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**BACK TO BUSINESS COMMITTEE**

**Whitewater Facts Kit**

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# **BACK TO BUSINESS**

## **C O M M I T T E E**

The Back to Business Committee seeks to encourage action on a positive, responsible public agenda; to call public attention to issues fundamental to our national well being, such as health care, public safety and welfare reform; and to participate in the public debate as appropriate in order to address issues of conduct and integrity that may be raised against the President and First Lady, or other high government officials, so that this country and its government can get back to business.

Activities of the Committee will be: To gather and release facts; to encourage other credible voices in debate, including experts in the Presidency, legal ethics and standards of journalism; and to be available to participate in public debate and comment on current developments.

Structure: The Committee is incorporated as a nonprofit corporation doing business in the District of Columbia at 1920 L Street, N.W. The Committee will include a Board of Advisors of prominent Americans, representative of people across the country who share the committee's goals.

Finances: The Committee will operate according to the rules and regulations governing nonprofit corporations. Contributions will be accepted from organizations and American citizens who support the Committee's agenda, with limits on the amount of any single contribution.

All contributions will be regularly and publicly disclosed.

5/13/94

## WHITewater FACTS

> The Whitewater investment by Bill and Hillary Clinton was never financed by a savings and loan. Every loan was from a commercial bank. Every loan was taken at commercial rates of interest. And every loan was repaid in full.

In 1978 Bill and Hillary Clinton and Jim and Susan McDougal bought 203 acres of land for \$ 203,000, financed by 2 loans from commercial banks at the standard interest rate : \$183,000 in a mortgage signed by all 4 as individuals; and \$20,000 in a personal loan to Bill Clinton and Jim MacDougall.

In 1981, Hillary Clinton took out an additional personal \$30,000 loan, from a commercial bank which had been purchased by Jim MacDougall. This money was used to buy one lot and construct a home.

Note that Bill Clinton did not go into business with "an S&L owner " as Congressman Jim Leach alleged. Jim McDougal was not in the S&L business in 1978.

(See Chicago Tribune, 3/27/94, article by Terry Vollpp, Ken Marshall, Steve Little )

> Bill Clinton did not use influence to protect or extend the life of Madison Guaranty Savings and Loan. Regulators appointed by Bill Clinton led the effort to monitor and then to close Madison. Beverley Bassett Schaffer, Clinton appointed state securities commissioner , formally petitioned the Federal regulators to close Madison in 1987; they did not act until 1989.

(See Ernest Dumas in the New York Times, March 16, 1994 ; Gene Lyons, Washington Monthly, April 1994 )

> Hillary Clinton never appeared before state regulators to argue for special treatment for Madison . In 1985, with Madison below minimum capital requirements, The Rose Law firm wrote to Commissioner Schaffer inquiring about a plan to sell preferred stock through opening their own brokerage. Hillary Clinton's name was referenced in that letter; her responsibility was only the memo which said, accurately, that such a sale was legally permissible

Schaffer replied that it was legal for Madison to sell such stock; but in subsequent meetings , with the Rose Lawyers who were handling the case, (not Hillary Clinton) she made clear that Madison would have to meet the minimum capital requirement, as set by federal regulators, before proceeding. Madison was never able to meet those standards, and no preferred stock was ever sold.

(See Dumas and Lyons )

> The Clintons did not "receive value from Whitewater well in excess of resources invested. " (Quote from Congressman Jim Leach, Iowa ) Congressman Leach used Jim McDougal's original figure for Clinton's contribution, which MacDougall has now acknowledged was wrong; added as profit all the funds received for selling the lot and home purchased with Hillary Clinton's loan, without deducting the cost of the loan; and credited the Clintons with receiving the entire retainer paid by Madison to The Rose Law Firm, although Hillary Clinton was only one of 50 partners who -because of rules she put on her own work- received less than a full partner's share. Leach has since revised his initial charges but his numbers still don't add up.

(See Tom Oliphant, Boston Globe, 3/27/94; US News , Mortimer Zuckerman, April 11, 1994 ; Washington Post 4/8/94 )

> There is no evidence or serious allegation that Madison funds wound up in Bill Clinton's gubernatorial campaign. The only election in which this was possible is probably 1984, since McDougal was ousted from the S & L in 1986. . During his 1984 campaign , Bill Clinton took out a personal \$ 50,000 loan to pay for campaign expenses. (From a commercial bank not connected with Jim McDougal . )

After the election , when re-elected Governor Clinton held fund raisers to pay off his campaign's debts, Jim McDougal hosted an event at Madison which raised approximately \$24,000. Questions were raised because one listed donor, Ken Peacock, then a college student, denied making a contribution. But Peacock's father, a Republican, has since admitted he used his son's name to mask his own contribution.

(cite)

> So why did the Clintons a) deduct so much b) deduct so little for their losses ? Shouldn't the critics at least agree on which they're complaining about ? Because the Clintons signed for-and were personally responsible for - the loans to purchase Whitewater, it was proper for them to deduct interest they had actually paid. In fact, the IRS audited their 1979 tax returns and approved the Whitewater deductions. Problems arose because the Clintons did not have control of the information or the management, and records were often incomplete. After a 1992 campaign commissioned report showed they owed an additional \$3,000, they immediately made full payment.

The Clintons did not deduct the full amount of their loss after selling their interest in 1992, because a) most of the loss was represented by the interest payments they had already deducted and b) they were concerned that they could not produce full records to justify the rest.

(For problems with records, see USA Today 1/4/94, interview with Chris Wade, who handled Whitewater sales)

> But Whitewater was a sweetheart deal; the Clintons were supposed to be equal partners, but the McDougals actually put up more money.

In fact, all the partners contributed equally to the purchase by signing personally for the initial loans and all were equally liable. Then, as Jim McDougal, managed the property, he made decision about upgrading, etc., which required additional investments. The Clintons were not aware of these decisions; they never even visited the property. Their effort to get control of the property and clean up the outstanding loans in 1988 were rebuffed.

In later years, Jim McDougal was unavailable(due to physical and mental illness, financial losses and lawsuits) while Susan McDougal had moved out of state. At that point, Hillary Clinton by default was forced to take some actions: seeing that certain sales were completed, tax returns filed, and all loans repaid. This was an effort to wind up and close out their responsibility for Whitewater.

In 1992, the Clinton campaign commissioned a report by an investigative accounting firm which showed that the McDougals had made a larger contribution over the course of the years. This report also showed that the Clintons had lost money (less than the McDougals, but still a loss) and that the Clintons never took any profit from the property.

(Chris Wade, USA Today 1/4/94)

Here's the bottom line : Sixteen years ago, Bill and Hillary Clinton made a real estate investment they hoped would help them achieve financial security. Today, they are left with a pile of canceled checks, incomplete records, and a story their political opponents are using to try to tear them down.

So much for real estate in Arkansas sixteen years ago. Now about the White House:

> There is no cover up; no shredding, no obstruction. President Clinton has directed every member of the White House staff to cooperate fully with Special Counsel Robert Fiske. The Clintons have announced that they will claim no privilege of any kind: not executive privilege, not lawyer client privilege, etc. Every scrap of paper requested was produced and turned over to the Special Counsel. The President has said he will cooperate fully with Congressional hearings if they are held.

What about the charge that Hillary Clinton ordered certain files shredded ? Mrs. Clinton has stated that she never ordered such shredding. To believe this story, you have to assume that Hillary Clinton summoned a part time courier to the Governor's Mansion - which apparently has no facilities to dispose of paper -and ordered him to take a sensitive file or files back to the law firm for shredding, thus calling more attention to them. The managing director of The Rose Law Firm has denied that the firm shredded Whitewater related files

What about Vince Foster's death ? There is simply no credible charge that Vince Foster's death was anything but a tragic suicide. This will be one of the first issues addressed by the special counsel; that report should clear that up any questions.

And what happened to his files ? Those files were examined in the presence of the Park Police, which was in charge of the investigation. Foster was deputy to then White House counsel Bernie Nussbaum, so Nussbaum was the appropriate supervising attorney. He acted to be sure that the information was preserved. If the Park Police disagreed with these actions, they could have asked for a subpoena. They did not. Special Counsel Fiske has now received all the files, including Whitewater, that he requested. Again, there is no charge of obstruction: Fiske has said everyone is cooperating with his office.

> No - repeat no - attempt has been made to interfere with regulatory agencies. Yes, there were meetings at the White House to discuss what was happening with Whitewater, in order to provide accurate answers about to questions about sixteen year old financial transactions from the national press. But there is no reason to believe that any of these meetings produced attempts to change or obstruct the regulatory process.

The contact that got the most attention is easily explained. White House aide George Stephanopoulos learned that the RTC had hired Jay Stephens, an outspoken political opponent of President Clinton, to handle investigations of Madison. He expressed their unhappiness (imagine if a politically active Democrat had been chosen by the RTC to investigate Neil Bush's savings and loan dealings ! ) but made no effort to have the decision changed. There was no interference at any time by Bill Clinton or any of his appointees.

> Democrats are complaining now, but they led the charge when Republicans were in office, demanding special investigations, etc.

Here's the difference: there is a full federal level investigation going on right now, headed by a respected Republican prosecutor, of Bill and Hillary Clintons' investments and any White House involvement. No Democrat is complaining about that investigation. President Clinton has promised absolute and full cooperation, and all documents have been made available.

Now the same partisan critics who demanded a special counsel, including Bob Dole, who originally said if one was named he would not "second guess" him, are demanding congressional hearings. The Democratic congressional leadership, and President Clinton, have agreed to cooperate with these hearings, so long as they do not interfere with the special counsel.

We're not complaining; we do point out that these are partisan attacks by people who have no positive agenda of their own. And the American people know it.

## COMMODITIES AND OTHER BUSINESS MATTERS

Hillary Rodham Clinton's record of commodity trading was brief and successful; that does not mean there was anything wrong. Leo Melamed, former chairman of the Chicago Mercantile Exchange has examined all the records of Mrs. Clinton's trades. He reported that there was no evidence of any wrongdoing on her part. There may have been minor technical violations by her broker, but not by Hillary Clinton.

(Washington Post 4/9/94; New York Times, 4/12/94 )

How did she make so much money ? In October , 1978, Hillary Clinton invested \$ 1,000 in a commodities account, which resulted in a \$5,300 profit. She reinvested the entire \$6,300, and continued to reinvest her profits, building up to a \$26,000 gain in 1978 and \$76,000 in 1979. Then she got out - while she was ahead. Months later the cattle market crashed; many people lost money, including her fellow investors.

A spokesman for the Chicago Mercantile Exchange, where cattle futures are traded, says that because of market trends it was indeed possible for Mrs. Clinton have made those profits during that time.

( Wall Street Journal, 4/1/94 )

Wasn't this really a case of insider trading ? No, because no individual could have known in July 1979 that cattle prices would begin to drop in October - the market isn't that organized. Regulators of the Commodity Futures Trading Commission have testified before Congress that there is no equivalent to insider information in commodities.

(See 1984 CFTC Insider Trading study)

She couldn't have made so much money on her own; therefore this was a disguised gift from people who wanted her husband's good will.

Wrong on both counts. Novice investors can make a lot of money on commodities -not regularly, but it does happen.

(See Letter to the Editor, New York Times, 4/10/94 by a trader whose new client made \$750,000 in six months. )

And about the charges that Jim Blair manipulated the market to be sure Hillary Clinton made money : After Hillary Clinton stopped trading, Blair and his family ultimately lost millions in the commodities market. If Jim Blair was able to fix the original trades to be sure Mrs. Clinton made money, why didn't he use the same methods to protect himself and his family against financial loss ??

(For story of Blair's losses, see Washington Post, 4/10/94 )

But that trader did something wrong. Robert "Red" Bone , of Refco, Inc. who handled Mrs. Clinton's trading account in 1978-79 ,was sanctioned for misconduct; but these violations had no connection with Mrs. Clinton's trades.

You will admit that Jim Blair placed many of those trades for Mrs. Clinton. And he was the lawyer for Tyson Foods. Right --and there is nothing wrong with either statement. Jim Blair and his wife are personal friends of Bill and Hillary Clinton. In fact, Bill Clinton performed their wedding ceremony. It is no surprise that they discussed investment strategies. Jim Blair was much more involved in commodities trading at this time. After talking with Hillary Clinton, he sometimes relayed her decisions to the broker. But the fact remains that the decisions were hers.

And there is one more fact to keep in mind: Tyson's Foods was -and is- a major employer in Arkansas. Any governor who cared about economic development would try to work with such a company -not because of personal favors but to keep jobs growing.

Hillary Clinton's success in commodities trading does not mean that she is a hypocrite. She invested according to the rules; reinvested her early profits; then got out of the market before it crashed. That's smart, not greedy. Making money to provide for our families is acting responsibly.

While some conservative commentators have leaped at this excuse to criticize Hillary, more thoughtful observers recognize the difference:

\* Political enemies and pundits are riding the wrong horse when they hound Hillary for making money. That's nearly everybody's goal. "

( Al Neuharth, USA Today, 4/1/94 )

\* Making a profit doesn't make a hypocrite. "

( Ellen Goodman , Boston Globe 4/3/94 )

See also editorial Philadelphia Inquirer 3/31/94

And what about their taxes : In April 1994, after the Clintons had pulled together all possible records , their attorney discovered an omission in their 1980 tax return. At that time commodities traders were not required to send comprehensive year end statements; no such statement was sent for this account. The Clintons sent all the information they had for that year , including monthly commodities trading records, to their regular accountant; somehow a capital gain, which was discernible in the monthly records, was not reflected in the tax calculations. The result was an additional \$3,315 tax liability. Although they were under no legal obligation to do so, the Clintons immediately accepted responsibility for the error. They paid the tax and \$10,134 accumulated interest.

Note : The Clintons are not alone in finding tax liabilities after they have gone to the White House: 3 of the last 5 Presidents have made payments much larger than theirs, including \$198,000 by George Bush.

( Wall Street Journal, 4/12/94 )

Well, if all this can be so easily explained, why do we get this information in bits and pieces ? Why not just lay it all out ? How quickly could you answer detailed questions about your personal and business finances sixteen years ago ? Like many people, Bill and Hillary Clinton have changed jobs, homes, and offices during the past sixteen years. While they have tried to maintain all their records, they are not going to be immediately familiar with every detail. Meanwhile, Clinton haters like Floyd Brown, the Republican campaign operative who made the infamous Willie Horton commercials in 1988, are busy trying to stir up charges, questions and innuendoes.

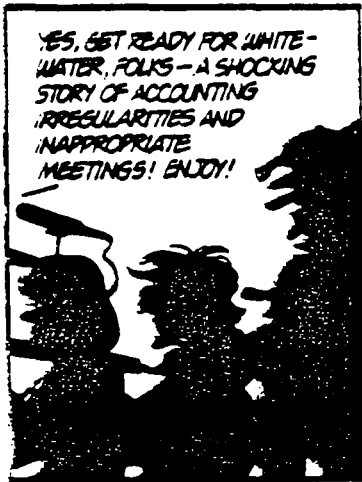
(Washington Post 4/19/94 ; Columbia Journalism Review, May 94)

The bottom line is this: the Clintons are trying to make all information available: to the special counsel, to congressional hearings if they are held, and to the American public. As these facts come out, people will understand that they have never done anything wrong. And if the only problem for which they are being criticized is that they did not immediately recall detailed answers to technical questions, just how big a deal is that ?

