page** says no decisions have been made on whether to file one last report. **Hillary Clinton** played such a prominent (though apparently undictable) role in Starr's

probes that New York GOP types were salivating to get their hands on any dirt. But Page says Starr's office has not even decided whether the report should focus on Hillary. One thing is certain, says Page. June 30, the day the independent-counsel statute is due to die, will be "a normal working day" in Starr's office.

'Indiana wants me'

Rep. **David McIntosh** of Indiana is virtually certain to leave the House and run for Hoosier State governor in 2000. The word has shaken the GOP on Capitol Hill, which is losing a leader of the 1994 "Republi-

PHOTOCOPY
PRESERVATION



Clinton won't be waiting to box away her White House memories.

Take your arrogant act elsewhere

AT LEAST he's consistent. Bill Clinton runs for the U.S. Senate the same way he has sexual relations:

If you don't catch him in the act, in a strictly legal sense, the president feels absolutely no compunction against denying what he's in the midst of doing.

It was 1,000 degrees on the sidewalk in Manhattan yesterday, and the heat-addled city ground to a halt.

Through much of Midtown, throughout much of the infernal day, you couldn't walk, drive or perspire in place without being shooed by a man in uniform — perhaps working overtime — into an outer borough.

It's summer in the city. And like a full-bodied intern, New York is, once again, being handed to the shameless Clintons for their personal consumption.

No, Hillary Clinton, who believes 20-some years of marital humiliation entitles her to a

**ANDREA
PEYSER**



Senate seat, didn't stomp on our city in her taxpayer-funded campaign for office. That's what she told us.

Bill Clinton, whose only certain legacy is his future irrelevance, didn't plow through town on a publicity tear following reports he wants to be senator from Arkansas.

He gave us his word on that one.

On a day so hot the Broadway hit "The Iceman Cometh" might well be retitled "The Iceman Melteth," the Clintons weren't here to apply for jobs to ease the transition when they're evicted from the White House.

Everyone's favorite couple was in town to see a play.

And not just any play.

The airports and highways and side streets and parking spaces were put off limits to ordinary mortals so the Clintons could enjoy a popular drama to which you or I or the average wage slave couldn't expect to acquire a good seat until the show winds up in some Poughkeepsie dinner theater.

The arrogance. And after all of it only one of them — Bill — shows up at the theater.

There's something pathetic about Bill Clinton today. He wears his rejection on his sleeve. Whether or not he admits it, he is campaigning.

He is trying to win his wife's attention.

Hillary, meanwhile, is waging a two-prong campaign: After years of sexual rejection, she is searching for adoration wherever she can get it. She also is using her unannounced campaign for revenge.

Whenever she gets a chance,

she uses her platform to publicly spank her husband.

Hillary talks about moving to New York, but fails to mention where Bill might live.

So Bill comes back peevishly, saying he wants to live in New York, too.

Hillary threatens to become our senator. So a story appears saying Bill wants to follow her back to Washington, and be a senator, too.

After seven years watching their wacky marriage come unglued, it is a laugh riot to watch this pair work out their frustrations in the open. They send coded messages through the media. They campaign for office — and deny it — as if to one-up one another.

I wish these guys would simply get some marriage counseling, already. Or just duke it out.

It would be a whole lot cheaper, and less embarrassing, than this endless city-stomping, paid for by you and me.

**DAILY
NEWS**
—online edition—

HOME

NEWS & VIEWS

City Beat

Headlines Index

Last 6 Days

Search/Archives

QUICK SEARCH

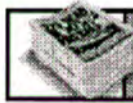
GO

Lose Interest in Your Mortgage.

click here to refinance and save.

06.14%

GetSmart.com



City Beat

Hil, Chelsea House-Hunt

Bill chills at 'Iceman,' raises cash

By JOEL SIEGEL and KENNETH R. BAZINET
Daily News Staff Writers

Hillary Rodham Clinton and daughter, Chelsea, skipped a Democratic fund-raiser on Broadway yesterday to go house-hunting "in the city and its environs."

While President Clinton saw the play "The Iceman Cometh," his wife was eying closets and square footage with Chelsea.

