'Signal' to the Serbs

LAST WEEK Serb warplanes rose from a base that the United Nations had tried and failed to neutralize, ignored the NATO-decreed "no-fly zone" over Bosnia and twice hit the U.N.-declared "safe area" of Muslim Bihac. For this brazen escalation, the Security Council promptly ordered up a NATO response. It came yesterday. Some 39 NATO planes struck Udbina (in a Serb-held part of Croatia) but with armaments, targets and tactics chosen to advertise not the alliance's outrage but its restraint. The United Nations was at pains to draw Bosnian Serbs to the negotiating table and NATO to preempt their retaliation against alliance members' peacekeeping forces on the ground. So parked planes were spared, and the Udbina airport is expected to be back in operation shortly.

By a military standard, this was a pathetic response. The "signal" it actually sent is almost certain to be precisely opposite to the one intended. Does anyone really think that the Bosnian Serbs are now the likelier to accept being crammed back into the 49 percent of Bosnia that the international peace plan has in store for them? On the contrary, there is now a fear that Serbs, emboldened by NATO's flabbiness and enraged by Croatia's invitation to NATO to strike Udbina, may go back on the attack against Croatia. Instead of chastening the Serbs, the raid may end up widening the war.

Sen. Dole speaks for many when he wonders impatiently why NATO should be "subordinated" to the United Nations. A reminder may be in order. NATO is subordinate because it refuses to be prime. Europe and America from the start declined to accept responsibility for taming the fractious Yugoslavs. In a historic default, they dumped the job on an ambitious but shaky and unready U.N., which had not the resources to be anything more than a neutral peace-seeker and aid provider. These are tasks that need no apology, but they are far from ensuring a just peace.

Now many Americans—Europeans seem to know better—complain of the U.N.'s ways. But after three years of lost opportunities, the U.N.'s are the only ways. Bill Clinton's decision to stop enforcing the arms embargo on Bosnia's Muslim-led government, for instance, is no more than a gesture—one that risks fooling the Muslims into thinking they may yet be bailed out. A return to the table, whose conveners resume work on Dec. 2 in Brussels, is the only even faintly plausible way out.

Whitewater's Unfinished Business

WITH THE conclusion of Whitewater hearings this summer, President Clinton and his fellow Democrats reportedly had hoped the congressional probe was behind them. But even before the Nov. 8 election results, there was little chance of Whitewater escaping the next Congress's agenda. With investigative powers firmly in the hands of Republican lawmakers beginning in January, the new Congress is guaranteed to return to Whitewater in 1995—perhaps with a vengeance. This much the White House can count on: Over the next year or so, the political and business lives of the Clintons' and their Arkansas associates are in for a renewed run.

The question is not whether there will be a Washington probe but rather how Republicans led by soon-to-be Senate and House banking committee chairmen Sen. Alfonse D'Amato and Rep. Jim Leach will exercise their new found powers. They can delve prematurely into matters still under investigation by independent counsel Kenneth Starr, thus potentially compromising his inquiry. They can launch a mean-spirited, meandering fishing expedition designed to embarrass and destabilize an already badly shaken Democratic administration. Or they can select a better and more responsible course and abide by the terms of the agreement reached by Congress last summer.

At that time, it was agreed public hearings would be limited to those phases of the Whitewater probe completed by the independent counsel. The banking committees were on that path in July, when they zeroed into the Whitewater-related communications between White House and Treasury officials. House Banking Committee Democrats, however, abandoned their constitutional duties and went bail for the White House. The Senate Banking Committee's more balanced and bipartisan inquiry, in contrast, unearthed testimony that was severely damaging to the upper ranks of the Treasury Department.

The independent counsel still must be heard from on the White House's handling of White House deputy counsel Vincent Foster's papers following his death. And Mr. Starr's probe into the Clintons' Whitewater investments, the Madison S&L failure and the rest their Arkansas affairs is still underway. His enterprise should not be jeopardized. A Congress not motivated by blood sport but intent on responsibly exercising its constitutional oversight role will respect that position.

Whitewater

Not a Green Congress

IT ISN'T just the budget that House Republicans seek to cut in their "Contract With America." They would impose important new constraints on federal regulatory authority as well, particularly in the environmental field. Some of the regulatory proposals would represent as radical a departure—produce as great a diminution in federal power and the federal role—as any of the spending items on the list.

The contract includes proposals to:

(1) Create a regulatory budget wherein each agency would annually project the cost to the private sector of complying with its regulations. A system of caps would then be imposed to force each agency to reduce those costs.

(2) Change what is known as takings law to limit what critics regard as a shifting of public costs to the private sector. The government would have to compensate private property holders for any reduction in the value of their property (up to 10 percent of market value) by virtue of regulatory activity.

(3) Prevent cost-shifting to the state and local sector as well through restrictions on so-called unfunded mandates.

(4) Require agencies to perform new risk assessments and cost-benefit analyses before issuing new regulations and to publish impact analyses having to do with the economic cost of major regulations just as they now must publish impact statements setting out the environmental cost of major federal actions.

Efforts are also likely in the new Congress to narrow the scope or limit enforcement of some particular environmental statutes. In the last Congress, for example, an agreement was almost reached to restructure the clumsy Superfund program meant to clean up toxic waste sites. Now the agreement is threatened in part because some leading members want to rewrite the law to eliminate retroactive liability for the dumping of toxics prior to 1980, when the law was originally passed.

The administration had likewise hoped to bring about reform of existing pesticide law in the coming Congress through the threat that it would begin to enforce the so-called Delaney clause, a neglected provision that could drive some widely used pesticides off the market. A rider to the next appropriations act could forbid the use of any funds to enforce the clause; what then? An appropriations rider could also be used to keep the Interior Department from carrying out the partial grazing reform that remains on its agenda. Just such a rider, after all, is what the Democrats used in the last Congress to push in the opposite direction on mining reform.

How do the environmentalists respond? They're still trying to figure it out, as is the administration. In the last Congress, environmental advocates tried to take advantage of what were thought to be receptive Democratic majorities to pass legislation. They came close on a couple of bills—Superfund, safe drinking water—but mostly failed. Now they are likely going to be trying to block a lot of environmental legislation instead. That's as good a measure as any of what the politics of the next two years may be like.

No Turning Back in Dublin

IRISH PRIME Minister Albert Reynolds resigned last week just as he was about to be ousted. On this side of the Atlantic, the main concern is the newly hopeful peace process in the decades-old dispute over Northern Ireland. In spite of the change in leadership in Dublin, all parties appear to be confident that reconciliation is on track.

Mr. Reynolds led a coalition consisting of his own Fianna Fail Party and the Labor Party headed by the deputy prime minister and foreign secretary, Dick Spring. The coalition came apart over Mr. Reynolds's insistence on appointing his attorney general and friend, Harry Whelehan, to the country's high court. The nomination had been held up by Labor because of the attorney general's role in two episodes—an attempt a few years ago to prevent a 14-year-old girl from traveling to Britain for an abortion and a months-long delay in extraditing a Catholic priest to Northern Ireland, where he was wanted on child sexual abuse charges. Both incidents may be indicative of the changing relationship between the Irish government and the Catholic Church. But it was Mr. Reynolds's political decision to go ahead with the nomination in spite of Labor opposition that caused his government to fall.

Fianna Fail has chosen a new leader, Bertie Ahearn, and the betting is that he will be able to reform the coalition with Labor and share power with Mr. Spring. In that event, there is almost no chance that the peace process will be derailed. But even if a different combination comes to power, the Irish people are, by all accounts, committed to peace. British Prime Minister John Major, who praised Mr. Reynolds for the central part he played in forwarding the peace, has also emphasized that he expects cooperation will continue. Another round of talks is scheduled before Christmas.

Tremendous progress has been made since the Irish Republican Army announced a cease-fire in August and the Protestant paramilitaries did the same last month. One man on each side has been killed in isolated incidents; in general Belfast and the surrounding counties have been at peace. Roads are being reopened, barriers removed and families have begun to get used to life without gunfire and constant fear There is no going back now Any new Irish leader must advance the reconciliation now underway.

GOP govs: 'Give us the ball'

Group seeks more power for states

By Richard Benedetto
USA TODAY

WILLIAMSBURG, Va. — The nation's Republican governors, their ranks swelled by the midterm elections, gathered Sunday to send a terse message to the federal government:

Get off our backs.

Moreover:

▶ Do as we've been doing — cut taxes and spending and live within your means.

▶ Quit sending states unfunded mandates and give [illegible] flexibility to solve problems as they see fit.

"The real problems of American need to be solved on the state level, not by the federal government. I don't care which problem you name, they've bungled it," said Ohio Gov. George Voinovich.

"We're reforming welfare, fixing health care, dealing with crime ... Give us the ball and get out of our way," declared Utah Gov. Michael Leavitt.

Thanks to the Republican [illegible] Nov. 8, there will be 30 GOP governors, the most since 1970. In meetings here through Tuesday, they're discussing how the GOP takeover of Con[illegible] might affect federal-state relations.

On Tuesday, they'll hear from their party's leaders in Congress, Senate majority leader-to-be Robert Dole of [illegible] and House speaker-to-be-Newt Gingrich of Georgia.

But while there was much euphoria about the prospect of what the GOP governors were calling "America's new majority," it was tempered by the worry that the need to address critical issues such as the economy and crime might be sidetracked by battles over emoti[illegible] issues like school prayer.

While most governors here back a school prayer amendment, they agreed it should not be a top priority.

"If we don't deal with economic issues, we'll need more than prayer to solve our problems," said Michigan Gov. John Engler.

And while most governors said they support a balanced budget amendment, one of the keys to House Republicans' Contract with America, they have some reservations.

"We worry that it will dump new costs on the states," said California Gov. Pete Wilson.

Wilson and other governors said they want any amendment to have language preventing Washington from shifting costs of programs to states, otherwise it could never win required approval by three-fourths of the state legislatures.

But, reservations aside, incumbent governors such as New Jersey's Christie Whitman and Virginia's George Allen, along with newcomers like Wyoming's Jim Geringer and New York's George Pataki, are optimistic now that the GOP controls the House and Senate.

They figure their conservative message, long given only lip service by Democrats in Congress, now will fall on sympathetic ears.

"You're going to see a new federalism, a reassertion of the role of the states in making policy and making change," said Whitman, who is working to fulfill her own pledge of a 30% cut in state taxes.

"We're ready to lead," said Allen, who recently won a state ban on parole for violent criminals. "The people want to be back in control of their own governments, and not have to deal with this unresponsive bunch in Washington, D.C."

Geringer, a sugar beet farmer who is tired of federal regulations on land use and other natural resources in Wyoming, was more blunt.

"We want our freedom back," he said.

Pataki said the GOP victories around the country were fed by a bipartisan anger at government, and Republi[illegible] best heed the message.

"People believe government spends too much, costs too much and is too intrusive," Pataki said.

Allen, the conference host, said the historic colonial capital of Williamsburg is an appropriate site for the gathering.

"Two-hundred years ago we threw off an unresponsive monarchy," he said. "That same sort of spirit, I think, is what is driving all of us here ...

"We don't (want to be) micromanaged by a bunch of bureaucrats or a new monarchy that has now instituted itself on the north banks of the Potomac," Allen said.



Alaska's mine, Democrat says

Alaska Democrat Tony Knowles has declared victory as governor after a drawn-out count of ballots showed him ahead by 528 votes over Republican Jim Campbell.

Only 217 absentee ballots from rural areas remained to be counted from the Nov. 8 election.

"It's one of my biggest margins ever," said Knowles, a former two-term mayor of Anchorage known for close wins.

Knowles received 87,434 votes, or 41.1%, to 86,906, or 40.8%, for Campbell.

Because the election was so close, the state Elections Division has authorized a recount.



By David Bowman, Newport News Daily Press via AP

GOVERNORS HUDDLE: Texas Gov.-elect George W. Bush, left, with California Gov. Pete Wilson, at lectern.

Whitewater expected to get another look

By Judy Keen
USA TODAY

A reprise of Whitewater hearings is on the menu when the new GOP-controlled Con[illegible] takes over in January.

Sen. Alfonse D'Amato, R-N.Y., and Rep. Jim Leach, R-Iowa, likely new chairmen of the [illegible] and House banking pa[illegible] plan to revisit most is[illegible] surrounding President Clinton's Whitewater land deal.

The exception: the death of former deputy White House counsel Vincent Foster. Neither new chairman wants to reopen probes that concluded his July 1993 death was a suicide.

D'Amato hopes to hold hearings in late January or early February; Leach's would begin sometime later. "The House of Representatives is undergoing a large jurisdictional and personnel reorganization," says I[illegible] spokesman Joe Pinder.

"Because there is so much attention being paid to that right now, issues such as particular committee agendas or schedules of particular legislative or investigative efforts by the House are at best conjectural right now," Pinder says.

But there's a chance Congress' GOP leaders will decide instead to appoint a select committee from both chambers to continue the investigation.

A *Time*/CNN Poll taken just after the Nov. 8 election found 65% did not want Whitewater reopened. But among those who voted, 56% said the issue should be revisited. The survey had a 3.5% margin of error.

White House aides are already preparing for a new round of hearings. Unlike those held under Democrats' jurisdiction last summer, the GOP-led hearings would not restrict the breadth and length of members' questioning.

"These are going to be hearings that will be comprehensive, will be thorough and will be fair," says D'Amato. "There will be no witch hunt."

Once D'Amato and Leach become chairmen, they can wield subpoena power and also can demand Whitewater-related documents from the Resolution Trust Corp. and Office of Thrift Supervision.

Those agencies oversee savings and loans; one facet of the Whitewater probe involves Madison Guaranty Savings & Loan, which was owned by the Clintons' Whitewater partner, James McDougal.

D'Amato says his hearings will explore contacts between White House and Treasury Department officials over federal probes of Madison. Last summer's hearings on that subject resulted in the resignations of two Treasury officials, Roger Altman and Jean Hanson.

D'Amato also plans to explore the handling of documents taken from Foster's office after his death — and won't wait until Whitewater special counsel Kenneth Starr has finished his own separate investigation.

Previous Whitewater hearings didn't touch on the documents issue because then-special counsel Robert Fiske had not finished his probe.

"We will work in conjunction" with Starr, D'Amato says, but he won't permit "a stone wall" to be erected around topics where the special counsel's work is incomplete.

If the White House is "fearful of total and complete and full hearings, then they have good reason to be afraid," says D'Amato. "The American people deserve to know the truth."

D'Amato says he does not plan to ask the president or first lady to testify. "We will seek testimony of people where necessary," he says, "not to try to embarrass."

But GOP banking hearings may also delve into Clinton's Arkansas campaign finances. And separate House committees may schedule hearings on the firings of seven White House travel office aides and Hillary Rodham Clinton's commodities trading profits.

Meanwhile, Starr has asked a federal judge to delay the sentencing of a former Little Rock municipal judge linked to the Whitewater affair.

David Hale says he was pressured by Clinton to make a $300,000 federally backed loan to Susan McDougal, also a Whitewater partner.

Hale pleaded guilty March 23 to two felonies and is cooperating with Whitewater pr[illegible] cutors. Starr said in court papers filed last week Hale's scheduled Dec. 5 court appearance could "jeopardize the investigation by alerting potential or actual subjects" about evidence against them.


By H. Darr Beiser, USA TODAY

D'AMATO: 'There will be no witch hunt.'

GOP wary on prayer issue

Dole, others in Senate want early fiscal focus

By Bob Minzesheimer and Juan J. Walte
USA TODAY

Some prominent Republicans are backing off fast action on a constitutional amendment to allow organized prayer in public schools.

Senate GOP Leader Bob Dole of Kansas and Sen. Orrin Hatch, R-Utah, say they doubt if such an amendment could win the two-thirds majorities it needs in Congress.

"I don't think we ought to get bogged down" on divisive matters, Dole said Sunday on ABC's *This Week With David Brinkley*. "If we're going to bring about change, we better bring up some measures we can pass."

Hatch, on CBS' *Face the Nation*, "would prefer to solve the economic problems first."

That puts them at odds with House speaker-to-be Newt Gingrich, R-Ga., who's promised a vote on a school prayer amendment by July 4.

Gingrich, on a *National Review*-sponsored Caribbean cruise, couldn't be reached.

But even the leader of the conservative Christian Coalition, which supports a school prayer amendment, says it shouldn't be a top priority.

"We don't need to do this first," says Ralph Reed.

Several GOP governors, on NBC's *Meet the Press*, agree school prayer is not a priority.

"Gingrich should dance with the gal that brung him," said William Weld of Massachusetts. "And the gal that brung him was the tax-and-spend issue, and crime and welfare."

Democrats are still trying to clarify President Clinton's support for a moment of silence.

He initially said he'd be willing to look at a constitutional amendment. Aides later said he favored other approaches short of an amendment.

Several Republicans also disagreed with Sen. Jesse Helms, R-N.C., who last weekend impugned Clinton's ability to be commander in chief.

Helms said neither he nor many in the armed services think Clinton is up to the job.

GOP colleagues disagree:

▶ Dole says, "He's doing better all the time."

▶ Hatch adds, "We have to back whoever is president."

And Clinton chief of staff Leon Panetta told CNN that Helms' "reckless" comments "send terrible signals abroad."

▶ Controversial Helms, 7A

NATO set for U.N. call to hit Serbs

By Lee Michael Katz
USA TODAY

NATO says its warplanes are ready at any moment to attack Serb forces besieging the Muslim enclave of Bihac in Bosnia-Herzegovina.

But NATO Secretary-General Willy Claes says he's waiting for a formal request from U.N. peacekeepers in the former Yugoslav republic.

A swift NATO air response is likely if Serbs continue recent actions from nearby Croatia, in the bitter civil war in Bosnia.

"There is no solution other than air strikes," Claes told CNN on Sunday.

Claes' threat came a day after the U.N. Security Council voted to authorize air strikes against rebel Serbs in Croatia.

Croatian Serbs have joined Bosnian Serbs in attacking Bihac, threatening to expand the war into Croatia.

"We're waiting for the response of the U.N. and NATO immediately," says Bosnia's Prime Minister Haris Silajdzic.

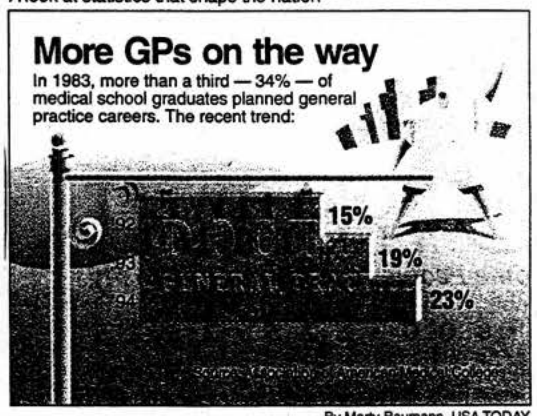
Top U.N. officials Sunday condemned the "cross-border military activity." A statement did not mention air strikes, but said officials were "gravely concerned over the deteriorating situation" in Bihac.

Serbs in Croatia have been blamed for shelling Bihac, a designated "safe area." Serbs also are believed to control its water supply.

▶ Bosnia's struggle, 7A

USA SNAPSHOTS®

A look at statistics that shape the nation



By Marty Baumann, USA TODAY

Prop. 187 used to deny pizza, girls say

By Gordon Dickson
USA TODAY

Nothing in California's Proposition 187 denies anyone the right to buy a pizza.

But in Stockton, Calif., three Hispanic girls — all legal residents — say they were denied a pizza by a restaurant cashier who asked them for immigration and naturalization papers. Proposition 187, on hold by court order, would deny illegal immigrants public services like education and health care.

Immigrants shy away from clinics, 2A

"The kids are humiliated," says Freida Alvarez, whose daughter Selina, 13, and two friends say they were snubbed at The Graduate restaurant.

Manager Glenn Plank says employees deny refusing service to the girls. "We have probably 75% Hispanic customers. I doubt we'd turn anyone away. It's silly."

The incident happened Nov. 11 and was reported this weekend in the *Stockton Record*.

Such incidents have been reported across the state, even though federal Judge Matthew Byrne put a hold on 187. He questions its constitutionality.

And a state judge won't allow schools to oust illegal immigrants.

Lawyers and civil rights groups say they're flooded with complaints from residents who say they're being wrongly questioned about citizenship.

Republican Gov. Pete Wilson, who tied his re-election bid to Proposition 187, says residents need to learn the limits.

"People should not be using 187 for their own purpose," says spokesman Sean Walsh.

Other complaints:

▶ A woman says she was denied service at a San Joaquin County government office.

▶ A Hispanic boy, 14, says Asian students told him to go "back ac the border."

USA TODAY · MONDAY, NOVEMBER 21, 1994

PM-AR--Whitewater-McDougal, Ark Bjt,330
McDougal Says No Whitewater Prosecutor Contact With Him
tp2fon

ARKADELPHIA, Ark. (AP) While rumors swirl that the Whitewater prosecutor is about to get indictments, Whitewater figure Jim McDougal says nobody has contacted him.

McDougal said he has not spoken with FBI agents nor testified to the special federal grand jury that was established March 23 to deal with the Whitewater probe.

``Nobody's talked to me,'' McDougal said Monday. ``It might be a nice change from sitting here staring at the four walls.''

McDougal described himself as a person who has high blood pressure, is manic-depressive and sometimes is on pain-killing medication ``so powerful I ought not to be talking to anybody.''

He and his ex-wife, Susan, were partners from 1978 to 1992 with Bill and Hillary Clinton in Whitewater Development Corp., a real estate development in the Ozark Mountains 160 miles north of Little Rock. It lost money.

From 1982 to 1986, McDougal owned Madison Guaranty Savings and Loan in Little Rock and ran its real estate division, Madison Financial, until he was ousted by federal regulators in 1986. Businesses owned by Susan did business with Madison.

David Hale, who ran a government-backed lending agency until federal officials shut it down because of its losses, says Clinton pressured him to provide a $300,000 loan to Mrs. McDougal in 1986. In some news articles, this loan and perhaps other activities at Madison have been said to have financed Whitewater.

The grand jury last met Nov. 10.

A source close to the investigation said last week that Independent Counsel Kenneth Starr had told it that indictments were due ``the end of November or early next month.''

That sources and two others said they were pressured to cooperate in the investigation. One said the word from Starr's office was to ``get aboard or get run over.''

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**** printed by:WHPR(JEL) on 11/22/94 at 09:01EST ****

Whitewater

AM-AR--Whitewater-McDougal, Ark Bjt,310
McDougal Says No Whitewater Prosecutor Contact With Him
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ARKADELPHIA, Ark. (AP) While rumors swirl that the Whitewater prosecutor is about to get indictments, Whitewater figure Jim McDougal says nobody has contacted him.

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**** printed by:WHPR(JEL) on 11/22/94 at 09:04EST ****



subsidies on the block has drawn howls from farm state Republicans such as incoming Senate Majority Leader Bob Dole of Kansas. Kristol might also have mentioned an entire panoply of other inefficient subsidies to industries with the same claim on the GOP that public-employee unions exert on the Democrats from Western ranchers to mining, timber and energy companies.

Beyond those narrow subsidies stands the biggest sacred cow in the barnyard: entitlement programs such as Social Security, Medicare and government pensions that are driving the deficit (by 2004 mandatory spending will constitute two-thirds of the federal budget) but have become woven into the fabric of middle-class life. Unless Republicans are willing to tug on that thread, they will never come close to fulfilling their core promise of a balanced budget.

The risk on the other side is that reformist Republicans will go too far in pursuing their vision of the ideal state. In his first two years, Clinton's single biggest mistake was seeking to reify, in one great leap, his panoramic revelation of the perfect health care system.

Already, the same hubris is infecting GOP plans for welfare. In pushing for benefit cut-offs that could force substantial numbers of poor women to abandon their children to orphanages, the House GOP leaders ultimately could face the same dynamic that did in Clinton's health care plan: However much the problem worries Americans, they may end up fearing the solution even more.

Welfare points up another critical choice facing Republicans as they try to imagine a post-New Deal government.

Most House Republicans want to ``solve" welfare in Washington, with stern nationally-established time limits and benefit reductions. But a minority insists that setting such inflexible federal rules violates conservative principles; they would rather devolve welfare to local governmentsperhaps in a swap where the federal government would assume the full cost of Medicaid and give states total freedom to run welfare, food stamps and infant-nutrition programs. If Republicans try to redesign welfare from Washington, says Sen. Nancy Landon Kassebaum,
R-Kan., who has proposed such a swap, ``we'll weave ourselves right back into the same web."

But any divisions between Republicans on reforming government pale beside the gulf with Clinton. The president also wants to reinvent government but so that it can take on new tasks or perform old ones with new vigor. Clinton's philosophical foundation remains the belief that government can serve ``as a catalyst to empower people to make more of their own lives" through programs that link opportunity and responsibility, like his national service plan. ``We cannot get very far in this country thinking our government is intrinsically bad and always makes things worse," he said in a recent interview.

As shown in a post-election survey by his own pollster, Stanley B. Greenberg, Clinton fatally obscured his reform message by pushing the Brobdingnagian health care plan. That failure has immeasurably complicated his task of convincing ordinary Americans that government can be reformed to work for them; Clinton will have an even tougher time marshaling evidence for that case in the next two years because congressional Republicans are likely to choke off funds for potentially popular new initiatives like national service.

But the Republicans may also find their argument more difficult to sell as the debate moves from the popular abstraction of limiting government to the thornier specifics of reducing specific programs and protections. One early signpost: An election-night survey of voters found strong demand for deficit reduction but majority support for just four of 25 options for blotting the red ink. While resisting new programs, the public also resists changes in the old.

As Gingrich forthrightly acknowledges, less government will mean more responsibility for individual Americans. But does that mean Americans will have more personal responsibility for the health care costs of aging parents, or ferreting out dangerous chemicals at work, or contributing more of their money and time to charitable organizations flooded with poor families denied public assistance? The election ensures a renewed drive for government reform; but until Americans sign off on the fine print in the Republican plan, it's too early to say that Gingrich's vision alone will guide the process.

McGovern Is Still a Dirty Word in American Culture (Boston)

Stark is a commentator on National Public Radio and CNN.

By Steven D. Stark=

Special to the Los Angeles Times=

BOSTON It is something of a tradition in this country to take our more contentious political figures and turn them into admired senior statesmen as they grow older. Thus, the once-disdained Barry M. Goldwater landslide loser in 1964 has been lionized in retirement, and even Richard M. Nixon made a comeback in public opinion in the years before his death.

Once the jeering stops, it seems Americans can find a nice word to say about anybody. Then again, there's George S. McGovern.

Twenty-two years after he lost 49 states to Nixon, McGovern is still something of a dirty word in American culturc. In the past two weeks, Speaker of the House-to-be Newt Gingrich, R-Ga., has blamed the ``McGovernick" legacy for everything from the nation's propensity for violence to its dearth of ethical values. Bill and Hillary Rodham Clinton's core philosophy, he charged, is a combination of ``counterculture and McGovern" though when Gingrich speaks, those two labels are redundant.

It does make some political sense to tie your opponent to someone who could carry only one state. And it's true that Bill Clinton did run Texas for McGovern about as successfully as he managed his own health-care plan. The larger question is why such a charge resonates 22 years later.

You have to go back to Herbert Hoover to find a politician who remained so vilified that the opposition party could run against his name for decades after he left office. Yet Hoover, at least, was president during the Depression; there was a record to attack. McGovern can hardly be blamed for implementing anything. All he did was lose overwhelmingly to our only president to resign in office.

This has come about because voters' concerns this year appear to be based not so much on economic fears but on their sense that our culture seems out of control in the schools, the streets and on television. Conservatives like Gingrich or William Bennett, former secretary of education, have identified the root of all this evil in what they see as the permissive culture of the 1960s, which undermined traditional American values. What's happened is that McGovern, or better yet his followers, have become a rallying symbol of all the elites out there today that conservatives such as Gingrich blame for subverting their pre-1963 vision of America the Great Society liberals, the press, Hollywood types, the Washington Establishment, liberal professors and, above

AR Whitewater

all, those awful disciples of the counterculture.

There is, in fact, some truth to Gingrich's charges: Though its leader was a mild-mannered South Dakotan, McGovernism was an elite movement, staging a hostile takeover of the Democratic Party. That, after all, is why McGovern won only one state. His was an anti-Establishment campaign that often resembled a commune; it included Warren Beatty, his roving campaign sidekick Gary Hart, and enough longhairs on the 1972 convention floor to make many lunch-bucket Americans feel their Democratic Party had been stolen from them.

And no wonder: There's a story that when Gov. Frank Morrison of Nebraska introduced McGovern to an audience in a high school gym, he intended to set the record straight about GOP smears that McGovern was for legalizing drugs. ``They say George McGovern is for the legalization of marijuana, but I say ...," he began, but he was drowned out by applause before he could finish the sentence. When he did, the audience went quiet.

But that was long ago, and most of Gingrich's characterizations about the effects of these elites today are exaggerated, if not false. The universities, the media and Hollywood are not liberal monoliths, if they ever were which is why the conservative Rush Limbaugh and ``Forrest Gump" are this year's sensations. There are no Great Society liberals left. (Maybe one Ira Magaziner.) The Washington Establishment is an equal opportunity employer, as many former Reagan and Bush aides will attest.

It is certainly true that many values of the counterculture have become mainstream: If Americans are not for ``acid, amnesty and abortion" the 1972 GOP mischaracterization of McGovern's views they do tend to favor a right to abortion, while eschewing involvement in foreign wars. (Acid never caught on, but two out of three ain't bad.) In fact, many of the counterculture's other values its stress on sexual freedom and personal liberation; its emphasis on the rights of women and minorities, and its distrust of authority are now key parts of the mainstream culture. Which means Gingrich's quarrel is not so much with a McGovern or countercultural elite, as it is with the American people.

In fact, Gingrich's preoccupation with the 1972 Democratic nominee may tell us more about him than it does about McGovern. For all his criticism of the Clintons and their ties to Democratic elites, the irony is that the speaker-to-be so closely resembles his archenemies that he could be their mirror image. He, too, is a baby boomer, who avoided Vietnam so he could go to graduate school. Like Clinton, he is a lifelong political junkie, who retreats to academic settings to reinvigorate himself.

Both are vilified by enemies and are the target of constant jokes; neither has ever met a TV camera he didn't like. Both claim homes in the South but now appear to be rooted nowhere or everywhere. The same ``liberation" movements that Clinton's critics now find inherent in the chief executive's character apparently allowed Gingrich to gain a divorce and remarry in a way that might have eluded him before those awful 1960s. In the same way that Hillary has apparently always been a true believer wandering from support of Goldwater in 1964 to a ``values-based liberalism" so, too, has Gingrich been a pilgrim in search of ideological purity moving from support of Nelson A. Rockefeller's statism in the '60s to his own values-based conservatism.

And now the Clintons and Gingrich will clash. It has been said the most intense rivalries are between those most alike Harvard and Yale, Army and Navy, Alabama and Auburn. In their book, ``Generations," William Strauss and Neil Howe predicted the baby boomers, always messianic in their opinions, would wage a great national battle among themselves over values, with neither side giving an inch. The last time a similar generation rose to power, they recalled, we ended up fighting the Civil War.

It looks to be a horrifying two years. But don't blame me: I voted for McGovern.

California Can Still Be a Golden State

State Sen. Art Torres, a Democrat, was a candidate for state insurance commissioner.

By Art Torres=Special to the Los Angeles Times=

Take pause, California. Look around and reflect. We have many wounds to heal.

The eyes of my 14-year-old daughter, Danielle, told the entire story on election night. The concern and fear in her eyes had less to do with her father's election loss than her recognition that all is not well in California; that an unfolding environment of racial animosity, fueled in large measure by Proposition 187, which denies education and non-emergency medical services to illegal immigrants, bodes ill for her future; that, by virtue of being Latino, attending a public school, she is no less suspect of the ``I" word than her immigrant classmates. Indeed, in a world where skin color actually does matter, all Californians with immigrant roots are implicated by the climate we have created.

The most vocal supporters of Proposition 187 have successfully cast the immigrant as leech. The most vocal opponents have branded the average white California voter as bigot. In our collective, cathartic effort to address a long-ignored public-policy issue, we've scarred one another for generations to come. We've taken complexity and reduced it to all-or-nothing equations. We've given our children a classic lesson in how not to resolve problems.

Am I overplaying this? In 20 years of service in the California Legislature, I've witnessed periodic waves of racial tension that have rocked this state. If I had a dollar for every hate letter I've received in Sacramento targeting my Mexican heritage, I'd be a very rich man. And yet the fevered pitch we hear today is unprecedented and frightening. We're adrift.

But between these spouts of anger, I've also seen our periods of triumph, of rising above race and class to pursue a common agenda. We saw it after the Los Angeles riots, at the First African Methodist Episcopal Church, where black, brown, yellow and white came together in harmony to address a crisis. We saw it after the two earthquakes, north and south.

We have the capacity to rise above difference to move California forward. But we must first expunge the emotion and ``politics" from the critical issues facing this state, such as immigration. By no means should we relax our efforts to curb undocumented immigration. But we need to address the issue responsibly and with an understanding of who we are in California.

We are, in fact, a state that boasts the most diverse population in the world, where today's minority will be tomorrow's majority. We are a state where our rich diversity combined with our proximity to our NAFTA partner Mexico, and at the gateway to the emerging Pacific Rim may well translate into our economic salvation. We are a state where today's voters will soon be dependent on the good wisdom and foresight of the future and ethnically diverse generation of voters.

All of which presents a critical test for our state's leadership. With the passage of Proposition 187, we've created a national issue for which our own governor may well be drafted as primary spokesperson. He can build national political capital by ratcheting up Proposition 187-style demagoguery, inflaming racial tension on a national scale, or he can set a national standard for

INSIDE THE BELTWAY

By John McCaslin

Trampled path home

The Rose Law Firm of Little Rock rode to town on Hillary Rodham Clinton's coattails, hoping to drum up a little Washington business. A shiny brass plaque announcing the firm's arrival and new location at 1350 I St. NW, Suite 850, was soon hung to greet prospective clients who would come calling.

But, what with the relentless storm of controversy that would soon envelop the firm — from Vince Foster to Webster Hubbell with Hillary in between — not many clients came calling.

So last week the shiny brass plaque came down, the office furniture got boxed up and shipped out, and the firm's lead Washington lawyer, Allen Bird, caught a flight back home to Little Rock.

"They were anticipating that as a result of the Clinton election they would get some business in town," a source close to the law firm told Inside the Beltway yesterday. "But it was a very quiet office — they just didn't have any activity. Even the receptionist started coming in part time. I can even remember Allen Bird telling me he wished he spelled his name with a y instead of an i."

We left several messages for Mr. Bird at his Little Rock office yesterday, but he did not return our calls.

A spokesman for the firm would tell us only "We don't have an office in Washington anymore."

When the cat's away

Yes, that was a "Mitt Romney for Senate" sign that someone in a pin-stripe suit pounded into the front yard of Massachusetts Sen. Edward M. Kennedy's home in McLean.

Gone are the days

"I've been here since Eisenhower, and the choices in D.C. are not glorious," one Washington old-timer proclaimed after emerging from a District voting booth yesterday.

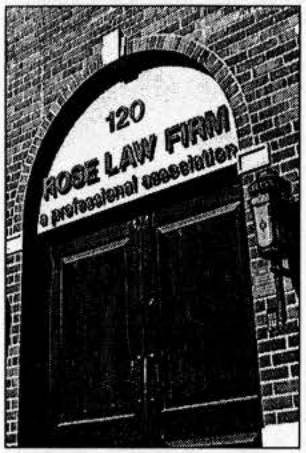
Nothing political

An outraged Beverly LaHaye, president of Concerned Women for America, has written to Vice President Al Gore, demanding a public apology for the vice president's recent reference to Oliver North's supporters as "the extra-chromosome right wing."

"As the grandmother of a child born with Down's syndrome. . . . I found that remark outrageously insensitive and insulting," Mrs. LaHaye wrote.

Election barometer

Vice President Al Gore was a guest yesterday on Channel 5's "Fox Morning News," an Election Day interview that began like this:



The Rose Law Firm is quietly pulling out of Washington.

Lark McCarthy: "More now on our big story. Campaign '94 roars to a close. . . . One very prominent Democrat who crisscrossed the nation to try to drum up support is Vice President Al Gore. He joins us now from the White House. Good morning, Mr. Vice President."

Mr. Gore: "Good morning, Lark. I was about ready to give the [weather] report."

Ms. McCarthy: "Well, we're glad you have a sense of humor, Mr. Vice President. It was certainly unintentional, putting those weather numbers over your face."

Can't get it straight

It wasn't too long ago that the National Endowment for the Arts caused a storm of controversy when it funded "Piss Christ," a photograph of a crucifix immersed in urine.

Now the NEA is distributing personal reservation forms for its first-ever NEA Official 1994 Christmas Ornament. But this time they're leaving Jesus out.

"Our first yuletide creation is an open sphere, its perimeter accented by two secants that bear the names of the agency's 17 major programs. Suspended within the sphere is a three-dimensional model of NEA's distinguished emblem," the form states, adding that "this original Christmas collectible is perfect for trimming the holiday tree."

The NEA distributed the forms at its council meeting last weekend.

Starting at home

Jersey City Mayor Bret Schundler — described as a new-generation conservative who believes most of society's problems can be solved on the local level without interference of the so-called Washington "experts" — will be honored at the Capitol Hilton this evening by William Bennett, Lamar Alexander and Sen. Paul Coverdell, Georgia Republican, to name just a few.

Proceeds of the evening will benefit the group Save Our Schoolchildren, an organization committed to innovative education reform.

The morning after

"Perhaps this would be a good time for hysterical liberals to stop wandering aimlessly about, wringing their hands and muttering about dangerous, right-wing extremists taking over the country," opines voter Ken Bashford of Centreville.

"They really should try to relax, get some sleep, a hobby, even a real job. They should learn to appreciate just being alive, especially if they can recall how panic-stricken they were 14 years ago when Ronald 'Ray-Gun' was about to occupy the Oval Office, put his trembling finger on the Button and promptly ionize every last one of us."

owth xpected to remain strong

By Patrice Hill
THE WASHINGTON TIMES

The U.S. economy is expected to post nearly 4 percent growth this year, the best since 1988, and strong momentum could keep it expanding faster than 3 percent next year despite higher interest rates, top forecasters are saying.

"I don't believe the economy responds that quickly to rising interest rates, especially when those rates are being caused by strong economic activity," said Donald Ratajczak, a Georgia State University economist, who is getting the Blue Chip award today for the most accurate forecasts this year.

He and some other economists see signs that growth in national output will remain near, or even accelerate above, the solid 3.4 percent annual pace set in the third quarter, prompting an uptick to 3.8 percent in the consensus forecast for the entire year by the well-known Blue Chip forecasting group.

The group has repeatedly raised its growth projections for 1994, from a 3 percent estimate at the beginning of the year, to reflect the economy's surprising resilience in the face of an interest-rate climb of 2 percentage points.

"Everybody else has been marching toward us [bullish forecasters] all year," said John Ryding, senior economist with Bear Stearns & Co. in New York, who sees growth averaging 3.6 percent next year and was not one of the 50 Blue Chip economists surveyed.

While most economists maintain that the higher rates will drag growth down to around 2.7 percent in 1995, the bulls say that the push the economy got this year from strong income and job gains, coming as the business cycle is peaking, will keep the pace well above 3 percent next year.

The expansion will be paced by an export boom and continuing robust sales of autos and trucks, while housing and sales of other big-ticket consumer items decline slowly under the weight of the rate increases, Mr. Ratajczak said.

U.S. exporters, now rated the most competitive in the world, are poised to take advantage of expanding markets in Europe and Japan as those countries emerge from economic slumps, he said.

"With the dollar falling nearly 15 percent against the yen and 10 percent against most European currencies in the past year, the [U.S.] competitive advantages have been sharply enhanced," he said.

Next year's healthy growth will be accompanied by higher inflation of 3.6 percent, up from 2.8 percent this year, and higher interest rates, he predicted.

The Federal Reserve is expected to raise short-term rates this month and several more times in the months ahead, but Mr. Ratajczak said 30-year mortgage rates have already gone most of the way toward the 9.5 percent peak he projects for next year.

While Mr. Ratajczak and Gail Fosler, chief economist of the Conference Board in New York, both attribute the economy's staying power to business optimism and prowess, Mr. Ryding said it is due more to the Fed's lenient policies on interest rates.

"The Fed's rate increases haven't had any dampening effects," so rates will have to go much higher to slow the economy down, Mr. Ryding said.

"At some point, the Fed will really have to step on the brakes, but that's a long way off, beyond 1995," he said. In the meantime, "profits will expand, jobs will grow and personal incomes will rise."

Lawrence Chimerine of the Economic Strategy Institute is not so optimistic. He thinks the Fed is in danger of killing the expansion if it raises rates much higher.

"Some of this cyclical rebound is going to fade on its own," he predicted, noting that the higher rates already have choked off the big boost the economy got last year from mortgage refinancings, which put money in homeowners' pockets for other purchases.