By G.B. Trudeau

# DOONESBURY

Page 411194



# The Whitewater Fallacy

By Ernest Dumas

**L**ITTLE ROCK, Ark. — Reliable sources tell me that the word "incestuous" is coded into the computers of all news media people writing about Arkansas and Whitewater. Press the F1 key and a reflexive sentence will describe the illicit political and financial culture from which the President of the United States sprang.

So long have Arkansans endured the lilliputian caricature that defensiveness is part of their genetic code. They know why the incest metaphor seems so natural to Washington reporters, whose picture of Arkansas is of an

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ethical Dogpatch where savings and loan schemers bed their sisters and then get their idiot spawn appointed to the state regulatory agencies.

The coziness of Arkansas politics, government and finance has been a staple news theme since reporters came to Little Rock in the Presidential campaign and discovered what a small place it was. You could stroll down the sidewalk and see all sorts of local big fish. In a little plate lunch cafe a block from campaign headquarters you could see bankers, Supreme Court Justices and what passed locally for big time lawyers forking down meat loaf and tossing jolly ripostes across the tables.

Much of the reporting has focused on the connections of the stand old Rose Law Firm, where Hillary Rodham Clinton and three other Clinton Administration officials worked — including Webster Hubbell, the now departed Associate Attorney General.

The political incest theory, in which the Rose firm plays a large part, might appear to be a reasonable explanation of why the lumbering White House would create a genuine crisis from a pathetic little investment franchise and one of the smallest S & L. belly-flops in the country — in neither of which does the known record suggest any wrongdoing by the Clintons.

Or by anyone else in the government in Arkansas. And that is the trouble with the explanation. There is no doubt that Mr. Clinton hired cronies like Mr. Hubbell and that the White House sprang into a defensive crouch when questions began to be asked about the Clintons' financial dealings. But the idea that the wreck of Madison Guaranty Savings and Loan and the scheming of its erstwhile chief, James

McDougal, were shielded by friendly state officials is a myth. Despite Mr. McDougal's support for Mr. Clinton, the government's demeanor toward him was anything but friendly.

A former aide to Senators John L. McClellan and J. William Fulbright, Mr. McDougal had been Governor Clinton's economic development adviser in his first term, in 1979 and 1980. He believed that hidebound Arkansas bankers — who invested in U.S. securities rather than lending to local entrepreneurs who might have created jobs and growth — were at the root of the state's woeful poverty.

When Mr. McDougal left the government and went into the banking and savings and loan business, he set out to prove his theory. Everyone (or at least every good Democrat) deserved a loan, whether needed or not, from that would flow abundance for all.

A couple of years later, with Mr. Clinton back in office, his Bank Commissioner, Martin Jackson, drove up into the Ozark woods to tell the directors of Mr. McDougal's tiny bank to curb his free-wheeling lending outside its territory, specifically including loans to the Clintons for the Whitewater development project.

And it was Mr. Clinton's Securities Commissioner, Beverly Bassett Schaffer, who along with the Federal Home Loan Bank Board forced Mr. McDougal's removal from control of Madison Guaranty after an accounting firm's examination condemned its lending and investment practices in 1986. She petitioned for a Federal takeover of the company in 1987.

It is widely accepted that in 1985 Mrs. Schaffer approved an unprecedented issuance of preferred stock in after a plea from Hillary Clinton on Madison's behalf. But this "approval"

Political incest:  
a nice theory that  
explains nothing.

was a little different from the way news accounts have painted it.

The Dallas regional office of the Federal Home Loan Bank Board had encouraged the troubled savings and loans in the region to recapitalize. Madison talked about issuing preferred stock, and a lawyer at the Rose firm wrote a memorandum asserting that state law did not bar such an issuance by a state chartered savings and loan. The memo noted at the bottom that a copy had been sent to Hillary Rodham Clinton.

Mrs. Schaffer replied, in a now famous "Dear Hillary" letter, that preferred stock was not barred by state law. But an issuance would have had to be approved by Mrs. Schaffer, and Madison never proposed one — either because it could not have withstood the disclosure requirements or because it could not have found buyers.

The caricature of an incestuous government seems to be based on Mr. Clinton's practice of hiring friends, some of whom turn out to be competent, others knaves. But no example comes to mind of a contrary policy anywhere in this country. That too many people know each other and have business and social relationships is an indictment of small cities everywhere. But the real difference is that in small places the little secrets are known, while in places like Washington, Chicago and New York they are unknowable. □

# The Great Whitewater Snipe Hunt

*Reporters covering the story like to portray Arkansas as a podunk swamp filled with hillbillies and nitwits. But if the journalists are so much smarter, why can't they get their facts straight?*

BY GENE LYONS

**T**here Arkansas Arkneads couldn't come up to Shakespeare. What they wanted was low comedy—and make something rather worse than low comedy.

—Adventures of Huckleberry Finn

The Arkansas that Whitewater special prosecutor Robert B. Fiske, Jr. has jumped into—opening a Little Rock office and hiring a team of seven lawyers—has changed a great deal since Mark Twain was writing about it back in 1882, but it hasn't lost its zeal for low-grade political burlesque. Almost everywhere except for a few square miles of Little Rock surrounding the Capital Hotel bar where out-of-town reporters drink, the conflict between Sunday-go-to-meeting prudery and honky-tonk raunchiness that typified frontier America continues unabated.

Given literacy levels among the lowest in the United States, this adds up to a populist brand of political warfare at about the level of professional wrestling. In a small, largely rural state with one real city, it also makes for fantastic—and highly entertaining—gossip. Almost everybody, it seems, has a neighbor whose second cousin knows an old boy who worked on the governor's dentist's car, and *he* says...

During the 1990 Arkansas gubernatorial primaries, for example, tales were widely circulated about three of the four serious candidates—the two Republicans, and, of course, Bill Clinton. Only Clinton's Democratic opponent escaped suspicion. There was talk of whores, drunken orgies at duck hunting clubs, illegitimate children, abortions, hush money, even suicides. One prominent Arkansas politician was rumored to have had carnal knowledge of a convicted murderess inside her jail cell. In fact, it's hard to think of an Arkansas politician about whom scurrilous rumors haven't circulated. For most folks, evaluating this avalanche of smut is simple: Your candidate is innocent, his or her opponents are guilty.

Even so, it would have made a buzzard gag, as Huck Finn might put it, to witness the press' role in publicizing Clinton-nater Cliff Jackson's production of Troopergate last winter. It has become customary in

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*Gene Lyons lives in Little Rock and reviews books for Entertainment Weekly. His most recent book is 'Widow's Web' (1993), a nonfiction account of two murders that shook Arkansas politics and journalism in the early eighties.*

advanced circles to badmouth David Brock and *The American Spectator* for "trivializing the professional efforts of the *Los Angeles Times* and CNN," as Frank Rich put it in *The New York Times*.

But at least the *Spectator* version gave us the whole carcass—hide, hair, and hoofs—instead of the more sanitized versions that appeared elsewhere. As such, it's indispensable to the connoisseur of Arkansas political mischief. Making small pretense of objectivity, Brock passes on every accusation troopers Larry Patterson and Roger Perry could dream up. Even the troopers' inability to affix a single date and time to any of the president's alleged indiscretions—thus making it impossible for him to defend himself, as any rookie cop would understand—failed to faze the national reporters.

It took the Little Rock bureau of the Associated Press, by contrast, about 24 hours to learn that in 1990 Patterson and Perry had wrapped a patrol car around a tree while drunk, allegedly lied to their superiors, then swore to a completely different version for personal gain in a civil lawsuit. Next it turned out that visitors' logs which the two troopers alleged

Hillary ordered destroyed—ostensibly to hide Gennifer Flowers' visits—never in fact existed.

No sooner had the trooper farce played itself out than the TV talk-show pundits regretted its tawdriness but predicted that Whitewater would really bring the president woe. Republicans smelled blood, somebody tacked on the dreaded "-gate" suffix, and business was soon booming again at the Capital Hotel bar.

Poor Arkansas. Long rankled by its hillbilly caricature, many Arkansans had dared hope the Clinton presidency would change things. But then here come reporters from places like New Jersey, New York, and Maryland—those paragons of clean government—to portray the whole state as a kind of ethical Dogpatch.

On what evidence? Well, 15 years ago the Clintons went into a real estate deal with a man who later bought an S&L, succumbed to manic-depressive illness, and ran it into the ground. In the process, the Whitewater land development deal went belly-up. And maybe S&L operator Jim McDougal illegally funneled \$15,000 into Clinton's 1984 campaign fund. He certainly had the motive and the opportunity, as the cops say. So far nobody's shown what an *Arkansas Democrat-Gazette* sportswriter once called



James Kowalski

"a chinchilla of evidence" that the deed was done, much less that the Clintons knew about it.

To be sure, the White House handling of Whitewater has done much to invite trouble. Hillary Clinton should never have represented Madison before Arkansas regulators appointed by her husband, and critics who see it as symptomatic of a kind of moral arrogance are probably right. Of course, much of the trouble the Clintons are now experiencing—including charges of cronyism among the Rose Law Firm alumni who populate the administration—would have been avoided if Hillary had long ago decided not to practice the well-heeled corporate law that allowed her cachet to be used by Rose to attract business with the implication of access to the governor. And in Washington, the appearance of a Whitewater coverup—including removing files from Vincent Foster's office on the night of his suicide and the meetings between White House aides and Roger Altman, then the acting head of the Resolution Trust Corporation—was dumb, guaranteeing weeks of hostile coverage.

But just about the last thing that strikes the national press is the first thing that strikes the majority of Arkansans. To wit, how unlikely it seems that Bill and Hillary Clinton—the depths of whose mutual political ambition can scarcely be fathomed by ordinary mortals—would go in the tank for so little money. Whatever their character flaws, nothing known about either Clinton indicates they'd break the law for money, even conceding Hillary's apparent self-pity about Clinton's small gubernatorial salary and her clear desire—remember she chose to work for the lucrative Rose firm—to make a higher salary herself. That Clinton served six terms as Arkansas governor untouched by financial scandal seems to count for nothing. After all, what do we know?

### **Much Ado**

Well, one thing some of us know is that Whitewater is old news to local journalists and voters. Clinton's Republican opponent, Sheffield Nelson, raised the issue during the 1990 gubernatorial campaign. A year later, McDougal himself was tried by a Reagan-appointed prosecutor and acquitted of bank fraud in a Little Rock federal court with much attendant publicity.

Until 1991, Little Rock had two statewide daily newspapers; a nasty, protracted circulation war spanned almost all of Clinton's time in public office. In the process, very few stones were left unturned.

Clinton's political destruction, after all, has been the winning *Democrat-Gazette's* main agenda for about 15 years. Even minor financial corruption brings public wrath. During the newspaper war many scalps were taken, among them Attorney General Steve Clark's, a Clinton ally. Caught by the press padding his expense account for expensive dinner dates, Clark was tried, convicted, sentenced, and eventually sued for repayment.

So if there had been a Whitewater scandal, chances are the Little Rock papers would have found it long ago. Of course, it is always possible there is a smoking gun in the documents Fiske has subpoenaed, but most veteran journalists here think that when all is said and done, Whitewatergate will turn out to be a giant snipe hunt—a waste of time and energy. Nevertheless, the press loves a scandal, and just about every factual and logical error in the national press has run in a prosecutorial direction. A few telling examples:

► Although reports in March indicated the Clintons may owe more taxes on Whitewater than they have already paid, *earlier* this year, Whitewater stories centered on why, if the Clintons lost \$69,000, they didn't deduct enough from their taxes. "This may be the first time," writes Joel Achenbach in *The Washington Post*, "that a politician's decision not to take a tax write-off is perceived as suspicious." But the Clintons did deduct a good deal of their Whitewater investment, according to a story by Bill Simmons of the Little Rock AP. Simmons took out the couple's tax returns from 1980 to 1990, checked the itemized deductions, and there it was: \$41,000 interest on Whitewater loan payments over several years. Why the Clintons didn't write off the entire \$69,000—the sum which Hillary, at least until mid-March, maintained they lost in the deal—is unclear. But the \$41,000 was there for any diligent reporter to find. (Of course, now that the potential scandal is that the Clintons may have written off too much and not too little, the press may leap on Simmons' story as evidence of the Clintons' duplicity—even though the charge was completely different just two months ago.)

► Then there's the David Hale connection. Indicted for bank fraud in another case, Hale, "a Clinton-appointed judge," as *Time* and *The Washington Times* have archly referred to him, tried to cop a plea by alleging that in 1986 Clinton pressured him to lend \$300,000 to McDougal's then-wife, Susan. Federal prosecutors turned him down, and the White House says he invented the story. The coincidence that investigators searched Hale's Little Rock

office on the same day Vince Foster killed himself has conspiracy theorists all worked up.

Omitted from the national conventional wisdom about Hale is almost everything locally significant. Hale was never a Clinton intimate, but a lowly municipal court judge (misdemeanors and preliminary hearings only). Although a lifelong Democrat, Hale was actually appointed in 1981 by then-Republican Governor Frank White. Since then, like all Arkansas judges, Hale has been elected. With a reputation for political opportunism, Hale's indictment practically inspired a celebration among local criminal defense lawyers. The excuse that Bill Clinton made him do it provoked general hilarity.

> Coverage in the newsmagazines has been particularly incoherent, with weekly reminders of the story's forbidding complexity—as if reporters who can explicate Balkan ethnic conflicts find themselves stymied by a \$270,000 real estate scam in the Ozarks.

The entire hook for a recent *Time* piece, for example, turned on the supposed mystery of how 230 acres of Whitewater land could escalate in value from \$440 to \$1,087 in a single year. The answer, as folks say in real estate, is location, location, location. Unlike the roadless Ozark forest land that made up most of the original 3,600-acre tract surrounding Whitewater, the Clinton acreage has about a half mile frontage on the White River—arguably the prime trout fishing stream in the lower 48 states. It also fronts the only access road on the west side of the river between Crooked Creek and the Buffalo River, a distance of 30-odd river miles, most of it either National Forest or National Park land. It is paralyzingly beautiful.

> Probably the most telling error in the coverage devoted to Whitewater concerns Hillary Rodham Clinton's dealings with Arkansas securities commissioner Beverly Bassett Schaffer. According to *The New York Times*, Schaffer—a striking woman whom an NBC-TV crew ambushed outside her Fayetteville office evidently in the hope of linking Troopergate and Whitewatergate in viewers' minds—was S&L mogul McDougal's personal choice for the job.

Not so, Schaffer told the weekly *Arkansas Times*. In fact, Schaffer says she's never met McDougal or his wife, never talked to them on the phone, and never heard Bill Clinton mention their names. She's told this to *New York Times* reporters over and over again, she insists, and can't imagine why they take McDougal's word over hers.

> The universally accepted story that Hillary

Rodham Clinton petitioned Schaffer to approve a preferred stock offering that would have allowed Madison to shore up its equity reserves, and that Schaffer did so, turns out to be false. The whole idea was the Dallas-based, Republican-administered Federal Home Loan Bank Board's to begin with. But what happened was that in 1985, Hillary wrote a brief asserting that the stock scheme was permissible under Arkansas law.

Schaffer then sent Hillary a memo agreeing that yes, in the abstract, the putative scheme was legal. And in fact, it was legal—or would have been had Madison Guaranty ever actually applied. But doubtless aware that it couldn't satisfy disclosure requirements, the S&L never did. So here's how it came out in a recent, typically garbled piece in *The Washington Post*: "State regulators told Madison officials it was legal to sell preferred stock and to market limited partnerships in shaky real estate projects, plans that eventually fell through." Question: Did Schaffer stipulate only "shaky real estate projects"? Or would sound investments have been allowed, too?