The First Lady needs a New York residence if, as expected, she becomes the Democrats' candidate to replace retiring Democratic Sen. Daniel Moynihan next year.

The Clintons arrived together at Kennedy Airport, but split up, with the President heading alone to a Connecticut fund-raiser as his wife and daughter began house-hunting.

The First Family was supposed to rendezvous for the 3:15 p.m. performance at Broadway's Brooks Atkinson Theatre, where the First Lady was scheduled to speak along with the President. But she and Chelsea never appeared.

The First Lady's spokeswoman, Marsha Berry, confirmed that the Clinton women "took the opportunity to look at some houses."

"House-hunting took longer than expected," Berry said. "She was house-hunting in the city and its environs."

The play hauled in more than \$1 million for the Democrats' House and Senate races next year — including the potential run by the First Lady. The \$10,000-a-head luncheon in Westport raised \$400,000.

Contributors ponied up anywhere from \$250 to \$50,000 to attend "The Iceman Cometh" and a Supper Club reception.



Naso NEWS

The President joins Kevin Spacey (c.) and other cast members of "The Iceman Cometh" onstage yesterday.

At more than four hours, and with its brooding themes of broken dreams and human weaknesses — including infidelity — the Eugene O'Neill classic starring Kevin Spacey was hardly the typical vehicle for a political fund-raiser.

The President walked on the stage afterward, thanking "Kevin and all this magnificent cast for giving us too much to think about." He added, "Here we are, all reliving our entire family history."

Spacey, talking with reporters, said, "It's a play that I think everyone sees something of themselves in."

The President also had a special message for New York: "I'm profoundly grateful to the people of New York and this city for being so good to Hillary and me."

The White House, meanwhile, denied a report that Clinton was considering a run for the Senate from Arkansas in 2002. "I think his quote to me was, 'That story is crazy, and I don't know where they got it from,' " said spokesman Joe Lockhart.

Original Publication Date: 06/29/1999

Quick Reference Menu

 **citysearch.com** **Event Finder.**

 [Click here for AD INFO](#)

[Click here for HOME DELIVERY](#)



[Back to Top](#)

Hubbell ready to plead guilty in shady Ark. land scheme

By MARILYN RAUBER
in Washington
and FREDRIC U. DICKER
in Albany

Hillary Clinton's ex-law partner has cut a plea deal with prosecutor Kenneth Starr, sources said yesterday — ending the risk that the First Lady could be called to testify about her role in a shady Arkansas land deal.

Webster Hubbell's trial had been set for Aug. 9, raising the embarrassing prospect of the First Lady being dragged into court to testify about her role in allegedly drafting deceptive documents in the Castle Grande deal just as she's launching a Senate campaign.

Hubbell is expected to escape prison time as he pleads guilty to covering up his and Mrs. Clinton's role in the sham land deal as Starr wraps up his Whitewater probe and gets ready to release what's likely to be a highly critical report on the Clintons.

Mrs. Clinton's role in the deal was revealed when her lost-and-found billing records turned up at the White House, with her fingerprints, near her private office. The billing records had been under subpoena.

The news came as a new Zogby poll found the First Lady is "losing ground" in a potential race with Mayor Giuliani for the U.S. Senate.

Hizzoner now leads by 50.4 percent to 40.2, and a growing number of New Yorkers see the First Lady unfavorably. The poll also found Republican/Liberal Giuliani winning a three-way race with 42.2 percent of the vote, Mrs. Clinton second with 39.5 percent and Republican/Conservative Rick Lazio third with 8.6 percent.

The plea bargain means Mrs. Clinton — on Starr's list of potential witnesses — won't be dragged into court. But Hubbell reportedly has agreed to tell prosecutors what he knows about the Castle Grande development.

"This is truly an ominous development for her candidacy," said ex-presidential adviser Dick Morris, noting that Mrs. Clinton is "the person whom Hubbell could provide evidence about."

However, Hubbell has reneged on a past promise to cooperate with Starr's probe of the Clintons.