FEDERAL REPORT

Federal speech ban bothers high court

Union battles effort to restore law

By Greg Pierce
THE WASHINGTON TIMES

The Clinton administration yesterday asked the Supreme Court to uphold a law that bars federal employees from being paid for articles or speeches, but the justices seemed puzzled by the ban.

"If a triple ax murderer can't be prohibited from selling his story for money," why should a low-level federal worker? Justice Stephen Breyer asked. "Why does the Constitution apply to one and not the other?"

The law applies to articles or speeches by a federal employee even if the subject has nothing to do with the employee's job, such as a mail handler who wrote about the Quaker religion.

Deputy Solicitor General Paul Bender yesterday argued that Congress has the right to decide what is necessary to avoid the appearance of impropriety.

"It did this on the advice of two federal commissions," Mr. Bender said. Besides, Congress did not prohibit speech, it prohibited payment, he said, adding that a wide ban is necessary to avoid "unevenness of enforcement."

"A compelling reason for regulating expressive activity by government employees is to prevent actual or apparent impropriety," the Justice Department said last year when it petitioned the high court to hear the case. "The citizenry must have confidence that the personnel responsible for the public's business are not subject to undue influence by private special interests."

Justice Sandra Day O'Connor appeared particularly perplexed by one exception to the rule: Federal workers are allowed to be paid for "a series of articles" but not just one.

"Is that absurd?" Justice O'Connor said. "I just don't understand that provision."

Mr. Bender said that when he first saw that part of the law, he thought "it was a typo," but the provision was not a mistake: Congress thought it would be easier to judge the appropriateness of a series of articles.

"I'm really puzzled" about the ban, Justice John Paul Stevens said. There are easier ways for an interest group to pass cash to an employee, he said.

Justice Antonin Scalia agreed, saying an employee could be paid "in other ways for doing nothing."

"What kind of empirical data" does Congress have, asked Justice Anthony M. Kennedy.

Gregory O'Duden, attorney for the National Treasury Employees Union, which has led the way in challenging the ban, said a General Accounting Office study had found only "two concrete instances of arguable abuse" out of 2,500 cases over three years.

Justice Clarence Thomas said it appears that the government would have a better case for banning moonlighting than speech. Mr. O'Duden agreed.

Mr. O'Duden argued that, before the ban, the government had adequately avoided conflicts by requiring employees to seek permission from their agencies before undertaking outside work.

The government seeks reinstatement of the ban, which was lifted in September when the Justice Department declined to ask for a stay while it considered an appeal to the high court.

A three-judge panel of the U.S. Court of Appeals for the D.C. Circuit ruled 2-1 that the law infringed on the First Amendment right to free speech. The full appeals court on an 8-2 vote declined to hear the case.

Earlier, the U.S. District Court for the District of Columbia also struck down the law.

The appellate decision left the ban in effect for members of Congress and their staffs, as well as the judicial branch and senior political appointees in the executive branch.

The ban went into effect in January 1991 as part of a 1989 congressional ethics reform package.

WEDNESDAY, NOVEMBER 9, 1994 The Washington Times

GROWTH

From page B7

Arkansas Democrat Gazette

In *Harper's*, LR author Lyons blasts *Times'*

Washington journal

Washington Journal contains analysis and commentary by members of the Arkansas Democrat-Gazette *Washington bureau.*

BY RANDY LILLESTON
Democrat-Gazette Washington Bureau

WASHINGTON — Everything you've read about the Whitewater Development Corp. affair is wrong.

Well, not everything.

But the media's use of generalizations is one area of criticism.

A leading critic is Gene Lyons, a Little Rock author and columnist for the *Arkansas Democrat-Gazette*.

Lyons has written an article for the October edition of *Harper's* in which he criticizes *The New York Times'* coverage of Whitewater, particularly 1992 and 1993 articles by investigative reporter Jeff Gerth.

Lyons calls Gerth's stories "groundbreaking, exhaustively researched, but not particularly fair or balanced stories that combine a prosecutorial bias and the art of tactical omission to insinuate all manner of sin and skulduggery."

He then goes on in the *Harper's* article to make a pretty good case for his premise, citing a series of errors or questionable conclusions in Gerth's stories.

The question is whether anyone will pay attention at this point.

Political scandals have cycles. One of those cycles is when people start questioning whether the basic premise of the scandal is true. That cycle generally passes and the focus returns to the original premise.

"We've got to turn back and find out where we went wrong," Lyons urged journalists at a *Harper's*-sponsored forum Tuesday.

Saying the *Times'* coverage moved in a "self-serving, prosecutorial direction," he suggested that such a direction was intentional.

"This is a hit," Lyons said.

Among his points:

- Beverly Bassett Schaffer, the former head of the state Securities Department who was a subject of several *Times* articles and editorials, wrote a long memo to Gerth about Madison Guaranty Savings and Loan Association. Gerth's first article stated that Schaffer said she did not remember a federal examination of Madison, the James McDougal-owned S&L that failed in 1989 at a cost to taxpayers of $65 million.
- State regulators did not have the authority to close Madison. There is state law regarding the closing of insolvent S&Ls, but that is superseded by federal law and backed up by federal court decisions, Lyons said.
- Unlike claims in the New York newspaper, a Madison plan to sell stock to raise capital was not novel, according to Lyons. He said 10 of 12 state-regulated S&Ls already had done so by 1985.

Tuesday's panel featured several journalists who agreed with Lyons. It was not the first panel to deal with the media's role in Whitewater, and it won't be the last.

Still, it left reporters in the room with something to think about.

Whether such thoughts will trigger a new and more skeptical wave of Whitewater reporting is yet to be seen. For that to happen, the media will have to break out of its old cycles of scandal.

That might be too much to hope for.

Arkansas Democrat Gazette

C ntor , . ones sho d star (as eq ıa s, her awyers say

BY RANDY LILLESTON
Democrat-Gazette Washington Bureau

WASHINGTON — President Clinton is not above the law and a federal judge should not grant him immunity from sexual harassment allegations, former Arkansas state employee Paula Corbin Jones and her attorneys said at a news conference Tuesday.

"Equality before the law is what this case is all about," Gilbert Davis, one of Jones' Virginia lawyers, told reporters.

Davis disputed claims that the case boiled down to Jones' word against Clinton's, saying Jones has other witnesses.

Davis said Jones, a Lonoke native who now lives in California, would file a sealed affidavit in U.S. District Court at Little Rock with information about "distinguishing characteristics" of the president's genital area.

Jones, a former Arkansas Industrial Development Commission employee, claims that then-Gov. Clinton made a series of unwanted sexual advances toward her in a room at the Excelsior Hotel in downtown Little Rock on May 8, 1991.

Jones alleges she left the room after Clinton exposed himself and requested oral sex.

Jones filed suit against Clinton over the incident in May, two days before the three-year statute of limitations expired.

Since that time, lawyers for the two sides have fought in court. Clinton's Washington lawyer, Robert Bennett, has argued that the president should be immune from legal claims while in office. That battle could delay a trial for years.

Jones spoke briefly, crying at one point when she said she w ted the restoration of "my good name."



Associated Press

DEFENDING HER NAME — Paula Corbin Jones displays a sealed affidavit Tuesday in Washington during a news conference about President Clinton's claim of presidential immunity in her sexual harassment lawsuit against him.

"I have been telling the truth," she said. "I have witnesses. This is not just my word against his."

She also has sued Danny Ferguson, an Arkansas state trooper, saying he helped arrange the meeting at the hotel. Jones was attending an AIDC-sponsored conference at the time. Ferguson was part of Clinton's Arkansas State Police security detail.

Jones' lawyers said that even if the case is thrown out on grounds of presidential immunity, they will press the portion of the lawsuit against Ferguson.

"I don't know about the president's family or Danny Ferguson's family, but this has been very hard on my family," said Jones, who is married and has one child.

"In the end, I know I will get my good name and reputation back," Jones said.

Bennett said he would "not dignify the performance of Jones and her attorneys by commenting upon it."

Clinton's lawyers have attempted to extend the immunity request to Ferguson, a position Jones' lawyers claim is designed to prevent the president from testifying if the case against Ferguson goes forward.

The effort is designed "to wrap Danny Ferguson in the golden shroud of presidential immunity," said Joseph Cammarata, another of Jones' Virginia-based lawyers.

"When witnesses have conflicting recollections, the resolution of those disputes is the c sic function of a trial," Cammarata said.

The lawyers said Jones had offered to drop the suit if Clinton had read a statement calling her a "truthful and moral person" and saying he was sorry for assertions made about Jones. Clinton declined.

The president has said he has no recollection of meeting Jones and has denied her claims of sexual improprieties.

Jones' lawyers disclosed that a former boyfriend had offered photos of Jones dressed in a negligee to *Penthouse* for publication. They said they probably could not stop publication of the photographs.

"It hurts me because they're private pictures, and the person who is doing it is only in it for money and for greed," Jones said.

The former boyfriend was not identified.

Jackie Markham, a *Penthouse* spokesman, said the magazine was preparing a story on Jones but declined to say whether there were photos.

To Arkansas residents, Whitewater is old news

At Doc's, they're tired of Clinton allegations

By Jim Yardley
STAFF WRITER

TALK OF THE SOUTH
Little Rock, Ark.

Little Rock — Inside Doc's Eat Place, the burger joint Bill Clinton favored when he was governor, a black ceramic Buddha sits on the shelf near a bottle of Dixie beer, an old hunting rifle and a fat stuffed bass. The lunch crowd is beginning to trickle in as manager Debra Wadley mentions the big political scandal.

Thousands of dollars misappropriated. Talk of criminal charges. If it sounds like Whitewater, the speculative Arkansas real estate deal nagging at the Clinton White House, it's not. It seems that Arkansas' recently defeated secretary of state cut a $53,000 check for flags that never arrived and were never needed.

"I thought that was all over with," Wadley said of Whitewater. "They really seem to rake over his past with a fine-tooth comb. They never did that to Bush."

After months of speculation and occasional dormancy, Whitewater resurfaced over Thanksgiving when the Los Angeles Times quoted anonymous sources who said that several people linked to the deal would be indicted, possibly as soon as this week. Among the names mentioned were those of former U.S. Assistant Attorney General Webster Hubbell and Arkansas Gov. Jim Guy Tucker, who succeeded Clinton and won re-election this month with 59 percent of the vote. Tucker called a holiday news conference to deny any wrongdoing.

The Washington Post, citing "sources familiar with the investigation," says in today's editions that Independent Counsel Kenneth Starr has developed extensive evidence purportedly showing that Hubbell billed hundreds of thousands of dollars in phony expenses



Reportedly the target of an upcoming indictment, Gov. Jim Guy Tucker was re-elected by a big margin.

But the overarching question in the intricate scandal is whether the president and his wife, Hillary Rodham Clinton, who invested in the real estate venture, improperly benefited from the deal. There are allegations that money from the failing Madison Guaranty Savings & Loan Association was illegally transferred to prop up the Whitewater deal.

Inside Doc's, the overriding sentiment was of weariness and impatience with the way the scandal has dragged out. In Arkansas, Whitewater originally surfaced more than a decade ago, and some people think the current investigations are simply recycling old news.

"It's a hell of a waste of government money," said Peggy Barnes, a Democrat and a state employee. "I think the American people are tired of it. God knows we're tired of it."

Barnes questioned the decision to appoint a second special prosecutor, Starr, to the case after the first, Robert Fiske, spent months investigating. "Why did we



Associated Press

What it's all about: This land near Flippin, Ark., was owned by the Whitewater real estate company, in which the Clintons invested.

asked herself. "Obvious answer: The first one didn't find anything."

Reid McConnell, sitting next to Barnes, dismissed any suspicions of illegality. "There's about as much wrong as a spittoon of spit," he declared.

As for the leaked reports of possible indictments, Barnes was skeptical.

"Just last week, I heard somebody say there's life on Mars," she said. "That doesn't mean there's life on Mars."

One table over, though, Republican Gary Matheny said, "There's going to be a lot of fallout, although I don't think Clinton was much into it. Tucker is going to be hit hard." Matheny blamed U.S. Rep. Henry Gonzalez (D-Texas) for blocking key information from congressional Whitewater hearings.

"Oh, yes, there's something to be found," Matheny said. "If we can ever get a hearing in Washington where we can ask questions, they will uncover the cover on this thing. It'll be just like shucking corn: You'll get down to the grain before long."

Democrat voter who was sitting at another table, believes Congress should stay completely out of Whitewater.

"If Whitewater becomes the primary issue in the first 100 days of the new year, I'll do my very best to get those guys out of Congress," he promised. "If there are violations of the laws, there are legal agencies to take care of that instead of wasting Congress' time. I want what's best for the country instead of what's best for the Republican Party."

At the counter, Dr. Sloan Rainwater waited for an order of tamales and grew agitated with allegations of wrongdoing. A faithful Democrat who said he has known Clinton for 20 years, Rainwater wondered why Republicans weren't concerned when President Bush's son Neil was linked to the collapse of Silverado Savings & Loan Association.

"They're not really after anything, they just want to stir up something," Rainwater said of the Republicans. "They won the election; they should just shut up. They should be statesmen, not

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Washington notebook

Testimony turns to streak by McClellan

BY JANE FULLERTON
Democrat-Gazette Washington Bureau

WASHINGTON — The name of the late Sen. John L. McClellan came up when the U.S. Supreme Court heard arguments Tuesday in the Arkansas term-limits case.

Attorney General Winston Bryant, a McClellan employee from 1968-71, was arguing in favor of the Arkansas amendment that restricts the terms of members of Congress when Justice John Paul Stevens interjected a question.

"How many terms did Senator McClellan serve?" Stevens asked of Bryant.

"He served at least five terms and was probably into his sixth term," Bryant responded.

The senator was in the fifth year of his sixth term when he died Nov. 28, 1977.

★ ★ ★

There were plenty of Arkansas observers on hand for the oral arguments. They included:

• Bryant, who made the primary arguments on behalf of the term-limits provision. The attorney general was joined by three current and former members of his staff — lawyers Ann Purvis, David Raupp and Jeff Bell.

• Elizabeth Robben Murray of the Little Rock law firm Friday Eldredge & Clark, who represents the Arkansas League of Women Voters. She appeared as a co-counsel before the court but did not make oral arguments.

• Bobbie Hill of Camden, past president of the Arkansas League of Women Voters, and Dick Herget of Little Rock, an insurance executive and Democratic political activist. Their names appear on the lawsuit against the state.

• Republican Reps. Jay Dickey and Tim Hutchinson of Arkansas, who filed a brief supporting the Arkansas amendment. They were joined by several staff members.

• Maurice Mitchell and Sherry Bartley of the Little Rock law firm Mitchell Williams Selig Gates & Woodyard, who filed a brief on behalf of Rep. Ray Thornton, D-Ark., an opponent of the Arkansas provision.

• Presidential adviser Bruce Lindsey, a former partner in the Little Rock law firm Wright Lindsey & Jennings.

• White House aide Trey Schroeder, a Texarkana native who is a law student at American University in Washington.

• State Rep. Mark Riable of Little Rock, Tim Jacob of Little Rock, Lance Curtis of Bryant, Skip Cook of Little Rock and Steve Munn of Lonoke, executive committee members of Arkansans for Governmental Reform. That group spearheaded the 1992 drive for term limits in Arkansas.

★ ★ ★

Also on hand for the arguments were some well-known faces in Washington.

Former White House Counsel Lloyd Cutler sat near the back of the packed chambers. He watched his law partner, Louis Cohen of the Washington firm Wilmer Cutler & Pickering, make the primary arguments against the Arkansas law. Cohen represents the Arkansas League of Women Voters.

Arkansas Democrat Gazette 11/30/94

Court stalls Jones Penthouse spread

By Michael Hedges
THE WASHINGTON TIMES

Paula Corbin Jones, who has accused President Clinton of sexual misconduct, yesterday got a temporary restraining order to stop Penthouse magazine from printing topless photographs of her.

In a lawsuit filed yesterday in federal court in New York City, Mrs. Jones is seeking $30 million each from the magazine; its publisher, General Media International Inc.; and her ex-boyfriend, Mike Turner, who took the photos in 1987 and later sold them.

Mrs. Jones, who was 19 and unmarried when the snapshots were taken, also is asking that all the photos and negatives be turned over to her.

Attorney Victor A. Kovner, who is representing the magazine and Mr. Turner, said the order came too late to stop distribution of the photos since the January issue hits the newsstands on Tuesday.

"I'm deeply distressed that what appears to be such an unconstitutional order could be granted," Mr. Kovner said. "The First Amendment protects this publication and bars prior restraint."

In her lawsuit, Mrs. Jones said she never authorized the sale or use of a dozen snapshots of her posing topless and wearing a G-string. She said she had a verbal agreement with Mr. Turner, who was 32 at the time, never to show the pictures to anyone. They met while she was working in a Little Rock shoe store.

"I think the subject of these photographs was a purely private matter between two people who were in love," said Joseph Cammarata, a Jones attorney. "No good can come from publishing them."

The federal judge's order calls for delaying publication of the photographs for 10 days until arguments can be heard on whether the ban should be permanently imposed.

The suit said the magazine and Mr. Turner violated New York State's civil rights law. It was filed in federal court there because the magazine is located in New York and the other parties live in different states.

Mrs. Jones, 27, lives in California, and Mr. Turner lives in Arkansas.

In May, Mrs. Jones filed suit in Little Rock accusing Mr. Clinton of exposing himself to her and requesting a "type of sex" in a Little Rock hotel in 1991, when he was governor of Arkansas and she was a state employee.

The president has denied the allegations, and members of his administration have characterized Mrs. Jones as being disturbed and deceitful.

Her suit against Mr. Clinton seeks an apology and $175,000 in damages on each of four counts. Mrs. Jones has promised to give to charity whatever money she collects.

Mrs. Jones' attorneys attached to the Penthouse lawsuit a statement by the magazine saying their client "cut a sexual swath" through Little Rock. The statement said friends and family portray her in the photos' accompanying story as "flirtatious and promiscuous."

• *This article is based in part on wire service reports.*

Republicans doubt Clinton aides' word

Ask Whitewater counsel to investigate

By Rowan Scarborough
THE WASHINGTON TIMES

Republicans on the Senate banking committee yesterday asked the Whitewater prosecutor to investigate whether two senior White House aides lied during hearings last summer.

In a letter to Independent Counsel Kenneth Starr, New York Sen. Alfonse M. D'Amato, the incoming committee chairman, and six other Republicans cited evidence they say shows aides George Stephanopoulos and Harold Ickes were untruthful.

The committee held extensive hearings into a series of contacts between White House, Treasury Department and Resolution Trust Corp. officials at a time the RTC was investigating the failure of Madison Guaranty Savings and Loan Association in Little Rock.

The panel is trying to determine whether administration aides improperly interfered in the investigation of Madison, whose owner was a partner with Bill and Hillary Rodham Clinton in the failed Whitewater land development.

Mr. Starr is now in Little Rock probing whether Madison funds were illegally diverted to Whitewater and to the Clintons themselves.

One focus of the Republican complaint is how Mr. Stephanopoulos, a close Clinton adviser, reacted when he learned in February that the RTC planned to appoint Jay Stephens, a Republican and former U.S. attorney for the District of Columbia, as outside counsel on Madison.

"The committee has developed compelling evidence indicating that Mr. Stephanopoulos applied pressure [to two Treasury Department officials] to have Mr. Stephens removed," the Republicans wrote.

Mr. Stephanopoulos testified under oath that in a discussion with Treasury Chief of Staff Joshua Steiner he only complained about the appointment but never asked about getting Mr. Stephens fired.

"I don't remember an awful lot about that conversation, as I testified," the White House aide said. "I don't remember saying anything like that. . . . I simply don't remember saying anything like that at all."

In their letter, committee Republicans referred Mr. Starr to a contemporaneous diary entry made by Mr. Steiner.

He wrote: "They also asked how Jay Stephens, the former USA [U.S. attorney], had been hired to be outside counsel on this case. Simply outrageous that RTC had hired him but even more amazing when George Stephanopoulos then suggested to me that we needed to find a way to get rid of him. Persuaded George that firing him would be incredibly stupid and improper."



Sen. Alfonse D'Amato, six other Republicans, suspect lies.

Republicans also pointed to testimony from Treasury Counsel Jean Hanson, who said Mr. Steiner told her that people at the White House wanted Mr. Stephens fired.

The GOP senators also contend that Mr. Ickes may have lied because his testimony conflicts with Mrs. Hanson's.

The allegation centers on Deputy Treasury Secretary Roger Altman's decision in February not to recuse himself from deciding issues related to Madison Guaranty. At the time, Mr. Altman was the RTC's acting director.

Mrs. Hanson testified that Mr. Ickles wanted to learn who knew that she had recommended to Mr. Altman that he should recuse himself. She said she replied that only a few people knew, and Mr. Ickles said, "Good," and told her not to let it leak out.

Mr. Ickes testified he had no recollection of making those statements.

Since the hearings, Mr. Altman and Mrs. Hanson have submitted resignations, effective Dec. 31.

Committee Republicans previously have asked Mr. Starr to review the testimony for possible perjury by Mr. Altman, Mrs. Hanson and Mr. Steiner.

The Washington Times WEDNESDAY, NOVEMBER 30, 1994

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Starr inquiry zeroes in on 2 Clinton aides

By Jerry Seper
THE WASHINGTON TIMES

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LITTLE ROCK, Ark. — Whitewater investigators are focusing on White House senior adviser Bruce E. Lindsey and Betsey Wright, a top aide to Bill Clinton during his days as Arkansas governor, in their probe of suspected financial irregularities.

The two Clinton loyalists, both of whom moved to Washington after the 1992 presidential election, are suspected of violating federal campaign financing laws in efforts to raise thousands of dollars during at least two Clinton reelection bids, according to sources close to the Whitewater inquiry.

Investigators are trying to determine what Mr. Lindsey and Miss Wright did to help settle personal loans taken by Mr. Clinton and Hillary Rodham Clinton to finance the governor's campaigns, and what alternative financing plans they developed to pay down campaign debts during at least two gubernatorial races, the sources said.

Investigators also want to know what role Madison Guaranty Savings and Loan Association and Whitewater Development Corp., played in those alternative financing plans.

Part of the inquiry is aimed at determining whether Clinton campaign officials knowingly violated the federal Bank Secrecy Act, which requires that cash transactions of more than $10,000 be reported to the Internal Revenue Service.

Investigators are trying to determine if some of the transactions involved get-out-the-vote efforts by Clinton officials during the 1984 and 1990 campaigns, and whether that money was funneled from Madison to Whitewater — a partnership involving the Clintons and Madison's owner — to hide its source.

The inquiry also has centered on suspicions that Mr. Lindsey and Miss Wright tried to cover up campaign financing law violations, and on concerns that the Clintons, who benefited from several financing plans now under review, were aware of the transactions.

The investigation has focused on Miss Wright's involvement in questionable campaign contributions during Mr. Clinton's 1984 re-election bid and over her participation in a 1985 Clinton fundraiser hosted by Madison owner James B. McDougal, the sources said.

As Mr. Clinton's former chief of staff, Miss Wright helped collect $35,000 during the fund-raiser to help repay a $50,000 personal loan the Clintons had posted to the campaign. The event was held at Madison's Little Rock offices.

Mr. Lindsey was involved in a

see **STARR**, *page A14*

STARR

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separate Clinton bank loan during the 1990 race, when he served as campaign treasurer. Records show a second $50,000 loan to the Clintons was used by the campaign to help pay off debts during that race, although it was never reported to the IRS as required by law.

The note, first reported by the New York Times, was part of nearly $180,000 in three separate loans taken out in 1990 by the Clintons from the Perry County Bank in Perryville, Ark.

Circumstances surrounding the $50,000 note initially were targeted by former Whitewater Special Counsel Robert B. Fiske Jr. as part of an expanded inquiry into the campaign practices of the governor and members of his staff. The information has since been turned over to Kenneth W. Starr, the court-appointed independent counsel who was named Aug. 5 to replace Mr. Fiske.

Miss Wright, an executive vice president at the Wexler Group, a Washington lobbying firm, did not return numerous telephone calls to her office for comment. She has, however, previously denied any wrongdoing in the collection or distribution of campaign contributions for Mr. Clinton.

Miss Wright, a longtime Clinton supporter who returned to the Clinton staff after a hiatus for the 1992 race, has been interviewed by FBI agents assigned to the Whitewater task force and has turned over documents she held outlining her various activities during the 1984 campaign, the sources said.

Investigators want to know if Mr. McDougal, a partner with the Clintons and his former wife, Susan H. McDougal, in the Whitewater real estate venture, received political favors in exchange for his help in retiring several personal loans and campaign debts.

No records were kept by campaign officials to document the source of the $35,000 raised during the Madison fund-raiser, despite campaign laws requiring that contributions be reported and that a list of contributors be maintained.

Other documents show, however, that not all of the money raised at the Madison fete went to pay off the Clintons' $50,000 note, a personal loan from the Bank of Cherry Valley, Ark. A May 1986 campaign report shows that $8,000 of the $35,000 went to provide seed money for Mr. Clinton's 1986 reelection bid.

The records also show that as much as $14,000 of the funds raised by Mr. McDougal went unreported on Mr. Clinton's campaign filings — including $12,000 in four separate cashier's checks that federal regulators suspect were illegally diverted from Madison.

At least two of the so-called contributors at Mr. McDougal's fundraiser — former Sen. J. William Fulbright and Ken Peacock, then a 24-year-old college student — have told investigators they did not sign separate $3,000 checks to Mr. Clinton or his campaign.



Bruce Lindsey was involved in a Clinton bank loan in the 1990 race.

The two other checks were from Dean Landrum, a former employee of Mr. Peacock's father, Charles; and from Mrs. McDougal. Mr. Landrum is deceased, and Mrs. McDougal has declined comment.

Mr. Lindsey also did not return calls to his office for comment. He has said, however, the 1990 gubernatorial campaign was mindful of its obligations and attempted to comply with state and federal campaign-financing laws.

The senior White House adviser's suspected involvement in the Perryville loan has been a key part of an expanded look into Mr. Clinton's recent political past, the sources said. Investigators are trying to determine if the Clinton campaign generally and Mr. Lindsey specifically violated campaign-financing laws by failing to disclose various loan transactions.

The three Perry County bank loans were taken as personal notes by the Clintons and later loaned out to his campaign.

The Bank Secrecy Act requires banks and other financial institutions to report to the IRS any cash transactions in excess of $10,000. Investigators believe campaign officials wrote checks of less than $10,000 for expenditures to avoid the reporting requirement.

The checks, according to the sources, are believed to have been signed by Mr. Lindsey.

The Perryville bank was owned at the time by Herbert Branscum Jr., former chairman of the Arkanas Democratic Party and a longtime Clinton supporter. After Mr. Clinton's successful 1990 re-election, Mr. Branscum was named to the State Highway Commission.

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Burden of proof made more difficult in child-porn cases

By Tony Mauro
USA TODAY

The Supreme Court on Tuesday upheld the federal law against child pornography, rejecting arguments that it violates the First Amendment.

But in order to save the law from being found unconstitutional, the court gave it a narrow interpretation that critics say will make life easier for the kid porn industry.

The high court ruled 7-2 that to win conviction, federal prosecutors must prove that defendants knew that an underage person was depicted in the material they are accused of possessing or distributing.

Without that element of proof, the court said the law would have "positively absurd" and possibly unconstitutional results — such as making it p ole to prosecute a druggist for turning back developed film that contained child pornography, or a delivery person for delivering such material.

But by requiring prosecutors to prove a defendant's "knowledge" of the underage status, the ruling makes it harder to enforce the law, say critics.

"It gives the pornographer an out," says John McMickle of the National Law Center for Children and Families. "They can say, 'Gee, I didn't know.' "

The court's ruling came in the c of Rubin Gottesman, owner of X-Citement Video in Los Angeles. He was convicted for selling tapes starring Traci Lords, who was 15 when some of her films were made.

Prosecutors established that Gottesman knew Lords was underage, so the court indicated his conviction will stand.



LORDS: Tapes made when she was 15 are crux of case

"The court today saves a single conviction by putting in place a relatively toothless ... law," said dissenting Justice Antonin Scalia.

But Stanley Fleishman, Gottesman's lawyer, says he will return to court to claim the indictment was flawed because it did not contain the knowledge requirement.

"The ruling was a victory for the First Amendment and not so bad for my client," said Fleishman.

Gottesman, who was fined and sentenced to three years in prison, is free pending appeals and continues in business.

Term-limited 'UFOs' circling Supreme Court

The Supreme Court struggled Tuesday to find a constitutional home for the national trend toward term limits on members of Congress.

The justices apparently got little help from the lawyers arguing before them in an Arkansas case that holds the key to the future of term limits, enacted in 22 states.

"This is a very remarkable position," Justice Sandra Day O'Connor told Arkansas Attorney General J. Winston Bryant as he defended the right of states to impose term limits.

League of Women Voters lawyer Louis Cohen urged invalidation of the measure but conceded he thinks the Arkansas court wrongly found it to be a qualification. Justice John Paul Stevens called that "a rather major concession."

Solicitor General Drew Days had the last word, describing term limits as "unidentified flying objects" that don't fit the Constitution at all.

— Tony Mauro

WASHINGTON

Gramm: Orphanages no welfare solution

Sen. Phil Gramm, R-Texas, parts company with Rep. Newt Gingrich, the incoming House speaker, when it comes to his suggestion that some children of welfare parents should be placed in orphanages. "I am not interested in orphanages," Gramm told the USA TODAY editorial board. "Mothers, you only get one of them in your life. ... I don't have any interest, and I don't believe Newt does, in taking people away from their mothers." Gramm, who's planning to seek the GOP's presidential nomination for 1996, says it's time to get rid of the current welfare system, which has "failed in every respect." He says those people on welfare ought to be paid slightly more than the minimum wage but not paid so well that it discourages them from working.

WHITE HOUSE SHOOTER: The trial of Francisco Duran, charged with trying to assassinate President Clinton by firing at the White House, is to begin March 16. Duran is charged with 11 felony counts. Conviction on the attempted assassination charge carries a maximum penalty of life in prison. The indictment says Duran fired 29 rounds from a semiautomatic rifle at the White House. Clinton was inside watching TV. U.S. District Judge Charles Richey postponed a ruling on media requests to see a letter found among Duran's possessions.



AP

DURAN: Trial to start March 16

SENATE LEADERSHIP: The race for Senate minority leader tightened up as Sen. Tom Daschle, D-S.D., listed 23 senators committed to him. Counting himself, Daschle claims support from a majority of the Senate's 47 Democrats. But challenger Chris Dodd, D-Conn., says Daschle is mistaken about the vote count and assessment of the party's political travails. "The Democratic Party is weak from Eastport, Maine, to Oahu," Dodd says. **(House fight, 4A)**

GINGRICH PAC PROBE: The House ethics committee began reviewing a complaint that incoming speaker Rep. Newt Gingrich, R-Ga. misused his staff. The complaint by rival Democrat Ben Jones contends Gingrich mixed a college course, his political action committee and his congressional staff in violation of House rules. Gingrich has dismissed as a "nonsense issue" claims that GOPAC improperly developed and financed the college course.

WHITEWATER PROBE: Senate banking committee Republicans asked the Whitewater prosecutor to determine whether Clinton administration aides George Stephanopoulos and Harold Ickes lied in congressional testimony about meetings between White House and Treasury officials over a probe of the Clintons' Whitewater land deal.

CAPITAL TRAFFIC JAM: The Arlington Memorial Bridge, linking Washington and northern Virginia, was closed during morning rush hour because of a bomb threat. The bridge was closed for three hours, forcing commuters to use alternate routes.

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Hearing Test: Questions For Clintonites

By Doug Bandow

When the new Congress convenes in January, Republicans suddenly will have newfound power to investigate and publicize. Republicans should have three primary goals—to expose presidential wrongdoing, limit executive abuses and educate the public.

First, Congress should hold hearings on administration misconduct:

• *Whitewater and the whitewash.* A multitude of questions arise from the Clintons' investment in the Whitewater development, including possible improper campaign contributions and preferential treatment by banking regulators. Even if the most lurid allegations prove false, Congress needs to investigate the removal of Whitewater files from Vincent Foster's office, the politicization of the Resolution Trust Corp.'s investigation of Madison Guaranty S & L, and the truthfulness of administration witnesses before Congress earlier this year.

• *Bill Clinton's legal defense fund.* Congress should consider whether the fund is legal and whether the IRS has given the president preferential tax treatment.

• *Hillary Clinton.* Even had Mrs. Clinton not campaigned against the "Decade of Greed," her spectacular commodities success would look suspicious. Congress should examine both her trades and the role of the Commodities Futures Trading Commission in monitoring such deals.

• *The White House Health Care Task Force.* The administration, led by Ira Magaziner, has obstructed attempts to make public the task force's proceedings. Congress should demand full disclosure.

• *Roger Johnson.* The head of the General Services Administration—a Republican—allegedly treated GSA employees as servants and charged a variety of personal expenses to the government. Does the president condone his conduct?

• *Henry Cisneros.* The HUD secretary's private soap opera raises public questions. Did he lie to the FBI about paying off his ex-mistress? Did he get a friendly businessman to help pay?

• *NationsBank.* White House adviser George Stephanopoulos appears to have received preferential treatment in obtaining a real estate loan. His conduct may be innocent, but what about that of the federally-insured institution, one of whose official admitted in The American Spectator that "we do have an appetite for this particular loan"?

• *Improper electioneering.* During the recent campaign the Small Business Administration faxed campaign materials from the Democratic National Committee to its regional offices. Did this violate federal law? Did other government agencies use taxpayer funds to help Democrats?

• *Assorted Misbehavior.* Did presidential aides misuse the FBI to aid their purge of the White House travel office? Did Ron Brown fail to fully disclose possible conflicts of interest with telecommunications firms in which he has an interest? Was David Watkins the only presidential aide to take military helicopters for a spin? Have we been told the entire truth about officials rifling State Department personnel files?

Exposing executive sleaze is not enough. Congress should also use the hearing process to rein in officials who are abusing their positions:

• *Joycelyn Elders.* What does the condom queen believe her role is? The nation's highest medical official refuses to even criticize children having children because "you can't impose your standards on someone else."

• *Roberta Achtenberg.* Congress needs to ensure that this housing official stops hounding citizens for exercising their First Amendment rights.

• *Deval Patrick.* The assistant attorney general for civil rights apparently believes only minorities have civil rights. Legislators should expose his support for "reverse discrimination" and quotas—and bar the use of public money to promote racial discrimination against anyone.

• *Anne Bingaman.* The Justice Department's chief antitrust lawyer is engaged in the sort of nitwit economic meddling that would make a genuine "New Democrat" blush—such as investigating auto dealerships for changing their pricing policies.

• *Federico Pena.* Congress should ask the transportation secretary why he overruled agency experts to charge General Motors with making unsafe pickups.

Finally, the Republican majority should expose the manifold failures of federal programs that justify their termination. Let Congress hold hearings on:

• *The waste of agricultural subsidies.* Last month the Journal detailed the disastrous result of crop disaster aid.

• *Federal credit run amok.* HUD recently unveiled a scheme to unload more than $7 billion in bad mortgage loans.

• *Regulatory excess.* Regulators have destroyed businesses, seized property, and otherwise terrorized law-abiding citizens.

• *U.N. problems.* Corruption and inefficiency reign at the United Nations despite American demands for reform.

• *Foreign aid.* Taxpayer money has consistently subsidized collectivism and repression abroad.

• *Housing markets.* Local governments disable their own housing markets through rent control, exclusionary zoning ordinances, and similar controls even as they collect federal housing subsidies.

• *Political funding.* Taxpayers have been forced to fund political activists, mostly left-wing, over the years.

• *Davis-Bacon Act.* Such restrictions on economic liberty as the minimum wage and Davis-Bacon ("prevailing wage") have had a racist impact.

• *ADA.* The unintended consequences of legislation like the Americans with Disabilities Act have been disastrous.

And much, much more.

This is admittedly an ambitious agenda, but if Republicans really want to make a difference, they must investigate and educate, as well as legislate. Only then will their triumph spark a real revolution.

Mr. Bandow is a fellow at the Cato Institute and author of "The Politics of Envy: Statism as Theology." (Transaction, 1994).

Romania Navigates Its One Clear Course

In regard to your Oct. 27 page-one piece on Romania, "Collective Memory": In a journey through what is the emerging new Romania, some stopovers are of utmost importance for a better understanding and a balanced judgment: the newly democratic constitution and institutional structures are in place, founded on free and fair elections, at national and local levels.

There is also the undeniable progress in the transition to a free-market economy, marked by the fact that up to one-third of the country's GNP is already generated by the private sector, the full liberalization of the national currency rate, a clear-cut recovery of the production in industry and agriculture as well as of the foreign exchange reserves, the mass privatization on the point of being launched. An objective observer will also notice that the highest volume of foreign investment in Romania comes form U.S. companies: Coca-Cola, Colgate Palmolive, Caterpillar, Amoco, Purolite, IBM, Chemical Bank. Or that three new Boeing 707s just left Seattle for the Romanian airline.

Romania plays a much appreciated stabilizing role in the area, the first one to sign the American "Partnership for Peace" initiative.

Of course, the period of five years since the revolution of December 1989 has witnessed errors, shortcomings and temporary setbacks, but we should see all these rather as a useful learning experience for everybody. Essential is the one clear course ahead, with not even the slightest chance of letting Romania again be under a totalitarian ideology and political system as happened in the unfortunate juncture at the end of World War II.

Gheorghe Dumitru
Consul General of Romania
New York

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Washington notebook

Testimony turns to streak by McClellan

BY JANE FULLERTON
Democrat-Gazette Washington Bureau

WASHINGTON — The name of the late Sen. John L. McClellan came up when the U.S. Supreme Court heard arguments Tuesday in the Arkansas term-limits case.

Attorney General Winston Bryant, a McClellan employee from 1968-71, was arguing in favor of the Arkansas amendment that restricts the terms of members of Congress when Justice John Paul Stevens interjected a question.

"How many terms did Senator McClellan serve?" Stevens asked of Bryant.

"He served at least five terms and was probably into his sixth term," Bryant responded.

The senator was in the fifth year of his sixth term when he died Nov. 28, 1977.

★ ★ ★

There were plenty of Arkansas observers on hand for the oral arguments. They included:

• Bryant, who made the primary arguments on behalf of the term-limits provision. The attorney general was joined by three current and former members of his staff — lawyers Ann Purvis, David Raupp and Jeff Bell.

• Elizabeth Robben Murray of the Little Rock law firm Friday Eldredge & Clark, who represents the Arkansas League of Women Voters. She appeared as a co-counsel before the court but did not make oral arguments.

• Bobbie Hill of Camden, past president of the Arkansas League of Women Voters, and Dick Herget of Little Rock, an insurance executive and Democratic political activist. Their names appear on the lawsuit against the state.

• Republican Reps. Jay Dickey and Tim Hutchinson of Arkansas, who filed a brief supporting the Arkansas amendment. They were joined by several staff members.

• Maurice Mitchell and Sherry Bartley of the Little Rock law firm Mitchell Williams Selig Gates & Woodyard, who filed a brief on behalf of Rep. Ray Thornton, D-Ark., an opponent of the Arkansas provision.

• Presidential adviser Bruce Lindsey, a former partner in the Little Rock law firm Wright Lindsey & Jennings.

• White House aide Trey Schroeder, a Texarkana native who is a law student at American University in Washington.

• State Rep. Mark Riable of Little Rock, Tim Jacob of Little Rock, Lance Curtis of Bryant, Skip Cook of Little Rock and Steve Munn of Lonoke, executive committee members of Arkansans for Governmental Reform. That group spearheaded the 1992 drive for term limits in Arkansas.

★ ★ ★

Also on hand for the arguments were some well-known faces in Washington.

Former White House Counsel Lloyd Cutler sat near the back of the packed chambers. He watched his law partner, Louis Cohen of the Washington firm Wilmer Cutler & Pickering, make the primary arguments against the Arkansas law. Cohen represents the Arkansas League of Women Voters.

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Tucker again the holiday target

Gene Lyons



Well. Happy Thanksgiving to you, Gov. Tucker, and a joyous indictment. At least that's the latest unsubstantiated word from the *Los Angeles Times*, which does seem to be making rather a tradition of the pre-emptive holiday strike. Just last year, you may recall, the same newspaper chose Christmas Eve to launch the infamous state trooper smear upon President and Mrs. Clinton. (The *Democrat-Gazette* also participated in that extraordinary episode in the annals of American journalism.)

Something else that's begun to look familiar is the *Times*' seeming inability to get even the simplest story involving Arkansas political figures straight. But more about the latest in a series of maddeningly irresponsible blunders momentarily.

One of the first rules a young reporter (or rookie cop) is supposed to learn is this: *Anybody can say anything about anybody.* So the first thing you're supposed to learn is: Does your source have any proof? Any credibility? Axes to grind?

