

PM-MA--Mass. Senate, Bjt,0660

Kennedy, Romney Boosted by First Lady, Kansas Senator

By JEFF DONN= Associated Press Writer=

Sen. Edward M. Kennedy, D-Mass., and his Republican challenger, Mitt Romney, continue to seek outside help in their head-to-head battle for the Senate seat Kennedy has held for better than 30 years.

Friday, Kennedy imported First Lady Hillary Rodham Clinton for a campaign stop in Springfield. She lauded the Massachusetts Democrat as a "steady, patient, resolute" leader.

Romney got his boost from one of Kennedy's colleagues, Sen. Nancy Kassebaum, R-Kansas.

Speaking at a senior citizen housing complex in Lynn, Kassebaum tried to cast the incumbent as out-of-touch.

"The Kennedy name is famous in Massachusetts and ... throughout the country, but this election is about the future," she said. "What maybe worked 30 years ago isn't going to work for us as we end this century and look ahead," she said.

However, at a rally at Springfield College, Mrs. Clinton praised the Democratic senator as "one of the few ... who can reach across party lines" in Washington to "unlock the gridlock."

At the same time, she took a swipe at Romney's inexperience, saying Kennedy "knocked the socks off" Romney in their two debates because Kennedy "knows what the budget is about."

Romney, the son of former Michigan Gov. George Romney, is a venture capitalist seeking his first elective office. He has given Kennedy the toughest re-election battle of his career, though Kennedy has pulled ahead in recent polls.

Romney spent \$100,000 to tape and air a 30-minute "town meeting" commercial in which he fielded questions from a friendly studio audience made up mostly of supporters. The campaign said undecided voters also attended the forum.

He said Kennedy's 32 years in the Senate have been marked by rises in taxes, crime and the national debt.

"If, like me, you feel we're headed in the wrong direction ... then I ask for your vote," Romney said. "And with that vote, I will fight for a new direction."

The commercial, on Boston's WCVB-TV and New England Cable News, opened with biographical information touting his family ties and business acumen. The Romney campaign planned to air the commercial Saturday night on WHDH-TV and on WBZ-TV Monday.

In Lynn, Romney saluted Kassebaum for her cross-party vote on the crime bill successfully pushed by President Clinton. "Senator Kassebaum was willing to work for change, to work with people on both sides of the aisle," Romney said. "And I agree with her."

However Kassebaum did not miss the chance to point to her own Republican heritage as daughter of 1936 Republican presidential candidate Alf Landon.

Kennedy, who accompanied the first lady to the Springfield rally and a campus daycare center, struck on a range of his traditional themes, including calls for better educational programs before the sympathetic college crowd. "All of us who care about quality education ... welcome you to western Massachusetts," he told the president's wife.

However, the crowd turned out a bit less friendly than expected, despite the many Kennedy signs, when Rep. Joseph Kennedy, D-Mass., asked, "Is my Uncle Ted going to win the election?" A sizable group of students yelled back "No!" along with the chorus of "Yes!"

The Democrats brought Mrs. Clinton to Massachusetts to campaign not just for Kennedy, but also for other two other Democrats running for Congress John Tierney of Salem, who is challenging Rep. Peter Torkildsen, and state Rep. Kevin O'Sullivan of Worcester, who is running against Rep. Peter Blute.

However one parent at the day care center, Eileen Cyr, said she believed that the first lady's influence would be limited at this late date. "I think you'd really have to be on the fence ... really have to be easily influenced," she said.

**** filed by:APE-(MA) on 11/05/94 at 06:06EST ****
**** printed by:WHPR(JEL) on 11/07/94 at 12:13EST ****

AM-CT--Governor's Race, Conn Bjt,870
Hillary Rodham Clinton Stumps For Curry
Eds: May be led with developments on the trail
AP Photos HF101-HF105
lpstftb

By LISA MARIE PANE= Associated Press Writer=

HARTFORD, Conn. (AP) First lady Hillary Rodham Clinton was back in Connecticut Saturday to stump for Democrat William E. Curry Jr., telling a state Capitol rally that he would move the state forward while his Republican rival would "turn back the clock."

And echoing a theme of the past week, Mrs. Clinton urged voters not to back a Connecticut Party candidate Eunice S. Groark if they want to avoid costing Curry the election in favor of Republican John G. Rowland.