Hubbell, the ex-Justice Department honcho and former close pal of both Clintons, reportedly plans to plead guilty to a felony charge involving the Castle Grande coverup and a misdemeanor charge stemming from a separate tax-fraud case.

Tax charges against Hubbell's wife, his tax lawyer and his accountant are expected to be dismissed.

NEW YORK POST, TUESDAY, JUNE 29, 1999

PHOTOCOPY
PRESERVATION



Meredith Berkman

Nita still getting burned by Hill

IF I were Nita Lowey, I'd keep a close watch on my husband. Noble Nita — who knows better than anyone that Hamlet Hillary plays by her own rules — has just lost her respected chief of staff to the First Lady's nascent Senate campaign. The next thing you know, Clinton will demand that Lowey turn over her loving lawyer spouse and their spacious Westchester home.

It's true that losing a faithful foot soldier, especially to a high-profile candidate, connotes a certain kind of status in the political world. (In fact, Lowey's amanuensis Howard Wolfson took a leave of absence to help Chuck Schumer win his Senate seat last year).

And 32-year-old Wolfson, popular with the media, is so highly regarded that his decision to move on after six years could not have been a surprise. Still, you have to wonder how Lowey — formerly as Clinton's Lady-in-Waiting — really feels about the defection.

Publicly, of course, the Chanel-suited congresswoman has stated that she is "very sad" to see him go but confident that Wolfson will do "an outstanding job for the First Lady." But don't forget that she was referring to the woman who had no apparent qualms about forcing party-loyal Lowey to put her own plans on hold for months while Clinton dithered (as she pretends to continue to) about entering the race. And now this? If I were Nita Lowey, I'd call Hillary Clinton the First Ingrate.

What is so galling about Clinton is the sheer arrogance she proudly wears around her stubborn neck like a diamond-crusted piece of Harry Winston jewelry. It's not the carpet-bagging per se — the beauty of New York is that most everyone here origi-

nally came from somewhere else — but her shockingly amateurish attempts to convince us that she has been a closet New Yorker for decades.

Suddenly, she's simply dying to summer in our midst. She's moving here post-White House, no matter what! She's taken to appearing in basic black (after a helpful New Yorker chastised her for wearing pink). And then there's the most offensive gaffe of all: Does this Chicago Cubs fan really expect us to believe that she's been secretly following the Yankees? She can perch that baseball cap on her helmet head all she wants — and claim to love my miracle Knicks — but she can't fool me.

If I were Nita Lowey, I'd call Hillary Clinton the First Ingrate.

Though polls have shown that New Yorkers want her to run and that Clinton and Rudy Giuliani would battle in a very close race, I just don't see how this could be. A straw poll of my socially liberal, fiscally conservative friends — who voted twice for Bill Clinton but also for the mayor, and are now turned off by spiteful Giuliani — reveals that Hillary's target demographic group is very angry.

While we would probably support her "issues" (part of the problem is that no one really knows what these will be), we are disgusted by her slash-and-burn style, as evidenced by her continuing torture of Nita Lowey. It is the same superior attitude we witnessed in Washington, as haughty Hillary and her errant husband carelessly used and discarded dozens of talented, loyal people.

When reports surfaced yesterday that the president may be gunning for his own Senate seat from Arkansas in 2002 — thus drawing attention away from his self-centered wife — I couldn't help thinking that the bad timing was very poetic justice.

NEW YORK POST, TUESDAY, JUNE 29, 1999

PHOTOCOPY PRESERVATION

SEE HOW THEY RUN

BILL TO HOUSE HUNT

than \$1 million for Senate wannabes like his wife.

Clinton thanked the cast —starring Kevin Spacey — “for giving us too much to think about” after the play about a man who habitually cheats on his wife and ultimately kills her.

White House aides said they were as surprised as reporters that the First Lady wasn't there and had no immediate explanation for her unexpected absence.

Among those present was Rep. Nita Lowey (D-Westchester), who had planned to run for Senate but bowed out to make way for Mrs. Clinton.

Meanwhile, the White House yesterday pooh-poohed the New Yorker report that the Clintons may want to be Mr. and Mrs. Senator. The report described Clinton as “non-committal but interested.”