When an ugly allegation comes gift-wrapped from an enemy — Cliff Jackson, for example — it should be treated with great skepticism.

The trooper story got none until a few days *after* the Clintons' big Christmas surprise, when it took the Little Rock A.P. about 24 hours to learn that in 1990 troopers Larry Patterson and Roger Perry had wrapped a patrol car around a tree while on a drinking spree, and lied to their superiors to save their jobs, then swore to a completely different version in a civil lawsuit. Other inconsistencies in their story soon surfaced. In short, the troopers had no proof, little credibility and a history of lying for personal gain. Their allegations should never have been printed.

But back to the *Times*' latest blunder. To begin with, the real news is that if Gov. Jim Guy Tucker is the biggest fish in Kenneth Starr's net, the special prosecutor must be getting hard up for somebody to indict. Tucker has no known business ties to the Clintons, and no strong political ties, either. Word has it he and Bill Clinton aren't too fond of one another.

Second, if the leaks came from Starr's office, then Tucker's angry response seems amply justified. It's axiomatic that a prosecutor can get a grand jury to deliver an indictment against a ham sandwich if he wants one. That's because it's a closed-door proceeding in which the accused has no judge or defense lawyer to keep the prosecutor on the straight and narrow.

Depending upon how badly he wants to indict somebody, a prosecutor can present only the evidence he wants the jurors to see, interpret the law any way he chooses and omit any inconvenient or exculpatory facts or explanations. Like David Hale's near-absolute lack of credibility, to choose the most obvious example. Or Tucker's own testimony, for another.

Anyhow, the temptations to prosecutorial abuse are enormous here. So it follows that if Kenneth Starr's staff is playing footsie with the *Times*, it's a real bad sign. Regardless of how things turn out down the road, what I liked about Tucker's furious Thanksgiving Day press conference was that he put Starr on notice that unlike another Arkansas politician of note, Jim Guy's no pussycat. He will stand and fight.

But my own suspicion is that the *Times*' proverbial "sources close to the investigation" aren't Starr's people at all, but talkative grand jurors. Why? The *Times*' near-spectacular inaccuracy, that's why. Once again, the newspaper managed to get almost every significant element it reported about the Whitewater affair dead wrong — even repeating a charge that *The Washington Post* retracted weeks ago under embarrassing circumstances.

First, there's the now-famous $300,000 loan David Hale says Clinton twisted his arm to make to Susan McDougal. "One third of the money," the *Times* reported "was then used by the Whitewater Development Corp. for a land purchase."

That's simply false. Contrary to Hale's story, reporting by a team of *Democrat-Gazette* reporters led by Mary Hargrove showed as long ago as September that Susan McDougal used only $25,000 of the loan proceeds to invest in the Lorance Heights subdivision.

The Clintons had no financial interest in or knowledge of the property, and none of the dough ever went into Whitewater.

Elsewhere, the *Times* reported *as facts* what are merely accusations and suppositions: That the Clintons invested less in Whitewater than the McDougals, that Madison S & L money was siphoned into Whitewater accounts, and that Jim McDougal illegally funneled depositor funds into Clinton's campaign coffers.

There's no known evidence to prove any of those allegations.

But the real humdinger in the *Times* story was cut from most editions of the *Democrat-Gazette*. It concerns L.D. Brown, another state trooper who has made something of a profession of telling tales about Clinton to *The American Spectator* and other partisan publications.

According to the *Times*, Brown told the FBI that he overheard Clinton urging David Hale to make the incriminating $300,000 loan. The *Post* did run a story to that effect, but when reporters finally contacted Brown 24 hours later, he denied it, not only forcing the *Post* to retract the story, but to admit that its only source had been the *Washington Times* its infamously inaccurate right-wing rival.

It'll be interesting to see who the *Times* blames.

◆

Gene Lyons is a Little Rock author whose latest work is "Widow's Web." His column appears every Wednesday.

Wednesday
11-30-94

P.02

NOV-30-94 WED 11:48

Justices delve into question of term limits

BY JANE FULLERTON
Democrat-Gazette Washington Bureau

WASHINGTON — U.S. Supreme Court justices peppered lawyers Tuesday with questions about the constitutional issues related to Arkansas' congressional term-limits provision.

The Arkansas case marks the first time the nation's highest court has considered the politically volatile question of whether a state can restrict the terms of members of Congress.

"It went well," Attorney General Winston Bryant said after 90 minutes of oral arguments. "It's a very broad case. ... It was a tough case to ... be prepared to argue."

Bryant made the primary arguments on behalf of the Arkansas amendment. He faced a withering series of questions from justices.

"It was a lively discussion," said Elizabeth Robben Murray of the Little Rock law firm Friday Eldredge & Clark. "The Supreme Court had obviously read not only all the briefs but the source materials as well."

Murray represents the Arkansas League of Women Voters, which filed the lawsuit against the state challenging the amendment. She appeared as a co-counsel before the court but did not participate in oral arguments.

• Both sides in term-limits battle declare victory 10A
• Plenty of Arkansas observers on hand for arguments 10A

The outcome of the case could alter the makeup of Congress.

If the Arkansas provision is upheld, it would pave the way for implementing similar provisions that have been adopted by 21 other states.

If the Arkansas provision is overturned, the fight for congressional term limits would rest solely in Congress, where Republicans have promised to push for a U.S. constitutional amendment.

A ruling in the case is not expected until next year, possibly late June just before the court begins its summer recess.

Justice Antonin Scalia and Chief Justice William Rehnquist seemed skeptical of the arguments against term limits.

But questions from Justices Stephen Breyer, Ruth Bader Ginsburg, Anthony Kennedy, Sandra Day O'Connor, David Souter and John Paul Stevens indicated they have concerns about the constitutionality of term limits.

Justice Clarence Thomas remained silent throughout the arguments.

Bryant opened the session by

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Terms

• Continued from Page 1A

arguing that Arkansas voters have the constitutional authority to impose term limits on their federal officeholders.

About 60 percent of Arkansas voters supported the constitutional amendment on Nov. 3, 1992. It would force U.S. representatives to run as write-in candidates after three two-year terms and U.S. senators to run as write-in candidates after two six-year terms.

In March, the Arkansas Supreme Court ruled that congressional term limits violated the U.S. Constitution. It upheld the portion of the law that limited the terms of state officeholders.

The amendment limits statewide constitutional officers to two four-year terms, state senators to two four-year terms and state representatives to three two-year terms.

Twenty-two states have imposed term limits on members of Congress. Nine states passed restrictions this month. But two court rulings — in Arkansas and Washington state — have overturned congressional term limits.

States with congressional term limits



All 22 states limit U.S. senators to two six-year terms.

State	Year passed	Percentage of the vote
Alaska	1994	63%
Arizona	1992	74%
Arkansas	1992	60%
California	1992	63%
Colorado	1994	51%
Florida	1992	77%
Idaho	1994	59%
Maine	1994	63%
Massachusetts	1994	51%
Michigan	1992	59%
Missouri	1992	74%
Montana	1992	67%
Nebraska	1994	68%
Nevada	1994	70%
North Dakota	1992	55%
Ohio	1992	66%
Oklahoma	1994	67%
Oregon	1992	69%
South Dakota	1992	63%
Utah	1994	*
Washington	1992	52%
Wyoming	1992	77%

SOURCE: U.S. Term Limits

* Passed by State Legislature

Arkansas Democrat-Gazette

The central question before the U.S. Supreme Court is whether a state can impose restrictions on candidates for federal office.

Advocates of the Arkansas provision argue that states have broad powers under the Constitution to regulate federal elections. They further contend that since incumbents still could be elected as write-in candidates, the restrictions do not constitute additional qualifications for office.

Opponents argue that Arkansas' law is unconstitutional because it places qualifications on congressional candidates other than those specified in the U.S. Constitution —age, residency and citizenship. They contend that such restrictions impair the right of voters to choose their representatives.

"Our founding fathers envisioned a Congress of citizen legislators," Bryant told the court.

During the 20th century, he said, there has been an increase in "entrenched incumbency" that has resulted in an electoral process that is "less fair, less competitive and less representative."

The justices began grilling Bryant within minutes.

At one point, O'Connor elicited laughter from the audience by remarking, "Well, General Bryant, this is a very remarkable position."

Moments later, Kennedy characterized Bryant's position as a "very odd interpretation" of the Constitution.

Joining Bryant to argue for term limits was John Kester of the Washington firm Williams & Connolly. He represents U.S. Term Limits, a Washington-based organization that supports term restrictions.

Arguing on the other side of the case was Louis Cohen of the Washington firm Wilmer Cutler & Pickering. He represents the Arkansas League of Women Voters.

Joining Cohen in arguing against term limits was Solicitor General Drew Days, who appeared on behalf of the Clinton administration.

Cohen compared the Arkansas provision to a footrace. He said it is like mandating that a previous winner in the 100-yard dash must start 50 yards behind the field "because you want to pass the medals around."

The justices questioned Cohen closely. At one point, he conceded a major point of his argument, saying the term-limits provision did not constitute an additional qualification on candidates.

"That's a very major concession," said Justice John Paul Stevens.

Cohen countered that it doesn't matter what the term-limits provision is called, it is something that states don't have the power to implement.

He closed his comments by noting that the only way for congressional term limits to be imposed is through a U.S. constitutional amendment.

Congress likely will take up that issue early next year. Republicans, who will control the House and Senate, have promised a vote on term limits within the session's first 100 days in the House.

The court session "was lively and spirited," Cohen said afterward. "I'm not going to make any ... predictions."

NOV-30-94 WED 11:51 P.05

The Washington Times MONDAY, NOVEMBER 28, 1994

Whitewater figure denied immunity

Starr rejects Susan McDougal's offer to testify

By Jerry Seper
THE WASHINGTON TIMES

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Kenneth W. Starr, the Whitewater independent counsel, has rejected an offer by Susan H. McDougal to testify in the Whitewater investigation in exchange for "total immunity," but her attorney hopes a deal can still be reached.

Facing an indictment, Mrs. McDougal offered last week to testify to a federal grand jury in Little Rock on what she knows about Whitewater Development Corp. and Madison Guaranty Savings and Loan Association, said her attorney, Bobby McDaniel.

"Susan McDougal is caught up in this because of events eight or 10 years ago and does not have the means to face indictment," Mr. McDaniel said. "She is in the picture only because the investigation involves the president and Whitewater.

"If the purpose is to seek the truth, whether her testimony would help or hurt is for the prosecutors to decide," he said. "At this moment, however, it is our position she will testify only if granted total immunity."

Mrs. McDougal has been mentioned with her ex-husband, James B. McDougal, controlling owner of Madison, as a prospective indictment target in the Whitewater probe, along with Arkansas Gov. Jim Guy Tucker and former U.S. Associate Attorney General Webster L. Hubbell.

Madison was closed by federal regulators in 1989 at a cost to taxpayers of $50 million. The McDougals, who held 77 percent of the Madison stock, were partners with the Clintons in the Whitewater project, an Ozarks real estate venture that also failed.

Madison and Whitewater are key targets in the Starr investigation.

Mrs. McDougal's testimony in the case is considered important, say sources familar with the Whitewater inquiry. They say she can explain several of the confusing areas of the tangled Madison-Whitewater relationships.

Central to any testimony would be her firsthand knowledge of whether the Clintons personally benefited from funds funneled from Madison to Whitewater, and whether any of that money was used to pay off the Clintons' personal loans or campaign debts.

She also could testify about her involvement and that of Mr. Clinton in a $300,000 Small Business Administration-backed loan she got in 1986 from former Little Rock Municipal Judge David L. Hale through Capital-Manage-

see **STARR**, *page A10*

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ment Services Inc., a Little Rock lending agency Hale owned. A third of the loan, which was never repaid, was used by Whitewater to buy property near Little Rock.

Hale, now a Whitewater witness, has told the grand jury Mr. Clinton and Mr. McDougal pressured him for the SBA loan. L.D. Brown, an Arkansas state trooper who worked on Mr. Clinton's security detail in the mid-1980s, has corroborated Hale's testimony, telling investigators he overheard Mr. Clinton ask Hale for financial assistance.

Mr. Clinton has said he never talked to Hale about a loan.

SBA loans are intended for impoverished minority applicants otherwise unable to obtain commercial loans. At the time of the loan, the McDougals' net worth was $2.2 million.

Mrs. McDougal also is believed to know about a November 1985 check for $7,500 from Madison Marketing to Whitewater that was used to pay down a personal loan taken out by the Clintons. Madison Marketing, an advertising agency owned by Mrs. McDougal, was described by the Federal Home Loan Bank Board (FHLBB) as a "sham."

Records show the $7,500 was diverted to a Whitewater account to make a payment on a $20,000 personal loan to the Clintons from Security Bank of Paragould, Ark.

Mrs. McDougal, a member of Madison's board of directors, received more than $1.5 million in commissions as the owner of Madison Marketing, the FHLBB said.

Mr. McDaniel said his client's offer to cooperate in the Starr probe was prompted by media speculation that she would be indicted.

"There's no sense for her to cooperate if they are going to indict her anyway," he said. "No implication should be drawn" that her testimony would identify criminal activity by others involved in the thrift or Whitewater, he said.

"Susan McDougal is not looking to help convict anyone," he said. "She is interested only in helping prosecutors find the truth, if that's what they're looking for."

Mr. McDaniel said that while his client's offer was rejected by Mr. Starr's staff, he expects further talks. He said prosecutors told Mrs. McDougal to "come in and tell us everything you know, we'd be happy to talk and decide later what we might be able to offer you."

"We're in a holding pattern right now because they've got all the cards," he said.

Whitewater investigators followed a similar course in negotiations with Hale, who signed a plea agreement earlier this year and has been a frequent witness before the Whitewater grand jury.

Hale, who initially sought total immunity on four unrelated SBA fraud counts, later agreed to testify in exchange for reduced charges and a promise by prosecutors to make note of his cooperation during sentencing.

Mr. Starr has declined comment on the Whitewater probe, saying in a statement: "Secrecy has been and will continue to be a hallmark of this investigation."

His investigators are looking into the suspected diversion of funds from Madison to Mr. Clinton's gubernatorial campaigns, and into criminal referrals by the Resolution Trust Corp. naming Mr. Clinton and Mr. Tucker as suspected principals in "shell corporations" created by Mr. McDougal. The referrals said Mr. Clinton and Mr. Tucker stood to benefit from a check-kiting scheme and account overdrafts authorized by Mr. McDougal.

Mrs. McDougal was questioned earlier this year by then-Whitewater special counsel Robert B. Fiske Jr. on her ties to Madison and Whitewater. During that interview, the sources said, she said Mr. Clinton, then the governor of Arkansas, ordered her to deliver Whitewater records to the governor's mansion "sometime before" an October 1991 announcement that he planned to seek the presidency. She said Mr. Clinton asked for the records on a promise — never fulfilled — that he would return them.

Mrs. McDougal told Mr. Fiske the records were later delivered to the Little Rock mansion "by one of her brothers." Her brothers, William and James Henley, were Madison officers.

During the 1992 presidential race, the Clintons described themselves as "passive shareholders" in Whitewater and denied having any of the partnership's records. Their comments were in response to a March 1992 account in the New York Times reporting that the Clintons had improperly deducted $5,100 in Whitewater interest payments on their 1984 and 1985 tax returns.

At a White House news conference in April, Mrs. Clinton insisted that neither she nor the president did anything wrong in Whitewater and reiterated claims that partnership records had not gone to the mansion at her husband's or her request.

The 1991 request by Mr. Clinton for the records was the second time the McDougals said they sent Whitewater documents to the governor's mansion. Mr. McDougal said he forwarded records he had to Mrs. Clinton in 1987 at her request after the FHLBB removed him from Madison's board for diverting money to himself and others.

A year earlier, Mrs. Clinton served as legal counsel to Mr. McDougal on a $2,000-a-month retainer in a bid to keep Madison open after state regulators said the thrift was nearly insolvent. She persuaded a state regulatory board, appointed by her husband, to keep Madison open.

Bentsen, Dole see GATT win

Treasury chief says vote will be close

By David R. Sands
THE WASHINGTON TIMES

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The Washington Times MONDAY, NOVEMBER 28, 1994

It's gut-check time for GATT.

The Clinton administration and congressional supporters expressed qualified optimism yesterday that the House and Senate will approve the global trade deal in climactic votes this week.

"I don't think it's any slam dunk . . . but I think we're going to win it," Treasury Secretary Lloyd Bentsen said yesterday in an interview on CBS-TV's "Face the Nation."

"I think [support] is going to be fairly widespread," added Sen. Bob Dole, Kansas Republican and minority leader, in a separate interview on NBC's "Meet the Press."

But Mr. Bentsen pointedly declined to say the administration has nailed down the votes it needs in the Senate, where Thursday's vote is expected to be close. The

GATT

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House votes tomorrow, with the agreement expected to pass handily.

"It's not wrapped up," Mr. Bentsen said. "I think we still have our work to do."

The complex pact, concluded by more than 120 nations under the General Agreement on Tariffs and Trade, would lower tariffs and other trade barriers around the world. President Clinton has called GATT "the biggest tax cut in history," saying the lower tariffs and expanded trade opportunities will boost U.S. growth and cut consumer prices.

But critics contend the agreement will hurt specific U.S. industries, expand the federal budget deficit, and subject a range of U.S. environmental, health and safety laws to a new international trade bureaucracy through the proposed World Trade Organization.

Opponents kept the pressure on Mr. Dole, whose decision to support GATT last week greatly boosted its chances in the Senate. Treaty opponents in his home state of Kansas took out full-page newspaper ads criticizing Mr. Dole's stand.

Texas billionaire Ross Perot, a staunch opponent of the pact, threatened last week to form a third party if Congress approved the GATT.

But Mr. Dole said yesterday that reassurances he received from the administration about the World Trade Organization persuaded him to support the pact. He also played down the political fallout from the GATT vote.

"I campaigned in 47 states the last year and a half," Mr. Dole said yesterday, "and I'll bet we didn't have 10 questions on GATT. This was not a big issue in the 1994 election."

Mr. Perot is part of an unusual coalition that opposed last year's free-trade agreement with Mexico and has staged a reunion to try to defeat GATT. His allies in the fight include conservative columnist and fellow presidential candidate Patrick Buchanan, the Rev. Jesse Jackson and consumer crusader Ralph Nader.

The House vote requires a simple majority, but treaty supporters in the Senate will have to muster a three-fifths majority to clear a procedural hurdle related to GATT's effect on the federal budget. A number of senators have not said how they will vote on the politically sensitive budget issue.

Mr. Bentsen said yesterday he remained optimistic about this week's votes, if only because of the consequences if the United States turns down the agreement, which has been under negotiation since 1986.

Less than a third of the GATT nations have formally ratified the accord. Most are waiting for the U.S. vote before taking action. Without U.S. membership, trade analysts say the World Trade Organization would not get off the ground.

GATT AT A GLANCE

Key provisions of the General Agreement on Tariffs and Trade:

- **Tariffs:** The border taxes imposed to put imports at a competitive disadvantage will be reduced worldwide by an average of 38 percent.
- **Duty free:** In some cases, tariffs will be eliminated entirely. The portion of products entering the United States duty free will increase from 10 percent to 40 percent. For industrialized countries worldwide, the percentage will rise from 20 percent to 44 percent. Products that will become duty-free, some after a phase-in period, include beer, toys and paper products.
- **World Trade Organization:** A permanent WTO will be created to replace GATT. It will have more power to enforce rulings in trade disputes, primarily through the elimination of the current one-country veto.
- **New areas:** The rules of world trade will be expanded to cover agriculture, services such as banking and insurance and the protection of intellectual property rights.

Source: Associated Press

The Washington Times

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Whitewater Counsel Asks Sentence Delay

LITTLE ROCK, Ark., Nov. 19 (AP) — The independent counsel investigating Whitewater says he wants to delay the sentencing of a former judge who has pleaded guilty to fraudulently seeking Federal money for his lending company.

Last year the former judge, David Hale, said that President Clinton, while he was Governor of Arkansas, pressed him to lend money to politically connected friends. One of these was Susan McDougal, who with her former husband, James, head of the Madison Guaranty Savings and Loan Association, invested with Mr. Clintonin the Whitewater venture to build vacation houses in the Ozarks.

Federal investigators are examining the failure of the Madison Guaranty to see if money was diverted to the land venture or to help retire Mr. Clinton's 1984 campaign debt.

The President has denied any wrongdoing in his dealings with Mr. McDougal, and has dismissed Mr. Hale's allegations.

In a motion filed on Thursday in Federal District Court here, the independent counsel, Kenneth W. Starr, said: "The importance of not sentencing Hale before the completion of this investigation cannot be over-emphasized. Hale's cooperation touches directly on some of the most sensitive matters."

Mr. Hale, a former municipal judge, faces up to 10 years in prison and a $500,000 fine at his sentencing, which is now scheduled for Dec. 5.

Homeless Advocates Protest Radio Show

LOS ANGELES, Nov. 19 (AP) — A radio talk show host who suggested killing street people has drawn the ire of advocates for the homeless, who have asked the Federal Communications Commission for equal time and a review of the station's license.

The host of the program on KFI-AM, Emiliano Limon, said during a broadcast last summer, "If homeless people cannot survive on their own, why shouldn't they be put to sleep?" He called the homeless "a burden" and "a waste of space." This week, after volunteering at a shelter for the homeless, he said street people should be sent to desert camps rather than killed.

The Los Angeles Coalition to End Homelessness and the Los Angeles County Commission for Public Social Services, an advisory group appointed by the county, filed their complaints with the Federal commission on Thursday.

The county panel said in its complaint, "Free speech does not entitle one to yell 'fire' in a crowded theater; so too must journalists avoid invitations to murder."

A spokesman for the F.C.C. in Washington, Milton Gross, said the station was not required to provide equal time and that complaints of inciting violence were not in the Federal commission's jurisdiction.

The station apologized for Mr. Limon's remarks but said Mr. Limon had a right to say what he wanted.

Many Women Eager to Test Abortion Pill

Thousands Inquire At Clinics in Study

By MAUREEN BALLEZA
Special to The New York Times

HOUSTON, Nov. 19 — A month after the announcement that the Planned Parenthood clinics here and in five other cities would take part in the clinical trial of the French abortion drug RU-486, thousands of women have called to volunteer, the clinics say.

"It's been much more than we expected," said Kitty Kahn, director of surgical services for the Houston clinic. Her clinic has received more than a thousand calls from prospective volunteers from Texas, Oklahoma and Louisiana, and as far away as Iowa, she said.

At the Cambridge, Mass., clinic, the response has been "amazing," said Susan Newsom, a spokeswoman who has fielded calls from across the Northeast. In San Diego, hundreds of calls have come from women in Washington, Oregon, Arizona and Virginia, said a spokeswoman, Rita Sarich.

The Planned Parenthood clinics are among 12 to 20 nationwide that were selected by The Population Council, a nonprofit group in New York, to take part in the trial of RU-486, a drug that has been surrounded by controversy in the United States.

Although the drug has been used by more than 150,000 women in Europe as an alternative to surgical abortion, it still must be tested here before being approved by the Food and Drug Administration.

Its French maker, Roussel Uclaf, which had been threatened with a boycott by American anti-abortion groups who feared the drug would make abortion more common, was reluctant to venture into the United States market and turned over to the council the rights to the RU-486, whose chemical name is mifepristone.

A total of 2,100 volunteers will participate and all trials should be completed next spring, the council said.

"The bad news is that after clinical trials it won't be available until it gets F.D.A. approval," Ms. Kahn said. The pill is not expected to be available to doctors in the United States until 1996.

To protect the privacy of the women involved in the trials and help the clinics protect themselves from possible violence, the council left it up to each clinic to decide for itself whether to make its participation public.

Planned Parenthood immediately announced which of its sites would take part in the trial; besides those in Houston, San Diego and Cambridge, the clinics are in Des Moines, Aurora, Colo., and Williston, Vt.

At Planned Parenthood in Houston, prospective volunteers for the trial range from the anxious to the curious, but the general profile seems to be one of "intelligent women who are highly motivated, who are educated about their bodies and are trying to make the best decision for their lives at this time," Ms. Kahn said.

Volunteers must be within the first eight weeks of their pregnancy, without underlying health problems, and live within an hour of the clinic, although "people even volunteered to come here and fly back and forth," Ms. Kahn said.

Volunteers must also agree to a surgical termination if the process fails. The Houston clinic now has a group of about 20 women who are candidates for the trial, which is expected to get under way here in the next two weeks.

After a medical examination and counseling, volunteers will take mifepristone. Two days later, they return to take a steroid, misoprostol, which induces contractions, followed by the cramping, tissue loss and bleeding of miscarriage. Moreover, the clinical trial requires substantial testing and monitoring.

The clinics in San Diego and Cambridge mirror those here. Ms. Newsom said clinic officials had been surprised, given the complicated nature of the trial, at the number of women eager to participate. "Our experience has been that people are anxious to try it and disappointed when they can't participate," Ms. Newsom said.

Thus far, protests have been limited.

"It's the same people who always protest," Ms. Newsom said. "They just change their signs."

In Houston, the site of vigorous protests and a court case that ended in a guilty verdict and punitive damages against some ardent anti-abortion individuals and organizations, the mood is cautious.

"We have not had major protests and it's been pretty quiet nationally, which is a surprise" said Susan Nenney, speaking for the Houston clinic. "We expected lots of calls and lots of protests, and we've gotten one and not the other yet. I think the 'yet' is very important."

Washington Talk: How Government Works

Whitewater

Drive Started To Help Man Reclaim Farm

OMAHA, Nov. 19 (AP) — A man whose father, a farmer, was convicted of perjury during bankruptcy proceedings and sentenced to prison has started a campaign to help his father reclaim his farm when he is released on Nov. 28.

The father, Ernest Krikava, lost his 1,000-acre hog operation, and family members have said that during bankruptcy proceedings a bank to which they owed money was so strict that they had to sell $35,000 worth of hogs under a relative's name to feed themselves and their animals.

Mr. Krikava was convicted of perjury in connection with the sale and sentenced to five months at the minimum-security Federal prison at Leavenworth, Kan. His wife, Carol, and son Kevin pleaded guilty to perjury and avoided jail.

Kevin Krikava said he had been skeptical when Brian Mello called him earlier this month to propose selling coupon books with a substantial amount of the price to raise money to buy back his father's farm.

Mr. Mello, who owns National Coupon Warehouse based in Palm Harbor, Fla., eased the son's concerns by meeting with his lawyer.

So 10 days before Mr. Krikava's scheduled release from prison, the coupon books went on sale: $80 worth of coupons for name-brand grocery products for $15, or $200 worth of coupons for $25.

Mr. Krikava said he liked the idea because it gave something back to those who wanted to help — food — which is related to his father's livelihood.

"It contributes back to what he's done all his life," the son said. "It's kind of making a circle."

Mr. Mello said he had heard about Ernest Krikava's plight on the television show "A Current Affair."

"I was shocked," Mr. Mellow said. "For them to be putting a farmer in jail is absurd."

The case also bothered the country singer Willie Nelson, who is to take part in a benefit concert with Tammy Wynette and Marty Stuart.

It will take about $70,000 to buy back the farmhouse and 130 of the 1,000 acres his father lost, Mr. Krikava said. He said he hoped to raise more.

Mr. Krikava continues to live in the farmhouse south of Pawnee City, along the Kansas border, leasing it and some of the land from a doctor who bought it. Mr. Krikava's mother died in January.

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White House Gets Nervous About the Fed

Latest Rate Increase Irritates Some Aides

By KEITH BRADSHER
Special to The New York Times

WASHINGTON, Nov. 19 — The first five times the Federal Reserve raised interest rates this year, the Clinton Administration was surprisingly accepting. But last week's big increase produced a more varied reaction, leading to worries and irritation among some of the Administration's most senior economic officials.

The concern at top levels of the Administration is that the Fed's actions this time may begin to threaten the 3½-year-old economic expansion that must continue through 1996 if the President is to have any serious chance of winning re-election. A top policy maker, who insisted on anonymity, called the rate increase "a more marginal decision on the part of the Fed" than the central bank's previous interest rate moves.

Only a few hints of irritation have appeared so far in public. Deputy Treasury Secretary Frank N. Newman indirectly questioned the move, saying at an economic policy forum here on Thursday that it is unclear whether the Fed's most recent rate increase is the the right approach to forestall inflation or whether it will prove unnecessary.

To be sure, a range of opinion on the Fed exists within the Administration, from complete support to cautious dismay. The weight of opinion among senior officials still seems to lie in favor of grudgingly accepting the rate increases, but a slow shift toward disagreement seems to have begun.

Still, whatever happens, Administration officials say they plan to avoid following the examples of President George Bush and President Lyndon Johnson in publicly and vociferously criticizing the central bank. "We don't comment on the Fed," said Robert E. Rubin, the assistant to the President for economic policy. "We have enormous regard for the independence of the Fed."

Without exception, Administration officials say public remarks would stir fears in financial markets of conflict between the White House and the Fed, pushing long-term interest rates higher. Meanwhile, they would have virtually no effect on the central bankers.

Some officials even fear that public criticisms would prompt the Fed to push interest rates even higher so as to reassure financial markets of its continued independence.

Mr. Newman, the Treasury official, went out of his way in a subsequent interview to say that when he suggested on Thursday that the rate hike might prove unnecessary, he had not intended to criticize the Fed. "I intended to make no judgment one way or the other, but simply to point out that when one makes decisions based on projections of the future, one finds out in the future if they were right or wrong," Mr. Newman said.

The central bank has tried all year, with little success so far, to rein in the economy's strong growth on the belief that slower growth is necessary to prevent inflation from rising. But the Clinton Administration and many private forecasters believe the Fed will eventually succeed in applying the brakes, with growth at least beginning to slow in 1995 and 1996.

While the timing of the expected slowdown cannot be pinpointed, most economists believe its full brunt will likely be felt by early 1996, just as the Presidential primary season gets under way. The Fed itself estimates that the full effect of Tuesday's rate increase will not be felt for 12 to 18 months.

The biggest impact from higher interest rates, economists say, comes not from the immediate rise in mortgage and car loan rates, but only later after companies decide that rates have risen so much that it no longer makes sense to build new factories or install extra equipment.

Important corporate investment and purchasing decisions are commonly made a year or more in advance, which makes it very difficult for anyone to predict with confidence how long it takes before monetary policy affects the economy.

Publicly, Administration officials play down the possibility that the Fed's actions will lead to a sharp slowing of economic growth. Treasury Secretary Lloyd Bentsen said in an interview on Thursday that he expected the economy to grow 3.3 percent this year and slow to a 2.7 percent pace in the next two years.

Even though Administration is not prepared to condemn the Fed interest rate hikes, that has not stopped some Congressional Democrats from expressing their fears. "I think the effects of this are going to be disastrous to the economy and that's going to be disastrous to the Democrats," said Representative Maurice D. Hinchey, a New York Democrat on the House Banking Committee who follows monetary policy.

Company News:
Tuesday through Saturday,
Business Day

AM-AR--Whitewater, Bjt,520
Indictments Seen in Whitewater Case; Pressure on Some Figures
pykkstf
By PETE YOST= Associated Press Writer=

LITTLE ROCK, Ark. (AP) The Whitewater prosecutor is pressing potential witnesses to cooperate, telling at least one that indictments will be coming within a month. Another says the word from the prosecutor's office is ``Get aboard or get run over.''

In all, three Whitewater figures say that in recent weeks they have been encouraged by the office of prosecutor Kenneth Starr to cooperate with authorities.

The focus of the stepped-up investigation is the failed Arkansas savings and loan once owned by the Whitewater business partners of then-Gov. Bill Clinton and Hillary Rodham Clinton.

Starr's office has informed one of the three figures that indictments are in the works for ``the end of November or early next month,'' that figure said Friday.

The three spoke only on condition of anonymity.

They all had ties to Madison Guaranty, the S&L whose biggest stockholders were Jim and Susan McDougal.

Prosecutors, meanwhile, are praising the cooperation of David Hale, who has made allegations against Clinton and Arkansas Gov. Jim Guy Tucker.

As a private citizen, Tucker was a prominent Little Rock attorney whose clients included Madison. He and companies he controlled borrowed over $1 million from the S&L and from Hale's Small Business Administration-backed loan company in the 1980s.

Hale, a former Little Rock municipal judge, alleges he was pressured by Clinton to make a $300,000 federally backed loan to Susan McDougal that has never been paid back.

Starr is asking a federal judge to delay Hale's planned sentencing, saying Hale's scheduled Dec. 5 court appearance could ``jeopardize the investigation by alerting potential or actual subjects'' about evidence against them.

Hale pleaded guilty March 23 to two felonies and has been cooperating with Whitewater prosecutors ``in an extensive and continuous manner'' ever since, Starr said in court papers filed this week.

Clinton has said he has no recollection of talking to Hale about money and has called Hale's allegations ``a bunch of bull.'' Tucker has said he did nothing wrong in Whitewater.

Starr kept his investigation in low profile in the weeks before Election Day but recently has been subpoenaing records, say other sources, also speaking on condition of anonymity.

Among Starr's activities: obtaining a federal grand jury subpoena for documents from an attorney who once represented Susan McDougal. The lawyer, Tom Overby, represented her in 1986 in her role as a major stockholder in Madison Guaranty.

Overby and Mrs. McDougal's current lawyer, Bobby McDaniel, said the records were turned over to the FBI as requested the day after the November elections.

McDaniel declined to comment further. Tucker's lawyer, John Haley, wasn't available for comment Friday, but he has said in recent weeks that he hasn't had contact with the Whitewater prosecutor's office. Jim McDougal's lawyer, Sam Heuer, declined comment.

A spokeswoman for the Whitewater prosecutor's office, Deborah Gershman, said the office ``cannot comment on an ongoing investigation.''

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PM-AR--Ark Wkd Briefs, 2nd Add,680
UNDATED: 26 program.

= Counsel Says Secrecy Is Key to Investigation

LITTLE ROCK (AP) The office of Whitewater independent counsel Kenneth Starr said Friday that it will not comment on reports that Gov. Jim Guy Tucker and others will be indicted soon in the Whitewater case.

The Los Angeles Times reported Thursday, in an article citing ``sources close to the case,'' that Starr was expected to seek indictments soon against Tucker and other key players in the Whitewater matter.

The newspaper reported that others virtually certain to be named in indictments included Webb Hubbell, former associate attorney general who was once a partner with first lady Hillary Clinton in the Rose Law Firm of Little Rock; former savings and loan owner Jim McDougal of Arkadelphia and his former wife, Susan McDougal, who were partners with President Clinton and his wife in the Whitewater Development Corp.; and some lower-level employees of Madison Guaranty Savings and Loan, once owned by McDougal.

Tucker said a story like that in the Times' ``causes great personal and family pain. If this story, and others like it quoting various unnamed `sources,' is not true, the injustice of what has occurred is obvious.''

= Foundation Works to Change Delta

CONWAY, Ark. (AP) Marlin Jackson heads a bank in Conway but hasn't forgotten his roots in the impoverished Mississippi Delta.

He grew up during the Depression, living in a farmhouse on stilts in the St. Francis River floodway.

President of Worthen National Bank, Jackson serves on the board of the Foundation for the Mid South, a non-profit organization devoted to helping change the historically poor Delta region.

``Of all the organizations dealing with the worst problems of the Delta, the foundation stands head and shoulders above anything I've ever done in 40 years,'' Jackson said.

The organization is an outgrowth of the Delta Commission, set up by the governors of Arkansas, Louisiana and Mississippi in May 1988.

After the governors' terms ended, former Mississippi Gov. William J. Winter and Edwin Lupberger of New Orleans, chairman and chief executive officer of Entergy, continued the effort, Jackson said. Lupberger got Entergy to give a $1 million challenge grant and then raised an additional $2 million.

The foundation's role is to broker funds from different sources, provide grants and subsidies to the region, bring together leaders and serve as a catalyst for innovative programs.

= AETN Special Compares Faubus to Long

CONWAY, Ark. (AP) History will compare Orval Faubus to George Wallace, the fiery Alabama governor, University of Arkansas journalism professor Roy Reed said.

A better comparison is Huey Long, Reed said in the next breath.

``No governor since the Louisiana Kingfish completely dominated and changed his state as much as Orval Faubus,'' Reed told viewers who were tuned Wednesday night to the Arkansas Educational Television Network presentation of ``The Governor From Greasy Creek.''

Reed, who is writing a Faubus biography, narrated a 57-minute presentation about Arkansas' 12-year governor. Reed interviewed Faubus near his Madison County roots and in his Conway home about his formative years, the 1957 Central High School desegregation crisis and the many public works programs to aid the common people.

Faubus watched the presentation at his home. Asked about Reed's objectivity, Faubus replied, ``I disagree on one thing. He knows that. He is a product of the sentiment that was built up by the (Arkansas) Gazette and other papers. They are interested in keeping it (the Central High desegregation crisis) alive.''

For the most part, Faubus, 84, who remains mostly still in a recliner with painful cancer of the spine, was unemotional, drumming his fingers on the arm of his chair at times during the presentation.

The former governor said on the program, ``Given the circumstances, I wouldn't have done anything different.'' Faubus said the federal authorities abrogated their responsibilities and narrowed action in the confrontation down to the governor.

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PHOTOCOPY
PRESERVATION

Starr rejects reports on indictments

BY PATRICIA MANSON
Democrat-Gazette Federal Reporter

Independent counsel Kenneth Starr's office refused Friday to discuss published reports that Starr soon will seek indictments against Gov. Jim Guy Tucker and other well-known political figures.

But in a written statement that managed to comment while refusing to comment, Starr's office did deny that those reports were based on information from federal investigators.

The statement blamed rumors about the activities of Starr's office on "sources outside of the investigation."

Quoting "sources close to the case," the *Los Angeles Times* reported Thursday that Starr was expected to seek indictments soon against "some key players" linked to business transactions involving the Whitewater Development Corp.

President and Hillary Rodham Clinton were among Whitewater's partners. Other partners included James McDougal, the owner of Madison Guaranty Savings and Loan Association, and Susan McDougal, then his wife.

The *Times* said those "virtually certain" to be indicted because of the Whitewater inves-

See STARR, Page 3B

Starr

• Continued from Page 1B

tigation included Tucker, the McDougals and Webb Hubbell, former associate attorney general in the U.S. Justice Department.

Friday, Hubbell said he hadn't seen the *Times* article and declined to comment.

Thursday, James McDougal told a Little Rock television station that he was prepared to argue his innocence if indicted. The same day, Susan McDougal's attorney said his client had offered to cooperate in the Whitewater inquiry in exchange for immunity.

Tucker went on the offensive. At a news conference Thursday, the governor angrily denied he would be indicted and blasted the *Times* story as another in a series of media accounts quoting unidentified sources.

If the story is true, Tucker said, it means that Starr's office — either deliberately or because of sloppy security — is allowing a "near-routine leak" of information about grand jury proceedings.

That possibility raises "ominous issues" because the disclosure of such information is against the law, the governor said.

Federal law bars prosecutors and grand jury members from revealing information about their investigations. Although witnesses can discuss their testimony, it is not uncommon for prosecutors to ask them to remain silent for a variety of reasons, including:

- To protect the witness from retaliation.
- To avoid harming the reputations of people the grand jury may decline to indict.
- To avoid compromising an ongoing investigation.

In a written statement Friday, Starr's office indirectly denied it was leaking information.

The statement said: "There have been several media reports and statements to the press over the past two days regarding the investigation that the office of the independent counsel is conducting. Secrecy has been and will continue to be a hallmark of this investigation.

"However, we have no control over what may appear in the media based upon information obtained from sources outside of the investigation and, consequently, we must not and will not comment on the reports that have appeared this week."

The statement appeared under the letterhead of Starr's Little Rock office, but was faxed to the *Arkansas Democrat-Gazette* from Washington.

Thursday's *Times* article also reported that the Whitewater Development Corp. had made a land purchase using one-third of an illegal, federally backed $300,000 loan to Susan McDougal.

Arkansas Democrat Gazette 11/26/94

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Clinton's supporters lavish with praise, stingy with wallets

BY DONNA ST. GEORGE
Knight-Ridder Newspapers

WASHINGTON — They're not bailing out Bill — not his political pal in Arkansas, not his eager-beaver fund-raiser in Boston, not the well-connected lobbyist in Washington.

None has delivered a dime yet to help save President Clinton from his legal troubles.

For more than a year, Clinton has been fending off charges that he pulled strings as Arkansas governor to fatten his stake in a resort venture called Whitewater. Then he was sued by a young Arkansas state clerk who alleges Clinton asked her to a hotel room and dropped his trousers while governor.

In June, the White House announced that the beleaguered president and his wife, Hillary Rodham Clinton, needed help to pay their lawyers.

A cool million or two would do.

No sitting president had ever asked for money before. Critics likened it to the first family begging with a tin cup on the White House lawn. Many fumed that overtaxed Americans would be asked to ship more cash to Washington.

But what about Clinton's supporters?