"Let's send a message to all of those who want to divide and conquer, to all of those who want to turn back the clock: This state, this country, we're moving forward together," she said. "And electing Bill Curry will send the message."

Surrounded by female legislative candidates, U.S. Reps. Rosa DeLauro and Barbara B. Kennelly, and U.S. Sen. Christopher J. Dodd, Mrs. Clinton urged a return to Democratic control. Democrats were ousted from the governor's office in 1990 after a 16-year reign by Republican-turned-independent Lowell P. Weicker Jr.

Mrs. Clinton described Rowland, a former congressman, of being part of a Republican administration in Washington that promoted policies that hurt Connecticut, drove jobs out of the state and pitted people against one another.

The first lady also said the GOP stands for "Guns Over Police," an apparent reference to Republican opposition to gun control, which Curry favors.

"Will you vote for the past?" she said. "Or will you vote for the future when you vote for Bill Curry?"

A spokesman for Rowland called the first lady's remarks about the GOP a "sort of an anti-intellectual, dopey observation."

It was the fourth time in about a month that a member of the Clinton administration had been in the state to campaign for Democratic candidates.

The rally, on the north side of the state Capitol facing Bushnell Park, was attended by about 350 people and was organized by women who support Curry.

Beforehand, the first lady was the featured guest at a private fund-raiser across the street at The Bushnell theater that attracted about 200 people to the \$250-a-person event.

The day's events occurred on the 20th anniversary of the election of Gov. Ella Grasso, the country's first woman elected governor in her own right.

"I think it is fitting that we gather here on the lawn of this Capitol," Curry said, referring to Grasso.

With Election Day just three days away, Curry was seeking to shore up support among women, especially since some statewide polls seem to show that support for Rowland among women is shrinking.

Most polls seem to indicate that there remains a significant block of voters still unsure who they'll vote for in Tuesday's election. And a significant chunk of those undecided voters are described by various pollsters as independent woman and "Weicker likers," or those who have supported Weicker during his three decades in politics.

Each of the three major campaigns for governor Rowland, Curry and Groark have been scrambling to pick up and shore up support among women.

Earlier in the campaign, Groark held a news conference to announce support among women leaders in the state, and picked a woman as her running mate.

This week, Secretary of the State Pauline R. Kezer, who lost in a Republican primary to Rowland, hosted a fund-raiser for Rowland that was dominated by women. Rowland also picked a woman as his running mate.

Even though the day was supposed to be devoted to women and women's causes, the first lady urged voters not to support the lone woman in Connecticut's race for governor: Groark.

"As Bill was saying, this election on Tuesday is between John Rowland and Bill Curry," Mrs. Clinton said. "There are others on the ballot, but the fact is as we move closer to Election Day, that is the election."

Groark's campaign said the Democrats' attacks are an indication that Groark is gaining ground in a race she's consistently been in third place.

Curry began running television ads over the weekend that show a voting booth and give reasons for not casting votes for the other three major-party candidates. When it comes to Groark, the ad says she's not strong enough to win the race for governor, and the imaginary voter settles on Curry.

"It just seems like that for the whole week they've brought the White House to attack Eunice and buy ads to attack Eunice, and then they stare at us with a straight face and say it's a two-person race," Groark spokesman Bill Halldin said. "They wouldn't be wasting a lot of money on Eunice if she weren't a factor."

Rowland spokesman John Chapin said he considered the turnout for the rally pitiful, especially since a first lady was the featured speaker and the weather cooperated.

"I question how successful that rally was," he said. "I also thought the 'GOP stands for Guns Over Police' was sort of an anti-intellectual, dopey observation by the first lady."

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**** printed by:WHPR(JEL) on 11/07/94 at 12:14EST ****

PM-NY--Governor's Race,Bjt,505
Cuomo Gets A Boost From First Lady
AP Photos

By RICHARD PYLE= Associated Press Writer=

NEW YORK (AP) With First Lady Hillary Rodham Clinton at his side, Gov. Mario Cuomo told supporters "the tide has turned" in his favor but cautioned them against taking an easy win for granted.

"I'm not saying I'm way ahead. It's going to be close," Cuomo, a Democrat, said at a fund-raising luncheon Wednesday. "I can tell you from past experience that this thing is not over."