“He has no intention of running for the Senate, rules out the idea of running for the Senate,” said White House spokesman Joe Lockhart.

The White House actually fueled speculation about the president-to-senator story by waiting 24 hours before denying it — at first, officials simply declined comment.

Nita still getting burned by Hill / Berkman: Page 22

TUESDAY, JUNE 29, 1999

SEE HOW THEY RUN

HILL DUMPS

Skips B'way play and fund-raiser

First Lady Hillary Rodham Clinton came to the Big Apple yesterday — but opted to go house-hunting for her Senate race and snubbed a fat-cat fund-raiser where she was slated to co-star with her husband.

“She took the opportunity to go look at some houses,” Marsha Berry, a spokeswoman for the First Lady, said. “She looked at some in the city and some in the environs.”

Mrs. Clinton's surprise absence from the joint event with her husband came as political circles buzzed over talk the president wants to run for Senate just like his wife — but from Arkansas — when they leave the White House.

Clinton aides dismissed the New Yorker magazine

By Robert Hardt Jr. and Deborah Orin in New York and Marilyn Rauber in Washington

report as “crazy” but some analysts said the story hurt Mrs. Clinton by raising doubts about the sincerity of her claim to be a born-again New Yorker and lifelong closet Yankee fan.

Fat cats paid up to \$50,000 a couple for what had been billed as the first chance to see the Clintons stump together for her as she revs up to launch a possible campaign for the Senate seat now held by Democrat

Daniel P. Moynihan, who's retiring.

Berry said she had no details about Mrs. Clinton's house hunting.

Another source said the First Lady missed the special fund-raising performance of the Broadway show “The Iceman Cometh” because she was “unfortunately detained.”

Mrs. Clinton was listed on the program for the play/fund-raiser and White House aides said she'd speak, but she didn't show up.

Instead, her husband was the only speaker on stage after the performance, which raised more

... As Alabama GOP Takes Aim At Hillary

■ THE ALABAMA GOP is offering to help New York Republicans in their efforts to turn back any Senate bid by Hillary Rodham Clinton, the *Associated Press* reported.

Alabama GOP Chairman Winton Blount last week sent fundraising letters to 10,000 party donors, seeking donations from \$50 to \$500 "to help our friends in New York in their battle with Hillary."

Money raised also will help Republican candidates in Alabama.

"Why? Because Bill and Hillary's liberal friends in Hollywood and on Broadway, the labor unions, the anti-gun lobbyists, [the National Organization of Women] and the environmental extremists are going to pump every dollar they have into Hillary's campaign," the letter said.

"We greatly appreciate their offer of support," said Brendan Quinn, executive director of the New York Republican State Committee.

A spokesman for the New York Democratic State Committee called the appeal "very creative," but declared, "All the outside money and fundraising won't change the fact that Democrats are right on the issues and Republicans are out of ideas."

PHOTOCOPY
PRESERVATION

WASHINGTON, D.C., TUESDAY, JUNE 29, 1999 ★

Hubbell deals with Starr again

By Jerry Seper
THE WASHINGTON TIMES

Convicted felon Webster L. Hubbell has signed a deal with independent counsel Kenneth W. Starr to avoid prison in exchange for admitting he lied about legal work he did for an Arkansas real estate project on which he worked with Hillary Rodham Clinton.

The agreement, struck this week, raises the possibility that Mr. Hubbell's cooperation could result in charges against the first lady.

Pact may spur charges against Hillary

Law enforcement sources said Mr. Hubbell will plead guilty to a felony count of covering up his legal representation of Castle Grande, a project on which he and Mrs. Clinton worked, to avoid a trial scheduled to begin Aug. 9. He also will plead guilty to misdemeanor tax evasion in a pending separate trial. In exchange for the misdemeanor plea, the sources said, Mr. Starr will seek to dismiss the tax

case against Mr. Hubbell's wife, Suzanna.