Now the president needs them more than ever. The new Republican leadership is fired up for its chance to cook the presidential goose, promising Clinton will be grilled in hearings on Whitewater and who knows what else.

Jan Schoonmaker, a Clinton-supporting lobbyist, says he hasn't heard a whisper about the president's legal defense fund around the Capitol. "I think it's kind of dropped off the map," he says.

"I have not heard a word about it, and a lot of my friends are very significant contributors," puzzles Mary



B. Clinton



H. Clinton

Beth Borre, a Massachusetts Democrat and member of Clinton's Northeast finance committee during the 1992 campaign. "The whole thing has been so quiet."

Almost dead.

And it's the same all around the country: an empty Clinton bandwagon — forgotten or shunned by many who steered it to boomtown.

At least that's the picture that emerges during interviews with 75 Clinton backers around the country: Washington insiders, supporters from the president's home state and heavy hitters on the president's campaign contribution list.

Most were willing to praise the president.

But only one person had opened his wallet.

The solitary donor was Jody Powell, who was press secretary for former President Jimmy Carter and now does public relations in Washington.

Powell won't reveal the size of his gift. But he wants this much known: He has no business before the executive branch.

He helped Clinton, he says, because "I just think it's kind of ludicrous that we've gotten ourselves to the position that a president who wasn't born with a silver spoon ... has this problem in defending himself."

For the official story of who's given — and who hasn't — the public will have to wait for a January report, says Michael H. Cardozo, head of what is known as the Presidential Legal Expense Trust, based in Washington.

Cardozo refuses to disclose how many people have aided the Clintons or how much has been collected. The fund accepts up to $1,000 from individuals — no businesses, unions or political action committees.

"They can't be very active raising money," guesses Mike Wilson, a longtime Clinton contributor in Arkansas, "because I've never even heard of the thing."

"A defense fund?" muses Nell Spears, an ardent supporter from Little Rock. "To which investigation does this apply, I wonder?"

Therein lies part of Clinton's problem:

Under law, federal workers can't accept gifts. There is an exception for the president, and White House lawyers have used this as a basis for the defense fund.

So the fund was created — but then limited by a law that says no federal employee can SOLICIT money.

Thus, there are no presidential letters bemoaning mounds of legal bills. No somber husband-wife appeals on television. No help-your-president hotline. No fund-raising concerts with Fleetwood Mac at the White House.

"It's kind of amusing," admits Charles Lewis, executive director of the Center for Public Integrity, a campaign-finance watchdog group in Washington. "How does a fund get money if no one solicits?"

Ah, but of course: There's a loophole.

The president's lawyers say that other people can solicit for him, as long as they aren't federal employees or associated with the trust fund.

This means that if friends from Arkansas want to remind their buddies to give to Bill, they can.

If loyal Democrats want to start a collection, they can.

So who is taking a lead?

No one really knows, not even in Washington, where there are some 10,000 Democratic operatives — quite a few pockets for the picking.

"I'm assuming we would hear if there was any organized activity going on," says Peter Peyser, a Washington lobbyist with several big Democratic clients.

"It's never come up — not in the mail, not by fax, not in spoken word, nothing," says Leonard Simon, a Clinton supporter and lobbyist for the city of Gary, Ind.

In Little Rock, Skip Rutherford is mentioned as a possible moneyman for Clinton. A public relations executive who has supported Clinton for 20 years, Rutherford isn't afraid to call the president a friend.

But Rutherford hasn't written his own check. "I will give before year's end," he assures. In the meantime, he says that, on a random basis, "I've shared the address with people ... but whether they've given I have no idea."

Right now, he says, "it's not something that's at the top of everybody's mind."

The Clinton friend who apparently did go collecting for the president — at least, for a time — is lobbyist Michael Berman.

But Berman can't talk because he's being sued for his effort by two conservative-minded watchdog organizations that contend the whole concept of a presidential legal-defense fund violates the law.

These groups also have sued the defense fund itself.

That's right: The fund that collects money to pay off the president's lawyers is being sued and must pay off its own lawyers before it pays Bill's bills.

Thus, the president needs even more money. There are new lawyers to pay. And the old ones (who reportedly charge $400 to $475 an hour) are going to work — and earn — more than anyone expected, with Republicans in power and vowing to raise a ruckus on Whitewater.

"Let's say this: I don't think it got any cheaper," says Robert C. McCandless, former counsel to the Democratic National Committee.

Even with a salary of $200,000, these are not prosperous days for Bill Clinton.

Could it be that — like all those politicians who didn't want Clinton to campaign for them — some don't want to get too close to a losing man, especially after the Republican triumph?

"There's no doubt about it," says Thomas Langston, a presidential scholar at Tulane University in New Orleans. "There's nothing to be gained by helping Bill Clinton and there may be something to be lost."

His defense fund was unpopular, of course, long before the election.

Talk radio roasted him for it. Protesters mailed in two-cent checks. A poll conducted by Gallup for CNN/USA Today showed 92 percent of those asked said they would not donate to the fund. (Seven percent said they would.)

The idea of the president asking for a handout strikes even some of his supporters as unseemly. Undignified. Unbefitting of a great nation's leader.

"I think I would have borrowed," says Mary Cassesso of Somerville, Mass.

... Or just dumb-headed.

"I just think he ought to pay his own legal fees," says J.D. Schamburger, a hotel owner in Conway, Ark., who gave to Clinton's '92 campaign. "These legal cases relate to his side occupations," not government business.

But many in the Clinton camp are more sympathetic. Their sentiments echo in the words of political consultant Marc Chimes.

"Believe it or not," Chimes says, "there is a hardcore constituency that actually likes the president."

These are folks like Maurice Mitchell, a Little Rock lawyer, and Kathleen Stassen Berger, a New York writer, and Victor Kamber, a Washington lobbyist. They would write checks — especially if prodded, they say.

"The other side is financed by the religious right and all those fringe people," say Farris Burroughs, an Arkansas businessman. "Someone needs to counter them. And living down here I know all those charges are B.S." Some say a bailout for the president is just a sign of times that are rife with lawsuits, political attacks and scrutiny of politicians' personal lives.

"They're all fallible," says Mary Beth Borre of Massachusetts — "home of JFK," she reminds. "At least he's not bopping them in the White House like some of his predecessors did."

If others are more reluctant to jump on the bandwagon, the next session of Congress might inspire them, says Chimes.

"If people see Sen. (Alfonse) D'Amato foaming at the mouth in some committee hearing along with a commentator saying the legal bill is now $2 million," he says, "then you might see donations coming in."

Whitewater indictments near

C intons not yet focus of probe

By Judy Keen
USA TODAY


AP
TUCKER: Arkansas governor



AP, Reuters
McDOUGALS: Clintons' former Whitewater partners


AP
HUBBELL: First lady's ex-partner


AP
STARR: Whitewater counsel

Whitewater special counsel Kenneth Starr is apparently exploring facets of the complex controversy that do not directly involve President Clinton or Hillary Rodham Clinton.

Starr is expected to seek indictments soon of former U.S. associate attorney general Webster Hubbell and James and Susan McDougal, the Clintons' former Whitewater partners. Thursday's *Los Angeles Ti* reports he also is seeking an indictment of Arkansas Gov. Jim Guy Tucker.

The probable indictments indicate Starr is not yet focused on the Whitewater land deal. Instead, he seems to be pursuing Madison Guaranty Savings & Loan, the failed thrift once owned by James McDougal.

Madison failed in 1989 at a $60 million cost to taxpayers. The McDougals were partners with President Clinton and Hillary Rodham Clinton in the 1978 Whitewater land deal.

McDougal told The Associated Press Monday he had not spoken with FBI agents or testified to the federal grand jury probing Whitewater.

If the McDougals, Hubbell and Tucker are indicted, it would confirm Starr is focusing on Madison-related issues:

▶ Tucker borrowed extensively from Madison and Capital Management Services, another institution being probed.

In one case, a $1 million loan from Madison was cut in half before being repaid. Tucker has said the reduction was approved by regulators after McDougal left the S&L and was reduced because Madison failed to perform sewer work on a real estate project.

Also under investigation: Tucker and his wife received Small Business Administration-backed loans from a company owned by former municipal judge David Hale, who's pleaded guilty to fraud. Tucker says the loans were repaid and he did not know the money was supposed to go to minority or disadvantaged business people.

Tucker, a Democrat, who was re-elected Nov. 8, Thursday denied criminal involvement in the Whitewater affair and suggested Starr was either deliberately leaking information for political purposes or was "recklessly loose" in his procedures.

▶ Hubbell, a former partner with Hillary Clinton in Little Rock's Rose Law Firm, resigned from the Justice Department in March because of questions from the firm about whether he overbilled clients.

Some of Hubbell's legal work was on behalf of federal thrift regulators and his firm once represented Madison.

▶ The only linkage between the Clintons and Madison: Congressional Republicans have charged Whitewater Development Corp. or Clinton's 1985 campaign for Arkansas governor may have improperly gotten money from Madison.

Starr's indictments are expected to be based in part on leads provided by Hale, who claims Clinton and McDougal persuaded him to make an illegal, federally backed loan of $300,000 to Susan McDougal.

Hale has been cooperating in an effort to win a reduced sentence for fraud.

Starr also is investigating contacts between White House and Treasury Department officials about a federal probe of Madison and the 1993 death of deputy White House counsel Vincent Foster.

A day of thanks, first family-style


White House photo via AP

GOBBLE GOBBLE: President Clinton slices turkey for wife Hillary and daughter Chelsea during Thursday's They had a traditional dinner, using favorite recipes from the president's mom and the first lady's mom. The Clintons are spending a four-day weekend at the Camp David retreat in Maryland's Catoctin Mountains.

Ending school desegregation faces hurdles

By Tony Mauro
USA TODAY

The Clinton administration's stance in a Kansas City, Mo., school desegregation case may make it impossible for urban school systems ever to get out from under court-ordered desegregation plans, critics say.

Justice Department officials said Wednesday the administration would oppose Missouri's plea in a pending Supreme Court case to end a desegregation plan that has cost the state $1.3 billion.

The administration supports a lower-court ruling that says improvements in minority student achievement must be shown before a desegregation plan can end.

That stance is a sharp departure from Bush administration arguments — in earlier stages of the case — that equality of opportunity, not equality of results, was all that a school system had to provide.

"In the most socially challenged areas of our cities, where there is the most economic disparity, achieving average test scores is a goal that may never be reached," says Missouri Attorney General Jay Nixon.

If the Clinton position prevails, says Nixon, "desegregation remedies will be ageless and timeless. It's of huge national importance."

Clinton officials say that allowing Missouri to end its support for school desegregation could encourage other systems to quit before succeeding. Nationwide, more than 100 school systems are under some form of desegregation order.

The Missouri case will be argued before the Supreme Court Jan. 11.

Independent Counsel Is Expected to Seek Indictments Soon in Whitewater Inquiry

By Viveca Novak
Staff Reporter of The Wall Street Journal

WASHINGTON – Independent counsel Kenneth Starr is expected to seek indictments in the Whitewater inquiry before the end of the year, according to individuals familiar with his investigation.

The likeliest targets remain former Associate Attorney General Webster Hubbell, Arkansas Gov. Jim Guy Tucker, and James McDougal, who was Bill and Hillary Rodham Clinton's partner in the Whitewater Development Corp. real-estate investment and owned Madison Guaranty Savings & Loan, which failed in 1989. Several other Madison employees also are likely to be indicted.

Sam Heuer, Mr. McDougal's attorney in Little Rock, said that he was unaware whether an indictment was around the corner, but that he expected to hear from the independent counsel's office in the coming week. "They are going to outline some areas they'd like to discuss with us further," Mr. Heuer said.

Representatives of Gov. Tucker, who had some large loans from Madison, said they had no reason to expect an indictment was imminent.

Gov. Tucker, in a written statement released yesterday, said: "I have had absolutely no indication from the special prosecutor that an indictment is under consideration; have not recieved any notice that I am a target of any investigation; have not been interviewed by any representative of the special prosecutor; and have not been asked to testify before the grand jury. Finally, I have done nothing that would justify an indictment."

John Haley, Mr. Tucker's lawyer, added that he and his client were still in the process of turning over documents subpoenaed by the independent counsel.

Mr. Hubbell's attorney couldn't be reached. The independent counsel has been reviewing Mr. Hubbell's billings to the government for work by the Rose Law Firm in connection with federal savings and loan cleanup operations to determine if he included charges for personal expenses. The firm was hired by the Resolution Trust Corp. to do legal work related to the failure of Madison Guaranty. Mr. Hubbell's billings to other clients are being reviewed as well, according to individuals familiar with the inquiry.

Earlier this month, subpoenas were sent to stores in Little Rock asking for information about purchases made by the Hubbell family from 1988 until 1993, when Mr. Hubbell began working for the Justice Department.

"My sense is that things are coming to a head" in the investigation of Mr. Hubbell, said a lawyer familiar with the inquiry. "My sense is they're sort of polishing off their case and bringing it to a conclusion."

Mr. Starr took over the investigation in August from Robert Fiske when a three-judge panel named him as independent prosecutor. At that time, sources knowledgeable about the case have said, Mr. Fiske had been expecting to seek indictments in September. But only two of the attorneys from Mr. Fiske's team stayed on, and the new lawyers on the team as well as Mr. Starr needed to get up to speed on the details of the complicated probe. A grand jury has been meeting every other week.

So far, there are no indications that Mr. Starr will seek indictments against the Clintons. The president's attorney, David Kendall, said he had no comment on reports in the Los Angeles Times that other indictments were expected shortly.

The Clintons and Mr. McDougal and his wife were partners, beginning in the late 1970s, in a real-estate development in the Ozarks they called Whitewater. Among the subjects that Mr. Starr is investigating is whether funds from Madison were illegally funneled to Whitewater.

At Mr. Starr's request, a federal judge has agreed to delay the sentencing of David Hale, a Little Rock figure who alleges that he was pressured by Messrs. Clinton and McDougal to make a federally guaranteed $300,000 loan to Mr. McDougal's wife, some of which was then used by Whitewater. Mr. Hale has pleaded guilty to an unrelated fraud charge and has cooperated with investigators. Mr. Starr told the judge that Mr. Hale's cooperation "touches directly on some of the most sensitive matters" in the Whitewater investigation.

One of the things Mr. Starr is said to be looking into is whether some appraisals were inflated for properties involved in Madison transactions being reviewed by the special counsel. According to people familiar with some of Mr. Starr's recent actions, the special counsel's staff has been interviewing Robert Palmer, who worked as an appraiser for Madison. An attorney for Mr. Palmer wouldn't confirm or deny the meetings.

–Ellen Joan Pollock in New York contributed to this article.

Clinton to Seek More Court Supervision Of Formerly Segregated Public Schools

By Paul M. Barrett
Staff Reporter of The Wall Street Journal

WASHINGTON – The Clinton administration, reversing the policy of its Republican predecessors, said it will seek more aggressive court supervision of previously segregated public school systems.

Administration officials said Wednesday that they will argue in a case before the Supreme Court that the historically segregated Kansas City, Mo., school system should remain under federal district court supervision. During the Reagan and Bush administrations, the Justice Department repeatedly pressed the high court to curtail judicial oversight of schools that formerly separated students by race.

While not surprising, the Justice Department's position in the Kansas City case is significant because it is the first time the Clinton administration has had a chance to take a stand in a Supreme Court desegregation case. Justice Department officials said they would ask the justices for permission to act as a "friend-of-the-court" and to participate in oral arguments in the case, which are scheduled for January. The high court is almost certain to grant such permission.

A senior Justice Department official, who spoke at a press briefing on the condition that he remain anonymous, took great pains to argue that the administration's position would merely extend Supreme Court precedents.

The official said the Clinton administration agreed with a lower-court ruling that said the federal trial judge in the Kansas City case should consider standardized test scores of minority students when deciding whether the school district has gone far enough in eradicating the effects of past segregation.

Some conservatives were quick to attack the administration's position as part of a larger "activist agenda" on race-relations. "The Clinton administration wants to find a way to keep the courts in the desegregation business in perpetuity," charged Clint Bolick of the conservative-libertarian Institute for Justice, a Washington advocacy group.

Missouri Attorney General Jay Nixon, a Democrat, also attacked the administration. He said the Justice Department's position sought "a radical departure from where the jurisprudence was in the past." Specifically, Mr. Nixon said that the Supreme Court has previously required that formerly segregated schools provide "equality of opportunity, not [a] guarantee of equality of output," as measured by minority student achievement. Missouri and Kansas City together have spent $1.3 billion to respond to court orders in the desegregation case, according to the state. The money has been used to create special programs and schools that focus on themes such as the classics.

Anticipating the criticism, the Justice Department official said it may turn out that enough has been done to remedy past segregation in Kansas City. But the official stressed that the state should be obliged to prove in court that any shortfall in minority student achievement is attributable to factors beyond the control of schools, such as poverty or health.

THE WALL STREET JOURNAL FRIDAY, NOVEMBER 25, 1994

Rose Law Firm to Close Its D.C. Outpost

Only Attorney in Washington Office Is Returning to Little Rock

Life in the capital has not been kind to the Rose Law Firm, which once seemed poised to make such a big splash here. This month, the firm where First Lady Hillary Rodham Clinton once practiced is folding its Washington office and sending its lone attorney home to Little Rock, Ark.

The closing of Rose's year-old office here, reported in this week's National Journal, was driven mostly by economics, Rose managing partner Ronald Clark said. "Most of our services continued to be for our Arkansas and regional clients, and we could serve them better from down here," he said.

On top of that, Clark said, the firm's Washington representative, Allen Bird, "just wanted to come home."

Three Rose firm lawyers moved to key posts in Washington when President Clinton came to town.

Then things soured. In the summer of 1993, White House deputy counsel Vincent Foster committed suicide. Last spring, Webster L. Hubbell resigned from the No. 3 post at the Justice Department after the Rose firm accused him of padding his expense account and overbilling clients.

The last of the trio said he was leaving government just a week ago. William Kennedy III, who came under fire during the White House travel office controversy and for failing to pay taxes for his family's nanny, said he was quitting his job as White House associate counsel and—like Bird—is moving back to Arkansas.

—Susan Schmidt

Whitewater Probe Delays Hale's Sentencing

Associated Press

LITTLE ROCK, Ark., Nov. 24—A federal judge has agreed to an independent counsel's request to delay sentencing a former municipal judge to avoid hampering the Whitewater investigation.

David Hale, the former judge, pleaded guilty to two fraud charges in a plea agreement with federal prosecutors earlier this year. He also agreed to cooperate with Kenneth W. Starr, the independent Whitewater counsel.

Starr has said he fears a sentencing hearing would reveal details of Hale's work with Whitewater investigators, which could tip off potential targets.

U.S. District Judge Stephen M. Reasoner said Wednesday he was concerned Hale had not been sentenced eight months after pleading guilty, because "the vast majority of defendants in this court" begin sentences within four months.

"The delay here may create the appearance that Hale is receiving preferential treatment, and the court finds that disturbing," Reasoner said in a two-page order.

Nonetheless, the judge agreed to postpone Hale's sentence, which had been scheduled for Dec. 5. He said he wanted to give Starr time to complete his investigation into business transactions involving the Whitewater Development Corp.

President and Hillary Rodham Clinton were among the partners in Whitewater. Other partners included James B. McDougal, former owner of Madison Guaranty Savings & Loan, and Susan McDougal, then his wife.

The case of Hale, a former Pulaski County municipal judge who operated a lending company, became part of the Whitewater investigation last fall when he accused Clinton of pressuring him into making a $300,000 federally backed loan to Susan McDougal when Clinton was governor.

Last year, Hale and two local lawyers were charged in what prosecutors said was a scheme to defraud the Small Business Administration. The lawyers also pleaded guilty shortly after their trial began in June. They are scheduled to be sentenced in January.

Deny Helms Top Post, Kerrey Urges

'He Must Be Made to Pay a Price' for Remarks on Clinton, Democrat Says

Associated Press

LINCOLN, Neb., Nov. 24—Sen. Jesse Helms (R-N.C.) should be denied the chairmanship of the Senate Foreign Relations Committee because of remarks he made about President Clinton, Sen. Bob Kerrey (D-Neb.) said today.

Kerrey urged soon-to-be Senate majority leader Robert J. Dole (R-Kan.) to withdraw his support for Helms's chairmanship.

Helms has been strongly criticized by several Democrats, including Clinton, for his remark that the president was so unpopular with the military that "he'd better have a bodyguard" if he visited North Carolina bases.

Helms said in a statement Tuesday that he had made a mistake, but he did not apologize.

In a telephone interview, Kerrey said he sent a letter to Dole outlining his concerns about Helms's remarks about the president.

The letter also was signed by Sen. Thomas A. Daschle (D-S.D.), who is seeking the post of Senate minority leader.

Dole, however, said Wednesday that Helms's comments about the president should not keep him from becoming chairman of the Foreign Relations Committee. In an interview with CNN, Dole said Helms had assured him that such comments "wouldn't happen again."

Helms's remarks "fly in the face of our traditional and constitutional system which demands civilian control of the military, and respect from the military for the commander in chief," said Kerrey, a Vietnam veteran and winner of the Medal of Honor.

Kerrey said it was not sufficient for Helms to apologize.

"These comments are of such a serious nature that he must be made to pay a price for them," Kerrey said.

Crime Money Troubles The U.N.

New Banks Often Stifle Investigation

By ALAN COWELL
Special to The New York Times

ROME, Nov. 23 — The shipment of cocaine left Colombia for West Africa, but that was not its true destination. From there, some went to Ethiopia and on to Europe, along the smugglers' trails once used for cigarettes or marijuana. Some went to Asia. Some trickled to a blossoming new market of drug abusers in South Africa.

Then came the reverse route, the skillful manipulation of dirty street money through former Soviet republics, offshore banks and major stock exchanges, until it emerged as legitimate cash for the buying and selling of a hotel in Bogotá.

As outlined today by officials in Naples at a major United Nations conference on organized crime, it is not just the growers, smugglers and assassins who make the worldwide drug trade a scourge, but a new breed of skilled money-managers, lawyers and other professionals in the pay of the mob. Devising ever more complex ways of laundering money, they handle an estimated $750 billion of drug money every year.

"What's changing is the organizational complexity," said Ernesto Savona, professor of criminology at the University of Trento, in northern Italy. "You have more and more professional adversaries. The two main trends of organized crime are professionalism and complexity."

Linked to that are increasing worries that financial conveniences like offshore banking and banking secrecy, long the cherished preserves of private enterprise, have been put to highly effective use by the mob.

"If banking secrecy were lifted, it would be much more difficult for organized crime to hide the source of its money," said Pino Arlacchi, a leading Italian expert on the Mafia.

Giorgio Giacomelli, head of the United Nations International Drug Control Program in Vienna, referring to banks that operate outside traditional banking laws, added: "Offshore banks are not illegal in themselves. They serve a purpose: in an economy that's more and more global, they provide a way of moving money around quickly and efficiently. But the danger is obvious: this is also used to launder money."

When the conference of 138 delegates closed today, its final resolution urged United Nations members to "strengthen and enhance wherever possible" their efforts to combat organized crime syndicates, and called the spread of international crime operations a "threat to the internal security and stability of sovereign states."

The delegates also urged stronger action against money-laundering, which some experts see as a possible key to striking mobsters where it hurts most, in their wallets.

The alarms sounded here reflect concerns that as crime has flourished, much else has changed. By long tradition, banking secrecy and numbered accounts were associated primarily with such financial bastions as Zurich, Vienna and Luxembourg, and the money came mainly from the drug trade.

But, United Nations officials say, as these banking centers slowly yield a few secrets to narcotics investigators, a whole new array of less reputable banks are springing up across the former Soviet Union, in part because of the collapse of Communism's controls on people and borders.

"In Russia dozens of new banks and financial institutions are created, even with a very small capital of $100,000," Mr. Giacomelli said. "The transition from a controlled to a free-market economy opens so many possibilities for criminal transactions."

Investigators are also hampered by international conventions that enable them to bypass banking secrecy only in the case of narcotics inquiries. Otherwise, in some countries, it is an offense for a bank official to disclose details of accounts.

The world's increasingly coordinated and sophisticated crime syndicates, by contrast, now deal in everything from human organs for transplant to nuclear materials; with their money laundered, they put their investments into legal business. Only a few years back, said Professor Savona, Neapolitan gangsters bought the casino at Menton, on the French Riviera, used it to launder money and invested the proceeds in real estate.

"In the past, most of the action was directed at laundering money from drug-trafficking," said Eduardo Vetere, head of the United Nations Crime Prevention and Criminal Justice Branch. "But since you can't distinguish money from money, you can't distinguish drug-money from money from other crimes."

REMEMBER THE NEEDIEST!

Judge Delays A Sentencing In Whitewater

Counsel Is Worried About Tipping Hand

LITTLE ROCK, Ark., Nov. 24 (AP) — At the request of the independent counsel in the Whitewater investigation, a Federal judge has agreed to delay the sentencing of David Hale, a former municipal judge who pleaded guilty to fraud earlier this year.

Judge Stephen M. Reasoner of Federal District Court agreed on Wednesday to postpone Mr. Hale's sentencing hearing after Kenneth W. Starr, the Whitewater counsel, said he feared it would reveal details of Mr. Hale's work with Whitewater investigators that could tip off potential targets in the inquiry.

Mr. Hale pleaded guilty to two charges of defrauding the Small Business Administration in a plea agreement he reached with Federal prosecutors this year. He also agreed to cooperate with Mr. Starr.

Judge Reasoner said he was concerned that Mr. Hale had not been sentenced eight months after pleading guilty, since "the vast majority of defendants in this court" begin their sentences within four months.

"The delay here may create the appearance that Hale is receiving preferential treatment, and the court finds that disturbing," Judge Reasoner said in a two-page order.

Nonetheless, he agreed to postpone the sentencing, which had been scheduled for Dec. 5, to give Mr. Starr time to complete his investigation into business transactions involving the Whitewater Development Corporation.

Among other figures in that investigation are Gov. Jim Guy Tucker of Arkansas, a Democrat, and Webster L. Hubbell, a former Associate Attorney General who was once a partner with Hillary Rodham Clinton in the Rose law firm in Little Rock. The Los Angeles Times said today that indictments would soon be sought against both men, as well as against James B. McDougal, a partner in the Whitewater Development Corporation and former owner of Madison Guaranty Savings and Loan Association. Mr. Starr declined to comment on the report.

President and Mrs. Clinton were also partners in Whitewater, along with Mr. McDougal's former wife, Susan.

Last fall, Mr. Hale, a former Pulaski County municipal judge who operated a lending company, accused Mr. Clinton of having pressured him, when Mr. Clinton was the Arkansas Governor, into making a $300,000 federally backed loan to Mrs. McDougal, some of which was used by the Whitewater Development Corporation.

Angry Tucker says he's a victim

Says prediction of indictment causing 'pain'

BY PATRICIA MANSON
Democrat-Gazette Federal Reporter

Saying he has been the victim of attacks by political opponents and illegal leaks by unidentified sources, Gov. Jim Guy Tucker on Thursday angrily denied published reports he will be indicted by the Whitewater grand jury.

Visibly agitated, Tucker stood on the steps of the Governor's Mansion and read a statement saying he has done nothing wrong and has received no indication he will face criminal charges.

The governor said reports that he will be among those indicted as a result of independent counsel Kenneth Starr's investigation have caused "great personal and family pain."

Quoting "sources close to the case," the *Los Angeles Times* reported in Thursday's editions that Starr is expected to seek indictments soon against "some

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Tucker

• Continued from Page 1A

key players" linked to business transactions involving the Whitewater Development Corp.

President Clinton and Hillary Rodham Clinton were among Whitewater's partners. Other partners included James McDougal, owner of the defunct Madison Guaranty Savings and Loan Association, and Susan McDougal, then McDougal's wife.

Republicans have charged that James McDougal used Whitewater as a vehicle to make payoffs to Clinton, then Arkansas' governor. Republicans also have contended that savings and loan money was funneled into Clinton's campaign coffers.

The Clintons, however, say Whitewater was merely a poor investment that netted them no income.

The president also denies allegations that he persuaded a municipal judge to make a federally backed loan to Susan McDougal and that part of that loan ended up in Whitewater accounts.

On Thursday, Tucker criticized the *Times* story as another in a series of media accounts quoting unidentified sources on the Whitewater investigation.

He said Republican Sheffield Nelson, who lost his bid in the Nov. 8 election to unseat the governor, also relied on unidentified sources in claiming during the campaign that Tucker will be indicted.

If the *Times* story is false, "the injustice of what has occurred is obvious," Tucker said. And if it is true, he continued, it raises "far, far more ominous issues."

"It is a crime to disclose information from grand jury proceedings," Tucker said. "Why would a special prosecutor's office permit the near-routine leak of such information from [illegible] mental agencies?"

Answering his own question, Tucker said the leaks could be part of a deliberate attempt to gain political advantage or taint the grand jury. Or they could be the result of "recklessly loose procedures" in Starr's office, Tucker said.

A third possibility is that Starr "wants the grand jury to indict regardless of any testimony or any evidence which I might offer," Tucker said.

He said Starr has not interviewed him nor asked him to testify before the grand jury.

"On Thanksgiving Day, we take a day with family to be grateful for all our blessings," Tucker said.

"Among those blessings are a free and independent judiciary, a free press and fundamental concepts of fair play, due process and equal protection.

"A prosecutor's duty is not just to prosecute, but to seek justice. What is going on here?" Tucker is a former prosecuting attorney for Pulaski and Perry counties.

Tucker ended by saying he will answer more questions next week.

Then, he strode back into the mansion, ignoring reporters' questions.

In its article, the *Times* said indictments stemming from Starr's inquiry are expected to be based in part on information provided by former Pulaski County Municipal Judge David Hale.

Hale has claimed that Clinton and James McDougal pressured him to make an illegal, federally backed loan in the mid-1980s to Susan McDougal.

One-third of the money was used by Whitewater for a land purchase, Hale has alleged.

In March, Hale pleaded guilty to two unrelated fraud counts in a plea agreement that requires him to cooperate with Starr.

On Wednesday, Chief U.S. District Judge Stephen M. Reasoner reluctantly agreed to delay Hale's Dec. 5 sentencing. Starr had asked for the postponement to avoid tipping off subjects of the Whitewater investigation.

The *Times* said Thursday that inquiry is "virtually certain" to result in indictments of Tucker, the McDougals and former Associate Attorney General Webb Hubbell.

Hubbell resigned from the No. 3 position at the U.S. Justice Department in March amid questions over his billing practices while at Little Rock's Rose Law Firm. Hubbell and Hillary Clinton are former Rose partners.

The *Times* said Starr is reviewing evidence that Hubbell billed Rose for personal expenses and that some of those expenses were charged to the Resolution Trust Corp. in work he firm did for the RTC after Madison Guaranty was seized n 1989.

The RTC was formed that ear to dispose of the assets of ailed savings and loan associations.

Messages left Thursday evening for Hubbell, James McDougal and Hale's attorney, Randy Coleman of Little Rock, drew no responses.

Arkansas Democrat Gazette

FRIDAY, NOVEMBER 25, 1994

OVER

Whitewater team tracks Hubbell cash

Some suspect personal items were billed to government, Rose firm

By Jerry Seper
THE WASHINGTON TIMES

A1

Whitewater investigators have subpoenaed cash receipts and credit-card records from several upscale Little Rock businesses to determine whether former Associate Attorney General Webster L. Hubbell improperly billed the Rose Law Firm and the federal government for personal purchases.

One business owner, Susan Pfeiffer, who operates the Design Center, a gift shop in the fashionable Pulaski Heights area of Little Rock, confirmed this week that independent counsel Kenneth W. Starr sought cash and credit records showing Mr. Hubbell's purchases — and those of his family — from October 1988 to February 1993.

Ms. Pfeiffer, who gave the records to FBI agents assigned to Mr. Starr on Nov. 4, said at least four other upscale Little Rock businesses had received similar subpoenas.

"They were looking for cash tickets, credit-card receipts and any other customer records we had on the Hubbells," said Ms. Pfeiffer, adding that she had known the Hubbell family for a long time and was "outraged" by the subpoena. The records, she said, included cash receipts and credit-card purchases by Mr. Hubbell, his wife, Suzanna, and their four children.

Employees at Et Cetera, an exclusive gift shop also located in the Pulaski Heights area where a second FBI subpoena for Mr. Hubbell's records was served, declined comment.

Both stores are less than a mile from Mr. Hubbell's Little Rock home.

Federal law enforcement sources and others familiar with the Whitewater probe said investigators want to know if Mr. Hubbell, longtime friend of President Clinton and former Rose firm partner of first lady Hillary Rodham Clinton, improperly billed the firm's clients, including the Resolution Trust Corp. (RTC), for personal expenses.

Mr. Starr's mandate as independent counsel gives him "full jurisdiction" to investigate "whether any individuals or entities committed a violation of federal criminal law" involving Madison Guaranty Savings and Loan Association; its owner, James B. McDougal; Mr. and Mrs. Clinton; Whitewater Development Corp., a real estate venture involving the Clintons and the McDougals; and Capital-Management Services Inc.

Part of that inquiry has included a look into Mr. Hubbell's role in a federal lawsuit involving Madison and the thrift's accounting firm, Frost & Co.; his liability in suspected overbillings at the Rose firm, including bogus billings involving the RTC; and his involvement, if any, in the obstruction of criminal referrals in the Madison case by the RTC, which oversees failed thrifts.

Capital-Management is a Small Business Administration-licensed lending agency owned by former Little Rock Municipal Judge David L. Hale, who told federal investigators that Mr. Clinton and Mr. McDougal pressured him for an illegal $300,000 SBA loan.

Hale pleaded guilty earlier this year to two counts of unrelated SBA fraud in a plea agreement in exchange for his testimony in the Whitewater case. His scheduled Dec. 5 sentencing has since been postponed, with U.S. District Judge Stephen M. Reasoner in Little Rock saying he wanted to give Mr. Starr more time to complete the Whitewater probe.

Mr. Starr had argued that the sentencing would tip off other potential targets in his inquiry.

Mr. Hubbell, who maintains an office at G. William Miller & Co., a merchant banking firm in Washington, did not return calls this week for comment. He resigned his Justice Department post in March, saying he needed more time to address concerns by former Rose firm partners over his billing practices.

It is not clear what Mr. Hubbell does at the Miller firm, although Michael Cardozo, who operates the company, serves as executive director and a trustee of the Presidential Legal Expense Trust, which will help pay legal fees owed by the president and first lady as they defend themselves on matters stemming from the Whitewater probe and the Paula Corbin Jones sexual misconduct lawsuit.

Mr. Hubbell is among several key players against whom Mr. Starr is expected to seek first-round indictments in the ongoing Whitewater case. Others, according to the sources, include Mr. McDougal, his wife, and Arkansas Gov. Jim Guy Tucker, who borrowed more than $1 million from Madison and Capital-Management, much of which was never repaid.

Yesterday, Mr. Tucker issued a statement saying he has no indication he has become a possible target in the Whitewater probe. "I have had absolutely no indication from the special prosecutor that an indictment is under consideration," he said. "I have done nothing that would justify an indictment."

Accusations that Mr. Hubbell had overbilled clients intensified earlier this year when investigators from the RTC and the Federal Deposit Insurance Corp. (FDIC) went to the Rose firm for an "entrance meeting" to set up procedures for a review of bills signed by Mr. Hubbell in a case involving Madison.

A Rose firm internal audit, which Mr. Hubbell described in a statement as "disputes over compensation and reimbursement matters," began after some partners suggested he had failed to document hundreds of thousands of dollars in expenses billed to clients.

A source at the firm told The Washington Times that several partners believe Mr. Hubbell had "stonewalled" their efforts to get information on his billings in a 1989 FDIC lawsuit involving Madison and Frost. The source said some partners believe Mr. Hubbell may have written checks on a client account to pay for personal trips and credit-card bills.

The former partners discovered the extent of the billing problems after paying Mr. Hubbell more than $100,000 when he cashed in his interest in the firm before coming to Washington in late 1992.

Mr. Hubbell has denied any wrongdoing. If found to have billed clients or his firm for personal expenses, he would face consequences ranging from professional sanctions to criminal fraud prosecution.

A review by The Washington Times of some of Mr. Hubbell's government bills in the Madison case shows that on at least two occasions he charged the government for a full day's work at $125 an hour while he actually was playing golf at the Country Club of Little Rock.

According to at least one accusation federal regulators are probing, Mr. Hubbell — as the lead attorney — submitted a bill in the Madison-related case for $2,400. The firm later included the same $2,400 as part of a larger $27,000 bill to the government. That $27,000 was resubmitted in yet a third bill for $80,000.

Beginning in 1989, Mr. Hubbell handled a lawsuit for the FDIC against Frost. The suit said the Frost audit of Madison was bogus, but the government eventually settled for less than it sought and less than Frost's insured coverage.

In 1985, Mrs. Clinton had represented Madison for the Rose firm in efforts to block the thrift's closure by Arkansas bank regulators appointed by her husband, using the Frost audit to justify keeping the S&L open.

Records released by federal regulators earlier this year show Mr. Hubbell signed all the Rose bills sent to the government on the Madison-Frost case.

In a related development, ABC News last night reported that Mr. Starr will seek Mr. McDougal's cooperation in the case by sending him a "target" letter notifying him that he is a subject of the investigation.

The Washington Times FRIDAY, NOVEMBER 25, 1994

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Clintons Go Horse Riding at Camp David
Eds: SUBS 2nd graf with 2 grafs to update with other Clinton activities

CAMP DAVID, Md. (AP) President Clinton, his daughter and stepfather went horseback riding Friday at the snow-covered Camp David compound, the White House said.

Clinton also watched some football, did some reading and took a walk around the presidential retreat in the Catoctin Mountains ``to get some fresh air,'' said spokeswoman Ginny Terzano. About 1&1/2 inches of snow was on the ground, she said.

The president, Hillary Rodham Clinton and their daughter, Chelsea, are spending the long Thanksgiving weekend there with the first lady's mother, Dorothy Rodham, and the president's stepfather, Richard Kelley, Terzano said.

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Counsel Says Secrecy is Key to Investigation

LITTLE ROCK, Ark. (AP) Independent counsel Kenneth Starr refused comment Friday on published reports that Gov. Jim Guy Tucker and others will be indicted soon in the Whitewater investigation.

``Secrecy has been and will continue to be a hallmark of this investigation,'' Starr's office said in a statement.

Starr was named to investigate business transactions involving the Whitewater Development Corp., in which President Clinton and first lady Hillary Rodham Clinton were partners, along with former savings and loan owner James B. McDougal and his ex-wife, Susan McDougal.

The Los Angeles Times, citing unidentified sources, reported Thursday that Starr was expected to seek indictments soon against Tucker and other key players in the Whitewater affair.

Among those almost certain to be indicted, the Times said, are former Associate Attorney General Webster L. Hubbell, a former law partner of Mrs. Clinton at the Rose law firm of Little Rock; both McDougals; and some employees of Madison Guaranty Savings and Loan, which McDougal once owned.

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Counsel Says Secrecy is Key to Investigation
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LITTLE ROCK (AP) The office of Whitewater independent counsel Kenneth Starr said Friday that it will not comment on reports that Gov. Jim Guy Tucker and others will be indicted soon in the Whitewater case.

The Los Angeles Times reported Thursday, in an article citing ``sources close to the case,'' that Starr was expected to seek indictments soon against Tucker and other key players in the Whitewater matter.

The newspaper reported that others virtually certain to be named in indictments included Webb Hubbell, former associate attorney general who was once a partner with first lady Hillary Clinton in the Rose Law Firm of Little Rock; former savings and loan owner Jim McDougal of Arkadelphia and his former wife, Susan McDougal, who were partners with President Clinton and his wife in the Whitewater Development Corp.; and some lower-level employees of Madison Guaranty Savings and Loan, once owned by McDougal.

``There have been several media reports and statements to the press over the past two days regarding the investigation that the Office of the Independent Counsel is conducting,'' Starr's office said in a one-page release. ``Secrecy has been and will continue to be a hallmark of this investigation.

``However, we have no control over what may appear in the media based upon information obtained from sources outside of the investigation and, consequently, we must not and will not comment on the reports that have appeared this week.''

Tucker said a story like that in the Times' ``causes great personal and family pain. If this story, and others like it quoting various unnamed `sources,' is not true, the injustice of what has occurred is obvious.''

He said the newspaper report raised ``far more ominous issues.''

``It is a crime to disclose information from grand jury proceedings,'' Tucker said. ``Why would a special prosecutor's office permit the near-routine `leak' of such information from his office and other government agencies?''

He speculated about three possibilities: that the leaks were deliberate, intended for political purposes or to taint or influence the grand jury or future jury members; that they were the result of ``recklessly loose procedures'' in Starr's office that would have the same result; or that, if Starr has prepared an indictment, he intends for the grand jury to indict ``regardless of the testimony or the evidence (Tucker) might offer.''

``A prosecutor's duty is not just to prosecute, but to seek justice,'' said Tucker, former prosecutor for Pulaski and Perry counties. ``What is going on?''