"It turns history on its head to suggest, as the reporters and the Republican critics do," writes longtime Arkansas political reporter Ernest Dumas in the *Arkansas Times*, "that regulators in the Reagan administration in the mid-80s were trying to shut down an insolvent S&L run by a rogue operator while the government of Bill Clinton connived to keep it afloat." Within a year of her now-famous "Dear Hillary" memo, Dumas shows, Schaffer gave Madison's board "a virtual ultimatum to remove McDougal, which it did. With a Pear Marwick audit showing the company insolvent in December 1987, Schaffer immediately asked the FHLB to take it over. . . . It took the FHLB another 14 months to do so."

In the interim, of course, came the 1988 elections—which virtually all those in Congress, the Reagan administration, and the Bush campaign wished to see completed before the magnitude of the S&L crisis became evident to voters.

As it tends to do under attack, the Clinton administration has made a hash of Whitewater, drawing itself up in horror when it ought to be fighting back, changing tactics and altering its story almost daily, and generally doing all it can to invite the suspicion it so resents. But the smart money here in Little Rock says hold your bets. When all's said and done, Whitewatergate will likely peter out like previous Arkansas-based smears, and the national press will all turn simultaneously, like a school of fish, to the next damned thing. □

# From Willie Horton to Whitewater

BROWN, From D1

## Muckrakers And the Mudslinger

### Should Media Treat Floyd Brown Seriously?

By Howard Kurtz  
*Washington Post Staff Writer*

The fund-raising letter from conservative activist Floyd Brown wastes no time touting his role in stirring up coverage of the Whitewater affair:

"Investigative television reporters from ABC and CBS have come to me and Citizens United so that we could present our evidence to them. And we have worked directly with NBC News, helping them every step of the way....

"The Wall Street Journal, the Boston Globe, Gannett Newspapers and others have already asked our assistance. And even the big newsweeklies—Time, Newsweek and U.S. News & World Report—have sent their investigators to us for complete briefings."

Brown is back on the political front lines. The independent operative is best known for making the un-

See BROWN, D2, Col. 4

popular Willie Horton commercial attacking Democratic presidential candidate Michael Dukakis in the 1988 campaign. Brown had somewhat less success in 1992, when President Bush's campaign disavowed his creation of a pay telephone line featuring Gennifer Flowers's tapes of her conversations with Bill Clinton.

These days Brown's Fairfax-based group, Citizens United, sends a Whitewater fax almost daily to 1,200 reporters and talk shows. The group says it raised \$3 million last year from 175,000 donors. But Brown's investigators have run out of cash, according to his letter, which asks potential donors to complete an "Emergency Survey on the Impeachment of President William Jefferson Clinton."

Brown's role as a journalistic source is starting to draw increased scrutiny. In the forthcoming issue of Columbia Journalism Review, writer Trudy Lieberman accuses the press of having "shamelessly taken the handouts dished up by a highly partisan organization... without identifying the group as the source of their information."

But several journalists said they use Brown's organization mainly as a source for leads and tips.

"You've got to know where the information is coming from, you've got to evaluate it," said Ira Silverman, an investigative producer for NBC. "Over the years, much of my stuff has come from disreputable people. You don't find swans in the sewer."

Brown and his chief investigator, David Bossie, "knew the cast of characters [in Whitewater] when I didn't. That was of value to me," Silverman said.

The other networks played down Brown's role. "I can't think of a story we've done where we've used material from Floyd Brown," said Barbara Cochran, CBS's Washington bureau chief.

"They frankly didn't have anything that we didn't already know about," said Christopher Isham, head of ABC's investigative unit.

Evan Thomas, Newsweek's Washington bureau chief, said: "You can always hear the sound of grinding axes in any news story. They're almost always interested parties. The trick is to get it from other sources."

In an interview, Brown likened Citizens United's role to that of a presidential campaign's opposition research unit.

"I don't know one journalist in America who would take what I would hand him on a silver platter and print it," he said. "I try to be as accurate as possible.... Real reporters would not talk to me a second time if I gave them anything that was not factual and true."

But Democrats are crying foul. White House senior adviser George Stephanopoulos told the Wall Street Journal that "Floyd Brown is a slimy thug for hire."

"Respectable journalists should keep their distance from the team that originated Willie Horton," said Leslie Dach, co-chairman of the Back to Business Committee, a group of Democratic activists formed to defend the Clintons on Whitewater. "No independent journalists can be proud of reading about themselves in this letter."

Brown says he formed relationships with key Whitewater figures in Arkansas while researching his 1992 paperback, "Slick Willie: Why America Cannot Trust Bill Clinton." He says he has amassed thousands of Whitewater documents and land records.

Brown confirmed that his group helped publicize four of the Whitewater stories cited by Columbia Journalism Review.

■ Last fall, Brown's "ClintonWatch" newsletter featured his interview with former Arkansas judge David Hale, who owned a lending company approved by the Small Business Administration. Hale alleged that Clinton, while governor of Arkansas, had pressed him to make a \$300,000 loan to Susan McDougal, one of the Clintons' Whitewater partners. (Hale pleaded guilty last month to defrauding the SBA.)

In the following weeks, The Washington Post, the New York Times, the Los Angeles Times, Newsweek, NBC and ABC all ran stories that included interviews with Hale about his allegations. Brown said that "we helped facilitate a number of interviews" with Hale.

Michael Isikoff, coauthor of The Post story, said he first learned of the Hale allegations from the Arkansas Democrat-Gazette. He said he talks to Brown "every now and then. He provides tips and story ideas like lots of other sources. But obviously, you check out everything he says."

New York Times staffers say that while the paper occasionally talks to Brown, reporter Jeff Gerth was the first journalist to interview Hale, and without Brown's help.

"Jeff Gerth has been ahead on this story from the start, on his own," said Andrew Rosenthal, the Times's Washington editor. "Some of what [Brown] has produced we have published, and some we haven't.... The notion that Jeff Gerth needs Floyd Brown to give him investigative tips is just ridiculous."

■ Soon after the first Hale stories appeared, the Washington Times published a copy of a \$300,000 check from Hale to McDougal that was in Brown's files.

■ The Washington Times also reported that Hillary Rodham Clinton, in a 1988 letter, had asked McDougal for power of attorney over Whitewater matters. More than two dozen news organizations later cited this letter, often as evidence that the Clintons were more than just passive investors in the ill-fated land deal. According to Lieberman's piece in the Columbia Journalism Review, the Hillary Clinton letter was in Citizens United files as Exhibit K-1.

■ Brown said he disseminated copies of taped conversations between Susan McDougal's husband, James, and Sheffield Nelson, Clinton's 1990 gubernatorial opponent, in which McDougal challenged the president's account on Whitewater. Newsweek was the first to publish excerpts from the tapes, which were later released by Rep. Jim Leach (R-Iowa), a leading GOP critic on Whitewater.

"We became a receptacle for information, and a lot of journalists found they could get a jump-start in researching this story by sitting down with us," Brown said. "We briefed just about everybody. We've met with just about every major news organization, sometimes multiple reporters." Brown's fund-raising letter says he has also provided Whitewater briefings for key members of Congress.

Citizens United has been visible in other ways. In January, the Democrat-Gazette reported that an NBC crew and Bossie, the group's investigator, had been seen together in Fayetteville while NBC was pursuing an interview with Beverly Bassett Schaffer, a former Arkansas securities commissioner.

NBC's Silverman said that Bossie "did not set that up. He had nothing to do with it. I was just on the way to try to get some other information that he perhaps knew about."

4/19/94

# From the folks who brought you Willie Horton, here's Whitewater

By Carol Leavitt

**W**ASHINGTON In the war over Whitewater, President Clinton's foes are mounting their weapons: tabloids, fax machines, newsletters and all wars with no front lines laster being more aggressive or visible in recent weeks than David G. Brown.

Brown, who heads a conservative foundation, has fashioned himself into a sort of one-stop service center for conservative and congressional aides looking about for tips, facts, details, interviews or rumors in the

land. *Journalist is a member of the Tribune's Washington Bureau*

## Brown

Continued From Page 1

both parties because of, as one Democratic research report put it, a "complete lack of shame, unmitigated gall and total amorality."

Yet Brown is highly media-savvy, and he has sensed that in this world of instant news, the media have developed a new set of needs.

What the media requires in the convoluted Whitewater story, Brown believes, is an easy-access library of otherwise hard-to-get documents or a faxed-on-demand explanation of the tangled web of Arkansas players and their arcane business relationships.

"There are a lot of people who don't know how to do this, who don't want to," said Jerry Seper, an investigative reporter with the Washington Times who said he spent four days in Yellville, Ark., going line-by-line through handwritten Whitewater real estate records. "This fax revolution becomes very valuable in getting information out."

While members of the mainstream media once viewed Brown as an ideological extremist for his anti-Clinton tactics in the 1992 election, some now check in with him regularly for the latest Whitewater grain.

Members of The Wall Street Journal's editorial board, who have been regularly slamming the Clintons, met recently with Brown and examined his pile of information, said Daniel Henninger, the paper's deputy editorial editor.

After the meeting, the Journal devoted nearly half of its editorial page one day to reprinting some of them: a series of letters between Hale and former U.S. Attorney Paula Casey discussing Hale's attempts at plea bargaining.

Democrats, under pressure to defend the Clintons from allegations they hardly understand themselves, have attacked Brown's operation as part of an orchestrated, Republican search-and-destroy mission to smear the president and first lady. Sen. David Pryor (D-Ark.) recently called Brown's operation a "sleaze factory."

Brown's major claim to fame is that his independent political action committee produced the controversial Willie Horton campaign ad, deemed by Democrats as a race-baiting attempt to discredit Michael Dukakis in his unsuccessful 1988 presidential bid against George Bush.

In 1992 Republicans and Democrats alike condemned Brown's methods when he produced a 60-second spot inviting viewers to "get to know Gennifer Flowers the way Bill Clinton did" by calling a telephone line offering an earful of allegations about sex, marijuana use and draft avoidance.

Republicans still are in a quar-

rel over their relationship with Brown. Publicly, they dismiss Brown as the worst kind of partisan dirty trickster.

"That Willie Horton spot was as well over the line as anything," said Mary Matalin, Bush's former campaign spin doctor.

But privately, Republicans are an eager receptacle for his anti-Clinton vitriol.

Two weeks ago, Rep. John Doolittle (R-Calif.) quietly invited Brown to give 10 junior House Rep-

ublicans his highly partisan take on Whitewater probes. Brown's materials also have wound up in the hands of Rep. Jim Leach (R-Iowa) whose staff also has been doing its own investigation as the congressman presses for hearings into Whitewater. Leach's spokesman, Joe Pinder, declined to say how they got there.

The fact that Brown gets rapped from both sides of the aisle hardly bothers him. Each morning, in amateurlish, Rush Limbaugh-style, the baby-faced Brown can be found broadcasting a three-hour, talk radio show to a handful of far-flung markets including Charleston, Ill., Waverly, Tenn., and Tulsa. His monthly "Clintonwatch" newsletter assails the administration for its "radical socialist agenda."

Down the hall, Bossie's office is crowded with stacks of files bursting with materials all having something to do with Whitewater, the Clintons, their investment partners Jim and Susan McDougal, Hale, Mrs. Clinton's former partners at the Rose Law Firm and other Arkansas pals.

Assembled on a walnut coffee table for the journalist's perusal are six phone-book-sized volumes containing a mind-numbing array of materials—cataloged, packaged and neatly bound.

Much of it taken from public records, some of it obtained from more obscure sources, the volumes included deeds, mortgages, correspondence, law suits, balance sheets and bank records.

For the Whitewater neophyte, there are handy, reference guides, including a 15-page chronology of the land deal and its Washington fallout and thumbnail sketches of the players.

Brown and Bossie claim that "dozens" of networks, newspapers and magazines—including Time and Money magazines, NBC and the London Times—have used them for information or interviews.

Recently Bossie was seen in Arkansas accompanying NBC network producer Irs Silverman as he pursued an interview with former state Banking Commissioner Beverly Bassett Schaffer. Silverman and Bossie "jumped out from behind the car next to hers," said Archie Schaffer, her husband, "then chased her through the streets of Fayetteville to her family law office."

Silverman acknowledged using

Bossie for background information on Whitewater but denied that Bossie was working with him on the Shafter interview.

Betsy Wright, a former Clinton aide and now a lobbyist in Washington, was appalled. "The idea that one of these fellows went on a [media] stakeout is a shameful day for the mainstream media."

Back in Brown's office, a fax machine sends a daily stream of "Whitewater bulletins," always winding up with a list of questions: "Was there an illegal flow of money from Madison Guaranty Savings & Loan to Whitewater Development Corp.? Did Clinton hand out contracts to his Arkansas friends in return for campaign contributions?"

The faxes may lack news, but they have succeeded in focusing attention on Brown, whose appearance at a National Press Club briefing drew television cameras and nearly 30 reporters, who practically tripped over one another grabbing for his weighty volumes of documents.

While much has been made of similarities between the Watergate scandal and Whitewater, from a journalist's standpoint, there is one important difference.

Watergate was about a president's abuse of power in office.

Whitewater is about a set of land transactions and other deals that occurred in Arkansas as far back as 16 years, and piecing together the story involves tedious hours following a confusing paper trail by poring over dusty records.

It's the sort of investigative journalism that few reporters have the experience or stomach for, and fewer newspapers have the resources to fund.

Which is why Brown readily shares with reporters, among other things, a 4-inch-thick copy of a real estate title search on Whitewater properties, which Brown paid a consultant \$3,000 to prepare.

While Citizens United newsletters describe the group's agenda as a "grass-roots effort to bring the government back under the control of the American people," the bulk of its money currently is being spent on investigating Clinton, Brown acknowledged.

He uses his radio show, which he calls "Talk Back to Washington," to troll for new contributors.

And as long as the Whitewater frenzy is sustained, Brown has plenty of talk about on the air. In his tiny studio one recent morning, Brown's commentary focused on the day's newspaper accounts of document shredding and other Whitewater developments.

"White House ethics melted down," Brown gushed into the microphone, quoting a headline in The New York Times. "I mean, it's as if I wrote this."

Whitewater story.

He's not the only source of information. Many reporters are doing their own investigation. But a staff of Brown's offices, located over a nail salon in a two-story commercial building in Fairfax, Va., is a quick study in how the feeding frenzy gets fed in Washington.

Looking for a copy of Bill and Hillary Rodham Clinton's 1981 tax return? Brown's got it. Photos of Mrs. Clinton's check stubs or Mrs. Clinton's mortgage agreement? He has those, too.

Need to interview David Hale, the Arkansas man who accused Clinton of financial misdeeds as governor and last

week pleaded guilty to unrelated charges of fraud against the government? Brown says he can arrange it.

For the clerk who testified that he shredded files at Rose Law Firm? Brown can get him on the phone for you.

Want a new angle on the Whitewater story? A full-time researcher, employed by Brown, spends long days digging for skeletons in the Clintons' Arkansas records, alternately traveling to Little Rock and working the phones from Virginia.

The research, says David Brown, has been a lot of alleged wrongdoing, from a lack of Clinton, printer, then profiles, then to Clinton Hill and in the

contacts in hopes of piecing together the story.