The deal is the second time Mr. Hubbell, former associate attorney general who already served 16 months in prison in the Starr probe, has pledged to cooperate in the investigation. In 1994, however, his promised cooperation was less than expected and resulted in Mr. Starr's unwillingness to support a reduction in his sen-

tencing on a guilty plea to defrauding his partners at Little Rock's Rose Law Firm.

The sources said, however, Mr. Hubbell's attorneys have allowed Mr. Starr's office to question him concerning his legal work for Castle Grande, the failed \$3.8 million real estate project financed by Madison Guaranty Savings and Loan Association.

Although a November indict-

ment accused Mr. Hubbell on 15 felony counts of fraud, perjury and obstruction and did not name the first lady, it referred to Mr. Hubbell's Rose firm "billing partner" for Castle Grande more than 30 times. Mrs. Clinton was that billing partner.

"This investigation is ongoing, and information is still being gathered and reviewed," said one law enforcement official familiar with the Starr probe. "Nobody is coming home yet."

see HUBBELL, page A16

HUBBELL

From page A1

Elizabeth Ray, spokeswoman for Mr. Starr, had no comment on the case. Mr. Hubbell's attorney, John Nields, was not available.

Mrs. Clinton, would-be candidate for a U.S. Senate seat in New York, was listed among 63 witnesses in the August trial. The deal eliminates her exposure at a time she is expected to make a final decision on whether to run for the Senate seat.

Her ties to Castle Grande were denied by the White House until Rose firm billing records mysteriously were discovered in the White House residence in 1996. The records, which had disappeared in 1994, contradicted her statements under oath to the Federal Deposit Insurance Corp. and the Resolution Trust Corp. that she did little or no work for Castle Grande.

Mr. Starr has said questions remain over Mrs. Clinton's role with Castle Grande, and "a thorough investigation" found "no explanation" how the billing records got to the White House residence. He also has said Mr. Hubbell "may have additional information pertaining to Castle Grande ... that we have been unable to obtain." Mr. Hubbell took the Rose firm records on Madison during the 1992 presidential election.

A week before the billing records were found, the RTC said in a December 1995 report it had little information on Mrs. Clinton's ties to Madison or Castle Grande. After the records were discovered, it

concluded that Mrs. Clinton had done more work for Madison and Castle Grande than investigators had thought.

The records show Mrs. Clinton billed Madison for 60 hours of legal work; spoke with Madison about Castle Grande on 14 occasions; discussed legal matters with James or Susan McDougal 16 times; had 28 meetings with Rose lawyers on Madison; and met with state regulators on Madison business twice.

A major area of concern is an option agreement that facilitated a \$300,000 payment to Seth Ward, the Madison official to whom the first lady spoke about Castle Grande. The option, written by Mrs. Clinton and Mr. Hubbell, guaranteed Mr. Ward a payoff and negated his liability in the project.

Though the option was never exercised, it disguised the reason for the payment and created a paper trail to justify the cash outlay to Mr. Ward, who is Mr. Hubbell's father-in-law.

In September 1996, the FDIC said Mrs. Clinton and Mr. Hubbell drafted legal papers Madison used to deceive bank examiners and divert the \$300,000 to Mr. Ward. It said the papers "facilitated the payment of substantial commissions to Mr. Ward, who acted as a straw buyer." A straw buyer is one who owns property in name only, having never put up any money or assumed any risk.

The FDIC said the Ward payments violated federal rules but did not accuse Mrs. Clinton or Mr. Hubbell of criminal wrongdoing. But the agency raised serious

questions about their involvement in a project that ultimately cost taxpayers \$3.8 million when it failed.

Mr. Starr's office has written at least one draft indictment, accusing the first lady of lying to investigators about her role in Castle Grande. Lawyers close to the Starr probe said the draft became "a work in progress" after her January 1996 grand jury appearance, when prosecutors concluded she lied in denying she had done legal work for Castle Grande.

The independent counsel also is investigating the first lady's role in the so-called "Travelgate" scandal. Investigators want to know if she told the truth when she stated under oath she had no role in the firing of seven travel office workers.