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Judge puts off sentencing Hale, but dislikes look of favoritism

BY PATRICIA MANSON
Democrat-Gazette Federal Reporter

A federal judge reluctantly agreed Wednesday to delay David Hale's sentencing in order to avoid compromising the Whitewater investigation.

Chief U.S. District Judge Stephen M. Reasoner said he is concerned that Hale has not been sentenced eight months after pleading guilty to two fraud charges.

Noting that "the vast majority of defendants in this court" begin serving their sentences within four months, Reasoner said he was worried about the impression that postponing Hale's case may convey.

"It is imperative that any criminal justice system, in order to have the respect of citizenry, not only be fair, but appear fair and without bias or favoritism," the judge said in a two-page order. "The delay here may create the appearance that Hale is receiving preferential treatment, and the court finds that disturbing."

But Reasoner said he wanted to give independent counsel Kenneth Starr time to complete his investigation into business transactions involving the Whitewater Development Corp.

President and Hillary Rodham Clinton were among the partners in Whitewater. Other partners included James McDougal, the owner of Madison Guaranty Savings and Loan Association, and Susan McDougal, then his wife.

In a plea agreement reached with federal prosecutors earlier this year, Hale agreed to cooperate in Starr's inquiry.

Starr has indicated he fears that details of Hale's work with Whitewater investigators would be revealed in a sentencing hearing.

In a motion Nov. 17, Starr asked Reasoner to delay Hale's scheduled Dec. 5 sentencing. Starr also requested a closed hearing to discuss his concerns about the sentencing.

On Wednesday, Reasoner said a hearing would not be necessary. But he asked Starr to estimate when the grand jury will decide whether to issue indictments based on information provided by Hale.

Reasoner said Starr may file the estimate under seal if he believes revealing the date will jeopardize his investigation.

Last year, Hale and two local lawyers, Eugene Fitzhugh of Little Rock and Charles Matthews of North Little Rock, were charged in what prosecutors claim was a scheme to defraud the Small Business Administration.

Hale pleaded guilty to two fraud counts in the case in March. Fitzhugh and Matthews pleaded guilty to misdemeanors shortly after their trial began in June.

Starr has not asked for a delay in Fitzhugh and Matthews' Jan. 3 sentencing.

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Indictments list Tucker, sources say

Whitewater report also names Hubbell

BY SARA FRITZ
Los Angeles Times

Independent counsel Kenneth Starr is expected to seek indictments soon against some key players in the financial scandal linked to President Clinton's investment in the Whitewater real estate deal, according to sources close to the case.

• Hale sentencing delayed 6C

Starr is said to be preparing wide-ranging indictments from a special grand jury in Little Rock against some well-known political figures, including Gov. Jim Guy Tucker and former Associate Attorney General Webb Hubbell, who was once a partner with first lady Hillary Rodham Clinton in the Rose Law Firm in Little Rock.

Also virtually certain to be named, according to these sources, are Clinton's partner in the Whitewater deal, James McDougal; McDougal's former wife, Susan, and some lesser-known employees of the savings and loan that McDougal once owned, Madison Guaranty.

Coming on the heels of a GOP election sweep, the indictments would add to Clinton's political woes by refocusing attention on previously aired allegations that he benefited from McDougal's efforts to fund their joint real estate venture in the Ozarks with cash from the savings and loan.

Already, the Whitewater case has caused considerable embarrassment for the president and his wife and has led to the resignation of at least three top administration officials, including Hubbell.

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Starr

• Continued from Page 1A

At the White House, spokesman Barry Toiv said he was unaware of the impending indictments.

"It's news to us," Max Parker, Tucker's spokesman, said Wednesday night of the report. "The governor has never been questioned by anybody. He has received a document subpoena, like hundreds of other people; he's never appeared before anybody.

"Those are the facts."

Asked Wednesday night about the report, James McDougal said he "would have no comment on that rumor." Efforts to reach Hubbell were unsuccessful.

The indictments are expected to be based in part on leads provided to the independent counsel by David Hale, a former Little Rock municipal judge who claims that Clinton and McDougal persuaded him in the mid-1980s to make an illegal, federally backed loan of $300,000 to Susan McDougal. One-third of the money was then used by the Whitewater Development Corp. for a land purchase.

Beginning in 1979, the Clintons and the McDougals were partners in a resort development known as Whitewater Estates in the Ozark Mountains. The partnership has attracted attention not only because it is believed that savings and loan money went into the firm but also because the Clintons invested less than the McDougals.

Republicans have charged that McDougal saw Whitewater as a backdoor way of making payoffs to the president, who at the time was governor of Arkansas. There is evidence some savings and loan money also was funneled into Clinton's campaign coffers.

The president has denied that Whitewater was anything more than a poor investment that produced no income for his family. He has also denied Hale's story that Clinton pressured the then-judge in the mid-1980s to lend the money that Susan McDougal later funneled, in part, into Whitewater.

Hale has been cooperating with the independent office in

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an effort to win a reduced sentence in an unrelated fraud charge to which he pleaded guilty in June. In a motion filed in federal court last week seeking to delay Hale's scheduled sentencing on Dec. 5, Starr indicated for the first time publicly that he has taken Hale's allegations very seriously.

Starr told U.S. District Judge Stephen M. Reasoner in Little Rock that "the importance of not sentencing Hale before the completion of this investigation cannot be overemphasized" because his "cooperation touches directly on some of the most sensitive matters of the investigation."

He described Hale's cooperation as "extensive and continuous."

Starr is known to be finished reviewing evidence pertaining to charges that Hubbell billed the Rose Law Firm for personal expenses and that some of those expenses were charged to the Resolution Trust Corp. in connection with work the law firm did for the RTC after Madison Guaranty was seized in 1989.

A close friend as well as a former law partner of Hillary Clinton, Hubbell resigned from the Justice Department after these allegations became public. Similarly, allegations related to Whitewater have been responsible for the resignations of White House Counsel Bernard Nussbaum and Deputy Treasury Secretary Roger Altman.

Tucker is a Democrat who succeeded Clinton as governor in January 1993. He won re-election on Nov. 8 despite strong indications that he was on the brink of indictment. It is ironic that Tucker has been drawn into the Whitewater controversy since he and Clinton have never been close political allies.

As a private citizen, companies Tucker controlled obtained loans from Madison Guaranty that were never repaid. In addition, his businesses benefited from government-backed loans made to him through Hale's small-business investment corporation.

The McDougals have been under investigation on charges of bilking their federally guaranteed savings and loan to fund real estate ventures in Arkansas, including Whitewater.

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BRUCE FEIN

Whitewater appointment untarnished

On Nov. 1, Chief Judge Harry Edwards of the U.S. Court of Appeals for the District of Columbia Circuit convincingly exonerated fellow Circuit Judge David Sentelle of unethical conduct. Critics accused him of creating an appearance of impropriety by lunching with Sens. Jesse Helms and Lauch Faircloth, North Carolina Republicans, before voting with two other judges to appoint Kenneth Starr as independent counsel to investigate the Whitewater affair. Judge Edwards, a respected liberal jurist, snappishly refused to bend the law to appease politically correct scourges of Mr. Starr and the Whitewater investigation generally.

During a hiatus in the independent counsel law, Attorney General Janet Reno chose Robert Fiske Jr. to pursue Whitewater, but retained authority over his removal. Congress subsequently enacted the Independent Counsel Reauthorization Act of 1994 empowering a Special Division Court, whose three members are selected by the chief justice of the United States, to apppoint independent counsels free from executive branch supervision to probe allegations of crime lodged against high level executive officers.

Miss Reno then applied to the Special Division, which included Judge Sentelle, for the appointment of an IC and pleaded for Mr. Fiske's selection. But the Special Division unanimously appointed Mr. Starr on Aug. 5.

Press stories soon reported that Judge Sentelle had lunched with Messrs. Helms and Faircloth during the pendency of Miss Reno's application, that Mr. Faircloth had publicly assailed Mr. Fiske, and that correspondence with the Special Division from members of Congress had not been timely placed in a public file.

Pursuant to the Judicial Councils Reform and Judicial Conduct and Disability Act of 1980, three citizens filed ethical complaints against Judge Sentelle with Chief Judge Edwards. They charged that Judge Sentelle's senatorial lunch and initial nondisclosure of congressional communications regarding the independent counsel appointment raised an appearance of impropriety "prejudicial to the effective and expeditious administration of the business of the courts." Judge Edwards dismissed the complaints with irresistible reasoning.

Congress chose not to purge Special Division appointments of political influence. That choice may have been imprudent, but it is no excuse for traducing Judge Sentelle.

Special Division judges, he explained, exercise "appointment" authority under Article II, section 2 of the Constitution, and are disqualified from participating in any judicial proceeding concerning an appointee's work. That appointment power, characteristically exercised by executive officers, was upheld by the U.S. States Supreme Court in Morrison vs. Olson (1988). Mr. Edwards continued: "Commnon sense dictates and history confirms that prudent exercise of the appointment power ... necessitates consultation by those making appointments. Because I am aware of no constitutional or ethical precept that prohibits the president, judges, or heads of departments from consulting with other persons when acting under Article II, and because there is nothing in any statute governing the *appointment* work of the Special Division that so limits its members, the challenged conduct of [Judge Sentelle is uncensurable]."

Appointments are seldom made either in ivory tower isolation or in a public fishbowl. Miss Reno provoked no reproach for private consultations, probably including politicans and engaged attorneys, before appointing Mr. Fiske. And she importuned for his appointment by the Special Division despite her partisan loyalties to President Clinton, a target of the IC Whitewater investigation. If Judge Sentelle had consulted Messrs. Helms or Faircloth concerning the replacement of Mr. Fiske with Mr. Starr (a factually hollow insinuation) the consultation would have been unremarkable and unobjectionable. As Judge Edwards cogently elaborated: "According to a published description of the Special Division's appointment process (an account based on personal interviews with members of the Division and former independent counsel), Division members have routinely relied on consultations with and recommendations from judicial colleagues, former professional associates, and other member of the so-called 'old-boy network.' Even had [Judge Sentelle] in this case discussed the pending application with his congressional friends and considered the submissions to the Division by other members of Congress, he would have at most engaged in the same consultative process relied on by former members of the Special Division in connnections with prior appointments [which raised no howls of impropriety]. That those persons consulted might be political opponents of the president or his party should not expose the selection process to an anti-administration taint, any more than the division's consideration of an attorney general's recommendation should expose it to a charge of pro-administration partiality."

Advocates of IC appointments made by immaculate conception fault Chief Judge Edwards for tolerating partisan political influences on the Special Division. But that carping is misplaced. Neither the language nor legislative history of the independent counsel law frowns on consultations of the Special Division that extend beyond the beatified or apolitical. Congress chose not to purge Special Division appointments of political influence. That choice may have been imprudent, but it is no excuse for traducing Judge Sentelle. He followed the law and emulated the unchastised practices of his predecessors.

Ethical rules must either warn before they strike or become instruments of injustice. That is a maxim that detractors of Judge Edwards' exoneration have forgotten.

Bruce Fein is a lawyer and freelance writer specializing in legal issues.

S. Court Upholds Ban on Gays Military, Reversing '93 Ruling

By WADE LAMBERT
Staff Reporter of THE WALL STREET JOURNAL

The federal appeals court in Washington, in an unusual full-court review, upheld the government's authority to ban homosexuals from military service.

The 7-3 decision came in the closely watched case of Joseph Steffan, a U.S. Naval Academy honor student who was expelled in 1987 after acknowledging that he was gay. The decision reversed a three-judge panel of the same court, which had ruled a year ago that the military had acted unconstitutionally in banning Mr. Steffan simply because of his sexual orientation.



Advocates for gay rights denounced the decision, which followed several victories in the courts for gay and lesbian soldiers. "It is out of step with all recent federal-court decisions in the past two years on lesbians and gay men in the military service," said Kevin Cathcart, executive director of the Lambda Legal Defense and Education Fund, a gay-rights group that represented Mr. Steffan. "We had seen steady progress in courts' recognizing the right to serve in the military."

Marc Wolinsky, an attorney for Mr. Steffan, said a decision hasn't been made on whether to ask the Supreme Court to hear the case. But gay-rights advocates say the split in the courts makes it likely that the Supreme Court eventually will have to grapple with the controversial issue. A federal appeals court in California ruled in September that the government can't discharge a sailor, Keith Meinhold, solely for announcing that he's gay.

The latest ruling also is a strong boost for the Defense Department's current policy toward homosexuals, sometimes referred to as "don't ask, don't tell." Under that policy, lesbians and gay men can serve in the military only if they keep their sexual orientation secret.

The Steffan and Meinhold cases don't directly affect the current policy, which is being challenged in a separate case in federal court in Brooklyn, N.Y. But the federal appeals court in Washington said it agreed with the government's position that soldiers who say they are gay can be presumed to be likely to engage in banned sexual conduct.

"The appropriate question, it seems to us, is whether banning those who admit to being homosexual rationally furthers the end of banning those who are engaging in homosexual conduct or are likely to do so," the court said. "The military may reasonably assume that when a member states that he is a homosexual, that member means that he either engages or is likely to engage in homosexual conduct."

The decision also rejected the argument that Mr. Steffan was being punished for who he is rather than what he does. That puts it at odds with the Meinhold ruling, in which the Ninth Circuit Court of Appeals in San Francisco said it's improper to assume that a member of a certain group, such as gays, is necessarily likely to engage in misconduct.

Disagreeing with its colleagues on the West Coast and with its dissenting members, the Washington court's majority said it was "preposterous" to maintain that a person's sexuality doesn't have a strong correlation to sexual conduct.

In their dissent, the three judges compared the military's treatment of Mr. Steffan to the persecution of suspected communists during the Cold War, noting that Mr. Steffan was penalized for membership in a group rather than for any alleged conduct.

"For the government to penalize a person for acknowledging his sexual orientation runs deeply against our constitutional grain," said the dissenting judges. "It has, we believe, no precedent or place in our national traditions, which spring from a profound respect for the freedom to think and to be what one chooses and to announce it to the world."

Maj. Tom Schultz, a spokesman for the Department of Defense, said, "The DOD is pleased with the court decision." But he added that lawyers for the military haven't reviewed the ruling to determine what impact it might have beyond the Steffan case.

(Steffan vs. William Perry, Secretary of Defense, U.S. Court of Appeals for the District of Columbia Circuit, En Banc, No. 91-5409)

AZT Patent Ruling

In a ruling that could mean AIDS patients will continue paying high prices for AZT, a federal appeals court upheld most of a ruling that awarded Burroughs Wellcome Co. exclusive patents for the drug.

The U.S. Court of Appeals for the Federal Circuit in Washington, D.C., the country's most important patent court, ruled that Burroughs was the sole inventor for five of the six patents it holds simply because it conceived of the idea of using AZT on AIDS patients before learning the results of early tests. The same determination couldn't be made for the sixth patent without a trial, according to the appeals court opinion. That dispute was sent back to a lower court for resolution.

Burroughs' exclusive rights to the patents were challenged by two generic manufacturers that promised to sell the drug at lower prices if they won. A federal judge ruled in July 1993 that Burroughs, a unit of Wellcome PLC, was the exclusive patent holder. The two generic companies – Barr Laboratories Inc. and Novapharm Inc. – had argued that Burroughs should share the patent rights because tests by the National Institutes of Health were critical to the development of the drug. (NIH authorized Barr to litigate its rights in the AZT patents in exchange for a portion of the royalties if Barr prevailed.)

Lawyers for Burroughs and company executives couldn't be reached for comment. Barr President Bruce Downey expressed disappointment and said the company would study the opinion before deciding what to do. Mr. Downey said he couldn't assess the impact of the decision on his company without discussing it first with his lawyers.

The case had been closely watched by patent lawyers because it dealt with a much-debated question: who gets patent rights when many scientists contribute to a drug's development. In its ruling, the appeals court found that an idea must be "definite and permanent" and supportable with corroborating evidence for it to be legally conceived. But the court also found that an inventor doesn't need to know whether an invention will work for "conception to be complete."

(Burroughs Wellcome v Barr Laboratories, Inc. 93-1503, U.S. Court of Appeals for the Federal Circuit, Washington, D.C.)

Rose Law Firm Closes Its Office in Washington

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON – The Rose Law Firm said it closed its Washington office, saying the expansion didn't work out financially.

The law firm opened the office in October 1993, with hopes of capitalizing on its ties to former partner Hillary Rodham Clinton and other administration figures. The firm had chosen Allen Bird, a senior partner, to manage the office. Mr. Bird once lobbied the Arkansas Legislature for then-Gov. Bill Clinton.

But the venture was marred by the death of Deputy White House Counsel Vincent Foster and an investigation into the billing practices of former Justice Department official Webster Hubbell. A third partner, William Kennedy III, was reprimanded for inappropriate contacts with the FBI in the 1993 travel-office scandal, and is leaving a White House post soon.

In an interview, Mr. Bird said the move was "essentially an economic decision," reflecting an unexpected lag in new business and a belief that clients could be adequately served from Arkansas. He said the firm had signed a lease through next April 1, but decided to close the office, effective Nov. 1.

Dow Jones Requests Top Court Unseal Whitewater Ruling

By EDWARD FELSENTHAL
Staff Reporter of THE WALL STREET JOURNAL

Dow Jones & Co., publisher of The Wall Street Journal, has asked the U.S. Supreme Court to unseal a lower court's decision on the company's request for access to a report on the Whitewater investigation.

Last month, Dow Jones filed a motion with the federal appeals court in Washington seeking the report, which it said it believes was filed under seal by former Whitewater Special Counsel Robert Fiske. The appeals court then took the unusual step of sealing its own response to the motion, according to papers filed by the company with the high court.

The company is seeking to lift that seal on behalf of the Journal's news department, saying it constitutes an illegal "prior restraint" on speech that is protected by the First Amendment.

A court's effort to seal its own decision "is unprecedented in my personal experience," said Robert Sack, a partner at the law firm Gibson, Dunn & Crutcher, which is representing Dow Jones.

Information about the Whitewater affair is "of obvious public importance and interest," the company said in its filing with the Supreme Court. "The prior restraint against Dow Jones clearly has caused and will continue to cause irreparable harm to Dow Jones and the public."

The company said in its court papers that it never received a response to its motion from either Mr. Fiske or his successor, Kenneth W. Starr, who took over as Whitewater prosecutor in August. Dow Jones said it believes that responses may have been filed. Typically, a party to a lawsuit must respond within a specified period of time to motions filed by the other side.

Without a response from Mr. Fiske or Mr. Starr, "You don't know how to respond [and] you don't know what the arguments were against you," Mr. Sack said.

A spokeswoman for Mr. Starr's office said it hadn't yet received a copy of Dow Jones's court papers and therefore couldn't comment. Mr. Fiske didn't immediately return a telephone call seeking comment.

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A place in history



Special to the Democrat-Gazette/Kyna Berner

LEGAL MATTERS — Dash, who earned his law degree from Harvard University Law School, considers himself the "father ... of the independent counsel law."

BY JANE FULLERTON
Democrat-Gazette Washington Bureau

WASHINGTON — Professor Samuel Dash offers students at Georgetown University Law School the knowledge they can't get elsewhere.

In a nondescript brick building a few blocks from the U.S. Capitol, he teaches the nation's only law school course on congressional investigations.

Dash, 69, brings a unique insight to the topic. He was chief counsel for the Senate Watergate Committee, earning a place in American history with his performance during the nationally televised hearings.

Now, he imparts that knowledge in a course that focuses on an actual congressional investigation each semester.

This semester's subject: the Whitewater Development Corp. investigation.

Last month, Dash also joined the staff of independent counsel Kenneth Starr, who is investigating the complex maze of issues known as Whitewater.

Dash's role is simple.

By serving as Starr's ethics counsel — something of an arbiter of fairness — Dash lends credibility to an investigation headed by a former Bush administration solicitor general whose impartiality was questioned.

Watergate chief counsel brings his ethics expertise to the Whitewater investigation.

Starr acknowledged as much in the Oct. 5 news release announcing Dash's appointment.

"In this position, (Dash) will furnish, as needed, ethical and professional advice to the independent counsel and his staff,"

See **DASH**, Page 4E

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Dash

• Continued from Page 1E

the release said.

Lloyd Cutler, the former White House counsel, characterizes the Dash appointment as a "very wise move" for Starr.

"He adds a sort of verification to anything Mr. Starr might do that might be attacked on political, ethical or timing grounds," Cutler says.

Dash, he says, is the "personification of fairness."

"He's one of the few people around who most people who condemn the legal profession would make an exception for," Cutler says. "He adds to the luster of the legal community rather than detracting from it."

One thing leads to another

Dash's latest job grew out of an invitation from Starr to lecture his staff on the role of an independent counsel.

The independent counsel law, under which Starr was appointed Aug. 5 by a three-judge panel, is among the legal legacies of Watergate. It stemmed from the "Saturday night massacre" when President Nixon ordered the firing of special prosecutor Archibald Cox, who had been appointed by the attorney general to investigate Watergate.

Dash drafted the recommendations that eventually became the independent counsel law. Every five years, when the law comes up for renewal, he testifies before Congress.

"I have been the ... father, in a sense, of the independent counsel law," Dash says. "In that context, Ken Starr invited me to Little Rock to give a lecture to his entire staff, including the FBI, on the history, the philosophy and the role of the independent counsel."

Dash accepted the invitation.

"I thought it was important that I do it because it gave me an opportunity to let all these young people, or older people even, know ... what their responsibilities were," he says.

The reception from the staff was so favorable that Starr asked Dash to stay on as ethics counsel.

Dash characterizes the job as part time and doesn't anticipate spending much time in Little Rock. Most of his work can be done in Washington, where the independent counsel has an office.

Before his trip to Arkansas, Dash had dealt with Starr professionally only a couple of times.

Dash knew Robert Fiske Jr., the Whitewater special counsel appointed by Attorney General Janet Reno in January, only by reputation. Starr replaced Fiske.

The judges who made the Aug. 5 decision to replace Fiske contended that his findings might be questioned because he had been appointed by a Clinton Cabinet member at a time when the independent counsel law had lapsed.

Dash won't say what he thought of the move.

"I really don't feel at this stage that I ought to be commenting on that, not because my mouth has been shut or I've been told I couldn't, but because I think it confuses and complicates my role," he says. "If I stand outside that role and become either a critic or a defender, whatever I say is going to be misunderstood."

Just ask him?

Sam Dash is a man of many opinions.

Keeping them to himself is not something he normally does. But these days he must keep his opinions on Whitewater private.

"That's what I love about this job as a law professor. I usually can speak my mind without worrying. And I do."

Dash punctuates his comments with hand gestures as he sits in his fourth-floor office at the Georgetown Law Center. The building is near Capitol Hill, miles from the school's main campus.

It is undoubtedly the office of a professor, a far cry from the richly appointed offices of the prestigious law firms just a few blocks away on the K Street corridor.

Bookshelves line the walls from floor to ceiling. The long, narrow space is cluttered. Books spill over onto the sofa, chairs and floor.

The only window is behind Dash's desk. It overlooks a parking lot.

This is the life Dash has chosen. He eschewed the big money of the private sector for academia long ago. It is a choice he says he would make again.

"I've had opportunities to either join law firms or get into politics, and I haven't because ... I've enjoyed what I'm doing," he says. "I really love working with young people and trying to influence their feelings and perceptions of the law."

In his almost 50-year career, Dash has worked in virtually every legal capacity — as a prosecutor, a defender, a teacher, a consultant, in private practice and for the Department of Justice.

Dash, a Philadelphia native, received a bachelor's degree from Temple University and then attended Harvard University Law School. At Harvard, he founded a student legal clinic that continues to serve indigent clients.

Dash always has been something of a reformer and crusader.

While at Northwestern University in Chicago, he uncovered corruption in the municipal court system.

While working as a criminal defense lawyer in the 1950s, he decided the specialty needed a boost from its position on the bottom rungs of the legal ladder. So he founded the National Association of Criminal Defense Lawyers.

Dash's first job with political overtones came in the '50s when he went to work for the Philadelphia district attorney's office. The new Democratic district attorney hired Dash without checking his political credentials. Dash wasn't even registered to vote at the time. He did his new boss a favor by registering as a Democrat.

Dash says he has never been active politically. The Democrat tag, he says, came from the Nixon White House in an effort to discredit his work on Watergate.

"I vote for individual candidates — sometimes Republicans, sometimes Democrats," he says. "... To not only be objective, but to appear to be objective, I have completely stayed out of all partisan politics."

In 1965, Dash joined the Georgetown faculty. He is a professor and director of the Institute of Criminal Law and Procedure.

Along with his legal work, Dash has been active in the area of international human rights. He helped a nuclear physicist defect from the Soviet Union in 1972 and became the first American to meet with Nelson Mandela while Mandela was still a South African political prisoner in 1985.

Still, Dash is best known for Watergate.

He was ensconced in his teaching role in 1973 when he received the call that changed his life. Democratic Sen. Sam Ervin of North Carolina wanted Dash to serve as the Watergate committee's chief counsel. Dash played an important role in the investigation that led to the resignation of a president and the imprisonment of several top aides.

What's ahead?

Now that he has joined Starr's staff, Dash is reluctant to compare Whitewater to Watergate.

Earlier this year, however, he

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spoke freely about the subject.

"The only thing Whitewater has in common with Watergate is 'water,' " Dash wrote in March for the editorial page of *The Wall Street Journal*. "Watergate involved a president, Richard Nixon, who committed serious crimes in office solely to advance his political ambitions. Perhaps at no other time has our constitutional democracy been more in danger. It is really nonsensical to compare these crimes with the undefined allegations relating to Whitewater."

Those comments did not go unnoticed at the White House. President Clinton made a reference to Dash during a March 24 news conference when he was asked about Whitewater.

"A lot of people don't even know ... that the Watergate prosecutor, Sam Dash, contrasted our conduct with previous presidents and said we had been highly ethical," Clinton said.

Although months have passed since Dash made those comments, he still believes Whitewater and Watergate are not comparable.

"There were different constitutional issues in Watergate," he says. "It was a very separate thing that happened, a tragedy in our country, probably the worst event that has happened in our country in terms of ... whether or not we remain a constitutional government."

Medias' 'gate'

Dash attributes comparisons between Watergate and Whitewater to the news media. One of the legacies of Watergate is an aggressive press corps that seeks political scandal.

"There is a zest to try to develop scandal," he says. "There are ... scandals that deserve to be exposed and investigated, but they're not all Watergates."

Dash says there is a tendency on the part of the media "to demean the lessons of Watergate by calling everything a 'gate.' "

Another legacy of Watergate, Dash believes, is a public that is skeptical of elected officials.

"After Watergate, I think the public got so aroused and so concerned about being betrayed by their government that they became quite cynical," he says. "And I think that cynicism has remained."

He points to the large number of independent presidential candidates in 1992 as evidence of voter cynicism.

Voters, he says, are "disappointed frequently. .. They are hungering, I think, for honest government. In a real sense, I think that's what got Bill Clinton elected president because that's what he promised them."

In the classroom

Dash, in his role as a teacher and lawyer, now finds himself dissecting Clinton.

For his seminar on legislative investigations, 14 students and two teachers gather around a long conference table in a small, windowless classroom.

Dash teaches the class with help from Stephen Ryan, another Washington lawyer. Ryan happens to be on the other side of the Whitewater investigation as attorney for Clinton adviser George Stephanopoulos.

The class is discussing the question of executive privilege on this day. Dash stands at the head of the table, enthusiastically peppering students with questions.

What is executive privilege?

When can the president invoke it?

The questions are not hypothetical for Dash. He has sought to answer them in previous and current investigations. His students benefit from his knowledge.

"He's like a walking encyclopedia," says Lydia Arnold, an Arkansas native and third-year law student enrolled in Dash's course.

Arnold is not unfamiliar with the law. Her father is Richard Arnold, chief judge for the 8th U.S. Circuit Court of Appeals who was on Clinton's short list of Supreme Court nominees earlier this year.

"He's the guru on legislative investigations because of his background as chief counsel," Arnold says of Dash. "We get to explore what the political realities are, not just the legal implications."

BC-TRADE-GATT-USA-POLL

Majority of Americans don't understand GATT

WASHINGTON (Reuter) - Despite millions spent on television advertising for and against the new world trade treaty, 63 percent of Americans don't know enough about it to have a position, a new CNN/USA Today/Gallup poll shows.

The House passed the sweeping General Agreement on Tariffs and Trade pact Tuesday by a strong bipartisan majority of 288-146 and White House officials are predicting that the Senate will follow suit when it votes Thursday evening, albeit by a smaller margin.

Only 23 percent of Americans favor the trade agreement, while 14 percent oppose it, according to the CNN/USA Today/Gallup poll of 1,020 Americans, which was conducted Monday and Tuesday.

The poll also showed approval ratings for President Clinton, who has spent the last few days lobbying feverishly for the measure's passage by Congress, have again fallen.

It said 43 percent of Americans approved of the way Clinton was handling his job, down from 46 percent in a poll taken at the beginning of November.

Forty-nine percent disapprove, up from 46 percent, while a constant 8 percent had no opinion.

The poll shows 50 percent of Americans had a favorable opinion of first lady Hillary Rodham Clinton, up from 48 percent in a July poll. Forty-four percent had an unfavorable opinion of the first lady, down from 46 percent.

The poll had mixed messages for the Republicans. A solid 58-percent majority of Americans like Senate Republican Leader Bob Dole, but 47 percent have an unfavorable opinion of North Carolina Senator Jesse Helms.

Incoming House Speaker Newt Gingrich got a favorable rating from 29 percent of Americans and an unfavorable one from 25 percent. Twenty-two percent had never heard of the ebullient Georgia Republican.

The poll had a three point margin of error.

REUTER

**** filed by:RB--(--) on 11/30/94 at 21:21EST ****
**** printed by:WHPR(103) on 12/01/94 at 08:16EST ****

BC-SMILE national:MI
Short of summit photographers, Miami recruits some from the morgue
By John Lantigua
Knight-Ridder Newspapers

MIAMI To chronicle the Summit of the Americas, Dade County needed photographers. It found them at the morgue.

``It's true we usually do corpses, autopsies, crime scenes and the like,'' said Todd Reeves, supervisor of photographers for the county medical examiner.

His walls are decorated with unusual photographs deceased citizens, bullets in flight, cross sections of human body parts, bite marks enhanced with infrared light, and a living man with a No. 2 pencil sticking through his head.

``But we're ready to do this kind of event for the county, too,'' he said.

``I'm pretty excited,'' said Ruben Marichal, 31, another photographer. ``We'll get to meet a lot more people than we do here.''

In a way, Reeves and his staff of six are exactly the people for the task. Most people they photograph are history, so to speak, and the summit will be history, too.

They are assigned to the opening of the summit trade show, Hillary Rodham Clinton's Children's Summit, an appearance by Secretary of State Warren Christopher; and at least one event with their boss, County Commission Chairman Art Teele.

``Yes, we've heard all the jokes,'' said Reeves they are just shooting a different brand of stiffs.

``And that the people we shoot here don't ever blink,'' Marichal said.

But Reeves wants it known he and his staff do more than photograph the existentially impaired.

They ``shoot'' for University of Miami's hospitals and clinics, photographing surgery and charting diseases. They do forensic photography for law enforcement agencies, sometimes on living victims.

But still, most of their works are still lifes, after a fashion.

``I used to do studio work, including fashion photography,'' said Eric Fernandes. The corpses he shoots at the morgue are much less temperamental, but he is happy to be covering moving subjects at the summit.

Photographer Mapie Clede, 32, has her doubts.

``It will be a bit unusual,'' says Clede, who particularly enjoys taking photos of ``gross specimens,'' body parts that have been removed from the dead.

``I mean people are strange,'' she said. ``The live ones, that is.''

**** filed by:KR-F(--) on 11/30/94 at 20:54EST ****
**** printed by:WHPR(103) on 12/01/94 at 08:16EST ****

BC-FIRST-LADY-NNS
-------- AUTOBREAK (2)--------
is his wife or it should be.''

Hillary Clinton, recalling her first date with Bill Clinton at Yale University law school, said, ``We started talking that day ... and we've never stopped. ... We have a rolling, continuing conversation in our house.''

Not so unusual for a married couple, except that they live in the White House.

(OPTIONAL TRIM ENDS)

The ballroom from which Hillary Clinton spoke was the site 40 years ago of a birthday lunch for Mamie Eisenhower the epitome of what modern-day Americans have come to think of as a traditional first lady. With the failure, both politically and publicly, of health care reform, the question dominating Washington has been: Will Hillary retreat? In other words, will she act more like a first lady?

But the very question ignores history.

From that perspective, Hillary Clinton has not so much created a new kind of first lady as built upon the example set by her predecessors. From her own reading of history, she knows that, ``There's hardly been a `first' that's happened in the 20th century.''

Both Eleanor Roosevelt and Rosalynn Carter testified before Congress. Florence Kling de Wolfe Harding used her maiden name. Sarah Polk's desk was just outside her husband's office. Nellie Taft believed women should take an interest in political affairs. Bess Truman was a sounding board on matters of such importance as the dropping of the atomic bomb on Nagasaki. Jacqueline Kennedy lobbied not only influential politicians but the president himself on behalf of her projects.

Not even the vileness of the personal attacks against Hillary Clinton, dramatically illustrated when she was burned in effigy, are new. There were five assassination attempts made against Eleanor Roosevelt because of her support for integration. And, as the war raged on in Vietnam, Pat Nixon received death threats.

``There is still no institutional memory,'' Anthony laments. ``Eleanor Roosevelt was said to be the first first lady to go into the coal mines. Julia Grant was the first. It's happened again with Hillary Clinton.''

Among living first ladies, Hillary Clinton belongs to a different generation. She is the only living first lady not to have known Franklin D. Roosevelt as president. The first lady who made an impression on her was Jacqueline Kennedy. She is a child of the Cold War who vividly recalls school drills for nuclear attacks. She unabashedly describes herself as ``one of those kids who decorated her bike every Fourth of July and who read the Constitution with my dad.'' She was, as Anthony noted, a public figure in her own right at 21 when LIFE magazine covered her graduation speech at Wellesley College. And she is the first to have a graduate degree.

As first lady of Arkansas, she continued her career as a lawyer a controversial notion in the late 1970s and early 1980s, but one that now, Clinton notes, is not even worthy of mention.

``Perhaps this role, too, will evolve,'' she added.

Within the context of American presidential history from the last 200 years and into the next 50 Hillary Rodham Clinton's most enduring legacy, Anthony speculates, may be that she forever changed how we view the political influence of first ladies.

Quite a feat for a woman who says, ``I don't know that as a little girl that I had any expectations of the first lady.''

RH END RIOS

**** filed by:CN-F(--) on 11/30/94 at 18:27EST ****
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BC-FIRST-LADY-NNS
REPEATING IN ``LIFESTYLE''; ALSO SENT IN ``W'' CATEGORY Suggested for weekend use

Americans Ambivalent About Powerful First Ladies
Optional trim to 1,500 words Photo of Hillary Clinton (NNS1)
By DELIA M. RIOS
c.1994 Newhouse News Service

WASHINGTON Hillary Rodham Clinton strode into a room of expectations, personified, it seemed, by the reporters and cameramen cramped against the back wall of the Mayflower Hotel's grand ballroom.

This first lady, we all now know, makes news.

Not since Eleanor Roosevelt, when editors were forced to hire women to cover her women-only press conferences, has a first lady's every public utterance been so imbued with political connotations and consequences.

So much so that even an officially non-political appearance in this ornate ballroom, amid the crystal chandeliers, gold trimmings and crimson draperies, was make no mistake a political event.

As much as Americans may want to deny this, there is a tradition as old as the republic of highly political first ladies. Everything they do as the president's wife, even the tables they set for state dinners and the guests they invite, is permeated with politics. But their political prowess has always extended far beyond White House dinners. Hillary Clinton is different not for her political influence, but for her matter-of-fact acknowledgment of the role she plays within the Clinton administration.

``One of the fascinating things,'' Hillary Clinton noted of her predecessors, ``is really how much alike many of the first ladies are.''

It was a point made by historian Carl Sferrazza Anthony as he prepared to introduce Clinton at the last of a four-series ``Evenings with the First Ladies.''

``There were intelligent and active first ladies besides Eleanor Roosevelt,'' Anthony explained, likening their well-documented but little known political contributions to an American tradition ``as rich as Independence Day.''

The conversation between the first lady and the historian Tuesday evening took place before a class of 600 that, over the past three months, had immersed itself in the history of America's first ladies. Nancy Reagan, Barbara Bush and Rosalynn Carter had been previous guests.

The focal point of the George Washington University course, ``The President's Spouse,'' has been the political role and influence of the first ladies, a subject that until Hillary Clinton moved into the White House had been mostly confined in the 20th century to Edith Wilson and Eleanor Roosevelt.

Not that we've been indifferent to other first ladies. We've always been fascinated by them, as Clinton understands.

``It goes all the way back, I suppose, to Martha Washington,'' she observed.

Yet this particular first lady has renewed a national debate that, history shows, we've argued over for more than 200 years. The popularity of the course on first ladies is evidence of this, just as the fact that the class is comprised of nearly all women indicates that we somehow still do not take them seriously. It is difficult to imagine a course on the presidents and their political power being so gender lopsided.

Nonetheless, there is a truism in American politics:

``When you're married to the president,'' says Anthony, author of a two-volume history titled ``The Saga of the Presidents' Wives and Their Power, ``you're never absent from politics.''

``The spouse will always have political power.''

Early in the course, another historian's slip of the tongue spoke to the national ambivalence this engenders. Phyllis Lee Levin, a biographer of Abigail Adams and Edith Wilson, was speaking of Hillary Clinton when she said,

``I went to a breakfast for her before she was elected.''
The audience caught the mistake and burst into uneasy laughter. But the point was made and not for the first time. Abigail Adams was derided in the late 18th century as ``Mrs. President'' and the Hardings' found themselves portrayed in the 1920's as ``The President and Mr. Harding.''
Barbara Bush misspoke herself and indicated that perhaps even the first ladies see themselves this way. No one corrected her when she observed, ``Going into the White House, we'd been the vice president for eight years.''
``She is in a sense elected,'' Anthony says of the first lady. ``She's part of the package that (the president) presents.''
The scrutiny that this renewed debate brings to bear on Clinton, who has from the beginning been upfront about the political partnership in her marriage, was evident in her almost wistful remark that, ``There are some people who may never think about the first lady
bless those people, whoever they are.''
Still, it is in great part because of her self-described natural inclination to be involved and outspoken that she is so relentlessly scrutinized. Although she doubts that she would have run for office herself if she had not married Bill Clinton, she says, ``For better or for worse, I have spoken out for 25 years.''
Her simple public declaration in her conversation with Anthony ``I am very interested in public life and political issues'' is the reflection of a watershed event in American presidential history.
``She has broken an important precedent which is being completely honest about the true nature of her political relationship,'' Anthony says.
To know just how difficult it was to break that precedent, to move beyond the ``behind-the-scenes'' power of a Nancy Reagan, consider this: Julia Grant, the politically ambitious wife of Ulysses S. Grant who lived in the White House just after the Civil War, was dissuaded from publishing her memoirs because, as Anthony says, ``She was advised that political views were not very ladylike.'' They were finally published in 1975.
Just recently, in 1992, when the Smithsonian expanded and re-focused its popular first ladies exhibit beyond the collection of inaugural gowns to a portrayal of their political influence, there was anger, even disbelief.
``A good 20 percent of the public was still very resistant,'' recalls Smithsonian curator Edith Mayo. ``They were angry and resentful that we had made these first ladies women and not icons. We even received a letter accusing us of making up the quotes.''
(OPTIONAL TRIM BEGINS)
Even within the polite confines of the George Washington University class designed to place our often emotional reactions to the first lady in historical perspective the dissent within the country over Hillary Clinton is present in microcosm. Students most of them over 30 and able to afford the $375 registration fee have at times broken out into heated verbal support or denunciation of the first lady.
Perhaps at the heart of our unease is the intimacy of the marital relationship between the president and first lady. Anthony is fond of saying, ``The first lady is half the equation of the president.'' Nancy Reagan acknowledged this when she said, ``I think there's always
a certain jealousy of the one who's closest to the president and that
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(E=iBLF)

**** filed by:CN-F(--) on 11/30/94 at 18:27EST ****
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bc-rossie
DAVE ROSSIE'S SCENE
For Immediate Release
By DAVE ROSSIE=
Binghamton Press and Sun-Bulletin=

With television having reduced the attention span to about 20 seconds and our collective memory to a matter of months, it occurred to me that more than a few people, especially those under 30, might have been baffled when ``The Newt'' denounced Bill and Hillary Clinton as counterculture McGoverniks.

I tried to imagine the looks on the faces of an 11th grade American Government class, whose idea of history is last season's installments of ``Beverly Hills 90210,'' when their teacher asked them to define a McGovernik. Never mind counterculture. Save that for the advanced placement class.