There's no smoking gun to be found in Brown's mountain of material, which he has been circulating around Washington for months. He says he does it out of conviction that Clinton lacks integrity and that during the presidential campaign the media fed down on the job of fully investigating his behavior in Arkansas.

"It's never pretty when you clean up after a mistake," he said.

The best-paid, 33-year-old Brown, who has been described as a sort of overgrown teenage member has spent years in the game, dirty tricks business of opposition research.

A Pacific Northwest native, the son of a Democratic sawmill worker whose own father was a member of the leftist International Workers of the World.

Brown got his first taste of national politics in 1968 as a campaign worker for Sen. Bob Dole (R-Kan.).

But when the Republican establishment proved too tame, he set out to stir up the political pot as a free-lance operator. Currently, Brown is head of Citizens United, a 175-member non-profit conservative organization, a web site that Brown has used to raise nearly \$1 million in direct mail with stickers.

With a taste for dredging up sexual scandal, Brown's taste is, he insists, by

## POLITICS &amp; POLICY

# Rep. Leach, Critic of the Clintons, Faces Questions At Home, Underscoring Whitewater Risk for GOP

By JAMES HANCOCK  
And KENNETH H. HAYES  
Staff Writers of The Wall Street Journal

IOWA CITY, Iowa—Three months into Rep. Jim Leach's career as a high-profile presidential watchdog, 47-year-old Shann Cole has a question: Do you think that pursuing Whitewater is the best way you can represent us?

It's not the only thing Leach, the veteran Iowa Republican, responds quickly to, though a flood of recent national attention suggests as much. Moments later, when another City High School student voices concern that the affair may stall action on health care and other issues, Mr. Leach insists, "Congress is not by any means hamstringing."

Such skepticism, which Mr. Leach encountered here during the congressional Easter recess, underscores that President Clinton isn't the only one facing political risks over the push to investigate the Clintons' dealings over Whitewater Development Corp. Hard-charging Republican lawmakers may face increasing public reining using Whitewater to produce gridlock, especially if a special counsel investigation and congressional hearings don't turn up much evidence of wrongdoing by the Clintons.

Plenty of people in the First District approve of Mr. Leach's efforts to investigate Whitewater. At a meeting of the Linn County Farm Bureau, corn growers interrupted their appetizers more federally mandated ethanol production to invoke

Rush Limbaugh and tell the congressman to press on. "For all the 'hauling manure' he does on his farm, grouched 50-year-old Ron Boss, 'I didn't make the money that Hillary Rodham Clinton made in the 1970s' investing in cattle futures."

But even Mr. Leach, who has long thrived politically on an image of judicious nonpartisanship, acknowledges the potential hazards of a star turn that has taken him to newspaper front pages and the stage of television's "Donahue" show.

## Barbs From Local Democrats

"There could be a backlash," the nine-term House member says, downing a hot turkey sandwich at a cafe in this liberal university town. Mr. Leach is already feeling the barbs of angry Democratic activists at home who in the past have all but acquiesced to his routine re-election victories.

"That's just not the Jim Leach people have known for 20 years," says Ron Parker, communications director for the Iowa Democratic Party. After leaving the incumbent essentially unopposed in the last two elections, the party has encouraged a belated challenge from Glen Wuekaul, a youthful former aide to Democratic Sen. Tom Harkin. The first-time candidate isn't given much chance of winning, but he says Mr. Leach's pursuit of Whitewater will help him rally the Democratic base in a district that gave Mr. Clinton an above-average 42 percentage point margin over George Bush in 1992.

Meanwhile, the Des Moines Register recently chided Mr. Leach for announcing in advance that he would unveil unspecified "blockbuster" details about Whitewater. The allegation turned out to be that Resolution Trust Corp. officials in Washington had interfered with a Whitewater-related investigation by subordinates in

Kansas City, Mo. But the two most senior officials allegedly involved, both of whom started working for the government before Mr. Clinton became president, denied in testimony the inquiry.

Moreover, they accused Mr. Leach of improperly releasing confidential documents that could compromise the RTC's "ability to recover money for the taxpayers" from those responsible for the failure of Madison Guaranty Savings & Loan, the thrift run by the Clintons' Whitewater partner.

## Allegations Challenged by Press

The congressman also found himself on the defensive after an Associated Press analysis last month challenged some of his most spectacular allegations—that Mr. and Mrs. Clinton failed to report and pay taxes on the full capital gains realized on the sale of a Whitewater lot; that the Clintons made, not lost, money in Whitewater; that \$100,000 was skimmed from Madison Guaranty for the benefit of Whitewater; and that regulators were pressured not to investigate the link between Whitewater and the failure of the thrift.

Late last week, Mr. Leach's staff issued a lengthy statement in response. Without backing away from charges that the Clintons failed to report and pay taxes on the full gain from a sale of Whitewater lot #11, the GOP staff conceded that "we have very few internal Whitewater documents, so the following analysis is subject to review based on material" that may emerge later.

One of Mr. Leach's central charges is that the RTC's Washington headquarters tried to stop an investigation of possible criminal conduct behind the failure of Madison. To support this allegation, he notes that the RTC removed a senior

investigator from the case. But Mr. Leach himself has released a memo from the investigator, Jean Lewis, in which she agrees with the decision and praises those who are taking over her role in the case.

"The Powers That Be have decided that I'm better off out of the line of fire (and I ain't arguing), but please let me assure you that we are leaving you in very capable hands," she wrote to her staff in Kansas City last November.

There's little evidence that such questions have penetrated very deeply back in Mr. Leach's district. The 51-year-old congressman enjoys unusual latitude because of "a great reservoir of goodwill" among constituents, says David Nagle, a former Democratic congressman who's trying to regain his old seat from Republican Rep. Jim Nussle this fall. Yet given the nation's volatile, anti-incumbent mood, even secure politicians can find themselves in trouble in a hurry.

"At some point, Jim is going to have to decide whether he can find that smoking gun," Mr. Nagle says. "If he can't, he better get away from it."

It's not just the high school students in Mr. Leach's district who worry that the whole mess has become a major distraction from the nation's business. Whitewater didn't come up during a health care forum Mr. Leach attended at an Iowa City senior citizens center, but afterward the organizer of the affair expressed unease.

"I hope he'll spend as much effort on the whole health care issue as he has on Whitewater," said Bob Welsh, 67, a retired minister who heads the Johnson County Task Force on Aging. "Let's get on with the major agenda." A Democrat, Mr. Welsh has backed Mr. Leach in the past, but isn't sure he will this time.

To assuage such concerns, Mr. Leach calls the scandal "a small issue" that's simply part of his job as ranking Republican on the House Banking Committee. "I try to put in a full day apart from Whitewater," he says.

While holding Mr. Clinton to account on

ethics issues, he conspicuously demonstrates his own adherence to standards, declining to let a reporter buy his sandwich and refusing to accept a commemorative Little Hawk pin from City High government teacher Dale Hibbs—even after Mr. Hibbs admits with a chuckle that it is of

live-and-dine quality.

Mr. Leach also projects an air of dutiful indifference to the potential Whitewater backlash. "I'm not so worried to my job that I care," he says. "If you're in the job you believe in public life, you get out of public life."

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## Clintons Pay Back Taxes and Interest Of \$14,615 Related to 1980 Capital Gain

By MICHAEL K. FISHER  
And SCOTT KIMMEL  
Staff Writers of The Wall Street Journal

President and Hillary Rodham Clinton and 11 of their 12 federal and state taxes and interest after failing to report a \$1.5 million capital gain in the family's 1980 returns.

David Kendall, the president's personal lawyer, said the Clintons weren't fully aware of the gains until 1987.

credited with a transaction that generated \$5,800.

"The first day of trading was I paid it," said Mr. McDaniel. "But who keeps records that are 15 years old?"

Other traders have calculated that if Mrs. Clinton began in cattle futures she would have needed to handle several hundred million to net so much so quickly. At the time, the Clintons' McDaniel, Pa.

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Leach's inability to face Whitewater squarely, as well as his descent to the gutter, are important for precisely the reason he cites to account for the vigor of his mudslinging.



CONORRY APPEL ILLUSTRATION

## Leach's mudslinging

### THOMAS OLIPHANT

WASHINGTON

**T**hat's Leach - as in reach.

The Iowa congressman who doubles as the Church Lady of Whitewater is laboring mightily to maintain the tattered remnants of his image for probity, sobriety and independent objectivity.

But he's failing; falling steadily into the muck of partisan excess, guilt by association, and downright dirty dealing, with aspersions masquerading as fact that Leach professes to abhor.

As a dirt-disher, New York's outish Al D'Amato may be uglier, but at least he has never pretended to fight clean; by instructive contrast, Jim Leach is to rhetorical responsibility as old Orish Hoop was to humility. The idea that Leach accuses others of arrogance is laughable.

Ironically, Leach's inability to face Whitewater squarely, as well as his descent to the gutter, are important for precisely the reason he cites to account for the vigor of his mudslinging. It happens to be true that when one party controls both branches of the federal government, the importance of effective checks and balances, of vigorous oversight of the incrowd by the legislative minority, is enormous.

Because it is enormous, there is also a huge premium on responsible behavior, lest the vital oversight role be compromised by partisan dirt-dishing and behavior that skirts close to the edge of an effort to undermine legitimate authority. In short, for the political system to work when one party rules, it is crucial that the reality of Jim Leach match the self-image of Jim Leach.

Things started out that way last fall - right after the Resolution Trust Corp. made its famous referral of Madison Guaranty's equally famous collapse to the Justice Department. Leach asked for records, for explanations, and when he got stilled by a Bernard Neuharsh-run White House operation, he properly pressed harder and properly began seeking an independent investigation.

Then Leach blew it. Responsible oversight seeks answers; it doesn't dress questions up as answers. Responsible oversight judges; it doesn't prejudge. Responsible oversight probes; it doesn't slash.

As the Clinton White House's mistakes and his own earlier ac-

cess brought him more attention, Leach's behavior began to get not merely partisan, but vicious. It's one thing to demand documents; it's something else to start playing tabloid speculation games about Vince Foster's suicide.

It's one thing to seek hearings, the essence of oversight; it's something else - definitely not oversight - to call the president and Mrs. Clinton hypocrites, guilty before the facts of "high improprieties and breaches of the public trust."

On Thursday, Leach went all the way over the line into D'Amato-ism with a deceptively polished veneer. Using NCAA tournament jargon, here are just two examples of his misconduct:

■ **Flagrant Foul No. 1:** Charging that the Whitewater investment produced "value" to the Clintons well in excess of the amount they put into it.

Leach has no evidence to support his inference of lying, which makes it doubly disgusting in the face of evidence and statements to the contrary. Instead, he manipulates argumentative definitions of value and investment to exclude Whitewater expenditures the Clintons have documented in excess of what they made. In English, that's called a loss.

■ **Flagrant Foul No. 2:** Claiming that the RTC head office here leaned on its regional office in Kansas City "in an effort to protect a single American citizen." (Guess who?).

This really smells. The only evidence even Leach supplies is of a disagreement among civil servants (happens all the time) in an agency that remains entirely a George Bush creation over the significance of Whitewater in the failure of Madison Guaranty.

There is no evidence - and flat denials by all concerned, including the civil servant here - of any knowledge by Clinton appointees of this dispute, much less any impact or attempted impact on its resolution. To imply there was, and then suggest obstruction of justice, is irresponsibility that would make even D'Amato blush.

This is why we need an independent counsel to whom the public can look with confidence for answers. Leach had a chance to help, to resolve legitimate questions and to establish the principle of responsible oversight. Instead, he's become just another mudslinging pol who can't be trusted.

Thomas Oliphant is a Globe columnist.

## Commodities Danced in the Go-Go Years

To the Editor:

To believe the news media, Hillary Rodham Clinton's success in trading commodity futures in the late 1970's was so remarkable that there must have been malfeasance. Remarkable, certainly, but not an isolated case.

In July 1979, while I was working as a futures broker in San Francisco, a woman was referred to me by a friend. She wanted to trade silver futures, a market beginning to show a slight move. She sent me her new account forms and a check for \$10,000. Of that, \$1,000 was deposited into a commodities account and the remainder in a money market fund. Before making her first trade, she had to ask instructions. She was so new to the game that she did not know how trades were executed.

Even so, in the next six months her \$1,000 grew into more than \$1 million. The other \$9,000 never left the money market account. When the market reversed in early 1980, she lost about a quarter of her profits and walked away. Thus she had a profit of some \$750,000 on a \$1,000 investment.

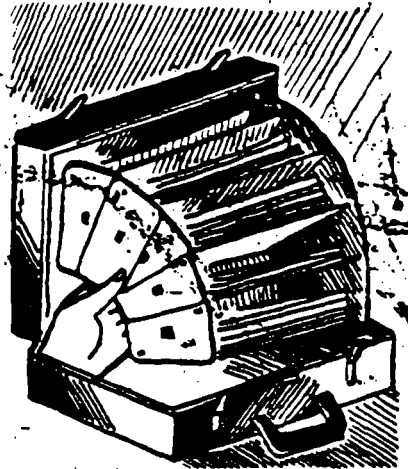
I relate this story for those who jump to the conclusion that Mrs. Clinton couldn't have made so much money properly. Whether the motives of her accusers are political or based on the assumption that a woman is incapable of making money, my client's example is but one of the many stories from that period of traders who made fortunes with small initial investments. STEPHAN H. COTTON

San Francisco, April 1, 1994

### Clintons and Business

To the Editor:

Perhaps somewhere there is a vague code of public official behavior to which only you are privy, which holds that if the wife of a governor



David Suter

gets assistance from a source whose client has regular transactions with the state, and such transactions are resolved favorably to the lawyer's client, then the act of receiving advice from the lawyer is tainted. Or is it the favorable transaction that is tainted?

Try a different view: the Clintons have shown extraordinary concern for the welfare of business interests: the North American Free Trade Agreement, Japanese trade barriers. Perhaps such behavior is not new, and they engaged in it in Arkansas. It could well be that the Clinton form of Democrat believes that "It's the economy, stupid," and finds favorably for business interests because such interests are the economy.

To imply that Hillary Rodham Clinton's profit led to undeserved favorable treatment for a chicken farm strains credulity. It is more likely that any help given to Arkansas business interests was intended to help the Arkansas economy and thus Bill Clinton at the polls. Nothing wrong with that.

JAMES A. WILLIAMS

Oxford, N.J., April 5, 1994

# Salesman details Hillary's role

Says some of her actions were his idea

By Judy Keen  
and Dennis Cauchon  
USA TODAY

FLIPPIN' ART — The man who sold Whitewater told says he not Hillary Rodham Clinton, was responsible for her role in two of several areas likely to be part of a special counsel's probe of the deal.

Chris Wade, who handled all sales at the Whitewater Development Co. Inc. property, says he initiated her active involvement, which critics have used to undermine the claim of President Clinton and Hillary Clinton that their participation in the investment was minimal. Most of the 42 lots have been sold in the 130-acre development along the White River. Only a handful of homes have been built.

Interviewed at his realty office here, Wade says to his knowledge the Clintons never visited the property.

"They were really passive investors," he says. That changed when he urged Hillary Clinton to become more actively involved.

He suggested that Hillary Clinton use her power of attorney over Whitewater in November 1988. That would have effectively given her control.