The Clintons were partners with Madison's owners, James and Susan McDougal, in Whitewater Development Corp. Madison failed in 1989 at a cost to taxpayers of \$500 million. The McDougals were convicted in 1994 on charges of fraud and conspiracy.

In the tax case, Mr. Hubbell and his wife were indicted for failing to pay \$894,000 in taxes, interest and penalties. The indictment said they spent \$750,000 between 1994 and 1997 on personal items, including clothing and accessories, private school tuition, telephone calls and domestic help, and made cash withdrawals of \$60,000. During that period, they paid less than \$30,000 in taxes, although their income was in excess of \$1 million.

In 1994, Mr. Hubbell pleaded guilty to cheating his law partners of \$482,410 in phony billings.

PHOTOCOPY
PRESERVATION

Why Hillary won't run

By Peter Parisi

When Sen. Dale Bumpers announced that he wouldn't seek reelection last year — following the lead of his fellow Arkansas Democrat, Sen. David Pryor, who retired in 1996 — some of us suggested first lady Hillary Rodham Clinton should run for the Senate.

The argument went that, as someone with strongly held public policy views, Mrs. Clinton owed it to herself to at last step out from behind President Clinton's political coattails and put those views to the electoral test.

Mrs. Clinton, long criticized as unelected and thus unaccountable, had the opportunity to change all that and legitimately be able to pursue whatever agenda she wished. But she passed up that second con-

secutive open Senate seat in Arkansas — from which she had a legitimate base to run and which she almost certainly would have won easily.

Now she's agonizing over whether to move to New York — a state in which, as Republican National Committee Chairman Jim Nicholson noted, she has not so much as "bought a bag of groceries" — for a run at the seat held by retiring Democratic Sen. Daniel Patrick Moynihan.

Breathless speculation about the imminent formation of an exploratory committee notwithstanding, the guess here is the answer will ultimately be "no go."

Famously flinty (except when among hand-picked, adoring crowds) and notoriously thin-skinned, Mrs. Clinton doesn't take criticism well. That's something she would have to get used to, both from her Republican opponent and from a rough-and-tumble, mostly tabloid New York media.

Maybe that's why Mrs. Clinton has needed months of rumination before deciding whether to run. So what if it has hung other would-be New York Democratic candidates, notably Rep. Nita M. Lowey, out to dry in the process?

Groused a major New York Democratic fund-raiser recently: "What you hear over and over is that if there's one thing the Clintons share as a couple, it's that they put themselves and what's good for them ahead of anybody else."

And while Mrs. Clinton's newfound New York state of mind may go over well with the brie-and-Chablis crowd on the tony Middle East Side of Manhattan, it remains to be seen how well it would play elsewhere in the state, from Poughkeepsie to Palmyra.

With that in mind, Republican Gov. George E. Pataki noted recently: "We don't need someone from Washington moving to New York. We need someone from New York moving to Washington."

Meanwhile, Mrs. Clinton's most likely Republican oppo-

nent, New York Mayor Rudolph W. Giuliani, has scheduled a fund-raiser in, of all places, Little Rock, Ark., for July 27.

These are in-your-face references to the charges of carpet bagging

Mrs. Clinton would face, Bobby Kennedy (who, it should be remembered, won only narrowly in a landslide Democratic year) notwithstanding.

"The carpetbagger issue is a much more serious issue than anybody thought it would be," concedes the N.Y. Democratic money man.

For all these reasons and more, don't buy the Democratic spinners' mantra that Mrs. Clinton would be a Senate shoo-in.

The last thing someone with her monumental ego would want to do is risk repudiation at the ballot box — particularly with polls showing Mrs. Clinton running at best neck-and-neck with Mr. Giuliani — and with another poll suggesting that about half the state's voters are bothered by her lack of New York ties.

Finally, why would Mrs. Clinton even want to be the junior senator from New York, anyway, in a minority party and have to take marching orders from Sen. Tom Daschle, when she has been for more than six years now the de facto co-president? That would represent a major demotion.

Come 2001, my guess is she'd probably be more interested in a

high-profile appointed position in an administration of a President Gore, such as United Nations ambassador — or even secretary-general. Kofi Annan's term is up then, and no North American (and no woman) has ever served as United Nations chief.