McGovernik is a newtspeak pejorative, meaning someone who was a follower of George McGovern, a member of the U.S. Senate from South Dakota and the Democratic Party's nominee for president in 1972.

We live in bewildering times, so it can't hurt to inform the youngsters and remind their elders what kind of man this McGovern was and what a threat he was to good old fashioned American values, a threat that lies latent, not just in the Clintons, but in God knows how many seemingly normal Americans. The Clintons, as the newt has already explained, are not normal Americans.

George McGovern was born on the South Dakota priarie in 1922, the son of a professional baseball player turned Wesleyan Methodist minister. His mother had migrated to South Dakota from Canada. Given such an un-American birthright, it's no wonder McGovern went bad.

After college, with World War II heating up, McGovern, who had learned to fly as a civilian in the Civil Air Patrol, joined the U.S. Army Air Corps, a counterculture trick if ever there was one, and was commissioned a second lieutenant.

In 1943, before going overseas, Lt. McGovern married Eleanor Stegeberg, whom he had met while they were members of competing high school debating teams.

A B-24 pilot, McGovern flew bombing missions from a base in Italy against targets in the Balkans, Germany and the occupied territories of Eastern Europe. American fliers called the B-24s widow makers. The Germans called them flying coffins. It was one of the few things the two sides agreed on.

McGovern brought his crew back from one mission with two of his B-24's four engines shot out. For that he was awarded the Distinguished Flying Cross.

After the war, McGovern returned to college and received a master's degree and PhD from Northwestern University. After a brief stint as a college professor, he went into politics, first as a state Democratic Party worker, then as a candidate. He won election to the House of Representatives in 1956 and the Senate in 1962.

McGovern's decision to seek the presidency was spurred by his loathing of the Vietnam War, a loathing apparently shared by the newt, who, like Clinton, elected to remain in college during the Southeast Asian unpleasantries. And although he was no longer a churchgoer, McGovern's political philosophy was built on what he called the applied idealism of Christianity.

The man's true character was further revealed in an interview by a writer for Playboy, the bible of the counterculture.

The great presidents, McGovern told writer Milton Viorst, weren't men with the killer instinct. Washington, Jefferson, Lincoln these were tough-minded men but it wasn't the killer instinct that guided them.

They were men with a rare degree of prudence, wisdom and compassion, qualities that are much needed now. Some cynics feel that decency in a politician is a handicap. But I think a sense of decency
not prudishness, nor sanctimonious self-righteousness, but old fashioned concern and love for others will be essential in the next president.

Fortunately for all of us, there were enough clear-headed Americans not bedazzled by the counterculture who thought otherwise. Instead of McGovern,

they elected Richard Nixon.
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Dave Rossie writes for the Binghamton (N.Y.), Press and Sun-Bulletin.
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**** filed by:GN-F(--) on 11/30/94 at 14:46EST ****
**** printed by:WHPR(103) on 12/01/94 at 08:16EST ****

BC-CLINTON-HILLARY 1STLD

Hillary Clinton says orphanage idea ``absurd''

(Eds: adds details of Republican plan, grafs 5-6; edits)

By Grant McCool

NEW YORK (Reuter) - Hillary Rodham Clinton Wednesday called a proposal by incoming Republican House Speaker Newt Gingrich to build orphanages to reduce the welfare rolls ``unbelievable'' and ``absurd.''

In a keynote speech to the New York Women's Agenda, a non-profit, non-partisan coalition of 54 women's organizations, Mrs. Clinton also urged adults to turn off televisions to prevent children seeing ``dysfunctional images.''

Mrs. Clinton, echoing parts of President Clinton's program to ``end welfare as we know it,'' said any plan to reform the welfare system would have to address training, child care and health needs.

``(These) have to be met unless we want to see literally thousands and thousands of people on our streets and face the unbelievable and absurd idea of putting children into orphanages,'' Mrs. Clinton said in a veiled attack on Gingrich, although she didn't mention him by name.

A bill proposed by the House Republicans, led by Gingrich, would prohibit states paying welfare benefits to children whose paternity had not been established and to those born out of wedlock to women under 18.

They say the money saved from the restrictions could be used ``to establish and operate orphanages,'' operate group homes for unwed mothers and promote adoption.

Some 4.5 million adult Americans are on welfare, most of them receiving money from the ``Aid to Dependent Children'' program funded by both state and local governments. About nine million children are dependent on those payments.

Mrs. Clinton received warm applause for her remarks from the 2,500 guests in a New York hotel ballroom for the NYWA's annual awards to women in business, arts and the professions. She said it was time for adults to recognize that in many ways television had become pervasive in family life and ``have the personal courage to turn it off and monitor it.''

``I just hope that we begin to appreciate what we have done to ourselves and what we are doing to our children with a steady diet of the kinds of media images and information that too often distorts reality and too often gives children the idea that their futures are beset by violence and limitation and dysfunctional images,'' she said.

She also urged the women's organization to work to improve the ways in which women are presented in the media.

Mrs. Clinton, who spoke without notes after being introduced by feminist Gloria Steinem, said domestic violence had to be addressed by women and men.

``We really are talking about the quality of our relationships together,'' she said. ``It is not merely stopping violence but creating a more open, responsive, respectable environment in which our most intimate relationships are played out.''

REUTER

**** filed by:RB--(--) on 11/30/94 at 14:05EST ****
**** printed by:WHPR(103) on 12/01/94 at 08:17EST ****

(ED: adv fri dec 2 or thereafter)
Washington Window
(UPI News Analysis)

By HELEN THOMAS= UPI White House Reporter=

WASHINGTON. Nov. 30 (UPI) In the aftermath of a mid-term election that left Democrats defeated and devastaed, President Clinton would do well to read an insightful instructive book by Washington journalist Elizabeth Drew.

The book, ``On the Edge The Clinton Presidency,'' is prophetic about the Clinton administration and the problems that led to the Nov. 8 debacle at the polls.

Drew has surely written the best book on the Clinton presidency so far with much more detail, understanding and atmospherics than any of the other tomes published at the administration's halfway mark.

``In the fall of 1992, I decided that if Clinton were to win, he would win on the promise of change and the stakes would be high,'' she wrote.

``What I didn't anticipate, no one did, was that the first phase of the Clinton presidency would be so turbulent.''

Hillary Rodham Clinton is depicted as a powerful force in the administration who, as the president's ``closet adviser,'' calls many of the shots, according to Drew, who also details the personal impact of the first lady.

``More than anything else, she wants to see him re-elected,'' said one White House adviser.

Drew also recites the litany of problems that beset the Clinton White House from the first day, and many of those problems came home to roost during the November elections. Clinton was blamed for the Republican tidal wave that swept out so many incumbent Democrats, including House Speaker Tom Foley.

Many pollsters cited voter anger that led to an intense dislike of Clinton and a number of issues that generated intense heat: gays in the military, gun control and anti-crime efforts and most of all, the much- touted health care reform plan that got lost in bureaucratic and congressional wrangling.

Drew recounts the ``aura of danger'' around the Clinton White House and said his presidency was constantly on the edge because of his past and what came to be called his ``character'' and ``because of the legislative gambles he took.''

She also delves into the administration's lack of preparation for the high-powered jobs that are a given at this level of government, and the accent on youth that prompted more than a few public relations disasters.

It seemed that Clinton could do no right in those early days. In foreign policy he was depicted as ``wishy washy'' and a ``waffler.''

However, Clinton subsequently racked up a number of foreign policy successes, including the peaceful intervention in Haiti, quick action in the Persian Gulf, fostering dialogue with North Korea, and the boosts he gave to political reconcilation in South Africa and Northern Ireland.

He also has brought nearly all the former Soviet Republics, including Russia, into the Partnership for Peace, an arm of NATO.

Clinton's top advisers obviously felt free to talk to Drew, pulling no punches and hardly sparing the boss.

``A source of confusion was the president,'' she wrote. ``It could be difficult to know what he wanted done,'' she quoted aides, who contended that Clinton gave conflicting signals.

``He would tell one aide he wanted issues committed to paper and another that he did not,'' an aide confided. ``He would express frustration about the loose management of the White House and then invite kibitzing by people inside and outside his administration.

``He complained about an overloaded schedule and then urged that events be added. He likes a loose structure until there's a screwup, then he gets upset.''

Drew touches on the still-unresolved Whitewater land venture involving

both Clintons and last year's allegations by Arkansas state troopers of Clinton's sexual liaisons, all of which caused strain in the family quarters of the Executive Mansion.

``Decisions on how to handle Whitewater divided the president's advisers, and were heavily influence by Mrs. Clinton's antipathy to Washington and the press,'' she wrote.

A longtime friend is quoted as saying, ``Bill is always someone who lived on the edge, politically and personally, for better or for worse.''

The Clinton presidency is at the crossroads. Many have already written off his chances of a second term. But they seem to have forgotten the president's reputation as ``The Comeback Kid'' and the many times Richard Nixon emerged from the political ashed but there's where the comparison ends.

(adv fri dec 2 or thereafter)

**** filed by:UPI-(--) on 11/30/94 at 10:50EST ****
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PM-VT--Health Authority,250
Dean Appoints Leahy Staffer to Authority

MONTPELIER, Vt. (AP) A top health policy aide to Sen. Patrick Leahy plans to return to Vermont to head the Health Care Authority, officials said today.

Gov. Howard Dean planned to announce the appointment of Theresa Alberghini at a news conference later in the day, according to people familiar with the announcement.

Alberghini is currently Leahy's legislative director, the No. 2 ranking position on a senator's staff. Prior to her promotion to that post last year, she was in charge of education and health policy for Leahy.

Alberghini also served on first lady Hillary Rodham Clinton's task force that wrote the national health care reform proposal that failed to survive in this year's Congress.

A Barre native, Alberghini, 32, has worked for Leahy since 1985.

She would replace Human Services Secretary Cornelius Hogan as chair of the Health Care Authority. Hogan has held that position on an interim basis since last spring when the original chairman, Richard Brandenburg, resigned shortly before his term ran out.

Hogan had been expected to stay at the authority through the upcoming legislative session, when Dean plan to asks for a modest health care reform package that is likely only to seek insurance coverage for some of the Vermonters who do not currently have it.

Neither Hogan nor any members of Dean's staff were available for comment today. Receptionists said they were in staff meetings for most of the morning.

**** filed by:APE-(VT) on 11/30/94 at 10:40EST ****
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bc-gatt-ndy - a1657
(ndy) (ATTN: National editors) (Includes optional trims)
GATT Fans Gather at White House to Show Support for Pact (Washn)
By Glenn Kessler= (c) 1994, Newsday=

WASHINGTON The fallen. The disgraced. The victorious. And a bunch of would-be Comeback Kids.

It was a quintessential Washington gathering Monday in the ornate East Room of the White House, ablaze with camera lights and packed with reporters. A group of all-star politicos was there to provide a bipartisan show of support for a world-trade pact that will be considered this week in a special postelection session of Congress.

But the event also underscored the quickly shifting tides of power and control in the nation's capital.

There was Tom Foley, the speaker of the House who lost his seat in the Republican landslide three weeks ago.

Bert Lance, who was ousted from his job as former President Carter's budget director over a banking scandal, was also there.

So was Rep. Richard Armey, R-Texas, in line to be the majority leader in the House next year. It was Armey who last year said first lady Hillary Rodham Clinton ``hangs around a lot of Marxists; all her friends are Marxists.''

And sitting next to President Clinton on the dais was James A. Baker III, the former secretary of state who ran former President Bush's unsuccessful re-election campaign and would like to be president himself one day. To Clinton's evident discomfort, Baker joked, ``It's always fun to come back here to the White House in November.''

The East Room event underscored the remarkable support the sweeping trade agreement commands among the nation's political and business elite, even among the fiercest political competitors. The House of Representatives Tuesday begins four hours of debate on the expansion of the General Agreement on Tariffs and Trade, or GATT, with a vote expected in the afternoon.

Clinton devoted most of his remarks to disputing a recent column by Newsday columnist Lars-Erik Nelson that argued that GATT would hurt most the working-class people who formed the bulk of his support in 1992 and deserted him in the midterm elections. ``Our responsibility is to do what is right for those people over the long run,'' Clinton said. ``And the only way to do that is to open other markets to American products and services even as we open our markets to them.''

Despite defections from a number of Democrats on GATT, few expect the House vote to be a nail-biter. Lawmakers said that incoming House Speaker Newt Gingrich, R-Ga., has been twisting arms to make sure Republicans vote overwhelmingly for GATT.

``I'm confident it will get well over 220 votes,'' giving GATT proponents a victory, Armey said.

The situation is considerably more dicey in the Senate, where budget rules require a supermajority of 60 votes to bring GATT to the floor for a vote. But administration officials expressed increasing confidence that they would win when the Senate concludes debate Thursday.

(Optional add end)

Ralph Nader, the consumer advocate who has worked tirelessly to defeat or delay the vote, insisted that the administration still did not have the votes to win in the Senate.

Nader won one convert Monday when Sen. Hank Brown, R-Colo., successfully passed a 12-question quiz on GATT designed by Nader and then announced that he would vote against the agreement because of information he had learned while studying for the quiz.

Nader, who said he wasn't expecting Brown's announcement, said it proved his point: that lawmakers would vote against the 22,000-page agreement if they actually read it. Brown is the only lawmaker known to have taken Nader's quiz.

Distributed by the Los Angeles Times-Washington Post News Service=

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BC-DE-LEVIN-COL
Detroit Free Press Doron Levin Column
Detroit Free Press Knight-Ridder/Tribune Business News

Nov. 29--You may wonder why the Detroit Free Press needs a business and economics column. And you may be wondering about the columnist.

Fair enough. First question first. To understand money is to grasp an underlying dynamic of politics, sports, romance and just about everything. Want to know why the Red Wings aren't playing? Why so few factories are left in Detroit? How a prenuptial agreement delayed Donald Trump and Marla Maples' wedding?

``Just follow the buck,'' my journalism professor used to growl. Amazing how few of us would-be reporters could write a story explaining a city budget. The reason was plain: We didn't understand millage, and our math wasn't so hot. My prof, Melvin Mencher, loved to gloat how the brilliant reporters at the New York Times failed to spot the city's financial crisis until it exploded. He probably laughed his head off watching the press bungle coverage of the S&L crisis and Hillary Clinton's commodity trading.

Under Mencher's firm hand we paid attention to dollar signs. Inspired, I signed up for a sophisticated course and explored the difference between stocks and bonds and other mysteries.

With eyes opened wider, I was intrigued by the financial implications of nearly every story I reported. My first job was in Bradenton, a sleepy little town on Florida's west coast. Battles raged between real estate developers and advocates of keeping things the way they were. Each side brought politicians to city hall, and you had to know who belonged to whom before hearing the debate.

In 1981 I joined the Wall Street Journal. What an education! Each day you wrote stories about publicly held companies. The next morning you got your grade, sometimes straight from the CEO. The chairman of Joy Manufacturing once blamed me for a story that wiped out $1 billion of equity in the stock. Seems the traders believed the Journal, not his press release.

Next stop was the Wall Street Journal in Detroit, followed by a stint running the New York Times' bureau here. Those assignments spanned about 2,422 quarterly earnings reports and 491 10-day sales reports.

Interest in business has grown apace; hence the push for more coverage. Readers want to understand the hard lessons of hyperinflation, market crashes and the hollowing of industry. Many of us have lost jobs. Or learned we have no choice but to master PCs. Detroit, in particular, has painfully discovered that it no longer has
a monopoly on wisdom when it comes to building cars and trucks.

Thus, the answer why we need more coverage of business and economics: Because few subjects matter more.

There's a powerful hunger to understand the forces that affect how we work, buy and invest. This column will attempt to provide answers -whether the subject is General Motors, enterprise zones in Detroit, striking baseball players or the direction of interest rates.

A column differs from straight news in that it also attempts to inject a point of view, humor, anger, outrage, sympathy - many of the emotions left behind by ``impartial'' storytelling. That's where I come in.

Journalists are taught to afflict the comfortable and comfort the afflicted. The framers of the Constitution dreamed up the First Amendment so the press could do this work vigorously. Of course no one agrees who's comfortable and who's afflicted. Who can say when point of view lapses into opinion? When you think I'm guilty of biting the wrong leg, say so.

A columnist should entertain as well as inform, so you may detect occasional attempts at wit. Please bear with me. As they say in Vegas: Dying is easy, comedy is hard.

Doron Levin's column will appear three times per week - on Tuesday and Thursday, plus occasional Fridays, Saturdays and Sundays. Contact him via E-mail at DoronL4918(at)aol.com, voice mail at (313) 223-4390, or real mail at

321 West Lafayette, Detroit, Mich. 48226. END!A7?DE-LEVIN-COL

**** filed by:KR-F(--) on 11/28/94 at 19:36EST ****
**** printed by:WHPR(JEL) on 11/29/94 at 09:12EST ****

White House honors Nobel winners

WASHINGTON, Nov. 28 (UPI) Vice President Al Gore and first lady Hillary Rodham Clinton honored the six American winners of the 1994 Nobel prizes in the sciences at a ceremony Monday in the East Room of the White House.

In his remarks, Gore said the winners proved the ``importance of investment in the basic sciences.'' He also remarked that they had ``proved what was only once imagined.''

``We salute you not only for you intellect and achievement, but for your integrity,'' he said.

The first lady thanked the Nobel laureates for the ``inspiration you have given to young people.''

The six American recipients of the prize this year were: Clifford G. Shull of Massachusetts Institute of Technology for physics; George Olah of the University of Southern California for chemistry; Alfred Gilman of the University of Texas and Martin Rodbell of the National Institute of Environmental Health Sciences in North Carolina for Physiology and Medicine; John Harsanyi of the University of California at Berkeley and John Nash of Princeton for economic sciences.

**** filed by:UPI-(us) on 11/28/94 at 17:06EST ****
**** printed by:WHPR(JEL) on 11/29/94 at 09:12EST ****

BC-TX--Nobel Laureates,0150
White House Honors Nobel Laureates
Eds: Edited for Texas interests; Similar version moving nationally
mmkdf

WASHINGTON (AP) The White House has honored the six Nobel Prize recipients who are Americans, including one laureate from Texas, in a ceremony presided over by First Lady Hillary Clinton.

The six, who were among the 11 Nobel recipients this year, were honored Monday in a ceremony in the East Room.

Vice President Al Gore told the gathering that the prize has ``come to symbolize the ultimate achievement in our quest to extend human knowledge.''

The six: Clifford G. Shull of the Massachusetts Institute of Technology, who won the prize for physics; George Olah of the University of Southern California for chemistry; Alfred Gilman of the University of Texas and Martin Rodbell of the National Institute of Environmental Health Sciences in North Carolina for physiology-medicine; and John Harsanyi of the University of California at Berkeley and John Nash of Princeton University for economic sciences.

**** filed by:APW-(TX) on 11/28/94 at 17:58EST ****
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BC-WEATHER-CLINTON

Clinton directs damages assessed from Tenn. storm

WASHINGTON (Reuter) - President Clinton has directed the Federal Emergency Management Agency to work closely with the state of Tennessee as it recovers from killer tornadoes that swept the western section of the state, Vice President Al Gore said Monday.

Gore, a Tennessean, said six tornadoes killed at least three people Sunday, destroyed dozens of homes and buildings and damaged many others.

In a statement, Gore said that because of the magnitude of the damage, Clinton had directed FEMA head James Lee Witt to work with Tennessee to assess damages and help develop a recovery strategy.

He said both he and his wife Tipper, along with Clinton and Hillary Rodham Clinton, were extending their thoughts and prayers to the victims and their families.

REUTER

**** filed by:RB--(--) on 11/28/94 at 18:05EST ****
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BC-POLITICS-GINGRICH

Gingrich to Hillary: be an Eleanor Roosevelt

NEW YORK (Reuter) - Incoming Speaker of the House Newt Gingrich said Monday he still hopes for a Congressional vote on school prayer during 1995 and recommended that first lady Hillary Rodham Clinton model herself after Eleanor Roosevelt.

In an interview with the CBS Evening News, Gingrich, the fiery Georgia Republican who is expected to become Speaker of the House in January, also said he thought there was a ``very real possibility'' that President Clinton would be re-elected.

Gingrich said school prayer was an ``important topic ... clearly though our first agenda is to pass the contract (with America) and to bring up the 10 bills in the first hundred days.''

Gingrich denied he was changing his position on the controversial subject of school prayer.

``I said all along I would hope by July we could get to a vote. We're suposed to get done with the contract in early April. So we still have several months to hold hearings.''

Gingrich also advised Hillary Rodham Clinton to ``look at Eleanor Roosevelt, look at people who've been very effective as first lady, and then carve out a very specific area, that she wants to really work on ... I think she'd be very effective.''

Regarding Clinton's re-election chances, Gingrich said, ''Listen, I'm a historian, I believe anything is possible. I think ... there's a very real possibility you're going to have a second administration, sure.''

Gingrich also said he thought it was ``possible'' that the new House may not have a single committee or subcommittee chairman who is black of hispanic. He said this was because of seniority, in that incoming black, hispanic or Asian Republicans have less seniority than minority Democrats.

**** filed by:RB--(--) on 11/28/94 at 20:00EST ****
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PM-Mrs Clinton, Bjt,690
Alien Baby: A Sibling for Chelsea?
AP Photo WX104
By RON FOURNIER= Associated Press Writer=

WASHINGTON (AP) Halfway through her husband's bumpy term, Hillary Rodham Clinton has set modest goals: Make some improvements in health care, take criticism less personally and raise a healthy, happy alien baby.

Alien baby?

OK, the extraterrestrial remark was just a joke, her little moment of levity with a roomful of students studying the staid history of first ladydom. But she made her point: Don't believe everything you read about her.

In an expansive appearance Tuesday night addressing school prayer, her power, her family and the media, Mrs. Clinton turned again and again to the pain and anger caused by criticism.

``Sometimes I read about myself and say, `Ooh! I don't like her at all,''' the first lady said, cringing when asked about the public's perception of her.

She placed much of the blame on unspecified critics and the natural byproduct of a media system in which public figures ``are filtered through so many people's perceptions.''

``On the presidential level, it is just astonishing to me the kind of speculation and the attacks and the criticism,'' she said at a George Washington University seminar on first ladies. ``I try to take such matters seriously, but not personally.''

But it's hard.

``I don't always succeed,'' she said. ``Sometimes things are beyond the pale and your breath is taken away.''

Not dwelling any longer, the first lady broke into a broad grin and mentioned a tabloid report that she was pregnant with an alien child.

``But I will say, if the alien baby comes, we're ready and looking forward to it,'' she cracked. ``I've always wanted a sibling for Chelsea.''

Almost drowned out by laughter, she added: ``I'm not sure I'd know exactly how to take care of it, but I'd sure learn.''

In a serious moment, the first lady said she already learned the hard way that voters thought her plan for health care reform was a big-government boondoggle.

``I understand that and, obviously, regret it,'' she said. ``But that was neither the intention nor, from our perspective, what would have been the ultimate outcome.''

The solution: Retreat to the long-held Republican line that moderate changes will be enough.

``I do want to work on whatever health care reform we can achieve ... through incremental changes,'' said Mrs. Clinton, after making it clear she will continue to be the administration's public voice for health care reform.

Despite the concessions, she insisted that the system is still in crisis. ``These problems ... are back, and they're not going to get better on their own,'' she said.

On other issues, Mrs. Clinton:

Fretted about feeling isolated in the White House, saying she yearned for as normal a private life as possible. ``I am going to get out more.''

Declared her daughter, Chelsea, 14, well-adjusted. But she said it's hard to avoid spoiling her with the trappings of her station. ``Adults really want to do things for their children and you have to be careful about that,'' she said.

The Clintons will continue to insist on a low profile for their daughter. ``Because she's so well adjusted, you won't be seeing much of her.''

Said instilling prayer at home is more important than forcing it in school. ``I think that prayer and faith start in the family.
I think what we ought to be trying to figure out is how to get prayer ... in the family.''

Admitted that she and her husband don't always agree on every issue. ``But I won't tell you what I disagree with him about.''

Compared what she views as a nitpicking media to a carping ``mother-in-law coming to Thanksgiving dinner.''

Not that she would trade jobs with anyone. Toward the end of the 90-minute seminar, Mrs. Clinton was reminded that her husband had just two years left on a four-year term.

``Is that all?'' she quipped. ``Time flies when you're having fun.''

**** filed by:APE-(--) on 11/30/94 at 01:22EST ****
**** printed by:WHPR(JEL) on 11/30/94 at 09:35EST ****

AM-Politics-Poll,0215
CBS Poll Finds Public Giving GOP Post-Election Honeymoon
With AM-Ecstasy and Agony, Bjt

NEW YORK (AP) Many Americans have greeted the Republican political ascendance warmly and a majority in a new poll has an unfavorable opinion of the Democratic Party, CBS News reported Tuesday.

Twice as many in the poll taken Sunday and Monday are pleased with the election results than are disappointed. About 59 percent have a favorable opinion of the Republican Party, compared with 33 percent unfavorable.

The Democratic Party is seen unfavorably by 52 percent, to 40 percent favorable.

President Clinton's approval rating is a low 40 percent, down slightly from before the election. Negative feelings among men and Republicans about Hillary Rodham Clinton have led to more Americans now viewing her unfavorably as favorably.

A majority, 56 percent, say first ladies should not take on policy roles. But most don't blame Mrs. Clinton's role for the administration's failure to get health reform through Congress. Fully 73 percent think Congress will fail to pass a health care plan next year, though 62 percent think lawmakers should try.

The poll of 1,120 adults was taken by phone and results have a margin of sampling error of plus or minus 3 percentage points, CBS said.

**** filed by:APE-(--) on 11/29/94 at 21:43EST ****
**** printed by:WHPR(NLAT) on 11/29/94 at 23:08EST ****

BC-CLINTON-HILLARY
Hillary Clinton to remain involved in health reform

WASHINGTON, Nov 29 (Reuter) - First lady Hillary Rodham Clinton said on Tuesday she would remain involved in efforts to reform the U.S. health care system, but acknowledged that changes would have to be incremental.

Speaking at a seminar on the first lady's role organised by George Washington University, Mrs Clinton said her husband remained committed to health care reform although he had failed to accomplish it in the first half of his term.

``He will continue to work on it and so will I,'' she said. ``Now we're going to have to look and see what can be accomplished -- perhaps a more incremental approach.''

Mrs Clinton said she knew she was the object of intense criticism because of her high profile role. ``I try to take such matters seriously, but not personally. I don't always succeed,'' she said.

She compared the constant media scrutiny to having one's mother-in-law visit for a holiday meal and criticise every aspect of the food.

But she said it would be unnatural for her to opt out of politics. ``That would not be at all in my nature or background,'' she said. ``I, for better or worse, have spoken out on public issues for 25 years. Some kind of 'first lady amnesia' would not have been credible.''

Asked about the mid-term elections earlier this month, in which Republicans took control of both houses of Congress, Mrs Clinton said she hoped it would be possible to forge a bipartisan spirit on some crucial issues like caring for the poor.

``I don't think a nation can be great that turns its back on the poor, the unfortunate, the children among us,'' she told the packed and mainly supportive audience.

Mrs Clinton said she wanted to escape more from the isolated life of the White House.

``I frankly have gotten a little frustrated and itchy in the White House because I feel cut off from people,'' she said, adding that she wanted to find ways of becoming more involved in community action.

REUTER

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bc-NYWA-honors-women
-- NEWS ADVISORY -- TO CITY AND STATE EDITORS:

NEW YORK WOMEN'S AGENDA HONORS WOMEN LEADERS
AT NOVEMBER 30 STAR BREAKFAST

WHAT: The New York Women's Agenda (NYWA) will present "Star Awards" to outstanding women in business, arts and the professions at its Third Annual Star Breakfast.

WHERE: The New York Hilton in the Grand Ballroom.

WHEN: Wed., Nov. 30 Breakfast at 7:30 a.m. Program starts at 8:00 a.m.

Hillary Rodham Clinton, Matilda Cuomo and Donna Hanover Guiliani have all accepted invitations to attend. Gloria Steinem will be Mistress of Ceremonies.

Star Breakfast Honorees are:

Leandra Abbott, Assistant Vice President, Consolidated Edison of NY
Gail Blanke, Senior Vice President for Public Affairs, Avon Products
Mary Cirillo, Senior Vice President, Citibank, N.A., Division of Global Finance Operations and Technology

Yun Deng, Mezzo-Soprano, Metropolitan Opera Association
Maya Lin, Sculptor
Antonio Pantoia, founder of Aspira
Larema Smith, VP, Human Resources, Teachers Insurance and Annuity Association

NYWA's first "Rising Star Award" will be presented to Virginal Ruesterholz, Vice President and General Manager, NYNEX-NY Market Area, by Patricia Higgins, Group Vice President, NYNEX-NY Market.

In another first, three men will receive honorable MENtion for support of women's issues:

John Mack Carter, President, Hearst Magazine Enterprises
Howard Rubenstein, President, Rubenstein Associates, Inc.
Coy Eklund, retired Chairman/CEO, Equitable Life Assurance Society of the U.S.

Presenters Include:

Beth Bronner, VP, Domestic Consumers, Communications, AT&T
Tony Fay, VP Community Relations, Time Warner, Inc.
Sandra Lee Kawano, VP, Harold L. Lee & Sons, Inc.
Anna K. Lloyd, Manager/Staff Director, Economic Development, Brooklyn Union
Carol Perry, Managing Director, Chemical Banking Corporation
Muriel Siebert, President and Chairman, Muriel Siebert and Company
Deborah L. Talbot, Senior Vice President, Chase Manhattan Bank N.A.

CONTACT: Audrey Tanzer, 212-687-2484 for New York Women's Agenda.

-0- 11/28/94

/PRNewswire -- Nov. 28/ CO: New York Women's Agenda ST: New York IN: SU: DK-PS -- NY015 -- 0151 11-28-94 08:58 EST

**** filed by:PR-F(--) on 11/28/94 at 09:05EST ****
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BC-HELPYOURSELF lifestyle:DA
Here's a guide to self-help books
By Mike Maza
Dallas Morning News
Here's a guide to recently published self-help books:

``Safe Horse, Safe Rider: A Young Rider's Guide to Responsible Horse Keeping,'' by Jessie Haas (Storey paperback, $14.95).

Assigning this book to a child caught up with horse lust could be a fine, relatively inexpensive way to test the depth of his or her desire. Written for readers age 9 and older by a veteran horsewoman and author, it describes the calm, careful demeanor and endless work required of equestrians. It covers horse body language, grooming, equipment care, planning rides and the day-to-day requirements of safe stabling, pasturing, catching, leading and tying. Augmented by photos and illustrations, Haas' clear, confidence-building text tells would-be horse-keepers exactly what they're getting into.

X X X

``The 1995 Information Please Women's Sourcebook,'' edited by Lisa DiMona and Constance Herndon (Houghton Mifflin paperback, $13.95).

The scope is amazing: facts, issues and resources regarding education, work, child care, health, fertility, sexuality, relationships, divorce, retirement, politics, safety, activism. Sexual discrimination in the workplace and ``Six Rules for Making the Mommy Track Work.'' Essays by Hillary Clinton and Marilyn Quayle and quotes from female comics. But the editors emphasize usefulness. For example, a section on breast cancer includes one chart that describes five treatment options and compares the advantages and disadvantages of each, and another that shows how experts divide on the question of mammography for younger women.

X X X

``More Random Acts of Kindness,'' (no author) (Conari paperback, $8.95).

If the world seems a cold place, this may help defrost it descriptions of dozens of kind, compassionate actions taken by or on behalf of a reformed drunk, a compassionate crime victim, a battered wife, a heart transplant recipient. The inspiring, inescapable message: Even the slightest act of selflessness can have enormous impact on its beneficiary. Published last year, the first book helped spawn a loose national movement.

X X X

``Appearance Obsession: Learning to Love the Way You Look,'' by Joni E. Johnston, Psy.D. (Health Communications paperback, $9.95).

``Because our view of our bodies is so closely linked to our view of ourselves, events and feelings that are not related to our appearance can get channeled into our looks,'' writes this Dallas psychologist. ``We may feel fat rather than depressed, ugly after a relationship breakup, or we may see a much larger person in the mirror after stepping off a scale that shows a one-pound gain. If we are not aware of the underlying trigger, we can go off on a self-improvement rampage ...'' A former beauty contestant who grew up being told she was ``too pretty to be so smart,'' Johnston tackles body-related self-esteem problems, including excesses of diet, exercise and clothing consumption, from both personal and professional vantage points.

X X X

``A Fool in a Hurry Drinks Tea With a Fork,'' edited by Norma Gleason (Carol hardcover, $12.95).

Proverbs don't deserve the bad name they've gotten from the English tendency toward terse banality. So forget ``Look before you leap.'' Other cultures can boil whole philosophical arguments down to a single resonant sentence. Here are some samples from the 1,047 proverbs Gleason has collected from around the world. ``Nobody will give a pauper bread, but everybody will give him advice,'' (Armenian). ``Six feet of earth makes us all one size,'' (Italian). ``It won't get better until worse has passed,`` (Swedish). ``If I die, I forgive you; if I recover, we shall see,'' (Spanish).

``HELP YOURSELF'' is a weekly survey of self-help books by Mike Maza of The Dallas Morning News. Readers may write to Maza at the Dallas Morning News, Communications Center, Dallas, TX, 75265.)

**** filed by:KR-F(--) on 11/28/94 at 08:57EST ****
**** printed by:WHPR(JEL) on 11/28/94 at 09:48EST ****

PM-AR--Ark Wkd Briefs, 2nd Add,680
UNDATED: 26 program.

= Counsel Says Secrecy Is Key to Investigation

LITTLE ROCK (AP) The office of Whitewater independent counsel Kenneth Starr said Friday that it will not comment on reports that Gov. Jim Guy Tucker and others will be indicted soon in the Whitewater case.

The Los Angeles Times reported Thursday, in an article citing ``sources close to the case,'' that Starr was expected to seek indictments soon against Tucker and other key players in the Whitewater matter.

The newspaper reported that others virtually certain to be named in indictments included Webb Hubbell, former associate attorney general who was once a partner with first lady Hillary Clinton in the Rose Law Firm of Little Rock; former savings and loan owner Jim McDougal of Arkadelphia and his former wife, Susan McDougal, who were partners with President Clinton and his wife in the Whitewater Development Corp.; and some lower-level employees of Madison Guaranty Savings and Loan, once owned by McDougal.

Tucker said a story like that in the Times' ``causes great personal and family pain. If this story, and others like it quoting various unnamed `sources,' is not true, the injustice of what has occurred is obvious.''

= Foundation Works to Change Delta

CONWAY, Ark. (AP) Marlin Jackson heads a bank in Conway but hasn't forgotten his roots in the impoverished Mississippi Delta.

He grew up during the Depression, living in a farmhouse on stilts in the St. Francis River floodway.

President of Worthen National Bank, Jackson serves on the board of the Foundation for the Mid South, a non-profit organization devoted to helping change the historically poor Delta region.

``Of all the organizations dealing with the worst problems of the Delta, the foundation stands head and shoulders above anything I've ever done in 40 years,'' Jackson said.

The organization is an outgrowth of the Delta Commission, set up by the governors of Arkansas, Louisiana and Mississippi in May 1988.

After the governors' terms ended, former Mississippi Gov. William J. Winter and Edwin Lupberger of New Orleans, chairman and chief executive officer of Entergy, continued the effort, Jackson said. Lupberger got Entergy to give a $1 million challenge grant and then raised an additional $2 million.

The foundation's role is to broker funds from different sources, provide grants and subsidies to the region, bring together leaders and serve as a catalyst for innovative programs.

= AETN Special Compares Faubus to Long

CONWAY, Ark. (AP) History will compare Orval Faubus to George Wallace, the fiery Alabama governor, University of Arkansas journalism professor Roy Reed said.

A better comparison is Huey Long, Reed said in the next breath.

``No governor since the Louisiana Kingfish completely dominated and changed his state as much as Orval Faubus,'' Reed told viewers who were tuned Wednesday night to the Arkansas Educational Television Network presentation of ``The Governor From Greasy Creek.''

Reed, who is writing a Faubus biography, narrated a 57-minute presentation about Arkansas' 12-year governor. Reed interviewed Faubus near his Madison County roots and in his Conway home about his formative years, the 1957 Central High School desegregation crisis and the many public works programs to aid the common people.

Faubus watched the presentation at his home. Asked about Reed's objectivity, Faubus replied, ``I disagree on one thing. He knows that. He is a product of the sentiment that was built up by the (Arkansas) Gazette and other papers. They are interested in keeping it (the Central High desegregation crisis) alive.''

For the most part, Faubus, 84, who remains mostly still in a recliner with painful cancer of the spine, was unemotional, drumming his fingers on the arm of his chair at times during the presentation.

The former governor said on the program, ``Given the circumstances, I wouldn't have done anything different.'' Faubus said the federal authorities abrogated their responsibilities and narrowed action in the confrontation down to the governor.

**** filed by:APW-(AR) on 11/27/94 at 22:11EST ****
**** printed by:WHPR(JEL) on 11/28/94 at 09:49EST ****

AM-AR--Whitewater-Counsel,460
Counsel Says Secrecy is Key to Investigation
hktphou

LITTLE ROCK (AP) The office of Whitewater independent counsel Kenneth Starr said Friday that it will not comment on reports that Gov. Jim Guy Tucker and others will be indicted soon in the Whitewater case.

The Los Angeles Times reported Thursday, in an article citing ``sources close to the case,'' that Starr was expected to seek indictments soon against Tucker and other key players in the Whitewater matter.

The newspaper reported that others virtually certain to be named in indictments included Webb Hubbell, former associate attorney general who was once a partner with first lady Hillary Clinton in the Rose Law Firm of Little Rock; former savings and loan owner Jim McDougal of Arkadelphia and his former wife, Susan McDougal, who were partners with President Clinton and his wife in the Whitewater Development Corp.; and some lower-level employees of Madison Guaranty Savings and Loan, once owned by McDougal.

``There have been several media reports and statements to the press over the past two days regarding the investigation that the Office of the Independent Counsel is conducting,'' Starr's office said in a one-page release. ``Secrecy has been and will continue to be a hallmark of this investigation.

``However, we have no control over what may appear in the media based upon information obtained from sources outside of the investigation and, consequently, we must not and will not comment on the reports that have appeared this week.''

Tucker said a story like that in the Times' ``causes great personal and family pain. If this story, and others like it quoting various unnamed `sources,' is not true, the injustice of what has occurred is obvious.''

He said the newspaper report raised ``far more ominous issues.''

``It is a crime to disclose information from grand jury proceedings,'' Tucker said. ``Why would a special prosecutor's office permit the near-routine `leak' of such information from his office and other government agencies?''

He speculated about three possibilities: that the leaks were deliberate, intended for political purposes or to taint or influence the grand jury or future jury members; that they were the result of ``recklessly loose procedures'' in Starr's office that would have the same result; or that, if Starr has prepared an indictment, he intends for the grand jury to indict ``regardless of the testimony or the evidence (Tucker) might offer.''

``A prosecutor's duty is not just to prosecute, but to seek justice,'' said Tucker, former prosecutor for Pulaski and Perry counties. ``What is going on?''

**** filed by:APW-(AR) on 11/25/94 at 18:14EST ****
**** printed by:WHPR(JEL) on 11/28/94 at 09:59EST ****

AM-MS--Self-Taught Artist, Mspi Bjt,JAC,590
With AP Photo
Savage Uses Talent to Meet Special People
An AP Mississippi Member Exchange
By NELL LUTER FLOYD= The Clarion-Ledger=

JACKSON, Miss. (AP) Alcorn State University senior quarterback Steve McNair is the latest in Lawrence Savage's lineup of portraits, but not the last.

The Jackson artist, who recently presented ``Air II McNair'' an oversize portrait complete with 400 signatures, already has his next delivery in mind.

He hopes to shake hands with George Foreman and present the World Boxing Association heavyweight champion a portrait he created in 1992.

``Nothing is impossible,'' said the 56-year-old self-taught artist. ``All things are possible.''

Savage also has portraits of Oprah Winfrey and Bill, Hillary and Chelsea Clinton waiting in the wings should an opportunity arise for a personal presentation.

In the past five years, he's drawn and delivered portraits of jazz trumpeter Wynton Marsalis, singers Gladys Knight, James Brown and Smokey Robinson, rapper Hammer, designer T.J. Walker of the Cross Colours line of clothing and the black caucuses of the Mississippi and Tennessee legislatures. And that's just to name a few.

Savage collected 400 signatures on his I'll Deal With It poster of athlete Magic Johnson, who is positive for HIV, the virus that causes AIDS. He presented the poster when Johnson visited Mississippi last year.

``He showed a great deal of appreciation for what I did,'' Savage said. ``He said he'd cherish it the rest of his life.''

Should McNair win the Heisman Trophy, Savage said he will probably create another piece of art to mark the occasion.

Savage spent about 60 hours drawing the first McNair poster using pencil and pastels and countless hours watching as Mississippians from Natchez to Grenada signed it.