Wade says the Clintons' partner in the deal, James McDougal, was too busy with his failing Madison Guaranty Savings and Loan to make routine business decisions.

"That was my idea," Wade says of the letter in which Hillary Clinton requested power of attorney. "I couldn't get ahead of Jim because of the Madison problems. Hillary and I were talking on the phone and I told her she should get power of attorney so we could deal with some decisions on Whitewater. I don't know that she ever did get it."

Bruce Lindsey, a senior Clinton adviser at the White House, says Hillary Clinton never acquired power of attorney.

Wade suggested that Hillary Clinton pay for a model home on the property in 1981 to try to spur sales. To build the three-bedroom ranch-style modular home on the 2.6-acre lot, Hillary Clinton borrowed \$30,000 from the Bank of Kingston, Ark. in which McDougal had an interest.

In 1988, Wade says, it was also his idea that she buy back the home from the estate of an owner who went bankrupt before dying. "Here we had a loan on the house, nobody making payments," says Wade. "We had a problem. (Her repurchase of the house) was the only way."

She bought it in September 1988 for \$5,000 and sold it two months later for \$25,000.

Hillary Clinton's involvement in Whitewater's management, as described by Wade runs counter to the Clintons' efforts to downplay their role.

Still, says Wade, "Hillary Clinton didn't do anything wrong — nothing. Absolutely and that's not a guess. That's a fact. I know it."

Wade has turned over documents relating to Whitewater to the FBI and says he expects to be subpoenaed by the special counsel who will investigate Whitewater.

Madison's Beverly Bassett Schaffer, then the state supervisor of savings and loans, says a letter she received from Hillary Clinton's law firm requesting permission for Madison Guaranty to raise money from investors was routine and did not imply pressure from then-governor Clinton.



ON THE HILL: Hillary Rodham Clinton testifies in Congress about the administration's health-care plan in September.

## 'Whole new world'

### Spotlight revisits role of first lady

By Andrea Stone  
USA TODAY

Mary Todd Lincoln's loyalty was questioned because of her Confederate tunic.

Nancy Reagan was denounced for her expensive taste in china and gowns.

But those were minor embarrassments compared with the potential damage Hillary Rodham Clinton's role in Whitewater poses to her husband's presidency — and to his goal of reforming the nation's health-care system.

The Clintons say they've done nothing wrong. Still, this week President Clinton reluctantly bowed to pressure and asked for a special counsel to investigate.

Regardless of the outcome, Whitewater raises unprecedented questions about a first lady who unlike her predecessors, has been both bread winner and policy adviser to her husband.

Critics say Hillary Clinton, shaper and shepherd of the White House's health-care reform package, should be held to the same standards as other senior policy advisers — a potentially impossible standard to apply to the president's wife.

"So Clinton argues that Hillary Clinton is entitled to the same deference afforded to first ladies of years past."

"We're using uncharted territory," says University of Texas historian Lewis Gould. "There is no precedent."

Republicans already know that. Early criticism of Hillary Clinton — viewed as enhanced personal attacks on the president's wife — has been fired.

On April 30, 1983, the Rose Law Firm wrote to Schaffer's agency stating the go-ahead to sell preferred stock to shore up Madison's net worth. The letter asked state regulators to contact Hillary Clinton or her colleague at Rose Richard Massey if they had questions.

Two weeks later, Schaffer wrote a "Dear Hilary" letter stating the plan "is not inconsistent with Arkansas law." The appropriateness of Hillary Clinton's representation of Madison in the request — made to an official appointed by her husband — also has been questioned.

Madison was owned by McDougal, the Clintons' partner in the Whitewater investment. The thrift failed in 1989 and cost taxpayers \$47 million to \$60 million.

"Nobody in my office would have any problem saying no to the Rose Law Firm request," she says. "Schaffer was on it. Schaffer says 'No, both was going to get fired over that. But Clinton was my boss, not Hillary Clinton.'"

Wade says McDougal handled all of Whitewater's business while Wade handled the marketing of the vacation-home lots, surveying of the property and the construction of access roads.



REAGAN: Expensive tastes in china and gowns.

This time, the GOP is treading more carefully.

Although the problems confronting the Clintons are new, there are plenty of examples of women whose political careers were tarnished by revelations about their husbands.

Gertrude Ferraro's historic 1984 race for vice president was sullied by reports linking husband John Zaccaro to organized crime.

More recently, Sen. Dianne Feinstein D-Calif. was dogged by questions about her husband's finances.

It's a whole new world, says University of Southern California's political scientist Larry Berg.

The conventional way of looking at a spouse is no longer valid.

So Clinton argues that Hillary Clinton is entitled to the same deference afforded to first ladies of years past.

"I don't think at this point she becomes the president's wife who can't be questioned."

Other women have tried to manage the role of first lady by custom the nation's model wife, Eleanor Roosevelt.



CLINTONS: The first lady walks President Clinton to an Arkansas-bound helicopter after his mother died last week.

wrote a newspaper column. Betty Ford lobbied for the Equal Rights Amendment. Rosalynn Carter attended Cabinet meetings.

Yet each had identities distinct from their husbands. If Roosevelt caught flak for her strong views, says Stephen Hess of the Brookings Institution, it was understood "they were uniquely her opinions."

That line has blurred with the Clintons. He ran on a "two-for-one" platform, promising to use her expertise as a top lawyer to mold policy. Hillary's main job on education reform in Arkansas was passed to as a model in the campaign.

"The difference here is the degree to which (she) is really a co-political partner," Hess says. "There's been no doubt that she is an official person in her own right."

Although she put aside her career when she moved to Washington, Hillary Clinton worked full-time as a private lawyer in Little Rock. Her \$54,000 income was the main family support while Clinton was governor.

And it's that work, as a lawyer for the failed Madison

S&L, and possible conflicts of interest as governor's wife and lobbyist, that's now in the middle of the Whitewater investigation.

New York Times columnist William Safire Thursday accused Hillary Clinton of wading to hide Whitewater documents "because they may show her to be not merely an inept wheeler-dealer, but an occasionally less than competent attorney."

In addition, Whitewater may hurt the health plan.

Says former congressman and GOP commissioner Vito Weber: "If she's weakened by Whitewater, that shifts substantially the center of gravity in that debate and makes it much less likely the Clinton administration will hold on to their proposals."

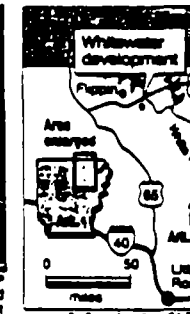
Under now "Hillary Clinton has gotten almost a free ride," says Republican consultant David Keene, noting the naming reception she received on Capitol Hill. "If she goes up there again, the boom is off the roof."

At last, critics say, questions about Whitewater will divert her energies. At worst, she could be implicated in stacks of criminal violations.

Then, "The clarity can't continue to serve in a policy-forming role," Weber says. "On the other hand, as we learn the president removes her." "I don't think there is a good answer."



McDOUGAL: Clintons' land deal partner owned Rose Law Firm.



By Gary Vagstad, USA TODAY

# Letter Shows Official Doubts on Whitewater Prosecution

■ **Probe:** Then-U.S. attorney warned FBI in 1992 that charges might not be provable and would not be fair in light of political situation.

By RONALD J. OSTROW  
and WILLIAM C. REMPEL  
TIMES STAFF WRITERS

**L**ITTLE ROCK, Ark.—As the 1992 presidential election approached, the U.S. attorney in Little Rock argued vehemently against bringing charges in the Whitewater controversy, contending that initiating prosecution at that time would constitute "prosecutorial misconduct," it was learned Friday.

Then-U.S. Atty. Charles A. Banks, a Republican appointee, warned in a letter to the FBI that taking federal action then would be unfair because it could give a sense of legitimacy to allegations

## ■ FROM SATURDAY EDITIONS

affecting a candidate that might not be provable.

The unusual October, 1992, letter from Banks to Don Pettus, then the special agent in charge of the FBI's Little Rock office, sheds light on a little-known struggle within the federal bureaucracy on what to do about the Whitewater case as Election Day approached.

The episode provides the basis for a central dispute that rages today on the matter: Was it a case of financial and political abuse that was long stifled and stalled for political reasons? Or was it a tangled financial mess that, while requiring delicate handling and attention to fairness, was of marginal importance compared with other savings and loan prosecutions.

Republican critics of the Clinton Administration have moved toward the former interpretation. They released documents Thursday from investigator R. Jean Lewis, who worked for the Resolution Trust Corp., conveying her frustration and suspicions about delays in the case. The RTC is the federal agency set up to oversee failed S&Ls.

Banks' letter, which he acknowledged writing but refused to discuss Friday, reflects the position held by some Justice Department officials who saw Lewis as overzealous and unfairly single-minded about a matter that could have had major electoral repercussions.

A spokesman for Rep. Jim Leach of Iowa, the leading House Republican critic of the Administration on the Whitewater case, said Leach did not

have a copy of Banks' letter.

Leach, releasing documents Thursday that shed new light on the controversy, charged that the Arkansas real estate venture was ultimately used "to skim, directly or indirectly, federally insured deposits" from a Little Rock savings and loan.

In the letter, Banks noted that he had met with the FBI on a "referral" for possible criminal prosecution in the case involving Madison Guaranty S&L, which was owned by James B. McDougal, a partner with then-Gov. Bill Clinton and Hillary Clinton in Whitewater Development Corp.

Banks said that even after a second review of the case, he still had doubts that it could be successfully prosecuted against any of the witnesses in the case. The Clintons, as investors in the Whitewater project, one of the McDougal enterprises that investigators believe was used to skim money from Madison Guaranty, were among the witnesses.

The letter noted that Pettus had been ordered to conduct an immediate review of the case to determine if prosecution was warranted and to provide an answer later that week. He did not make clear who in the FBI was ordering Pettus to move quickly.

FBI spokesman John Collingwood said Friday that he would have no comment. Banks, in declining to comment, said: "As [then-] U.S. attorney, I could not properly discuss reports and correspondence about cases, and I don't feel I have been relieved of that restriction today. And now that there is a [special counsel] assigned to the case, it is even more inappropriate for me to comment."

But in his letter to Pettus, Banks made it clear that he resented the pressure for action, without revealing its source. He said neither he nor anyone in the U.S. attorney's office would take part in the inquiry before the Nov. 3 election.

The letter said that moving further on the case at that point—presumably to a federal grand jury—would lead to press inquiries and give legitimacy to charges that might not be provable. This would be inappropriate and would amount to prosecutorial misconduct, it said.

Three months later, Banks tried to remove himself from the case, but the Justice Department found no grounds for "recusal" and supported his view that no criminal action should be taken.

A second criminal referral eventually was made and the entire case is now being investigated by Whitewater special counsel Robert B. Fiske Jr.

Ostrow reported from Washington and Rempel from Little Rock.

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A22

Thursday, March 31, 1994

## EDITORIALS

### Mrs. Clinton's gamble

*The money she made 15 years ago was hardly the stuff of the 'decade of greed'*

Hillary Rodham Clinton is being pilloried in some circles for turning a \$1,000 investment into nearly \$100,000 in the late 1970s. In light of this windfall, her critics ask, how could she and her husband make campaign hay by deriding the excesses of the '80s?

The answer is that Mrs. Clinton's high-risk investing in commodities markets, where people bet whether prices rise or fall, bears little resemblance to the financial skulduggery of the last decade. Her profits on cattle futures and other bets in 1978 and 1979 were more like those of a big winner at roulette in Atlantic City or Vegas.

Mrs. Clinton's performance has been criticized from several directions. One shrill editorial made much of the news that her broker got into regulatory trouble several times — for example, allegedly channeling trading profits to favored clients and skewing losses toward other clients. But the friend who advised her on these investments, lawyer James H. Blair, insists that this has nothing to do with Mrs. Clinton because she kept close control over her trading account. At this point, there is absolutely no evidence of any improprieties in her account.

There are also innuendoes — but no evidence — that the investment advice from Mr. Blair, who is now general counsel to the largest poultry producer in Arkansas (or any other state), must have been classic "insider stuff." That might have a veneer of plausibility if she had been

investing in chickens, but instead, her big profits came from betting on rising prices for cattle.

Perhaps the lowest blow against Mrs. Clinton was an "exclusive" in the latest Newsweek, which claimed that she hadn't put up the money to get started. The White House has refuted the charge with documentation, and the magazine has backtracked.

Given the fanciful attempts to link Mrs. Clinton's investments to the financial frauds of the 1980s, it might be useful to remember some of the notorious excesses of the so-called "decade of greed." That's when handits in three-piece suits went marauding for short-term gains — using excessive debt, pension-fund raids and other manipulations. In the biggest financial boondoggle in U.S. history, savings and loan executives indulged in high-risk investments, self-dealing and outright larceny with federally insured deposits. And this stuff went on under the noses of the Reagan administration, government regulators and the U.S. Congress.

If the Clintons' political enemies or special prosecutor Robert Fiske can eventually prove that money from a defunct S&L was diverted into the Whitewater real-estate development, that would indeed link the couple to the excesses that they both have derided. By contrast, Mrs. Clinton's betting on commodity prices — like the Vegas trips of the President's mom — was a form of legal gambling that exploited no one.



BA

## LETTERS

### Readers' White

For a number of years, I believed the slant of The Inquirer's news coverage and Editorial Page opinion were consistent with the experience I have had with a number of newspaper types I've known. This impression was suitably encapsulated in the old saw that a liberal is a person who enjoys spending someone else's money.

However, based on your paper's fantheated coverage of Whitewater and the legitimate questions about conflicts of interest, this and other financial dealings by the President and First Lady, I am now convinced that The Inquirer suffers from Unreconstructed Liberal Masochism Syndrome. The disorder can only be satisfied by blaming it successful, punishing the rich and general feeling guilty about all that smacks of the American dream, because not all are shared equally.

This strange malady has turned the normally inquisitive and combative Inquirer into an indolent and docile bystander, commenting on the Clinton administration. Examples?

• The Inquirer glances away when the Jan. Reno-led Justice Department mentions the innocent children in the Whitewater scandal.

JUDY MANN

## A Lesson for First Ladies

**W**e do a lot of rewriting in the news business, and I suggest that if we were to rewrite Whitewater and change a couple of characters, we might learn something about what this latest national political drama is really about.

In our first rewrite, let's replace Bill and Hillary Clinton with George and Barbara Bush. Let's say that 10 years ago, Barbara decided to shore up their retirement fund by going into a land deal with a couple of old political cronies. The deal goes sour, a Texas S&L connected to the deal goes belly up, taxpayers lose money. What happens? Nothing. Zip. Nobody lays a glove on Barbara. She knows how to behave.

In our second rewrite, we substitute Ronald and Nancy Reagan for the Clintons. Keep the facts the same. Nancy does the investing, a California S&L goes under, everybody loses money, and it all comes out about the time that Nancy is shoving Chief of Staff Donald Regan out the front door of the White House. What would happen to her?

"They'd be killing her," says Lynn Cutler, a longtime Clinton friend and a former vice chairman of the Democratic National Committee. "This is so typical. Strong woman stands up, speaks out, moves forward, bam. This is not just Hillary under attack here. It's everybody. Does it not strike anybody else as the ultimate irony that the very week they begin debating reform on the Hill, and the doctors and the tobacco people are all up there trying to stop any reform from happening, that now comes this attack on Hillary?"