Another possibility: If Vice President Gore were to win the White House, he is apt to have as many as three seats to fill on the Supreme Court — possibly including that of Chief Justice William H. Rehnquist.

But what this political equivalent of a Kabuki dance may really be all about is that Mrs. Clinton is auditioning for the job she *really* wants: The vice president's spot on a Gore-Clinton ticket in 2000. (It's been said that she views the Senate seat as a stepping stone to a White House bid of her own. If that's so, wouldn't the vice presidency be a more direct route to the top?)

Don't be too quick to dismiss this possibility, as preposterous as it may seem, at first blush. Given the Clintons' obsessive quest for a "legacy" and her choice of being either one of 100 senators or vice president, which do you think she would prefer?



HILLARY CLINTON

Peter Parisi is a copy editor on staff at The Washington Times.

PHOTOCOPY PRESERVATION

★ MONDAY, JUNE 28, 1999 /

Hillary's first-class campaign

While Hillary Clinton is memorizing the names of all the players on the New York Yankees roster, finding Canandaigua and Cheektowaga on the New York road map and learning how to pronounce them, she might catch up on the latest trend for women in New York City. It's Tae Bo, a martial art, which could be useful if she comes up on Rudy Giuliani



Suzanne Fields

in a dark alley on the way to the United States Senate.

Women in Manhattan are crowding into gyms with names like Cardio Kick, Gotham Box and Pow! to study Tae Bo, advertised for warrior women who are not strong enough for karate but who want to protect themselves and harden their

bodies. A Tae Bo video for working out at home makes Jane Fonda workout videos look like exercise for children. Among the famous devotees of Tae Bo is Calista Flockhart, the super skinny lady known for her television role on the sitcom "Ally McBeal."

Tae Bo teaches a woman how to kick or punch a guy. She does this to an instructor (or tries to) who is holding a protective body pad while shouting commands such as "to the ribs, to the face." It's about empowering "the inner female," reports the New York Observer, and learning the "tricks of self-defense." It sounds like a natural for Hillary on the way from first hostess to political combatant.

Yoga, another fitness trend in New York, emphasizes inner control, something the first lady certainly doesn't need. But Tae Bo is pure aggressive assault. Rather than escaping into the self, a devotee works at attacking imaginary (and not so imaginary) enemies.

Hillary's enemies are not so imaginary. Men and women in and outside of New York are beginning to ask questions about who's paying for her bills on her trips to New York. The Washington Times reports that she has made 66 solo trips to New York since 1993, 10 of

them in the first 5 1/2 months of this year. The merciless man in the green eye shade rarely scrutinizes a first lady's expense account, but a lot of solo trips to New York in six months should raise her mama's eyebrows.

Marsha Berry, spokeswoman for the first lady, says Hillary's accelerated trips to New York have nothing to do with running for the Senate. "There are a lot of people who have asked her to participate in events in New York."

No doubt. Several of her visits were to raise money for specific candidates, and those candidates get to reimburse the government at a fraction of what the trips actually cost the taxpayer. The law requires that campaigns reimburse airplane travel for the cost of only a first class ticket. When the first lady flies on Air Force jets, costs run between \$2,000 to \$3,600 an hour, far more than first class. When she travels on Air Force One the costs are \$35,000 an hour. Does anyone wonder why Hillary chooses to run for the Senate as first lady rather than wait until she's a private citizen?

The taxpayer will be kept in the dark until January 2000 about the first lady's expenses. If she had formed her exploratory committee in June rather than waiting until later in July, she would have been required by federal campaign law to file a report July 15, detailing campaign-related expenses. By waiting we won't know her expenses until next January 31, but this is probably one of those "Arkansas coincidences" we've become so familiar with.

New Yorkers, however, will have had Mayor Rudolph Giuliani's expense report six months earlier. No mystery, then, why Mr. Giuliani was sighted en route to Washington the other day flying coach.