``That was the greatest challenge,'' he said.

Gov. Kirk Fordice signed his name on the football that McNair is shown holding. McNair's mother signed her name, Lucille McNair, and beneath it wrote ``Mama Mac'' on the gold helmet McNair wears on the poster.

``I consider them signatures of endorsement,'' Savage said. ``They're what make it unique.''

Dorothy Thompson of Jackson, a realtor, said she's drawn to Savage's portraits because of their realism.

``He does a superb job on the likeness,'' said Thompson, who commissioned Savage to create a portrait of her grandfather.

Ernest Stanton of Madison, owner of Stanton Body Shop, said he has collected 15 pieces of Savage's art because it is unique.

``He should have been recognized a long time ago,'' he said. ``All his work is original.''

Ed Cole, executive assistant to U.S. Rep. Mike Parker, D-Miss., agrees that Savage has a knack for capturing the essence of the moment.

Cole said he first met Savage several years ago after Savage had created a drawing of former President George Bush and former Vice President Dan Quayle.

``We attempted a presentation, but we couldn't pull it off,'' Cole said. ``But I think we may do him some good with his drawing of President Clinton.''

David Lambert, a Jackson artist and vice president at Bryant Galleries, said Savage should be congratulated for personally presenting his artwork.

``It can be difficult when you're going to personally present something to a celebrity,'' Lambert said. ``They're deluged every day with letters and gifts from admirers. For him to get through, there must be something touching about the work.''

AM-Clinton, 2nd Ld-Writethru, a0585,120
Clintons Go Horse Riding at Camp David
Eds: SUBS 2nd graf with 2 grafs to update with other Clinton activities

CAMP DAVID, Md. (AP) President Clinton, his daughter and stepfather went horseback riding Friday at the snow-covered Camp David compound, the White House said.

Clinton also watched some football, did some reading and took a walk around the presidential retreat in the Catoctin Mountains ``to get some fresh air,'' said spokeswoman Ginny Terzano. About 1&1/2 inches of snow was on the ground, she said.

The president, Hillary Rodham Clinton and their daughter, Chelsea, are spending the long Thanksgiving weekend there with the first lady's mother, Dorothy Rodham, and the president's stepfather, Richard Kelley, Terzano said.

**** filed by:APE-(--) on 11/25/94 at 17:31EST ****
**** printed by:WHPR(JEL) on 11/28/94 at 09:50EST ****

AM-Whitewater-Counsel,0178
Counsel Says Secrecy is Key to Investigation

LITTLE ROCK, Ark. (AP) Independent counsel Kenneth Starr refused comment Friday on published reports that Gov. Jim Guy Tucker and others will be indicted soon in the Whitewater investigation.

``Secrecy has been and will continue to be a hallmark of this investigation,'' Starr's office said in a statement.

Starr was named to investigate business transactions involving the Whitewater Development Corp., in which President Clinton and first lady Hillary Rodham Clinton were partners, along with former savings and loan owner James B. McDougal and his ex-wife, Susan McDougal.

The Los Angeles Times, citing unidentified sources, reported Thursday that Starr was expected to seek indictments soon against Tucker and other key players in the Whitewater affair.

Among those almost certain to be indicted, the Times said, are former Associate Attorney General Webster L. Hubbell, a former law partner of Mrs. Clinton at the Rose law firm of Little Rock; both McDougals; and some employees of Madison Guaranty Savings and Loan, which McDougal once owned.

**** filed by:APE-(--) on 11/25/94 at 23:00EST ****
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AM-AR--Whitewater-McDougal, Ark Bjt,310
McDougal Says No Whitewater Prosecutor Contact With Him
bcskkfon

ARKADELPHIA, Ark. (AP) While rumors swirl that the Whitewater prosecutor is about to get indictments, Whitewater figure Jim McDougal says nobody has contacted him.

McDougal said he has not spoken with FBI agents nor testified to the special federal grand jury that was established March 23 to deal with the Whitewater probe.

``Nobody's talked to me,'' McDougal said Monday. ``It might be a nice change from sitting here staring at the four walls.''

McDougal described himself as a person who has high blood pressure, is manic-depressive and sometimes is on pain-killing medication ``so powerful I ought not to be talking to anybody.''

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David Hale, who ran a government-backed lending agency until federal officials shut it down because of its losses, says Clinton pressured him to provide a $300,000 loan to Mrs. McDougal in 1986. In some news articles, this loan and perhaps other activities at Madison have been said to have financed Whitewater.

The grand jury last met Nov. 10.

A source close to the investigation said last week that Independent Counsel Kenneth Starr had told it that indictments were due ``the end of November or early next month.''

That sources and two others said they were pressured to cooperate in the investigation. One said the word from Starr's office was to ``get aboard or get run over.''

**** filed by:APW-(AR) on 11/21/94 at 13:04EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:04EST ****

bc-NY-News-Communicatns
TO BUSINESS EDITOR:

NEWS COMMUNICATIONS AUTHORIZES STOCK REPURCHASE

NEW YORK, Nov. 21 /PRNewswire/ -- News Communications, Inc. (Nasdaq: NCOM) announced today that its Board of Directors had authorized the repurchase of up to 1,000,000 Shares of its Common Stock in accordance with Securities and Exchange Commission rules regarding such repurchases. Purchases under the program will be made at such times as will be determined by the Chairman of the Board and the President of the Company. The last sale price of the common stock on November 18, 1994, was $2.875 per share.

News Communications, Inc. is a media company located in New York City which currently publishes The Hill in Washington, D.C.; Dan's Papers and the Montauk Pioneer in the Hamptons; Manhattan File, Our Town, the Manhattan Spirit, the Chelsea Clinton News and the Westsider in Manhattan; The Queens Tribune and the Western Queens Tribune; the Bronx Press Review; Riverdale Review; Westchester Lifestyles; Brooklyn Skyline; and in Nassau County, Lynbrook USA, the Malverne Times, the Rockville Centre News & Owl, the Valley Stream MAILeader, the Independent Voice of Long Beach, Oceanside & Island Park, the Rockville Centre-Oceanside Beacon, the Baldwin Citizen, the East Rockaway Observer, Long Island Lifestyles, and six editions of the Long Island Market.

-0- 11/21/94

/CONTACT: Robert Berkowitz of News Communications, 718-357-3380/

(NCOM) CO: News Communications, Inc. ST: New York IN: PUB SU: LG-CK -- NY052 -- 9964 11-21-94 13:37 EST

**** filed by:PR-F(--) on 11/21/94 at 13:42EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:04EST ****

BC-Bentsen-Puts-Cold-Water-on-Report-He'll
Bentsen Puts Cold Water on Report He'll Leave Treasury (Update1)
(Updating with Stephanopoulos comment)

Washington, Nov. 21 (Bloomberg) -- Treasury Secretary Lloyd Bentsen went out of his way today to pour cold water on a report that he's ready to retire, although he didn't issue an outright denial.

After an interview with a Mexican television crew, Bentsen walked up to a wire service pool reporter covering the event and volunteered: ``You fellows have been retiring me since the day I took office.''

``That is my comment.''

Cable News Network, citing unnamed White House sources, reported earlier in the afternoon that Bentsen was ready to step down. The report also said that Robert E. Rubin, the former Goldman, Sachs & Co. co-chairman who now heads President Clinton's National Economic Council, was in line to replace Bentsen at Treasury.

Asked about reports of major changes in the executive branch, White House senior adviser George Stephanopoulos said, ``There was no basis for this speculation.''

Separately, an administration official in Rubin's office said that there was no basis to the speculation that Rubin would replace Bentsen.

To be sure, Rubin's star continues to rise in the administration. Last month, the president put him in charge of the health-care reform effort, replacing First Lady Hillary Clinton and adviser Ira Magaziner in that role.
--Vincent Del Giudice (202) 434-1882 and Dina Temple-Raston (202) 434-1884
/ch/ (Treasury news: NI TRE; White House news: NI EXE.) 16:36 16:37 -0- (BBN) Nov/21/94 16:38 EOS (BBN) Nov/21/94 16:38 86

**** filed by:BB-F(--) on 11/21/94 at 16:47EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:02EST ****

U.S. to commit $100 million to Ukraine

WASHINGTON, Nov. 21 (UPI) President Clinton plans to commit $100 million in direct assistance to support Ukraine's balance of payments when he hosts a state visit for President Leonid Kuchma on Tuesday.

Senior administration officials, who requested anonymity, said that the additional aid will bring to $4 billion the amount given to Ukraine for its economic reforms and the dismantling of its nuclear warheads.

``This is obviously an important visit for us,'' said one official. He said that it was ``one of the key foreign policy issues'' Clinton felt he had to develop, particularly on the nuclear front and to keep Ukraine on the right track with its economic reforms.

Because of the strides in transforming the Ukrainian economy, the International Monetary Fund is clearing the way for requested loans, officials said.

Kuchma arrived in the United States on Saturday and spent two days in New York before traveling to Washington. Clinton has hosted only three other state visits since he took office. Most heads of state are invited on official visits which are not accompanied by the pageantry of a welcoming ceremony and a state dinner.

After a greeting on the south lawn of the White House, the two leaders will adjourn to the Oval Office for a meeting. Vice President Al Gore will host a luncheon at the State Department in honor of the Ukrainian leader. In the evening, the president and first lady Hillary Rodham Clinton will host a state dinner in honor of Kuchma and his wife.

While in Washington, Kuchma will be a guest at Blair House, the presidential guest house.

**** filed by:UPI-(us) on 11/21/94 at 17:37EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:02EST ****

Adoption in Black and White ---- By Rita Kramer

Last week President Clinton signed into law a measure that will make it harder for the estimated 40,000 black children eligible for adoption to find permanent, loving homes. A once-promising piece of legislation was distorted by Hillary Rodham Clinton's former colleagues at the Children's Defense Fund.

The Multiethnic Placement Act, sponsored by Democratic Sens. Howard Metzenbaum of Ohio and Carol Moseley Braun of Illinois, was originally intended to end the widespread policy among child welfare agencies of not placing children of one race with adoptive parents of another race. Since most children eligible for adoption are black, while most couples who want to adopt are white, this policy has doomed many children to lives without the security of belonging to a family of two parents who can provide a stable, caring home from early childhood.

While finding children good, permanent families to call their own has long been the stated goal of federal and state child welfare legislation, most of the estimated 460,000 children now in foster care nationwide -- up from about 300,000 in the mid-1980s -- spend years in limbo, often bouncing from foster home to foster home or among blood relatives unable to adequately care for them.

These unfortunate children, most under age six when they enter the system, too often remain in foster care beyond the age at which they might form lasting bonds with adopting parents. And as they grow older, losing the cuddly quality of the very young, they are also less likely to be chosen for adoption. A particularly perverse situation is that in which foster parents with whom children have already formed loving bonds are unable to adopt them because of policies virtually prohibiting adoption across color lines.

Sen. Metzenbaum had stated the case succinctly: "It is better for a child to be adopted by parents of another race than not to be adopted at all." Longitudinal studies of transracial adoptions over the past two decades have failed to show any adverse effects on black children adopted by white families. But, despite the clear advantages of removing the barriers to transracial adoption, the politics of race has won out in the end.

Members of the National Association of Black Social Workers have long characterized the placement of black children in white homes as "cultural genocide." A 1992 position paper of the Black Task Force on Child Abuse and Neglect warns against "transculturation . . . when one dominant culture overpowers and forces another culture to accept a foreign form of existence." The "dominant culture" blames the victim, the report states, when the real causes of family dysfunction are "systemic stressors such as racism, poverty . . . and incarceration." Rather than being removed from their families and communities, "children need to be with those who are most familiar with their culture, heritage and family system."

Intense lobbying efforts to tone down the Metzenbaum-Braun bill were led this summer and fall by Donna Shalala, secretary of health and human services, and Marian Wright Edelman of the Children's Defense Fund, an organization that seems to be less concerned with defending children than with defending a political agenda. They succeeded, in the words of William Pierce, president of the National Council of Adoption, in "hijacking the legislation" by making amendments that will do little to further colorblind adoptions and may actually make things worse.

As Mr. Pierce puts it, "The administration misled the public by trying to give discrimination in placement a more constitutional look. The opponents of transracial adoption have stopped using inflammatory rhetoric like `genocide' and smartened up their tactics."

Under Title VI of the 1964 Civil Rights Act, the original MEPA legislation would have cut off federal funds to agencies that delayed, denied, or otherwise discriminated in making an adoption placement solely because of race, color, or national origin. As amended, MEPA fails to close the loopholes that remain barriers to transracial adoption. There are no stiff mandatory penalties against agencies that continue to discriminate. And the legislation

allows agencies to "consider the cultural, ethnic, or racial identity needs of the child and the capacity of the prospective . . . parents to meet those needs." It's not hard to guess what those vaguely stated needs will prove to be. The final result of MEPA is to make transracial adoptions even harder.

Why are so many children currently in limbo? One reason is the sudden dramatic increase in the number of abuse and neglect cases since the mid-1980s, when the crack epidemic exploded among inner-city women. Child welfare agencies found themselves woefully short of caseworkers and of beds for children removed from dangerous situations.

A stopgap measure -- placing these children with relatives, most often a maternal grandmother -- soon became institutionalized. This "kinship foster care" meant extra money for the relatives who took in their families' children and fewer problems for the public agencies suddenly faced with caring for so many children. It also meant extra revenue for the private agencies that contracted to oversee cases for an understaffed and overwhelmed bureaucracy. And it served the racial politics of the National Association of Black Social Workers. About 95% of the children in kinship foster care are black or Hispanic.

Everyone got something -- except those children consigned to indefinite stays in foster care or even, in the case of children with multiple handicaps, in institutions. Too many children wound up in the care of the same families that had produced their troubled, often addicted, sometimes violent parents. And social service agencies continued to return abused children to those troubled birth parents again and again.

The mystique of what social workers call "family preservation" -- even when the family consists of parents who beat, starve, burn and terrorize their small children -- has been one factor working against permanently removing children from such families and freeing them for adoption. Another has been the racial and ethnic policy of black and Latino social workers and the reluctance of others in public welfare agencies to oppose them in a climate in which the charge of racism serves as a potent threat.

The emphasis on retaining the "culture and language" of the family has become a shibboleth. But increasing numbers of children -- as many as 80% in some inner cities -- born to poor unmarried young women and destined to grow up without fathers are being exposed not to a culture of enriching traditions but rather to a subculture that has resulted in the many damaged and parentless children who might have a better chance in life if removed from that culture.

-END-OF-AUTOBREAK(1)-
-AUTOBREAK(2)-FOLLOWS

**** filed by:WSJ-(--) on 11/22/94 at 02:19EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:01EST ****

PM-AR--Whitewater-McDougal, Ark Bjt,330
McDougal Says No Whitewater Prosecutor Contact With Him
tp2fon

ARKADELPHIA, Ark. (AP) While rumors swirl that the Whitewater prosecutor is about to get indictments, Whitewater figure Jim McDougal says nobody has contacted him.

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**** filed by:APW-(AR) on 11/21/94 at 23:32EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:01EST ****

PM-BRF--Health-Consumer Guide,200
Health Consumer Group Publishes How-To Guide

WASHINGTON (AP) Families USA has unveiled a 342-page guide, ``Health Care Choices for Today's Consumer,'' with such practical advice as how to choose the best health plan, how to shop for doctors and hospitals and how to hold down personal costs.

Families USA was an outspoken advocate of the failed Clinton health plan, proposal and the book's forward is written by Hillary Rodham Clinton, who says, ``You may not agree with all of the advice here, but I think you will find it to be a helpful resource.''

Most of the book features practical, not political, advice authored by outside experts. Phil Villers, the group's founder and president, called the book a road map through ``the jungle of American health care.''

It tells how to contact major medical associations and support groups, and lists the phone numbers for hospital emergency rooms in 50 large cities.

Families USA is a not-for-profit organization that works on issues affecting the poor and elderly, especially health issues.

``Health Care Choices for Today's Consumer'' may be ordered from Families USA at 1-800-699-6960. The $14.95 guide will be in bookstores in February.

**** filed by:APE-(--) on 11/22/94 at 02:42EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:01EST ****

BC-NC--Briefs,580

NEW BERN, N.C. (AP) Law enforcement officers Monday began arresting 40 people in what they described as a continuing battle against crack cocaine in the New Bern area.

The defendants, most of them New Bern residents, were indicted on federal charges of conspiracy to possess and distribute cocaine. Investigators said the illegal operation handled 200 kilos of cocaine worth $5 million over a three-year period.

Assistant U.S. Attorney J. Douglas McCullough said investigators targeted sources who supplied cocaine to street dealers.

``Most of the people (arrested) today were what we call mid-level dealers,'' he told The News & Observer of Raleigh. ``These were not people who are standing out on the street with something in their hand trying to sell it.''

About 25 defendants had been arrested by Monday afternoon, officials said. About $30,000 in cash and other property including guns, stereo equipment and electronics were seized.

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DURHAM (AP) Not deterred by a rejection from the First Lady this past spring, Duke University has invited President Bill Clinton to campus next month.

Officials are awaiting word on whether Clinton will attend dedication ceremonies for the new $12 million home of the Terry Sanford Institute of Public Policy. If he shows, the university will give him an honorary degree for his trouble.

Duke officials say the president was a natural, The News & Observer of Raleigh reported.

``He represents the new generation of leaders trained in public policy analysis,'' said Bill Ascher, the institute's director.

Duke officials know they run the risk of being disappointed, as they were in April when, after keeping the university hanging for months, Hillary Rodham Clinton declined to speak at Duke's graduation. This time, Duke is making plans on the assumption Clinton won't be on hand, just in case.

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WINSTON-SALEM (AP) State and federal officials have begun an investigation into migrant-labor practices in Ashe, Alleghany, Avery and Watauga counties.

James V. Witmer, the district director of the federal Wage and Hour Division in Raleigh, told the Winston-Salem Journal that reports of dismal housing conditions and wage violations led his agency to open the investigation Nov. 7.

The four counties under scrutiny are where farmers use migrant help to harvest Christmas trees.

When a survey team found one house for migrant farm workers near Jefferson last summer, according to the newspaper, rot had eaten a 2-foot hole in the floor from the tub to the toilet. The only water available, cold, sat in a bucket in the tub. Workers dipped cups in the water and rinsed themselves for a bath.

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OXFORD, N.C. (AP) A Granville County farmer found the body of a migrant worker in the ashes of a storage building that burned three days prior to the discovery, authorities said.

Firefighters thought the house was unoccupied when they responded to the blaze at 9:30 p.m. Wednesday, county Fire Marshal Doug Logan said. Farm owner Raymond Currin told investigators he had given the worker a ride into Oxford several hours earlier.

Currin was digging in the debris at the farm he owns on Horner Siding Road when he found the remains beneath a pile of tin, timbers and blocks from a collapsed chimney, Logan told The Herald-Sun of Durham.

Currin had given the farm hand permission to sleep in the building, a one-story frame house used for storage.

The State Bureau of Investigation agreed with local detectives that the fire began accidentally, Logan said. They have ruled out foul play in the death.

**** filed by:APE-(NC) on 11/22/94 at 05:21EST ****
**** printed by:WHPR(JEL) on 11/22/94 at 09:01EST ****

AM-NC--Hillary Double,960
Looking Like Hillary Clinton Changes Woman's Life
Eds: Also moved in advance
AP Member Exchange= By KIM UNDERWOOD= Winston-Salem Journal=

WINSTON-SALEM (AP) A police officer once stopped Teresa Lilly Barnwell as she approached the White House for a tour because he mistook her for Hillary Rodham Clinton out and about without her Secret Service escort.

That encounter was more dramatic than most, but people are startled regularly by how much Barnwell looks like the first lady. The resemblance between the two is striking enough that Barnwell became a professional look-alike.

This was not a turn she expected her life to take when she was growing up in Clemmons. ``I never imagined in a million years that this would happen to me,'' she said. ``It's really bizarre. It has totally changed my life.''

Barnwell, who lives in Costa Mesa, Calif., lived in Clemmons until 1971. After her sophomore year at West Forsyth High School, her parents, Bob and Martha Lilly, moved the family to Burlington. Her aunt and uncle, Ruth and George Myers, and her grandmother, Martha Myers, still live in Pfafftown.

Since the Clintons moved into the White House, Barnwell has portrayed Hillary Rodham Clinton on television several times. On Monday, she will appear on Leeza Gibbons' talk show, Leeza.

Barnwell said that it never occurred to her that she resembled Mrs. Clinton until, one day during the Democratic convention, a change attendant in a casino ``I was gambling; I confess'' came over to her and said, ``Hey, if Bill Clinton gets elected, you're going to get a lot of attention.''

As the campaign progressed, more and more people began to comment on the likeness. ``It happened over and over and over again.''

At the urging of her friends, she drove to an agency with the intention of seeing if it would represent her, but chickened out and didn't go in. Later that day, the editor of the community newspaper where she worked was talking to the head of the agency and mentioned the striking resemblance.

She was on her way.

Barnwell soon discovered that people are fascinated not only with famous people, but also with people who look like famous people. She likes parts of her life as a celebrity the all-expenses-paid trips and being picked up at the airport in a limousine, for example.

On the other hand, she said, she has begun to understand how life can be difficult for the famous. During a couple of Fourth of July parades, she said, people called out unpleasant remarks, held their noses and squirted her with Silly String.

Even when it's positive, the constant attention can become tiresome. ``Everywhere you go, people want your autograph,'' she said. ``They come over and interrupt dinner.''

One nice thing, Barnwell said, is that, when she doesn't want the attention, she can dress to minimize the resemblance. ``There are times when people don't pick up on it at all.''

When they do, the comparisons some people make can be unsettling. People have compared her teeth, legs and bust to Mrs. Clinton's, she said. ``They will scrutinize you up one side and down another, which I think is kind of tacky.''

About the only change Barnwell made to her appearance was to lighten her hair a bit. She wore a wig when Mrs. Clinton's hair was shorter.

Barnwell likes to have fun with the role and tries to have something snappy to say when appropriate. A few months back when someone asked her if she would like something to drink, she might say, ``I'll have a glass of Whitewater.''

But she makes a point of not doing anything that would reflect badly on the first lady. ``I'm cautious about how I portray Hillary,'' she said. ``I don't like to do anything that's real disrespectful.''

Doing something improper on her own time isn't a big worry. ``I think I'm

pretty much a straight arrow,'' she said. ``I'm not out dancing until dawn.''

Her husband finds his wife's celebrity simultaneously odd and intriguing. He sometimes participates by acting as her Secret Service agent. When he puts on a suit, sunglasses and the earpiece he bought for $1.79 at Radio Shack, she said, he definitely looks the part.

Barnwell has been in such great demand that she left her job at the newspaper and took another that allowed her more flexibility with her schedule. She is now the marketing manager for a business that puts out a daily newsletter for health-care organizations.

She still needs a regular full-time job, she said, because, unless you're a look-alike for someone such as Madonna or Elvis and can put on a show, it's hard to make a living with it.

The jobs can be lucrative by the hour, but a job might be only an hour or so, and she might have only a couple of jobs a week. She also donates her time for appearances at events put on by such organizations as the Orange County Special Olympics and the American Diabetes Association.

Barnwell won't go so far as to say whether she voted for Bill Clinton. ``I'm a registered Democrat. That's all I'll say.''

She will acknowledge that she would like to see the Clintons around for another term. ``I'm having a blast doing this,'' she said.

And she would like to meet the first lady some day. But she wants it to be under the right circumstances. ``I don't want it to be a situation in which the Secret Service start to wrestle me to the ground.''

**** filed by:APE-(NC) on 11/19/94 at 16:43EST ****
**** printed by:WHPR(JEL) on 11/21/94 at 08:11EST ****

BC-CLINTON HAWAII

Clinton urges ``practical'' solutions to problems

HONOLULU, Hawaii, Nov 19 (Reuter) - President Bill Clinton, still stinging from congressional election setbacks, on Friday urged ``practical, hardheaded'' solutions to the country's problems and no ``moaning'' or ``being negative.''

Clinton, who is spending a few days relaxing here with first lady Hillary Rodham Clinton, after returning from a trade mission to Asia, paid tribute to the outgoing governor of Hawaii, John Waihee.

At a farewell dinner for the governor, Clinton spoke glowingly about Hawaii's employer-paid health care system and bitterly about his failure to pass legislation to create a similar system nationwide.

``What you have done here in health care is basically what we ought to do everywhere,'' Clinton said.

The president said he was ``surprised and somewhat disappointed'' that when he proposed a similar system, ``the people who profit greatly from the other sort of system'' were able to convince Americans his plan was a government takeover of health care.

Clinton gave no hint whether he will seek broad reform again next year when Republicans will control both the House and the Senate for the first time in 40 years.

He joked to the audience about the ``chilly'' climate in Washington in the aftermath of the election and said Hawaii's health system is an example of what the whole country must do.

``What has always made us great is not moaning or being negative or being divided or running down people who are different from what we are,'' Clinton said.

``What has always made us great is coming together, facing our problems, joining together and figuring out some practical hardheaded ways to solve our problems,'' he added.

During their brief vacation here, the Clintons have been spending their time relaxing and staying out of the public view.

The first lady has been spending much of her time reading or walking along the beach at the Kaneohe marine base where they are staying in a guest cottage.

The president, meanwhile, has been spending almost all of his time playing golf.

The Clintons stopped here for a brief stay on return from a trip to the Philippines and Indonesia, where the president attended the Asia-Pacific Economic Cooperation (APEC) forum summit.

The first couple planned to return to Washington on Saturday night instead of on Sunday morning as originally scheduled.

Clinton is scheduled to meet on Monday with Israeli Prime Minister Yitzhak Rabin and on Tuesday with Ukraine President Leonid Kuchma.

REUTER

**** filed by:RB--(--) on 11/19/94 at 02:46EST ****
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AM-AR--Whitewater, Bjt,520
Indictments Seen in Whitewater Case; Pressure on Some Figures
pykkstf
By PETE YOST= Associated Press Writer=

LITTLE ROCK, Ark. (AP) The Whitewater prosecutor is pressing potential witnesses to cooperate, telling at least one that indictments will be coming within a month. Another says the word from the prosecutor's office is ``Get aboard or get run over.''

In all, three Whitewater figures say that in recent weeks they have been encouraged by the office of prosecutor Kenneth Starr to cooperate with authorities.

The focus of the stepped-up investigation is the failed Arkansas savings and loan once owned by the Whitewater business partners of then-Gov. Bill Clinton and Hillary Rodham Clinton.

Starr's office has informed one of the three figures that indictments are in the works for ``the end of November or early next month,'' that figure said Friday.

The three spoke only on condition of anonymity.

They all had ties to Madison Guaranty, the S&L whose biggest stockholders were Jim and Susan McDougal.

Prosecutors, meanwhile, are praising the cooperation of David Hale, who has made allegations against Clinton and Arkansas Gov. Jim Guy Tucker.

As a private citizen, Tucker was a prominent Little Rock attorney whose clients included Madison. He and companies he controlled borrowed over $1 million from the S&L and from Hale's Small Business Administration-backed loan company in the 1980s.

Hale, a former Little Rock municipal judge, alleges he was pressured by Clinton to make a $300,000 federally backed loan to Susan McDougal that has never been paid back.

Starr is asking a federal judge to delay Hale's planned sentencing, saying Hale's scheduled Dec. 5 court appearance could ``jeopardize the investigation by alerting potential or actual subjects'' about evidence against them.

Hale pleaded guilty March 23 to two felonies and has been cooperating with Whitewater prosecutors ``in an extensive and continuous manner'' ever since, Starr said in court papers filed this week.

Clinton has said he has no recollection of talking to Hale about money and has called Hale's allegations ``a bunch of bull.'' Tucker has said he did nothing wrong in Whitewater.

Starr kept his investigation in low profile in the weeks before Election Day but recently has been subpoenaing records, say other sources, also speaking on condition of anonymity.

Among Starr's activities: obtaining a federal grand jury subpoena for documents from an attorney who once represented Susan McDougal. The lawyer, Tom Overby, represented her in 1986 in her role as a major stockholder in Madison Guaranty.

Overby and Mrs. McDougal's current lawyer, Bobby McDaniel, said the records were turned over to the FBI as requested the day after the November elections.

McDaniel declined to comment further. Tucker's lawyer, John Haley, wasn't available for comment Friday, but he has said in recent weeks that he hasn't had contact with the Whitewater prosecutor's office. Jim McDougal's lawyer, Sam Heuer, declined comment.

A spokeswoman for the Whitewater prosecutor's office, Deborah Gershman, said the office ``cannot comment on an ongoing investigation.''

**** filed by:APW-(AR) on 11/18/94 at 23:12EST ****
**** printed by:WHPR(JEL) on 11/21/94 at 08:12EST ****

AM-Whitewater, Bjt,550
Indictments Seen in Whitewater Case; Pressure on Some Figures
By PETE YOST= Associated Press Writer=

LITTLE ROCK, Ark. (AP) The Whitewater prosecutor is pressing potential witnesses to cooperate, telling at least one that indictments will be coming within a month. Another says the word from the prosecutor's office is ``Get aboard or get run over.''

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A spokeswoman for the Whitewater prosecutor's office, Deborah Gershman, said the office ``cannot comment on an ongoing investigation.''

**** filed by:APE-(--) on 11/18/94 at 15:15EST ****
**** printed by:WHPR(JEL) on 11/21/94 at 08:12EST ****

(ED: correcting ``abc's 'this week with david brinkley''' sted ``nbc's 'meet the press''' in 10th graf)

Clinton's vacation comes to an end

WASHINGTON, Nov. 20 (UPI) President Clinton strode smiling into the White House Sunday, hand in hand with first lady Hillary Clinton, ignoring shouted questions from reporters about whether he is competent to be commander in chief.

Clinton waved three times to the cameras witnessing his return to the presidential mansion after an Asian trip and Hawaiian holiday that absorbed all but two days of his time since Republican candidates won control of the House and Senate on Election Day.

The questions about his fitness to command the nation's military establishment were triggered by Sen. Jesse Helms' observation on CNN that neither he nor many members of the U.S. military believe President Clinton is fit to be the military's commander-in-chief.

Neither Clinton nor wife Hillary acknowledged the questions as they slowly exited the Marine helicopter that carried them from nearby Andrews Air Force Base where the long Air Force One flight from Hawaii ended. Hillary, in sunglasses and a full-length black rain coat, held the president's hand as they walked past a handful of reporters into the White House.

Helms' hard-line conservative views have gotten additional attention since the Republican victories turned him into the prospective chairman of the Senate Foreign Relations committee in next year's 104th Congress.

Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili, called news agencies and newspapers over the weekend to defend the president and say Helms does not speak for him.

``I was taken aback by the implication that he left that somehow the Joint Chiefs of Staff and I shared his view on President Clinton,'' Shalikashvili told The New York Times in a front-page story.

``I've been with the president a number of times when he visited the troops,'' he told The Washington Post. ``I just don't feel the rank and file of the military lack confidence in him as commander in chief.''

Sen. Robert Dole, who as next year's majority leader of the Senate will be seeking Sen. Helms' cooperation on many issues, said Sunday that, ``I had reservations early on'' about Clinton's fitness for the office, but, he added, ``I think he's up to the job now.''

Dole, who is considering joining the growing pack of Republicans seeking the GOP nomination to run against Clinton, told ABC's ``This Week with David Brinkley'' program, ``I'd prefer maybe somebody else in '96.''

Clinton's Hawaii stopover followed a visit to the Philippines and a summit of 18 Asian and Pacific Rim nations in Jakarta, Indonesia. He appeared Saturday to be responding to the Helms remark when he told a crowd honoring the outgoing governor of Hawaii, ``We don't need to demonize our own government.''

``And what has always made us great,'' Clinton said, ``is not moaning or being negative or divisive or running down people who are different from what we are.''

During many days of reports that presidential aides have been debating the next White House moves in the new political context of Republican control of the legislative agenda, Clinton himself has given few hints of his recovery strategy, other than repeated references to the need for less partisanship.

Bipartisanship appeared to be necessity for the White House, at least until a key vote by a lame-duck congressional session at the end of the month.

Congress will decide whether to implement the latest additions to the world agreement governing trade relations among 123 countries, known as GATT. A vote against GATT would be a significant embarrassment for Clinton at home and abroad and Republican votes will be needed to pass it, particularly in the Senate.

**** filed by:UPI-(us) on 11/20/94 at 21:16EST ****
**** printed by:WHPR(JEL) on 11/21/94 at 08:09EST ****

BC-WOMCONF national, foreign:R:FL
Women look to consolidate power at Hemispheric Conference
(HAS TRIMS)
By Margo Harakas
Fort Lauderdale Sun-Sentinel

FORT LAUDERDALE, Fla. Most speak Spanish. Others English, Creole or Portuguese.

Regardless of the language, a common understanding will pervade the Women's Hemispheric Conference in Miami next week: that women must have a say in the shaping of the hemisphere in the coming century, and that the disenfranchisement and neglect of the past must not carry into the future.

``It's important that women are playing a new role in this last part of the 20th century,'' said Marta Oyhanarte, a lawyer and former Woman of the Year in Argentina. She is one of the delegates who will attend the conference, which precedes next month's Summit of the Americas.

``This new role is to assume the challenge of public life, using female attributes and not male attributes. That is to say, sensibility, intuition, justice.''

On Monday and Tuesday, 50 delegates from 34 nations, including high-ranking government officials, businesswomen and activists, will meet at the Inter-Continental Hotel to discuss the issues that bind women throughout the hemisphere. First lady Hillary Rodham Clinton has been invited and planners hope she will address the delegates.

At the conference, delegates will tackle such issues as health care, child care, social justice, political empowerment, access to education, poverty, and the value of women's work.

While the issues ``may be played out in different ways in different cultures at different stages of development, the overlaps are tremendous,'' said Patricia Ireland, president of the National Organization for Women and a U.S. delegate to the conference.

At any compass point, the picture is similar: absence of women in positions of power, neglect of women's health needs, and female heads of households constituting the poorest of the poor.

But the women aren't despairing. These problems are solvable through fundamental changes in social and political systems, Ireland said.

They will conclude the conference by drafting a document to be presented to the 34 heads of state who will meet in Miami Dec. 9-11 for the Summit of the Americas. An agenda for the summit is still being formed, but may include issues such as economic growth, trade, democracy, and environmental concerns.

The women's conference document, said Ted Levitt, co-coordinator of the conference, will be a ``vision statement on the status, prospects and priorities for women in the 21st century.''

It will be a call for the recognition of women as an equal part of the human race.

``We must make sure in the mix of decision-making the women's perspective and women's voices are heard,'' Ireland said.

Among the other expected delegates are Rebeca Grynspan Mayufis, vice president of Costa Rica; Ana Milena de Gaviria, former first lady of Colombia; Benedita Souza de Silva, the first black woman elected to Brazil's Congress, and Blanca Nelida Colan Maguino, attorney general of Peru.

Ireland is coming to the conference primed to discuss economic development and to re-examine the value of women's work, which traditionally has been discounted. The value of that work, whether in or outside the home, must be considered when planning and measuring economic progress, she said.

Marta Palacio, Nicaragua's minister of health, can explain in concrete terms how deeply rooted discrimination affects women's health care.

(EDITORS: NEXT GRAF OPTIONAL)

In Nicaragua, ``men are considered the most productive beings,'' Palacio said. ``So when they are sick, they are prone to take care of their health. But women only go to doctors when they are pregnant. So they can take care of

their reproductive needs.''

(END OPTIONAL TRIM)

She said women are summarily excluded from chronic health treatment programs such as those for diabetes, arthritis and respiratory ailments. Despite the fact that ``women cook over open flames, and they have horrible coughs and lung problems. But nobody worries about giving them a general checkup or saying to them, `You need to get that cough checked,''' Palacio says.

Cecilia Soto Gonzalez, a presidential candidate in Mexico's summer elections, has on her agenda increasing women's access to seats of power. ``For the sake of progress, women must be incorporated in political and executive positions,'' she said.

A former member of Mexico's legislature, she is also concerned with gender-based disparities in education and employment, and what she calls ``the womanization of poverty.''

Women's voices must be raised and heard, the women say.

Marta Oyhanarte of Argentina offers eloquent testimony of how one woman's determination can effect political and social change.

Her husband, Osvaldo Sivak, a prosperous financier, was twice kidnapped and finally in 1987 murdered by corrupt military and police forces.

Oyhanarte worked day and night to bring his killers to justice. Her unremitting campaign eventually toppled the minister of defense, the chief of police and a judge. Five of her husband's assailants are now serving life sentences.

(EDITORS: NEXT 3 GRAFS OPTIONAL)

As a result of that struggle, she and others formed a civic action group called Citizen Power, which encourages others to work for reform and representation.

Oyhanarte shares a special kinship with Argentina's Mothers of Plaza de Mayo and the thousands of other women whose children or husbands were kidnapped, tortured or murdered either for profit or because they were suspected of subversion. Despite the risks, those women also held their ground and demanded the guilty be punished.

``It's the ultimate contradiction in a country where male principles are so strong, that women could show that they are strong and they can fight and bring about justice,'' she said.

(END OPTIONAL TRIM)

Participants hope these shared experiences will give courage to women fighting a wide variety of battles in their own countries.

``These kinds of meetings make us a worldwide movement,'' Ireland said. ``We draw strength and commitment from each other and the clear understanding we are not alone.''

Beyond this unity, the aim of delegates is, as Soto Gonzalez notes, to ``raise our voices'' so hemispheric leaders will hear that in ``designing a society for the next century, over half the population cannot be ignored.''

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(AT-RISK READERS: KRT News Service wants to help newspaper editors identify stories that may be of interest to ``readers at risk'' (people that newspapers are at risk of losing as readers: young people, women, African-Americans and Hispanics). These stories can be identified by note (AT-RISK) at top of story.)

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

**** filed by:KR-F(--) on 11/20/94 at 15:42EST ****

**** printed by:WHPR(JEL) on 11/21/94 at 08:10EST ****

BC-HI--Clinton Hawaii, 1st Ld Writethru,0308
Eds: UPDATES with departure.

HONOLULU (AP) President Clinton and first lady Hillary Rodham Clinton left Honolulu for Washington on Saturday night after a three-day vacation.

Air Force One departed Hickam Air Force Base about 9:45 p.m.

The Clintons were greeted at the base by Gov. John Waihee and Adm. Richard Macke, commander in chief of the U.S. Pacific Command.

The couple shook hands with some of the several hundred onlookers, as well as security people and their police escort.

The president then spoke with Waihee for a few minutes before boarding the plane.

The Clintons began their Hawaiian vacation Wednesday night following a trip to Asia.

Clinton stayed indoors for most of Saturday, but did take his wife for a walk on the beach and hit a few golf balls.

The Clintons walked along a windy stretch of beach on the Kaneohe Marine Corps Base, and the president then surprised a foursome on the Kaneohe Klipper Course when he ambled up from the beach to watch them.

Capt. James Zuba of Camp Smith said an impromptu invitation was extended to the president to hit a few balls and he did so.

Zuba said Clinton also autographed the players' scorecards before rejoining his wife on the beach.

Clinton arrived in Hawaii on Wednesday after attending the Asia-Pacific Economic Cooperation conference in Jakarta. During his stay, the president played 27 holes of golf at the Waialae Country Club on Thursday and 18 holes at the Mid-Pacific Country Club on Friday.

His only public appearance was at a dinner for Gov. John Waihee on Friday night. The Clintons also provided a surprise to guests at a Kailua restaurant Friday night when they arrived unannounced at Buzz's Steakhouse for dinner.

**** filed by:APW-(HI) on 11/20/94 at 03:04EST ****
**** printed by:WHPR(JEL) on 11/21/94 at 08:10EST ****

BC-CLINTON

Clinton departs Hawaii, cutting short vacation

HONOLULU (Reuter) - President Clinton ended his brief Hawaii vacation and headed back late Saturday night to Washington, where he faces an uncertain political landscape in the aftermath of the congressional elections.

Clinton, who departed at approximately 10 p.m. (3 a.m. Sunday EST), spent most of his time here playing golf. But the president and first lady, Hillary Rodham Clinton, spent a quiet day Saturday walking and relaxing on the beach at the Kaneohe Marine base where they stayed in a guest cottage once occupied by President Dwight Eisenhower in the 1950s.

The Clintons stopped here for a brief stay on return from a trip to the Philippines and Indonesia where President Clinton attended the Asia-Pacific Economic Cooperation (APEC) summit.

It was Clinton's second trip to Hawaii since becoming president. But unlike last year when both the president and first lady were frequently in the public spotlight, the two made only one public appearance.

They attended a farewell dinner Friday night for outgoing Governor John Waihee. Later, the first couple went out to dinner alone at a place called ``Buzz's,'' a local restaurant where surfers hang out.

Clinton cut short his vacation to fly all night Saturday and arrive in Washington Sunday morning. Originally he planned to depart Hawaii Sunday.

The president faces a busy schedule when he returns. He has to sort out his administration's future in the face of a new Congress under Republican control.