"This isn't about Whitewater," Cutler continues. "It's about being the right kind of First Lady. What's happened is that a lot of people have floated a lot of garbage out there, and unfortunately the media's grabbed on to it like a drowning man going for a life raft." She called the attacks on Mrs. Clinton "breath-taking."

"She has a real commitment to public service and the fact is that she's just too damn good at it for these guys," Cutler says. "They can't stand it."

"This always happens with women who are perceived to be powers behind the throne," says Sylvia Morris, a biographer of Edith Kermit Roosevelt and Clare Booth Luce. "Nancy Reagan was often accused of things because her husband didn't seem to be involving himself. She was often condemned for things she had nothing to do with. I think Hillary's going to get some of this."

If the Clintons underestimated the ferocity of the partisan political opposition, as Cutler believes, Mrs. Clinton is paying the price. But some would say that her pillorying has less to do with being a woman than being a person in a very powerful position. Blanche Wiesen Cook, a biographer of Eleanor Roosevelt, sees the attacks on Mrs. Clinton as part of "the politics of personal destruction, which is a very ugly thing that seems to have taken hold in our political culture. It's a kind of alternative assassination. For the first time in a long time, we have people in the White House who are committed to a policy of national healing, but instead of allowing this process to go forward, people are diverting our attention to all of these non-issues that are not only old, but irrelevant to any issue of vision, leadership or national good. It reminds me very much of the vicious attacks against Eleanor Roosevelt when she stood for things this nation needed desperately to address in the '30s."

"There is something about Mrs. Clinton," says Cook, "and her effort to be a healing rather than a divisive presence in U.S. politics. She made a point to move issues of justice and decency back onto the national agenda. The opposition can't stand that, just as they couldn't stand it in the '30s."

Cook points out that Ireland, Norway, Great Britain, India, Israel and Pakistan have all had women at the top of their political leaderships—granted, these women were all elected—but the United States still seems to have trouble stomaching the idea of women as powerful people. "We have yet to enter the 20th century when it comes to recognizing that women can be leaders and that women have ideas," Cook says. "The fact is that this is our first partnership presidency. FDR never gave Eleanor credit for her ideas. Bill Clinton always gives Hillary credit for her ideas. This is women's history month. I watch media coverage every day, and yet I hardly ever see a woman treated with respect and dignity. The most provocative woman in the country is Hillary Clinton, but I don't think there is a First Lady who has been treated as rudely and meanly, except for Eleanor Roosevelt. And in my opinion, it has everything to do with fact that she's a woman, a woman with power, vision and dignity."

And as the flap over Whitewater is demonstrating, that's just too much for the misogynists—of either sex—to take.

# Before Hillary, there was Eleanor

4/1/1995  
Sunday, January 24, 1993

By Blanche Wiesen Cook

So many people seem so worried about smart, liberal First Lady Hillary Rodham Clinton. Imagine, an outspoken woman in the White House — a woman who cares and acts upon what she knows.

Always politically involved, Clinton has, for years, been among the nation's top 100 lawyers. Moreover, she is the first fully recognized partner in a feminist marriage whose husband says, "You are getting two leaders dedicated to America's future for the price of one." He expects her to sit in on Cabinet meetings.

Still, despite the nation's great need for knowledgeable leadership, despite the significant advances women have made, we have not seen so much political dust since Eleanor Roosevelt left her imprint on public life. And Roosevelt's activity and involvement set a standard Clinton must work hard to meet.

During the waiting days between the election of 1932 and the Inauguration, Eleanor Roosevelt dreaded her future. She feared her life would be devoured by the demands of Washington — then as now, a small, ungenerous town composed of combative enemies, fossilized customs and fiercely competitive visions. She feared she would have to end her work as educator and columnist. She feared the White House would smother her — as she believed it had her Aunt Edith (Theodore Roosevelt's wife) and her immediate predecessor, the underestimated Lou Henry Hoover.

Eleanor Roosevelt had always admired Lou Henry Hoover, a learned geologist, linguist and feminist — and in all business deals and humanitarian efforts, her husband's partner. But when Herbert Hoover was elected president, Lou Henry withdrew from public life.

We know now our country would have been cheated of a great moral and intellectual spirit had Eleanor Roosevelt not forged a new role for America's first ladies. Many forget how vilified Roosevelt was in the press, how she was attacked by pundits and cartoonists no matter what she said or did not say. She was mocked by insiders as well — members of her husband's Cabinet and inner circle, who wanted to get the "pants off Eleanor" and on to Franklin.

But Eleanor Roosevelt refused to be silenced. As first lady-elect, she astounded a New York Metropolitan Opera audience the week before Christmas, 1932 when she

## GUEST COLUMN



Eleanor Roosevelt



Hillary Clinton

*She always said that women go into politics to make things better, and men go into politics to win elections.*

appeared between the first and second acts of "Simon Boccanegra" to appeal for Americans overwhelmed by the Depression. "When you come face to face with people in need, you simply have to try to do something," she said. "After all, this is the richest country in the world. We cannot allow any one to want for the bare necessities of life."

Over the years, Roosevelt's influence on the administration — and the nation — was enormous. Franklin D. Roosevelt wanted and trusted his wife's vision. He consulted her on all appointments and they discussed every significant issue. Unlike Bill Clinton, Roosevelt never publicly credited his wife — and she routinely denied her own importance. Still, even when they disagreed, or she went too far on a controversial issue for his political needs, he never discouraged her activities.

Eleanor Roosevelt always said that women go into politics to make things better, and men go into politics to win elections. Always pragmatic, and far more centrist than his wife, Franklin Roosevelt respected Eleanor Roosevelt's principles and her liberalism. Often his own political moderation caused him to reject her efforts — especially when it came to issues of race and racism, of poverty and homelessness, of inadequate health care and underfunded education — the long-ne-

glected wounds in our body politic that fester still. But she would then take her views to the nation, calling for support.

The Clintons enter the White House 60 years after the Roosevelts, and all the great issues that require vision and leadership have again to be addressed. We are again a nation in economic crisis adrift upon an ocean of global chaos. And like the Roosevelts, who overcame a similar period of Republican domination and domestic neglect (1920-1932), they arrive with a mandate for change.

Eleanor Roosevelt's first public act after the Inauguration was a tour of Washington's "alley slums," where thousands lived without running water or sanitation facilities. Immediately, she initiated a campaign to provide decent housing for all in Washington, and throughout America. Her work on behalf of affordable housing became a life-long crusade.

Now, Hillary Clinton, far more learned and aware of the needs of America than Eleanor Roosevelt was when she first entered the White House, is in a position to lead a new and long-overdue crusade for decency and dignity. To build anew upon this foundation, one need only contemplate Roosevelt's efforts on behalf of quality public education, her demands for a national health care policy that would guarantee medical attention for all, her efforts on behalf of

desegregation and job opportunities for all.

To do so requires not only vision, but the utmost courage. Because no matter what Hillary Clinton does or says, she will be attacked.

Eleanor Roosevelt was never nudged by her opponents. And she encouraged other women to organize, get into the political game and fight. In June 1936, during a breakfast in her honor, Eleanor Roosevelt gave the following advice to women in public life:

"You cannot take anything personally. You cannot bear grudges. You must finish the day's work when the day's work is done. You cannot get discouraged too easily. You have to take defeat over and over again and pick up and go on. Be sure of your facts. Women who are willing to be leaders must stand out and be shot at. More and more they are going to do it, and more and more they should do it.

"Above all," she noted, every woman in political life "needs to develop skin as tough as rhinoceros hide."

For 40 years, Eleanor Roosevelt took the lead on all major issues. She championed civil rights before any other administration official, and frequently despite her husband's opposition. For all of her efforts, Roosevelt was, for decades, rebuffed and reviled. Her FBI files eventually came to more than 3,000 pages; the largest subject area covered her efforts for racial justice, followed by her later work on behalf of international peace.

In 1940, when she was most fiercely denounced for her activities, Roosevelt wrote her friend, novelist Fanny Hurst: "I am sorry that all these attacks against me are causing so much grief to my friends. But in these troubled times I intend to go right on saying and doing what must be said and done. And I intend to provide lots of ammunition for attack in the future."

Today, women are organized and ready for leadership, as Eleanor Roosevelt always hoped they would be. Women's issues are global issues, and women are united as never before. Although first ladies who followed Roosevelt denied her legacy, Hillary Clinton will continue an inspiring, energetic and principled tradition.

The writer, a history professor at John Jay College, City University of New York, is the author of "Eleanor Roosevelt" (Viking).

# Stop 'Pillorying Hillary'; It's Utter Hypocrisy

■ **Whitewater:** Shame on the reporters who, with Watergate stars in their eyes, went after her.

4-26-94

By BETTY FRIEDAN

I'd been invited to Australia to help launch a new government policy on age and to talk about my book, "The Fountain of Age." But since I am also known as an American feminist, I was asked by women in Sydney and Melbourne, "What on earth are they doing to Hillary in your country?"

I was myself unable to figure out why it had suddenly become a crime for an American to have made \$100,000 on the commodities market 17 years ago—this is a capitalist nation, after all—though some men may still resent that a woman acting on a smart tip could turn \$1,000 into \$100,000 in that high-risk market. It's not exactly like turning \$1 million into \$100 million in the S&L scandal at the taxpayers' expense. As for Whitewater, it seems to have been a financial mistake that didn't make anybody money.

I first knew of Hillary Rodham Clinton when she headed the board of the Children's Defense Fund, working as an effective and unremitting advocate of neglected children, black and white, in the era of greed. President Clinton, by putting her in charge of health-care reform, and she, by her leadership, have lent national health insurance a seriousness and a sense of urgency.

So all I could surmise was that the powerful economic and political forces in this country who want to prevent health insurance from happening and who want to bring Bill Clinton down were trying to do so by getting Hillary. This seemed a little crazy to the women of Australia, since they've long had national health insurance. But I assured them that this "get Hillary" ploy wouldn't work, that the American people support Hillary Rodham Clinton as an equal partner of the President.

When I got back home and saw escalating scandal insinuations about Hillary and "Whitewatergate" on the front pages and covers of newspapers and magazines, my incredulity turned to outrage. What hypocrisy, all this digging up of tax mistakes of several thousand dollars.

It has been pointed out to me defensively by some journalists that certain newspapers that caught on to Watergate late are trying to make up for it by "building

Whitewatergate," as they put it, into a news scoop. It has also been explained to me that women journalists "have to prove that they are not feminists by getting Hillary as meanly as the men."

I am proud of my young sisters in the National Organization for Women and the Hollywood Women's Political Committee and the Democratic National Committee for their marches, ads and buttons, "Stop Pillorying Hillary." And I am ashamed of the editors and reporters who are exacerbating and building up beyond all probable basis in fact "Whitewatergate" and, yes, lending themselves to "pillorying Hillary."

Some insight into the media's role here may be found in a report just released by Women, Men & Media, which I co-chair and direct under the auspices of the schools of journalism of USC and New York University and the Freedom Forum, analyzing the coverage of women on the front pages. While there has been a notable increase in the percentage of women mentioned, quoted or pictured on the front pages of major newspapers, it seems that women are mainly there as victims or perpetrators of violence (Bobbitt and Harding), as sex objects or in otherwise negative roles or as "entertainers," while men hit the front pages predominantly as opinion makers.

The growing number of women in Congress, the Cabinet, Supreme Court and business leadership are evidently still notoriously not quoted on the front pages or in broadcast news. Did Hillary Rodham Clinton violate that taboo through her impossible-to-ignore force as an opinion maker? She used that force effectively last week to defend the investments she made for her family's welfare, but she shouldn't have had to. Where is the investigative reporting about the role of the insurance, pharmaceutical or medical establishments or the Republican National Committee in "Whitewatergate"?

I am outraged at the hypocrisy and double standard and, yes, immorality of the misuse of government and media power diverting our attention and resources from the real problems facing our nation—the job-downsizing crisis, the health-care crisis, escalating gun violence, Bosnia—to which the President and his wife, the Administration and Congress need to give their whole attention. As for the media, have you no shame?

Betty Friedan's latest book is "The Fountain of Age" (Simon and Schuster, 1994).

# Politics Of Hate

BOSTON

At her press conference last month Hillary Rodham Clinton turned aside a question about the politics of personal destruction. "I can't really help it," she said. "If some people get up every day wanting to destroy."

The way Mrs. Clinton put it reflected the pain that she and the President have surely felt at the level of personal attack leveled at them in recent months. Whitewater is only part of it. Below the mainstream press there is a flow of poison directed at the President and his wife: in the comments of talk-show bigots, in extreme-right magazines and newsletters.

The politics of hate is hardly new in this country. Thomas Jefferson's opponents painted him as an atheist in league with French Revolutionary terrorism. Again and again in our history those who disagreed with some person or group have painted them as not just wrong but treasonous: "The paranoid style in American politics," the historian Richard Hofstadter called it.

The style was exemplified by Richard Nixon's tactics of smear and division. Running for the House and then the Senate at the beginning of his political career he portrayed his opponents as pro-Communist. He did the same as Vice President, using the Red Scare against Democrats in the mid-term elections of 1954. His hate showed in the Watergate tapes.

At his death most people chose to emphasize the positive in Mr. Nixon's life, such as the rapprochement with China. But the bile he injected did lasting damage to our political life, reducing the level of trust and making Americans more cynical about all leadership.

The bitterness of the Red Scare period, and even of Vietnam, had seemed to fade in recent years. Certainly Presidents did not have to cope with high levels of personal vilification. President Reagan had virtually a free pass from the press, which among other things was evidently afraid to take on such a beloved figure.

Now here we are again. Scandal sheets print charges about President Clinton's sex life, and they are taken up by television networks and some serious newspapers. Talk shows peddle rumors that Vincent Foster, the White House lawyer and Clinton friend who committed suicide, was actually killed in a secret hideout.

As a general rule political leaders deserve no sympathy when they have a hard time. After all, they asked for the job. Harry Truman said it: "If you can't stand the heat, stay out of the kitchen."

But there is a difference between the heat of policy criticism and personal vilification. I have criticized a

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## The personal attacks on Bill Clinton.

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great deal that Mr. Clinton has done as President. But it is another thing to attack him as a human being, questioning his good faith.

"I'm afraid we've fallen into the bad habit of making our kings and then killing our kings," David McCullough, the historian and biographer of President Truman, told Lloyd Grove of *The Washington Post* last month.

"The President carries the world on his shoulders. So for Clinton to have this kind of constant sniping and growling at him, it's worse than disrespect. Because it's not disrespect for the office, it's disrespect for the man, and it's lack of decency for another human being."

Why the savaging of Bill Clinton? Some of it is his own fault for being less than straightforward. Some is condescension toward a Southerner, as was true with Jimmy Carter. Some is resentment of the independence and intelligence of Mrs. Clinton. But much is ideological: the anger of the right that a centrist Democrat is in the White House.

The extreme right has powerful voices in the United States today, among other things dominating radio talk. Its most important voice is the editorial page of *The Wall Street Journal*, which pounds away at President Clinton so shrilly that it often seems on the edge of clinical hysteria.

The *Journal's* editor, Robert L. Bartley, was on NBC's "Meet the Press" in March. David Broder of *The Washington Post* told him that his editorials read as if "You really don't accept the legitimacy of Bill Clinton's being in the Presidency." Mr. Bartley replied: "Well, he won the election with 43 percent of the vote."

Mr. Bartley, here is some news for you: In your heroine Margaret Thatcher's three great election victories, her Conservative Party averaged 42.9 percent of the vote; Abraham Lincoln in 1860 had 40 percent.