Travel records indicate Hillary's official visits to New York concentrate on her favorite three issues: education, children and health care. While those issues may justify her trips as first lady, they're not necessarily the stuff that elects a senator. Observes the New York Observer: "We need a senator whose three issues are New York, New York, New York."

The newspaper suggests that if Hillary wants to run for office in New York because she cares about New York she ought to start at the beginning, perhaps as an assistant district attorney in her new home county of Westchester: "But her ambition lies in the Senate, and so New Yorkers must gird themselves for a Clinton-style campaign of dishonest spin and pseudo charm."

For all of her complaints about the press, Hillary as first lady has enjoyed the life of Cinderella — and that's no pumpkin she's riding in between Washington and New York. But harder days are ahead. She might start learning Tae Bo.

Suzanne Fields, a columnist for The Washington Times, is nationally syndicated. Her column appears here Monday and Thursday.

The other Clinton

While all eyes are on Hillary Rodham Clinton and the Senate campaign in New York, "some old friends of the first family have been talking about a different Clinton and a different campaign," Jeffrey Tobin writes in the New Yorker.

"These people believe that Bill Clinton will run for the United States Senate from Arkansas in 2002" against Republican Sen. Tim Hutchinson, Mr. Tobin said.

"One person who has spoken to the president about the possibility of this campaign described his reaction as 'noncommittal but interested.'"

Wait till 2004

Former Clinton political adviser Dick Morris is one of the few pundits who is convinced that first lady Hillary Rodham Clinton will not run for the U.S. Senate in New York.

Interviewed yesterday on "Fox News Sunday," Mr. Morris noted that Mrs. Clinton is 5 percentage points behind New York Mayor Rudolph Giuliani in the polls, and he sees that negative margin widening.

"She'll raise a lot of money. She'll put it in a suitcase, and she

will take it to Illinois, where she will run in '04," he said.

Bill aide working on First Lady's campaign

By DEBORAH ORIN
and ROBERT HARDT Jr.

EXCLUSIVE



ANN LEWIS
Will work on Web site.

First Lady Hillary Clinton is setting up a fancy Web site to launch her Senate race, and is using White House communications director Ann Lewis to write a "substantial amount" for her political campaign, an internal document shows.

The secret June 25 memo says "a substantial amount of copy ('text') must be written by Ann [Lewis]" and media consultant Mandy Grunwald to get the Web site ready by July 6.

That's the day Mrs. Clinton is to launch her

Senate exploratory committee — the day before she starts an upstate campaign swing for the race that could pit her against Mayor Giuliani.

News that Lewis, a taxpayer-paid government worker, is playing a key role in the First Lady's political campaign comes amid a controversy over Mrs. Clinton's use of costly government aircraft for 12 trips to New York to test the political waters.

The memo also says some pages from the "Hil-

lary 2000" Web site should be translated into Spanish and "then must be vetted by several N.Y. Puerto Ricans."

Asked why Mrs. Clinton's advisers wanted Puerto Ricans — rather than others in New York's diverse Latino community — to review the Web pages, campaign spokesman Harold Wolfson said, "It was not meant to be exclusive."

The First Lady's political advisers, Harold Ickes and Janice Ann Enright, sent the memo to nine people including Lewis and two Senate staffers who are the top Internet experts working for Sen-

ate Democratic leader Tom Daschle. The Post obtained a copy of the memo.

White House spokesman Jim Kennedy said it's "perfectly lawful" for Lewis to help the First Lady's political campaign as long as she puts in 40 hours a week on her taxpayer-funded job working for Mrs. Clinton's husband. A Daschle aide said that goes for his staff, too.

But Republicans cried foul.

"Hillary Clinton is using people she's never paid to run a campaign in a state where she has never lived. It's cybertheft," said Republican National Chair-

man Jim Nicholson.

Giuliani yesterday was playing up the carpetbagger issue against Mrs. Clinton, traveling to Chicago to take in baseball game starring the Cubs — the First Lady has always billed herself as a Cubs fan but recently said she's been a lifelong closet Yankee fan, too.

The "Hillary 2000" Web page is not accessible without a special password right now and many links aren't functioning, but the section for credit card contributions is ready to go.