Monday, Clinton is scheduled to meet Israeli Prime Minister Yitzhak Rabin and Tuesday with Ukraine President Leonid Kuchma.

**** filed by:RB--(--) on 11/20/94 at 04:13EST ****
**** printed by:WHPR(JEL) on 11/21/94 at 08:10EST ****

bc-clinton-times - a1635
(ATTN: National editors) (Includes optional trims)
White House to Modify Proposals in Wake of Elections (Washn)
By John M. Broder= (c) 1994, Los Angeles Times=

WASHINGTON The Clinton administration will jettison, soften or delay a number of its more controversial proposals in an effort to respond to the election results and present a more conservative public image, officials throughout the administration said last week.

White House officials insist that the changes are a shift in emphasis and a return to longstanding Clinton policies, rather than a fire sale on Clinton's principles. But it is evident that the Clinton of the next two years will be much more centrist in his language and legislative goals than that of the first two years.

Among the changes:

A sweeping immigration reform proposal, which was to have been delivered to Congress in January, is now being reworked and will be delayed.

Officials are willing to see some of the $6.9 billion for social programs in the recently passed anti-crime legislation redirected to fund more prisons and police or to give block grants to cities to spend as they wish.

Whatever health care reform plan is eventually presented to the new Republican Congress will be vastly narrower in scope than the original Hillary Rodham Clinton plan and much more incremental in its approach.

A bill to ban the replacement of striking workers, once a high priority of the White House and Labor Department, will be abandoned as a sure loser in the new GOP Congress.

These moves appear to mark a sharp veer to the right as Clinton tries to reclaim conservative and independent voters who have abandoned the Democrats in overwhelming numbers.

A senior White House official said a big emphasis for the remainder of Clinton's term would be the devolution of federal authority to local governments, whether in crime prevention, jobs, education or public health projects.

``The election was really about the role of government and the voters' feeling that Washington had gotten too big and too powerful,'' the official said.

(Begin optional trim)

The revised agenda alarms many Democratic liberals, who say they fear that the president will try to ``out-Republican the Republicans'' on a variety of social and fiscal issues.

``I don't have a problem with wanting to broaden the debate and wanting to reassess where you go as an administration,'' said Rep. Kweisi Mfume, D-Md., chairman of the Congressional Black Caucus and an outspoken advocate of liberal social policies. ``But I fear that in their effort to gain the world, they will lose their soul. The last thing we need in this country is two Republican parties.''

(End optional trim)

Top White House officials, under the direction of Chief of Staff Leon E. Panetta, are carrying out an emergency all-hands drill to right the listing Clinton ship, a project some have dubbed ``reinventing Clinton'' although it doesn't have an official title.

The new Clinton, one top aide involved in the effort said, would put added emphasis on already-passed programs that reduce the size and reach of the federal government, as well as on initiatives such as welfare and political reform with which the president can potentially reach some compromise with the new Republican leadership on Capitol Hill.

But the second half of the Clinton administration will be defined as much

by what it doesn't do as by what it does.

White House and Justice Department officials have shelved a broad proposal to deal with the problem of illegal immigration, which was to have been introduced in early January.

The Clinton plan, while taking steps to reduce the flow of illegal immigrants and scale back the public benefits provided them, would not have gone as far as California's recently passed Proposition 187, which would deny all benefits except emergency medical care to illegal immigrants.

Now administration officials are rethinking their plan, but have not decided whether to make the legislation more punitive or to wait and see what the Republicans propose.

The incoming House Judiciary Committee chairman, Rep. Henry J. Hyde , R-Ill., has already said he plans to introduce a national version of Proposition 187, and there already is a bill, written by Sen. Alan K. Simpson , R-Wyo., that would make it easier to deport criminal immigrants, toughen employer sanctions and provide for a nationwide system of verification of immigration status.

Administration officials also say they are willing to consider shifting some of the anti-crime measure's $6.9 billion in crime-prevention money, the most contentious element of the legislation approved in September, to build more prisons, hire more police officers and extend federal grants to cities.

The officials are concerned that if they do not yield on the crime-prevention money which Republicans said amounted to wasteful social spending in some instances and pure congressional pork in others the new GOP leadership might respond by reopening the entire crime measure, including a ban on assault-style weapons.

Comprehensive health care coverage has also evaporated in the hot wind of Republican ascendancy. Responsibility for drafting a new administration plan has been taken away from the first lady and Ira Magaziner, the administration's senior adviser for policy development, and given to White House domestic policy adviser Carol Rasco and National Economic Council Chairman Robert E. Rubin, both considered market-oriented moderates.

Most White House officials expect that health care reform in 1995 will be, at most, a modest package of health insurance industry reforms which have already been endorsed by Senate Majority Leader-to-be Bob Dole, R-Kan.

(Optional add end)

Labor Secretary Robert B. Reich conceded that many of his legislative priorities such as the provision to ban the replacement of striking workers will not be worth pushing forward given the leanings of the new Congress.

At the Department of Health and Human Services, officials said they are not planning any controversial new initiatives, but sources said that in some areas such as AIDS education and family-planning programs ``the tone may change'' to make them more palatable to conservative lawmakers.

AIDS education has always been a hot-button issue in Congress, where conservatives have long opposed spending federal money on programs they view as promoting sexual activity outside marriage.

This may mean that the administration will have to go along with less graphic approaches that stress sexual abstinence rather than the use of condoms to reduce the risk of HIV transmission.

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

**** filed by:LAWP(--) on 11/20/94 at 02:26EST ****
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bc-clinton-politics
(wap) (ATTN: National editors)
President Wraps Up 3 Days of Golf (Honolulu)
By Thomas W. Lippman= (c) 1994, The Washington Post=

HONOLULU f golf is therapeutic, President Clinton should be in great shape by the time he returns to Washington Sunday after his grueling trip to Asia.

For three days the president has done little here but play golf, golf and more golf.

This is what White House aides said the president planned to do in Hawaii, relax, catch up on sleep and clear his head for what promises to be a difficult time ahead in Washington. And the president has stuck pretty much to the script, although he did move up his departure time so as to arrive in Washington Sunday morning instead of late Sunday night. With almost all of the senior White House staff already back in Washington, Clinton could not have put in much work time had he wanted to, aides said.

Ensconced in a secluded house on the Kaneohe Marine Base, the president and First Lady Hillary Rodham Clinton have been shielded from photographers and the curious public. They have kept their contact with the local community to a minimum, except for Friday night, when they dined at Buzz's, a low-key steak-and-seafood place that caters to surfers at Kailua Beach.

Clinton's golf partners have included Commerce Secretary Ronald H. Brown, outgoing Democratic Gov. John D. Waihee III, governor-elect Ben Cayetano (D), Sen. Daniel K. Akaka, D-Hawaii, and Russell K. Okata, state director of the American Federation of State, County and Municipal Employees.This is a friendly crowd and overwhelmingly Democratic Hawaii is generally a friendly environment for the president. Except for a few ``Aloha Bill! Newt in '96'' banners, Clinton has been spared confrontation and controversy here.

On Thursday night, the president and Mrs. Clinton dined with Adm. Richard C. Macke, commander in chief of the U.S. Pacific Command, and other leaders of U.S. armed forces around the Pacific. The guest list included Lt. Gen. Charles C. Krulak, Marine Corps commander in the Pacific; Army Gen. Gary Luck, the senior U.S. officer in South Korea; and Army Lt. Gen. Robert L. Ord III, commanding general of the U.S. Army, Pacific. But the dinner was a social occasion, not a strategy session.

Clinton's only overtly political public appearance here was at a testimonial for Waihee on Friday evening. More than 1,800 people packed a hotel ballroom in Honolulu to pay tribute to a popular leader, the first governor of native Hawaiian descent, and to raise funds for a local children's museum.

The Clintons and the Waihees have been friends since the mid-1980s, when Clinton and Waihee were both small-state governors. In remarks at the testimonial, both Clintons noted somewhat wistfully that Bill Clinton's greatest achievement since then has been election to the presidency, but Waihee's has been the establishment of a comprehensive guaranteed health care program for all citizens of his state.

``What you have done here in health care is basically what we ought to do everywhere,'' the president said. ``And I continue to be surprised and somewhat disappointed that Hawaii has done this and improved the business climate, lowered the cost of health care, (and) increased the health of its citizens, but the people who profit greatly from the other sort of health system that the other 49 states have were able to spend a couple of hundred million dollars to convince the American people that when I said we ought to do what Hawaii did, I wanted the government to take over the health care system.''

All he wanted, Clinton said, was ``for people who work hard, pay their taxes obey the law and raise their kids the best they can not to lose their health care every year.'' In an oblique reference to the political climate in Washington, the president praised Waihee as ``a man who got up every day trying to make something good happen,'' and added, ``What impresses me is that

when you have a challenge, you try to figure out what to do about it so that people will have a better life and so that people will win. Everybody will win; they'll be able to live in a more robust and rich and fulfilling way.

``That is what we must do as a nation,'' the president said. ``We don't need to become divided so that we have some winners and some losers. We don't need to demonize our own government.''

**** filed by:LAWP(--) on 11/20/94 at 02:24EST ****
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BC-HI--Clinton Hawaii,0280

HONOLULU (AP) Gov.-elect Ben Cayetano got in a little business after playing golf with President Clinton on Thursday at the Waialae Country Club.

After the 18-holes, Cayetano said he had an opportunity to ask Clinton about the possibility of using one of the lochs in Pearl Harbor for development of a civilian shipbuilding and ship repair facility.

Cayetano said he explained how the arrangement might be beneficial in helping the Navy offset the cost of operating the harbor.

Clinton expressed interest in the idea and said he would look into it, Cayetano said.

Rounding out the foursome were Gov. John Waihee and Commerce Secretary Ron Brown, with Clinton acting as something of a golf instructor.

``He's a 16 (handicap) and I'm like a 28,'' Cayetano said. ``I'm just learning. And he was the mentor out there. He was giving Governor Waihee, me and Ron Brown lessons. So we had a great time.''

Following the round, Clinton decided to play nine more holes with Waihee. They were joined by KSSK radio personality Larry Price and state Supreme Court Justice Robert Klein.

Clinton then returned to the Marine base at Kaneohe, where he is staying with first lady Hillary Rodham Clinton, before going to Pearl Harbor to dine with Adm. Richard Macke, commander in chief of the U.S. Pacific Command.

The president was expected to attend a Friday night dinner in honor of Waihee.

The Clintons arrived Wednesday night following a trip to Asia. They were scheduled to depart for Washington on Sunday morning. But there were indications they could leave Saturday or Sunday evening.

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BC-CLINTON HAWAII

Clinton dines with Pacific brass, relaxes in Hawaii

PEARL HARBOR, Hawaii (Reuter) - President Clinton and the first lady, relaxing after a grueling five-day trip to Asia, dined with the top brass of the Pacific military command Thursday night in Hawaii.

Clinton, the only president since World War II never to have served in the military, and his wife are staying at Kaneohe Marine Corps air base on the other side of Oahu Island from Honolulu. They are staying in a guest cottage once used by President Dwight Eisenhower in the 1950s.

The Clintons are spending a brief vacation here following a trip to the Philippines and Indonesia, where the president attended the Asia Pacific Economic Cooperation forum.

It is Clinton's second stay in Hawaii since becoming president. He and First Lady Hillary Rodham Clinton stopped here last year and stayed in a local hotel after attending an economic summit in Tokyo, Japan.

The president spent most of Thursday playing golf -- 18 holes in the morning and nine in the afternoon -- while the first lady spent the day reading and walking on the beach.

The Clintons spent the evening at a dinner hosted by Adm. Richard Macke, commander in chief of the Pacific forces. The other guests included several of the region's top military commanders.

The first couple have planned a quiet weekend, but have scheduled one public event for Friday night when they are to appear at a testimonial dinner for outgoing Gov. John Waihee.

Waihee and incoming governor Ben Cayetgano played golf with the president, along with Commerce Secretary Ron Brown.

When he arrived here Wednesday night, Clinton spoke briefly to a group of military personnel at Hickam Air Force. The president is due to return to Washington Sunday.

REUTER

**** filed by:RB--(--) on 11/18/94 at 02:07EST ****
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BC-RTC-HILLARY
Judge orders Rose Law Firm to reveal client list
WASHINGTON (Reuter) - A federal judge has ordered the former law firm of Hillary Rodham Clinton to comply with a subpoena and produce a list of its clients, the Washington Post reported Thursday.

U.S. District Judge Paul Friedman ordered the Rose Law Firm to comply after investigators agreed to ensure that the names were not leaked to the news media or administration opponents, the newspaper said.

The inspector general of the Resolution Trust Corp (RTC) is investigating whether the Little Rock, Arkansas firm had any conflicts of interest when it represented the RTC in cases involving failed savings and loans.

Friedman warned the RTC he would intervene if it did not honor its promise to notify the law firm about any congressional or Freedom of Information Act requests for the names. The firm wants to be able to contest these requests.

The firm has been contesting the subpoena for months.

REUTER

**** filed by:RB--(--) on 11/17/94 at 02:21EST ****
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Rose Law Firm Must Turn Over Client List In Federal Probe
By Viveca Novak
Staff Reporter of The Wall Street Journal

WASHINGTON -- The Rose Law Firm of Little Rock, Ark., must turn over to federal thrift investigators a list of its clients going back nearly 10 years, a federal judge ruled.

The Resolution Trust Corp.'s inspector general subpoenaed the list April 18 in connection with its investigation into whether Rose, where first lady Hillary Rodham Clinton and former Associate Attorney General Webster Hubbell were partners, had any conflicts of interest when it represented the RTC in its savings-and-loan cleanup efforts.

Rose and the inspector general's office sued each other over the subpoena. U.S. District Judge Paul Friedman ruled for the government after it promised to observe strict rules to keep the list confidential.

Among other measures, the inspector general has promised to give Rose 10 days' notice before disclosing the documents in response to requests under the Freedom of Information Act, giving the firm a chance to contest their release. However, an attorney for the government said she believed the act wouldn't require the agency to release them.

Rose managing partner Ron Clark said the firm was glad that safeguards would be in place but held out the possibility of appealing the decision to seek even tighter controls.

"We certainly understand the relevance of the list to the investigation, but we don't understand the breadth of the subpoena and we still don't understand why it has to be removed from our offices," he added.

The case has political undertones because of the law firm's failure to disclose that it had done work for Madison Guaranty Savings & Loan Association when it agreed to represent the RTC in a case involving the failed thrift. Madison was owned by the Clintons' partner in the Whitewater real estate investment. In addition, the RTC is examining Mr. Hubbell's role in that litigation since his father-in-law worked for, and had sued, Madison.

The Rose firm's activities are the subject of several other federal investigations, including another by the RTC into its billing practices and two at the Federal Deposit Insurance Corp. Independent Counsel Kenneth Starr, who is investigating Madison and Whitewater, is also looking at the firm, particularly at Mr. Hubbell's conduct.

In late October, Mr. Starr's office sent subpoenas to several proprietors of stores in Little Rock, asking for any documents relating to transactions with Mr. Hubbell, his wife, or their four children from Oct. 1, 1988, until he left to go to Washington in 1993.

(END) DOW JONES NEWS 11-18-94
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**** filed by:TAPE(--) on 11/18/94 at 06:22EST ****
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AM-Clinton at Rest,470
WHITE HOUSE NOTEBOOK: Golfing in Hawaii
By TERENCE HUNT= AP White House Correspondent=

HONOLULU (AP) ``Oh, I tried to kill it,'' a disappointed President Clinton said Thursday. He wasn't talking about all the news from Washington about Newt Gingrich, Bob Dole and the rest of the triumphant Republicans.

Rather, Clinton was talking about a golf ball.

After a 15-hour flight from Indonesia and a night's sleep, Day One of Clinton's Hawaiian vacation opened with a golf match at the Waialae Country Club just beyond Diamond Head in a neighborhood of multimillion-dollar mansions.

Clinton's foursome included Commerce Secretary Ron Brown, Hawaii Gov. John Waihee, and Gov.-elect Ben Cayetano. Skies were heavily overcast.

Brown opened with a slicing shot. ``Hotel, hotel,''the president teased, because it appeared Brown's drive was headed toward a hotel across the street.

The president was respectfully silent when Cayetano hit a weak dribbler.

Clinton's drive was a disappointing low-liner down the fairway. ``Oh, I tried to kill it,'' he complained.

Everyone in the foursome took a mulligan, a second uncounted swing.

The president's second shot was better, high and long down the fairway. Onlookers cheered.

It's unclear exactly how long the president's vacation will last. He's supposed to leave Sunday morning and fly 8&1/2 hours back to Washington but nobody expects it will play out that way.

The question is whether he'd leave Saturday or Sunday evening.

Practically all of the senior staff that accompanied Clinton to Asia flew back to Washington ahead of the president. The word was that Hillary Rodham Clinton didn't want staff members hanging around here.

Aides said they also had to step up planning for how the president will deal with the first Republican-led Congress in 40 years. Clinton already is emphasizing that the presidency means more than waiting for the Congress to pass laws.

Clinton is choosing to read the elections as a continuation of the voter unrest that helped him win the presidency two years ago not a repudiation of his first two years in office.

``The deep concern and frustration of our people'' about crime and economic problems ``led to the changes they voted for in both 1992 and in 1994,'' Clinton said in a speech on his arrival Wednesday evening.

``We don't think the message of the American people is, `We want more gridlock, we want an enhanced role for organized interests over ordinary citizens,' which is what always happens when we have gridlock,'' Clinton said.

``I think what the American people said is, `You've got to keep working together until you change this enough to make it right, until you turn the difficult trends around, until America is going in the right direction at home as well as abroad.'''

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BC-PS-IACOCCA-CLINTON
Former Chrysler Head Lee Iacocca Critiques Clinton
The Post Standard, Syracuse, N.Y. Knight-Ridder/Tribune Business News

Nov. 17--Lee A. Iacocca, former Chrysler Corp. chairman, the dean of free enterprise, courted to run for president, stood as a quiet island in a sea of cameras.

Iacocca was in Syracuse to pitch his new canola-olive oil spread, Olivio. During a gourmet lunch prepared with his new spread, Iacocca relaxed. Cameras turned off, the conversation flowed from cooking -something he loves - to politics and business.

President Clinton has too many balls in the air, Iacocca said leaning back from the elegantly set table that included a white plastic tub of olive oil spread.

``As a CEO (chief executive officer), he doesn't know how to prioritize,'' he said.

Iacocca criticized Clinton and First Lady Hillary Rodham Clinton for being too far to the left.

``Some of their stuff, it wasn't where the people's heads were,'' he said. Last Tuesday's election in which the Republicans took over the House and Senate was ``seismic,'' Iacocca said.

The Republicans now have a chance to change the country for the better, he said, if they don't allow the opportunity to slide into petty bickering and posturing for the 1996 presidency.

Iacocca is having an active retirement. He travels to Columbus, Ohio, today to promote his new product.

The 70-year-old in the double-breasted suit stylishly cut to conceal a paunch, is a consultant to Chrysler, at least until Jan. 1.

His last car - a mini van with sliding doors on either side - goes into production in 1995.

``From then on, they're on their own,'' he joked. Iacocca worked in the auto industry 47 years, 32 with Ford Motor Co. and the rest with Chrysler.

Now he owns Nicola Corp., the company producing Olivio. He is involved with Full House, a company that develops gambling on Native American reservations. He is chairman of Iacocca Capital Group Inc., a private merchant banking firm.

He supports a diabetes foundation, is chairman emeritus of the Statue of Liberty-Ellis Island Foundation, and is founder and chairman of the advisory board to the Iacocca Institute at Lehigh University, his alma mater. The institute's goal is to make American industry more competitive internationally.

But now, he said, with five houses stretched from California to Italy - a Chrysler mini van at each - he wants to settle down.

``I would like to know where my clothes are,'' Iacocca said.
END!T$7?PS-IACOCCA-CLINTON

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**** printed by:WHPR(103) on 11/18/94 at 08:38EST ****

Mo. grower to supply White House tree

JEFFERSON CITY, Mo., Nov. 17 (UPI) Missouri Gov. Mel Carnahan said Thursday he doesn't mind playing second fiddle this once.

Myron Schmitt is putting the Capitol's Christmas tree order aside to handle a special order from the White House an 18 &1/2-foot-tall tree for the White House Blue Room.

Schmitt, whose family grows trees in Holt and Kansas City North, took first place in the National Christmas Tree Growers Association contest. He and 25 members of his family will travel to Washington to deliver the tree by horse-drawn carriage to first lady Hillary Rodham Clinton.

``This is an outstanding honor for Missouri and underscores the quality of the goods our growers produce,'' Carnahan said.

Schmitt, whose family has supplied the state with its official Christmas tree for 10 of the last 12 years, said he always has dreamed of supplying the White House tree.

``It's a once-in-a-lifetime happening'' Schmitt said.

The Schmitt's won the national competition with an 8-foot white pine.

The White House tree will be cut Nov. 28 and will be trucked to Washington by Dec. 1. Since the Schmitt's do not raise 18 &1/2-foot trees in their commercial operation, the spruce will have to be cut from their property. A White House official selected the specimen Nov. 4. Schmitt said it will be the only tree in the White House unless the Clinton's put one up in their living quarters.

Schmitt said he's still trying to make time to get a tree to the Missouri Capitol in time for Christmas.

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BC-MO--White House Tree,0170
White House Christmas Tree From Missouri

JEFFERSON CITY, Mo. (AP) The Christmas tree for the White House this year will be an 18&1/2-foot spruce from Missouri supplied by Myron Schmitt and his family.

This will be the first time Missouri has been picked to send a Christmas tree to Washington. Schmitt won the honor by taking first place in the National Christmas Tree Growers Association contest, Gov. Mel Carnahan said in a statement Thursday.

The Schmitt family has raised Christmas tree for 34 years, owning tree farms in Holt and Kansas City North. They also will provide the Christmas tree this year for the Missouri Statehouse.

The Schmitts plan to cut the tree Nov. 28 and have it trucked to the White House by Dec. 1. Schmitt and about 25 family members will travel to Washington to deliver the tree to first lady Hillary Rodham Clinton.

Carnahan said the tree will be in the Blue Room and will be the only one in the White House unless the Clintons decide to put one in their living quarters.

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BC-BROKEN-PROMISES-NNS
Commentary
Counting the Days With Clinton's Broken Promises (Note to editors: David Reinhard is an associate editor at The Oregonian of Portland, Ore.) By DAVID REINHARD
c.1994 Newhouse News Service
(UNDATED) If President Clinton is searching for some explanation for last week's midterm shellacking and he should be, given his sorry performance at his first post-election news conference he might trying chatting with Marla Hecht.
The 34-year-old homemaker-businesswoman could tell Clinton more about his low political fortunes than George Stephanopoulos and the other whiz kids at the White House.
Hecht, of Portland, Ore., voted for Clinton in 1992. But she now publishes the sassy Bill Clinton ``Broken Promises'' calendar for fun, profit and (her now anti-Clinton) political principles. While Clinton's broken promises left her politically disgruntled, the Clinton presidency has been good for her business. Hecht is doing well because, well, Clinton isn't.
To some extent, the White House's road map to ruin this month might be read in the business plan for Hecht's Calendar Marketing Group.
A Democrat by upbringing, Hecht liked what she heard from candidate Clinton in 1992. She liked his pledge of a middle-class tax cut and his New Democrat rhetoric about rewarding people who work hard and play by the rules.
As a mother of two small children, she was never too crazy about Hillary Clinton. The put-down of women who stay at home and bake cookies was just too much even for someone with an M.B.A. from New York's Pace University: ``It's the highlight of my 6-year-old's day to come home after school and have freshly baked cookies, and to have Hillary Clinton denigrate it annoyed me.'' Still, Hecht had high hopes for the new president right into early 1993.
That is, until the night of Feb. 15. Hecht remembers the exact moment of her epiphany. It was when President Clinton unveiled his economic plan.
``We just have to face the fact that to make the changes our country needs, more Americans must `contribute' today so that all Americans can do better tomorrow,'' Clinton said that night.
It was a far cry from the middle-class tax cut that candidate Clinton promised. It was a far cry from what candidate Clinton had said during his fall campaign. ``I will not raise taxes on the middle class to pay for these programs,'' Clinton said at that time. ``If the money does not come in there to pay for these programs, we will cut other government spending, or we will slow down the phase-in of the programs.''
Says Hecht of that February night: ``My mouth fell open. I was just incredulous and I thought how like President Bush he was in breaking his `read-my-lips' promise. I thought there might be more broken promises.''
Hecht began looking for more cases where the Clinton rhetoric failed to match the Clinton reality, finding them in abundance. Had Clinton said in May 1992 that he was tired of ``Beltway Democrats who want to spend more of your tax money on programs that don't embody your values?''
He had, but Hecht noticed along with others the pork-barrel projects in his stimulus package. A whopping $1.1 million for an indoor baseball field in Alabama, for example.
Looking for a business she could do part time from her home, Hecht lined up an artist to do Clinton caricatures and started collecting these inconsistencies. The result is The Bill Clinton ``Broken Promises'' calendar, now turning a small profit in its second year. Who says the Clinton administration has done nothing to grow U.S. businesses?
Hecht's calendar is but a small part of a robust cottage industry that Clinton himself has given birth to: anti-Clinton merchandise manufacturers who put out everything from wrist watches to board games, coffee cups to calendars.
Hecht's calendar, available at bookshops across the land and through direct sales is actually one of the industry's tamer offerings. ``It's not very subtle, but it's not mean-spirited either,'' she says. ``We have fun with it.''
Might last week's Republican romp sap some of the anti-Clinton animus out of the electorate? Might the 1994 elections and a GOP Congress halt the boom times for this tiny industry? Hecht doesn't think so.
``I think people really viscerally dislike Clinton,'' she says. Actually, Hecht sees signs of market growth in the fact that customers themselves ask if she has additional merchandise. As a result, Hecht may branch out into T-shirts and mugs.
It may say something about the shift in U.S. politics that there likely won't be a big market for broken promises calendars for congressional Republicans. In fact, House Republicans have vowed to start each day's proceeding with a reading of their Contract with America. They don't seem to fear their own campaign promises or having them recalled come the next election.
The Clinton administration may not be over yet, but as that keen political analyst Michaelangelo of the Teenage Mutant Ninja Turtles has said, ``The clock's tickin', dude.'' And Portland's Marla Hecht is still collecting quotations for her next calendar.
NK END REINHARD

**** filed by:CN-F(--) on 11/17/94 at 12:59EST ****
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BC-DKMEN fashion, lifestyle:DE
DK Men is a fragrance with a masculine attitude
(PHOTO; details below)
(HAS TRIM)
By Robin Givhan
Knight-Ridder Newspapers

NEW YORK In order to reach the rooftop of this 24-story building in Manhattan's garment district, Stephan Weiss has climbed two flights of narrow, gray metal steps so steep that Jimmy Stewart in ``Vertigo'' would have found them unbearable.

Weiss, a sculptor, is husband and business partner to designer Donna Karan whose clothes are worn by celebs such as Vanessa Williams, Barbra Streisand and Bill and Hillary Clinton. He has made this climb without complaint, even though the narrow steps are covered in a layer of New York dirt, and water seems to be pouring from some unidentified location onto this deserted rooftop. And, by the way, Weiss is wearing a suit of the dashing sort four-button, fluid and slate gray.

He is climbing because the photographer has asked him to and because the Donna Karan Beauty Company, which is Weiss' business baby, is launching a new fragrance: DK Men. It is the first men's fragrance that the company has introduced. And, of course, Weiss wants it to do well. Publicity will help.

The fragrance is an interesting one: a complex mix of citrus, spice, tobacco and suede.

``What I was doing was taking remembrances from my past: scents from when I would climb  the backpacks, the tents  and when I would race cars  the pits,'' Weiss says. ``When I was younger ... I smoked a pipe. So there's tobacco. There are things I thought were interesting and kind of idiosyncratic to male behavior, masculine behavior.''

And that's what makes this fragrance unique. Its advertising, the philosophy attached to it, the scent itself. All are unabashedly masculine.

The television ad, shot by Herb Ritts, shows the worn face of an older man in a speeding race car. His determined eyes peer from behind a pair of steamy goggles. The engine roars. The broad tires grip the road even as they squeal around corners. The driver's hand grips the throttle. And the rumbling, sensual tones of actor Liam Neeson provide the voice-over.

The bottle, designed by Weiss, was inspired by the shape of a car's gear shift or an airplane's throttle.

The advertisement is pure masculine sexuality. The scent is described as one ``that a woman likes to smell on a man.'' Smart, since women do most of the buying at men's fragrance counters.

All of this comes amid the recent emergence of scents that have been described as unisex or androgynous: cK one by Calvin Klein and Comme des Garcons Eau de Parfum, to name two. But Weiss dismisses the notion of androgyny.

``I haven't seen a lot of androgynous people,'' Weiss says. ``There are masculine traits and feminine traits. There's a uniqueness in our differences. They should be enhanced.

``We shouldn't try to blend together.''

Understand that Weiss is the sort of fellow who steps aside in a hallway to let a woman walk ahead of him. He ponders the question of whether he should open a door for a woman. ``Maybe I only do this on weekends?'' he wonders.

He once adventured from New York to the West Coast in eight days on his motorcycle. He owns two Ducatis and one Harley.

This is a man who, when asked to recall his most romantic idea, responds, ``My wife.'' True or not, certainly the thought counts for something.

Androgyny is not his style.

Hence, this fragrance risk.

``One of the things that makes DK Men stand out is it's taking an all-out sexual approach or macho approach, which is anti-trend,'' says Annette Green, president of New York's Fragrance Foundation, an industry trade group.

DK Men ``has a very hard-edged, macho attitude,'' Green says. ``It's a little off-key. Not in a bad way, but in that it's not what everyone else is doing.''

What lots of other folks are doing are fragrances that are subtle, light and linear. That is, they smell the same from the moment the wearer spritzes them on. DK Men represents a shift or perhaps it will turn out to be just a blip in the style of men's fragrances. It's a classic fragrance in the sense that it has top notes, middle notes and a ``dry down'' scent that emerges over time.

For Weiss, this fragrance in many ways represents a turning point for men on the road to self-actualization. This sexual, sensual scent surrounded by masculine images and metaphors represents balance.

(EDITORS: NEXT 4 GRAFS OPTIONAL TRIM)

``From the '60s, women were going through a catharsis. They were competing with men in the way that they wore suits and ties. It minimalized their ability to compete,'' Weiss says. ``I think they compete more effectively as women.

``Men are beginning on that same path. Men have to become more comfortable with their feminine niche,'' Weiss says. ``They have to become more comfortable crying after seeing something sensitive instead of sticking with the John Wayne syndrome: Kiss your horse good-bye and say good night.

``Men who come through this,'' Weiss says, ``it will enable them to have better human relationships regardless of sexuality.''

This type of talk doesn't necessarily count for much in business relationships. It's odd. But then, the Donna Karan Beauty Company is an uncommon business.

(END OPTIONAL TRIM)

Most designers who launch a fragrance or a skin care line enlist the aid and expertise of one of the large perfume houses. Not so here. This beauty business is completely in-house a costly and risky venture. According to the trade journal Women's Wear Daily and information released for an initial public offering that was subsequently canceled, Karan's beauty business lost $4.9 million in 1992. Weiss has said that loss was expected as part of the process of building a beauty company.

Like any other professional fraternity, the business world can be an unfriendly place to outsiders. And Weiss, who applies the same organic sensitivity to business as he does to his sculptures and paintings, is far from a business insider.

With a long salt-and-pepper ponytail snaking down his back, he describes the 20th-Century business world as the modern man's way of responding to his primitive hunting and killing instinct.

The corporate wilds are a place where men prove themselves. And instead of boys hunting the woods with their fathers as a rite of passage, they might follow their dads' footsteps into the business world.

Weiss ponders the different ways in which men and women compete. He notes that men make rules. They set boundaries.

``Competition among women is rooted in something that I don't understand,'' Weiss says.

He talks about feelings and sensitivity. Bonding and evolving. Hey, this is a guy who's sentimental enough to keep a pair of Woodstock tickets in his wallet from the original concert, not the new and unimproved one.

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

**** filed by:KR-F(--) on 11/17/94 at 08:34EST ****

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PM-BRF--Rose Subpoena,180
Judge Orders Rose Law Firm to Give Client List to Investigators

WASHINGTON (AP) U.S. District Judge Paul Friedman has ordered Hillary Rodham Clinton's former law firm to honor a Whitewater-related subpoena and give a client list to investigators looking into possible conflicts of interest by the firm.

Mrs. Clinton once did legal work for Madison Guaranty Savings & Loan Association, the failed Arkansas thrift owned by James McDougal, who was the Clintons' business partner in the Whitewater Development Corp. real estate venture.

The Resolution Trust Corp., which acts as a receiver for failed thrifts, had asked for a list of all Rose clients since 1985 as part of its investigation into whether Rose failed to disclose conflicts of interest when it was hired by the government to do savings-and-loan cleanup work.

Mrs. Clinton represented Madison before state regulators in 1985. Rose also has handled other cases for the RTC since 1989, including a case targeted at Madison's accounting firm.

In arguing against the subpoena, Rose claimed that the RTC exceeded its authority, saying the law limits inspectors general to investigating only the internal operations of federal departments and agencies.

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BC-RTC-HILLARY
Judge orders Rose Law Firm to reveal client list

WASHINGTON (Reuter) - A federal judge has ordered the former law firm of Hillary Rodham Clinton to comply with a subpoena and produce a list of its clients, the Washington Post reported Thursday.

U.S. District Judge Paul Friedman ordered the Rose Law Firm to comply after investigators agreed to ensure that the names were not leaked to the news media or administration opponents, the newspaper said.

The inspector general of the Resolution Trust Corp (RTC) is investigating whether the Little Rock, Arkansas firm had any conflicts of interest when it represented the RTC in cases involving failed savings and loans.

Friedman warned the RTC he would intervene if it did not honor its promise to notify the law firm about any congressional or Freedom of Information Act requests for the names. The firm wants to be able to contest these requests.

The firm has been contesting the subpoena for months.

REUTER

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PM-MD--Glendening's Team,300
Gov.-Elect Glendening Names Wife To Head Transition Team
With PM-MD--Sauerbrey's Challenge, Bjt
AP Photo

ANNAPOLIS, Md. (AP) Gov.-elect Parris Glendening has named his wife and a Baltimore businessman as co-chairmen of a 12-member transition committee.

The transition committee, dubbed the Maryland Forward Committee, will supervise three groups that will make recommendations on Glendening administration appointments, devise a fiscal strategy and develop priorities for the next four years.

Frances Anne Hughes Glendening, a high-ranking official with the Federal Elections Commission and a registered Republican, also played a crucial role in the transition of her husband's three terms as Prince George's County executive.

Mrs. Glendening rejected comparisons to Hillary Clinton at a news conference on Wednesday, saying ``I'm just being myself.''

``Parris and I are just continuing in the way we always have as a team,'' Mrs. Glendening said. ``I'm willing to help him in any way that he asks.''

The other co-chairman, James T. Brady, is manager of the Baltimore office of Arthur Anderson & Co. auditing firm and a civic activist.

Other members of the transition team include former newspaper executive Thomas B. Finan Jr., political scientist Patricia S. Florestano and John Willis, a longtime Glendening advisor and expert on Maryland politics.

Also named were C. Vernon Gray, a member of the Howard County Council; state Delegate Nancy Kopp, D-Montgomery; Baltimore attorney Lalit H. Gadhia; banking executive Joseph Haskins Jr.; and Kevin O'Keeffe, a former aide to Baltimore Mayor Kurt Schmoke.

Major F. Riddick Jr., a longtime high-ranking Prince George's County official, and James M. Voss, a former farmer who now works for the U.S. Department of Agriculture, also were named to the transition committee.

``This is an outstanding team which reflects the diversity of this great state,'' Glendening said. ``I am very pleased with the depth of knowledge and breath of experience which this group represents.''

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bc-whitewater-firm
(wap) (ATTN: News editors)
Hillary Clinton's Law Firm Ordered to Produce List of Its Clients (Washn)
By Toni Locy= (c) 1994, The Washington Post=

WASHINGTON A federal judge Wednesday ordered First Lady Hillary Rodham Clinton's former law firm to comply with a subpoena and produce a list of its clients after investigators agreed to provide safeguards to ensure the names are not leaked to the news media or administration opponents.

In a 24-page opinion, U.S. District Judge Paul L. Friedman said he appreciated efforts by the Resolution Trust Corp.'s inspector general to keep the Rose Law Firm's client list from falling into the wrong hands. The inspector general is investigating whether the Little Rock, Ark., firm had any conflicts of interest when it represented the RTC in cases involving failed savings and loans.

Stressing he is still worried, Friedman warned that he will intervene if the RTC does not keep its promise to inform the Rose firm of congressional or Freedom of Information Act requests for the list. The firm wanted to be notified so it could contest the requests.

The judge also vowed he would ``deal appropriately with those who violate'' the promises to keep the material confidential. ``The court is concerned that the media and other interested individuals and organizations may seek to learn the names of Rose's clients in order to embarrass the firm,'' wrote Friedman, a former president of the D.C. Bar Association who became a judge in August.

The law firm has been fighting the subpoena for months. The subpoena, which must be complied with in 15 days, asks for all of Rose's clients from Jan. 1, 1985, to April 15, 1994.

Initially, the inspector general extended only cursory promises of confidentiality to Rose. But after Friedman voiced strong reservations last month about release of the information without protections, the inspector general came back with stronger safeguards, including 10 days' notice to the firm of FOIA or congressional requests.

No notice, however, will be given if the information is turned over to the Justice Department or the Whitewater independent counsel.

The list will be kept in the inspector general's office for 180 days, where only investigators working on the case can review it. After that, it will be kept under seal at the U.S. Courthouse, but still available to the inspector general's office.

The RTC inspector general's investigation is one of five into the law firm's activities. The RTC also is auditing its expenses. The Federal Deposit Insurance Corp. is conducting two similar investigations. And independent counsel Kenneth W. Starr is looking into the firm as part of his investigation of the failed Madison Guaranty Savings & Loan, which was owned by the Clintons' partner in the Whitewater real-estate development.

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PM-BRF--Rose Subpoena,180
Judge Orders Rose Law Firm to Give Client List to Investigators

WASHINGTON (AP) U.S. District Judge Paul Friedman has ordered Hillary Rodham Clinton's former law firm to honor a Whitewater-related subpoena and give a client list to investigators looking into possible conflicts of interest by the firm.

Mrs. Clinton once did legal work for Madison Guaranty Savings & Loan Association, the failed Arkansas thrift owned by James McDougal, who was the Clintons' business partner in the Whitewater Development Corp. real estate venture.

The Resolution Trust Corp., which acts as a receiver for failed thrifts, had asked for a list of all Rose clients since 1985 as part of its investigation into whether Rose failed to disclose conflicts of interest when it was hired by the government to do savings-and-loan cleanup work.

Mrs. Clinton represented Madison before state regulators in 1985. Rose also has handled other cases for the RTC since 1989, including a case targeted at Madison's accounting firm.

In arguing against the subpoena, Rose claimed that the RTC exceeded its authority, saying the law limits inspectors general to investigating only the internal operations of federal departments and agencies.

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BC-HI--Clinton Hawaii,0366

President Arrives in Hawaii for Rest, Golf

HONOLULU (AP) President Clinton arrived in Hawaii Wednesday night to begin a three-day vacation after attending a conference on Asian and Pacific trade in Indonesia.

The president and first lady Hillary Rodham Clinton arrived on Air Force One just before 7 p.m. (midnight EST), and were greeted by 3,000 people at Hickam Air Force Base, equally divided between military and civilians.

Among those greeting the president were Gov. John Waihee; Gov.-elect Ben Cayetano and Adm. Richard Macke, commander of U.S. military forces in the Pacific.

The president spoke to the crowd, listing his foreign policy and domestic accomplishments. He cited the trade agreement signed in Indonesia and the growing worldwide trend toward what he termed peace, freedom and prosperity.

On the domestic side, Clinton listed passage of family and medical leave, improvements to the student loan program, the crime bill and the assault rifle ban.

He also touted the strong economy, citing 5 million new jobs created since he took office, including what he calls more high-wage jobs this year than in the previous five years combined.

``We are coming back,'' the president said.

The president says there's no longer a distinction between foreign and domestic policy, calling strength in both areas imperative to getting the country back on the right track.

``National security is also being strong at home, as well as being strong abroad,'' Clinton said. ``There no longer is a clear dividing line between what is foreign policy and what is domestic policy, not when everybody's job depends on whether we can compete in a global economy.''

The president also took time to thank military personnel stationed in Hawaii, telling them while they may be far from the mainland, their contributions aren't forgotten.

The president and first lady have only one public appearance planned so far, Friday's testimonial dinner for Waihee, who is leaving office after eight years.

The president is expected to spend most of his time resting and playing golf. He is staying at a private residence at the Kaneohe Marine Base.

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BC-RTC-HILLARY

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