# The Washington Post

SUNDAY, MAY 22, 1994

## *Clinton Foes Voice Their Disdain, Loud and Clear* On Talk Shows and in Angry Mail, 'Visceral Reaction' to President Seems Unusually Intense

By Ann Devroy  
Washington Post Staff Writer

The caller was so angry she could barely speak. President Clinton, she said, is "not fit to hold office. He's scum. He's worse than scum and you all are protecting him."

And that message, left on a reporter's answering machine, was one of the milder ones.

Across the radio talk show airwaves, in mail and phone calls to the news media, in letters to the White House and in dozens of other anecdotal ways, Bill Clinton's enemies are making their hatred clear, with a burning intensity and in some cases with an organized passion.

Most pollsters suggest that their measurements of strong approval and disapproval for Clinton are

not all that different from those for other recent presidents and that polls, really, cannot measure passion. But even Clinton advisers agree there is something about Clinton that reaches into the emotional gut of some Americans and produces a visceral reaction.

"There are some hard, hard, hard-core Clinton haters," said adviser James Carville. "This guy gins up more feelings and pulls them from greater extremes than any politician I know." White House counselor David R. Gergen agrees, saying the closest thing he has seen to it across the four presidencies in which he has served were the early months of Ronald Reagan's, when his ideological swerve to the right created a depth of opposition on the left.

Dee Dee Myers, Clinton's press secretary who

traveled with him through the campaign and does now, said, "There are a lot of people in this country who either love him or hate him."

But it is not those who love him who have become so conspicuous of late. At a town meeting in Charlotte, N.C., last month, a woman rose to her feet without a sign of self-consciousness to sharply question Clinton's character and accuse him of being a hypocrite. At a focus group last week conducted by The Washington Post, a group selected two years ago for its antipathy toward Washington showed signs of having turned that antipathy on Clinton; the men and women used phrases like "con man" and "big fake" and "hypocrite" in discussing the president.

A White House volunteer who handles mail

See CLINTON, A7, Col. 1



# On Talk Shows and in Angry Mail, Clinton Haters

## Voice 'Visceral Reactions'

CLINTON. From A1

speaks of "letters so angry they almost feel hot." The White House says it does not categorize its mail by approval or disapproval. All that it will say of the numbers, officially, is that Clinton continues to draw a virtual avalanche of mail, at least twice what George Bush did. For the first four months of the year, there were 1.1 million pieces of mail.

Clinton ranks as the most criticized personality, with Hillary Rodham Clinton in second place, on talk radio shows since July 1990. They lead Iraq's Saddam Hussein, former vice president Dan Quayle and Bush.

Michael Harrison, editor of *Talkers* magazine, the trade magazine for the talk-show industry, said that based on daily monitoring of every talk station in the top 15 markets and monthly assessments of 200 other stations, "there is no question Bill Clinton is the most criticized individual in the history of the medium."

At least three conservative syndicated talk-show hosts—Rush Limbaugh, G. Gordon Liddy and Ron Reagan, the son of the former president—have made Clinton-bashing the basis of their shows. Harrison said, with no comparable liberal or moderate figure on the other side. Harrison said the notion that "talk radio is totally conservative, a tool of the Republicans, is just not right. It goes both ways." But since Clinton announced for the presidency, the way it has gone for him has been highly negative.

Doug Marlette, a syndicated editorial cartoonist for *Newsday* and other newspapers, told a *White House* official recently about the "visceral reaction" in mail he gets after doing Clinton cartoons.

In an interview, Marlette said Clinton material sometimes gets "this incredibly irrational reaction," which he attributes in some measure to Clinton's southern roots and his spouse, but mostly to anxiety and ambivalence in Clinton's generation.

"He and she [Hillary Rodham Clinton] represent something about this time we live in. They are lightning rods for our own conflicts, the ambivalences of our generation," he said. "He is like a hologram that we look into and project deep, visceral reactions onto."

It is not Clinton's policy decisions that produce the reaction, many analysts suggest, but other things: that people increasingly view his character as too flawed for an office

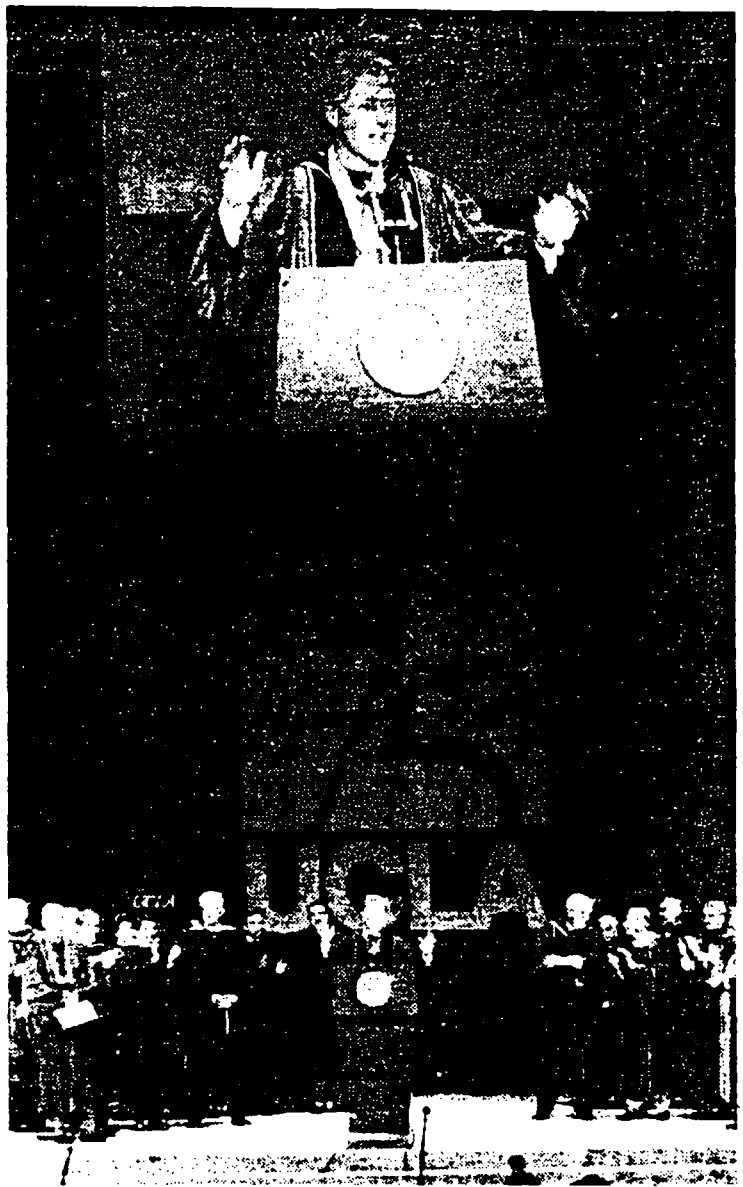
that is the visible and revered symbol of the nation; that he has made himself such an Everyman that he has wiped away the invisible barrier of awe and respect for the office that distances presidents from the personalization of opposition; that the change he represents, in policies and in generation, is deeply threatening to some Americans; that Americans are transferring to him their discomfort with Hillary Clinton's powerful role.

Conservatives, with their radio talk shows and Christian television program support, have mastered the art of communicating with one another, and have nurtured visible opposition better than the left ever did for Clinton's Republican predecessors. The invisible barriers that kept political commentary within boundaries somehow have been pierced, allowing anyone to say anything about the president.

Presidential historian Stephen Ambrose said in an interview that he has little doubt Clinton has an unusually vocal minority of haters aligned against him. But beyond generational discomfort or unease with Hillary Clinton's role, Ambrose points to the public perception that Clinton has significant character flaws. "A lot of people think he is so totally insincere. That everything he does is for some political motive. That he works like hell to look like a nice guy instead of just being a nice guy."

Clinton is not the first president to evoke intense hostility. Ambrose cited both Franklin D. Roosevelt and Richard M. Nixon, suggesting FDR had in common with Clinton a controversial spouse who may have caused some of the animosity directed at the husband-president. And he recalled the Nixon-haters who were legion for three decades. Of the last five presidents, however, analysts said Clinton seems unsurpassed in the intensity of emotion he draws.

Glen Bolger, a Republican pollster, said polling in selected congressional districts suggests to him, even if national polls do not, that the intensity of disapproval of Clinton is greater than it was with recent presidents. "I think it is the combination of only getting 43 percent of the vote—people are less sure of his legitimate claim to the White House—along with the sense that, look, he preaches in a moralistic tone about community and greed and values, and his own life reflects none of that. I think character is a major factor."



President Clinton speaks at a convocation Friday marking the 75th anniversary of the University of California at Los Angeles. Clinton's constant public exposure and his willingness to comment on daily events is a source of concern to some advisers, who fear it may diminish his impact.

With Paula Corbin Jones's lawsuit accusing Clinton of sexual harassment, the long investigation of the Whitewater affair and the revelation of Hillary Clinton's commodities trading, doubts about the presidential character are on a steep rise.

Polls have shown that the public's perception that Clinton has a character problem has ebbed and flowed, but it's at high tide this month, even at a time when the overall public approval of the president is either edging down only slightly or holding at slightly over 50 percent approval.

The character numbers for Clinton would be daunting for any politician. In a recent NBC-Wall Street Journal poll, pluralities of Americans now rate Bill Clinton as "poor" in terms of his ethical and moral values, with 36 percent rating him poor, 29 percent mixed and 32 percent good. A Washington Post-ABC News poll found that 36 percent said Clinton has the "honesty and integrity" to serve effectively as president, down from 74 percent the week before he took office.

Clinton's political advisers said they believe the president will be judged by his accomplishments, not

by ephemeral concerns about character. But other analysts suggest that the issue detracts from his ability to accomplish the change for which he was elected.

Significant questions about presidential character, said Democratic pollster Peter Hart, can and do have an impact on a president's ability to govern. "It detracts from his ability to get things done," he said. Others describe interconnected circles of presidential success: Public support and esteem for a president encourage congressional support for his programs and produce public gratitude for Washington getting things done.

Trying to determine why some Americans react with such intensity to Clinton has become something of a pastime among political analysts, historians and armchair politicians. Robert M. Teeter, who ran President Bush's losing campaign to Clinton, adopts some of the Everyman theory.

Teeter, who lives and works in Michigan, said he listens to a lot of local radio and television. "Clinton is out there every day, everywhere," he said, serving in effect as his own press secretary. He called that a "major change" in the history of the presidency where the rule has been that familiarity breeds contempt and dissipates the power of the presidential pulpit.

A constant diet of any president is thought to diminish his impact. For Clinton, there is virtually nothing he won't comment on, and a normal day for him brings a gush of speeches, statements, remarks and photo session interviews. Even some of his own aides lament, as one did last week, that he has "cheapened the currency" of the presidency this way.

Clinton also gives no hint that he thinks anything is too undignified. His willingness to answer questions about his underwear is just the latest example. Said Carville: "You know, he eats too much, he loves sports too much, he talks too much. He is not remote in the way presidents have been, so you are more free to love him or hate him the way you would anyone."

But Carville, Hart and many Democrats say ideology and the organized far right of the Republican Party have the most to do with Clinton-hating. Jerry Falwell, the religious broadcaster, has had his political organization produce a virulently anti-Clinton set of videotapes and has been promoting them during his

Sunday and other religious broadcasts.

The infomercials promoting the videotapes include thinly veiled suggestions that the president is mysteriously killing off his potential enemies. Another group—or person—called the American Justice Federation is producing a periodic newsletter called "The Clinton Body Count: Coincidence or the Kiss of Death," which suggests all manner of deaths, suicides and accidents are somehow connected with Clinton.

Floyd Brown, the Washington-based conservative activist, has launched a "Clintonwatch" newsletter-faxletter that daily raises a storm of allegations about Whitewater and all known and obscure Clinton character issues. Reed Irvine, of the conservative Accuracy in Media, ginned up a lobbying campaign to get major publications, such as *The Washington Post*, to investigate and fully air the Jones sexual harassment allegations.

Clinton advocates maintain that such organized Clinton-bashing had no parallel on the Democratic side when Republicans held the White House. It fans the fears and angers of a minority, feeds what is already historically high anti-government fervor and creates the impression that Clinton has less support than he actually does, they say.

More neutral analysts doubt that.

Organized Clinton-bashing, they say, only plays to that third of voters who traditionally oppose a Democrat in office, no matter who. So the organized efforts of the right might stir up a constituency, but it is one that already exists.

The closest to a consensus on a nonpolitical basis for why Clinton evokes such emotion lies in the generational argument, cited by many. It may be, one of Clinton's aides said last week, that some chunk of the nation believes that no member of the self-indulgent baby boom generation has the character and judgment for the role.

Ambrose, the presidential historian speaking as a representative of the middle-aged, noted, only partially in humor, that he may not be ready for anyone under 60 in the Oval Office. "Guys in their 40s are just too young," he said. "I want maturity. I want a world figure whose reputation is unassailable. I want someone who isn't in the White House to make a name for himself. I want someone who had a respected career before he became president. I think people don't like having a squirt for president. I want Ike."

**BACK TO BUSINESS**  
**C O M M I T T E E**

TO: INTERESTED PARTIES

FROM: ANN LEWIS AND LYNN CUTLER

DATE: MAY 6, 1994

Judging from the press calls we're getting, this week's stories are focused on feminist reactions - a story line, unfortunately, that begins with the assumption that there is no difference between Professor Anita Hill's agreeing to testify before the Senate Judiciary Committee and Paula Jones' filing a lawsuit for monetary damages against President Clinton.

We thought it might be useful to compile some of the most telling examples of difference - the money trail:

-- Paula Jones' first lawyer, Daniel Traylor, admits that he offered to drop charges against the President in exchange for "a monetary settlement" and/or "arranging jobs for Jones and her husband...in California." Traylor said he told Cook "Bill's got lots of Hollywood contacts."

Quotes from "Washington Post," May 4, page A14.

Affidavit by George L. Cook, who was asked by Traylor to convey message to White House.

-- Charlotte Brown, Paula Jones' sister, has challenged her sister's claim, saying that Jones told her that she "smelled money" if she made her allegations public.

Washington Post, May 6, page A8

-- According to a report by Jim Miklaszewski of NBC News, Paula Jones and Daniel Traylor agreed that Traylor "would manage all media contacts and would get one third of all movie or book deals."

Jim Miklaszewski, on NBC Today Show, May 5, 1994

LETTERS

## Paula Jones, Anita Hill allegations differ

### Follow the money

Columnist Joe Urschel quoted me to make his case about the similarities between Anita Hill agreeing to testify to the Senate Judiciary Committee and Paula Jones filing suit against the president for monetary damages ("How Hill and Jones cases are different,"



LEWIS: Democratic activist.

Opinion  
USA, Tuesday).

But Urschel omitted one critical difference — the money trail.

Here are some examples:

► Jones' first lawyer, Daniel Traylor, offered silence in return for a financial settlement and suggested the president help Jones' husband get a job in show business.

► Jones' sister, who she suggested would corroborate her story, says Jones actually told her she "smelled money" in these charges.

► Jones and Traylor signed an agreement on how to handle media and book proceeds.

Sexual harassment is a serious issue which deserves to be taken seriously. I regret to see it used as a political tool — or a commercial venture.

Ann F. Lewis  
Washington, D.C.

JUDY MANN

## The Feminists and Mrs. Jones

**T**he last thing feminists groups ought to do is ally themselves with Paula Corbin Jones, the woman who is accusing President Clinton of sexual harassment. The women's movement needs Jones about as much as Clinton does.

Conservatives are comparing the Jones allegations to those leveled by Anita Hill against Clarence Thomas and accusing feminists of being hypocritical because they haven't rushed to Jones's side. If there is anything we have learned at all about sexual harassment, it is that each case is different and that each set of allegations needs to be examined separately. There are critical differences between the allegations made by Anita Hill and those made by Jones.

Perhaps the most important one is this: Anita Hill stepped forward before Thomas was confirmed to the Supreme Court, not afterward. The uproar that occurred erupted because the Senate Judiciary Committee initially refused to pay any attention to the allegations she had made to staff investigators. It would be naive to think that Thomas's anti-choice position on abortion did not make him a logical target for feminists. He promised to be a negative vote on a wide variety of issues that are critical to women, and there was nothing in his résumé to suggest he was the sort of person to change his mind.

Hill was a supporter of the conservative Judge Robert Bork. Liberal feminists rallied around her anyway. Eventually, she did get a hearing in the confirmation process, but she never did get a hearing in a court of law. Jones is headed for one: She has hired attorneys and filed her complaint; her court case has begun. Except for the fact that her complaint is against the president, it's one of thousands of sexual harassment cases at various stages of litigation on any given day. Feminist organizations rarely get involved in individual cases, unless they have the potential to set precedent.

Jones's timing and the manner of her coming out, so to speak, make her story highly suspect. Why didn't she step forward during the campaign when Clinton was besieged with charges of womanizing? It could have helped voters decide something important about the character of a man running for the presidency. The charges could have done some good, then. Now, they do only harm.

Celia Morris, who interviewed more than 150

women for her book on sexual harassment, "Bearing Witness," said that she discovered after taping 10 or 15 women that she could tell when a woman wasn't telling the truth. She has learned to be skeptical.

"I think the fact that she initially hired a lawyer who tried to get money undercuts her story. That makes her story more suspect, which doesn't mean it isn't true. It makes it harder for any of us to get enthusiastically behind her." Morris, who has been traveling in the course of promoting her book, has been struck by Americans' level of hostility toward the Clintons. "Here we are in this very, very hostile environment and here a woman comes and says, 'I'm a woman and I've had this experience and I want women to support me.' We have very mixed feelings, and I think we just need to let the law reach its conclusions."

Martha Burk, president of the Center for the Advancement of Public Policy, points out that feminist organizations supported the women who leveled charges of harassment against Sen. Robert Packwood (R-Ore.) even though he had been one of the strongest supporters of abortion rights in the Senate. "If there was a time for feminists to be hypocritical it was when those women came forward," she says. What's happening now, she says, is that "the right wing is trying to manipulate the women's movement to use one of its issues against itself."

Nancy Duff Campbell, head of the National Women's Law Center, says it has maintained a consistent position in all of those cases, namely that the charges deserve to be heard and taken seriously. The center is taking that position in Jones's suit.

If there is hypocrisy in this case, it is not among women's groups. It is among the organizations that never gave a hoot about the treatment of women in the workplace and have fought every piece of legislation designed to get equal pay for women, family and medical leave, and affirmative action laws. If Paula Corbin Jones were leveling her charges against some conservative luminary, she'd be out on a limb all alone, with the Conservative Political Action Committee doing everything it could to trash her.

Instead, it is using her to trash the presidency.

## Public & Private

ANNA QUINDLEN

# A Tale Of Two Women

Imagine that Anita Hill had come forward with her accusations against Clarence Thomas more than a year after he had been confirmed by the Senate.

Imagine that she had chosen to introduce herself to the American people at a press conference sponsored by the A.C.L.U. and NOW, accompanied by a sworn enemy of Justice Thomas who had made a cottage industry of digging up dirt.

Imagine that a friend of Justice Thomas was willing to swear under oath that he had been told by an attorney for Ms. Hill that she might be persuaded not to go public in exchange for a job.

Imagine that she then announced that the only way to get satisfaction was to bring a suit asking for \$700,000 in damages.

Would Americans have responded to Anita Hill in a different fashion than they did three years ago?

You bet they would have.

And therein lies an essential difference between the cases of Professor Hill and Paula Jones, the woman who has gone to court to get the President to pay up for an alleged outrage in a hotel room.

The complaint by conservatives that feminists, who rallied round Professor Hill, have not done the same for Ms. Jones reminds me of sitting in a meeting next to the picture editor of *The Times*, the only other woman in the room.

When a clerk came in with the photographs for that day's paper, he gave them to me.

Because, of course, all women are the same woman. And, according to those who insist that feminists should embrace Ms. Jones unquestioningly, all women's stories are the same story.

That's ridiculous and condescend-

ing. Each instance of sexual harassment has to be judged on its own merits. Facts, timing, motives, credibility: all must be considered before we make up our minds what to believe.

On all those counts Ms. Jones sorely needed better advice and counsel. Her first public appearance, at the Conservative Political Action Conference, led to suspicions of political motivation or manipulation. The appearance with her of Cliff Jackson, who instead of a life has a vendetta against Mr. Clinton, smacks of a smear campaign. Bringing a suit for damages after an attorney first tried to negotiate a settlement in which she and her husband would get jobs if she kept mum makes the question of gain a very real one.

Above all, her timing is troublesome. Why did she not make these charges of sexual harassment in time to inform the choice of Americans at the polls in 1992?

Ms. Hill herself had made the atmosphere somewhat more hospitable for such charges by the time the Presidential election rolled around. And Jennifer Flowers had broken silence about Mr. Clinton's alleged womanizing. At a time when this country was deeply embroiled in discussions about Mr. Clinton's private behavior and how much it mattered in public life, why didn't Paula Corbin Jones come forward and say, "Wait until you hear what he did to me!"?

Time, they say, wounds all heels. Justice Thomas's tenure on the high court is shadowed not by Ms. Hill's charges but by his own lack of stature. The taxpayers could save on the salaries of his staff if Justice Scalia was simply given two votes.

The same may be true of Mr. Clinton. Many voters say they care about health care, crime and the economy, not his private life, some feminists are disheartened by his reputation and the seaminess of this alleged incident. In 1996, the first opportunity she has provided us to use the allegations she now proffers, both groups may decide Paula Jones's story of being solicited for oral sex pales beside the President's accomplishments — or lack of same.

There's no doubt liberal ideology plays a clear role in all this, making feminists less eager to embrace the accuser of a pro-choice President than that of a conservative jurist. There's no doubt feminist ideology should make us demand that Ms. Jones not be crucified on the altar of rumor and sexual innuendo, as Ms. Hill was.

But that's no reason to let right-wing activists, no friends to either the President, women, or the issue of sexual harassment, shame us into foolish lock step. We feminists, of all people, know that all women are not the same woman, all stories not the same story. Accept, knee-jerk, each accusation without looking at how and why it came to be made? That's not feminism, it's credulity. □

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To each,  
according to the  
merits of her case.

# Christian Coalition Forms Legal Expenses Fund for Clinton Accuser

By Michael Isikoff  
Washington Post Staff Writer

A group of Christian activists, saying it was standing up for the rights of women, yesterday launched what it described as a broad-based appeal to help pay the legal fees of ex-Arkansas state employee Paula Corbin Jones in her sexual harassment suit against President Clinton.

But a leading feminist group declined an invitation to endorse the fund, saying it would refuse to "take the right wing's bait" by taking a position on Jones's allegations of harassment and civil rights violations against Clinton relating to a 1991 encounter in a Little Rock hotel room.

The creation of the Paula Jones Legal Defense Fund was announced yesterday by the Rev. Patrick Mahoney, executive director of

the Christian Defense Coalition. He said at a news conference that he will aggressively seek donations for the fund, keeping the names of contributors anonymous and turning over proceeds directly to Jones's legal team, headed by Gilbert K. Davis of Fairfax.

The announcement of the fund, three days after the White House said it was exploring the creation of a legal defense fund for the president, is the latest example of how the Jones case has scrambled the usual political deck on sexual harassment and women's rights issues.

As a national spokesman for the militant antiabortion group Operation Rescue, Mahoney frequently has clashed with women's groups and feminists. But Mahoney insisted yesterday that "sexual harassment knows no political boundaries" and challenged feminist groups to help publicize his fund—and sup-

port Jones's cause—the way they embraced Anita Hill following her allegations against then-Supreme Court nominee Clarence Thomas.

"What angers me now is this: The National Organization for Women (NOW) should be

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***"Sexual harassment knows no political boundaries."***

— The Rev. Patrick Mahoney

setting up this legal defense fund," said Mahoney. "The Fund for the Feminist Majority should be setting up this fund. But they have chosen to let politics get in the way."

NOW President Patricia Ireland said in a statement yesterday that her group was "monitoring" the Jones lawsuit. But she added, "Our timetable on this particular case will not be set by people who clearly oppose women's rights."

A 27-year-old former clerical worker, Jones alleged in a lawsuit last week that she was asked by an Arkansas state trooper to meet Clinton while at a state-sponsored conference on May 8, 1991. After she did so, she charged, the then-governor made a series of unwanted sexual advances and asked her to have oral sex.

Six people—two friends and four family members—have said Jones told them about the incident shortly after it happened. Conservatives have argued that this is stronger corroboration than Hill had when she aired her charges against Thomas.

But in recent days, White House aides and some feminist leaders have pointed to what they view as holes in Jones's story. In her suit, for example, Jones charged that she suffered at her job at the Arkansas Industrial Development Commission and was denied pay raises because of her refusal to have sex with Clinton.

In fact, state personnel records show that Jones received favorable performance evaluations in August 1991 and a 2½ percent merit increase in March 1992—about 10 months after her alleged encounter with Clinton.

Legal experts have said Jones's pay increase may undercut her claims, although the suit specifically linked the alleged retaliatory punishment to her transfer to another position when she returned from maternity leave later in 1992.

# **BACK TO BUSINESS**

## **C O M M I T T E E**

To: Friends of the President

From: Ann Lewis 

Date: June 7, 1994

Recent political news in Washington has featured the new book by Bob Woodward, entitled Agenda, Inside the Clinton White House. Headlines about the book portrayed it as a series of negative revelations ; but in fact the book offers a positive view of this President at work. For example, according to report in this book:

-Bill Clinton is so committed to meeting his campaign promises to the American people, he actually gets angry (in private, not for show) when he thinks he is letting them down.

- Clinton is shown to be smart, hard working and fully engaged , intellectually and politically in the work of his Presidency; he meets with and listens to a wide variety of people, from liberal members of Congress to Alan Greenspan, Chairman of the Federal Reserve.

- Clinton refused to take the politically easy path in forging his economic program. When political consultants advised him to drop his targets for deficit reduction, he insisted on going ahead because he believed it was best for the country.

So, what's the big deal ? Well, the book shows the President getting really angry on occasion -- judging from the headlines, an unknown phenomenon in any previous White House. It quotes people as saying the President works too hard. And it portrays the development of the first year's economic program as "disorganized."

That's all about process. What about the product? Genuine deficit reduction, job growth, a real tax cut for the working poor, and targeted investments that will make a difference. ( See the pages attached.)

While I am reluctant to push sales for a book that has resulted in so much critical ink, you may want to read this book for yourselves. There's a lot of good stuff in there about a President who is working very hard to get Back to Business.

leader of the War Room. The rhythmic clapping grew. Altman was pulled along, mounted a chair, and held up a T-shirt, feeling like a Wimbledon winner hoisting the victory plate. The room exploded with wild cheering. He read a David Letterman-style top-ten list: The Top Ten Reasons Why Congress Really Passed the Economic Plan. He recited them to an easy crowd: Not to offend Hillary. So congressmen won't be required to lunch with the president again. So congressmen won't have to negotiate with Bob Dole at Andrews Air Force Base. So the Clinton staff can finish high school. And the last reason—Time for summer vacation.

"Lloyd! Lloyd!" the rhythmic chant went up for Bentsen, as if for a venerated rock star in late career receiving a lifetime achievement award. The secretary of the Treasury was bubbling. "I've never seen such a great, hard-fought victory!" he said, slamming his fist in the air with pride and congratulation. It was as though all the senior-wiseman reserve drained from him in that single moment. He said he respected the work particularly of the young people. "I've seen lots of presidents and lots of victories," Bentsen said, "but this is the sweetest!"

McLarty spoke, saying that during one of the darkest moments of the battle, he had told David Dreyer, the senior communications aide, who wore the hippest modern clothes and had a small earring pierced in one ear, that he would switch neckties with him if they won. McLarty took off his conservative dark tie and Dreyer his wild brightly colored tie, and they swapped. McLarty folded his arms and brought his shoulders forward as if to conceal his new ill-matched tie.

"That's nothing," Dreyer said. "He says if we win health care, he'll wear my earring."

Sperling was summoned to speak. He said that he knew he was teased all the time about being the numbers guy, but he wanted to read some numbers anyway. He had a little sheet of paper which he held out in front of himself as he read from it nervously. Because Bill Clinton had run and was elected president, Sperling said, 5 million people who worked full time at the minimum wage would receive the earned-income-tax credit, and 10 million would receive additional benefits so that every family with a full-time working parent would be above the poverty line. Another 100,000 children would get the intensive family-preservation counseling and social services because of Clinton. Another 4.5 million children would get hunger relief through increased food stamps, 600,000 more poor women with children would get better nutrition, and 6.5 million children would be eligible for free immunization shots.

Tears came to some eyes. Altman felt a little ashamed. That was the right focus. He felt that he had been too intent on winning and had

stopped thinking about the ideals. Not for the first time had he forgotten, he realized. Altman stepped forward and gave Sperling a big, emotional bear hug that was captured in a photograph.

Begala spoke next. "I want to follow up on what Gene said, and I want to make it personal. Let's all remember the faces you saw on the campaign. Those were the faces we worked for. Those faces stand for real people, and you've helped the lives of those real people. That's why we came here."

Gergen could hear the hoopla that at one point seemed to extend to the front lawn of the White House. Someone made a crack about beating the bastards, turning around the last 12 years of Reagan and Bush. It was the sort of partisan outburst that made Gergen wince. He had missed Bentsen's speech and erroneously believed that Bentsen had left, sharing Gergen's discomfort. Gergen didn't stay long, and slipped out and went home. He was one of those bastards.

CLINTON WAS BACK in Stephanopoulos's cubbyhole office. Altman gave him his T-shirt. Gore read the top-ten list to Clinton in the president's study.

The president was exhausted and drawn. He was sitting and looked as if he could not get up. It was as if his face had fallen down. His skin was dry, his eyes puffy. Little old-skin folds hung around his eyes at the bottom and the top. His eyes were small, narrow slits.

Just after 11 P.M. the president went to the North Portico at the White House. Gore, McLarty, Panetta, and Altman had followed. Bentsen had already departed. Cars could be heard in the dark, distant Washington background honking.

Clinton stepped forward and faced the cameras: "What we heard tonight at the other end of Pennsylvania Avenue was the sound of gridlock breaking. . . . After 12 long years, we can say to the American people tonight we have laid the foundation for the renewal of the American dream. . . . After a long season of denial and drift and decline, we are seizing control of our economic destiny."

The president went up to the second-floor kitchen of the residence to see Hillary.

They could begin to build people's confidence again, Clinton said. "Now," the president told his wife, "we can get on with what we really came here to do."