Meanwhile, his challenger in the race for governor, Republican George Pataki, sounded much like Cuomo did 10 days ago, playing up his status as the underdog and insisting that private polls show his popularity increasing.

"We are surging in the polls; we are going to win this race," Pataki said at a news conference at his Manhattan campaign base.

"People are saying yes they like a fighter, they like an underdog," Pataki said. "The polls the last day or two are beginning to show what we have felt the last four or five days."

All summer and into the early autumn, polls showed Cuomo and Pataki neck-and-neck or gave Pataki a slight edge. In the days since Republican Mayor Rudolph Giuliani crossed party lines to endorse Cuomo, the poll numbers have reversed, with Cuomo pulling ahead. Some surveys showing him up by 10 points or more.

But Cuomo recalled that in 1982, polls showed him 13 points ahead a week before Election Day even though he only won by "1 or 2 points." He stressed the need for a strong Democratic turnout to assure his re-election.

Mrs. Clinton came to town campaign with Cuomo, and she acknowledged Giuliani's endorsement.

"We need the kind of leader that Gov. Cuomo is, for New York and for America," she said. "He's the kind of partner that not only the president needs but the mayor of New York knows he needs as well."

"You have a president, a mayor and a governor who want to get beyond brain-dead politics, and want leadership in this country that will solve people's problems for a change."

President Clinton campaigned with Cuomo in Manhattan two weeks ago, and was to return to the state this time to Albany today for more appearances.

One of the biggest issues in the closing days of the campaign has been whether the candidates will debate each other before Election Day.

Cuomo has said he will only debate Pataki if the minor-party candidates are included; Pataki has been pushing for one-on-one debates.

On Wednesday, cable television station New York 1 said it would air a live candidates' forum Monday night on the eve of the election. All the candidates except Pataki have agreed to participate, New York 1 said.

Pataki said Tuesday he would appear on WCBS/Channel 2 on election eve whether Cuomo agreed or not.

In addition to Cuomo, Pataki and Independent Thomas Golisano, the gubernatorial entries include Libertarian Party candidate Robert Schulz, Right-to-Life candidate Robert Walsh and Socialist Workers candidate Lawrence Lane.

**** filed by:APE-(NY) on 11/03/94 at 02:25EST ****

**** printed by:WHPR(JEL) on 11/03/94 at 08:00EST ****

PM-MO--Bond-Whitewater, Bjt,0370

Bond Reveals More Confidential Administration Whitewater Contacts

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) Clinton administration officials got additional confidential information about the Whitewater investigation before congressional hearings last summer, Sen. Christopher Bond said.

The Missouri Republican said former White House counsel Lloyd Cutler got unedited depositions from lawyers at the Resolution Trust Corp., which first investigated the Whitewater land deal and the collapse of Madison Guaranty Savings & Loan in Arkansas.

The focus of this summer's congressional hearings was whether there were improper contacts between the White House and Treasury Department investigators looking into the role of President Clinton and first lady Hillary Rodham Clinton in Whitewater and Madison.

"I am appalled that the same Treasury Department, acting under the specific direction of Secretary (Lloyd) Bentsen, would again provide non-public information about the Madison Guaranty case directly to the White House," Bond said.

The RTC is an arm of the Treasury Department with the responsibility to clean up the failed savings and loan mess. Its attorneys could have had confidential knowledge of the Madison investigation.

In a letter Tuesday to Senate Banking Committee Chairman Donald Riegle, D-Mich., and the panel's ranking Republican, Sen. Alfonse D'Amato of New York, Bond called for a new round of hearings into the contacts.

"Congress and the American people deserve to know, at some point, the real truth about exactly who did what, and when," Bond wrote.

Cutler told The Washington Post in a story published Wednesday that he did not share the depositions with any other White House officials and that most of the information was already known.

"It didn't tell us anything we didn't know already," Cutler told the Post.

Bond, a member of the Banking Committee, said Wednesday that attitude is what sparked the congressional hearings in the first place.

"First, the White House denies receiving heads-up, non-public information about the investigation and now, when it's clear they did, Mr. Cutler says so what, there's nothing wrong with that," Bond said Wednesday.

"I think that's the problem, and they just don't get it," he added.

Riegle and D'Amato told independent counsel Kenneth Starr they would not hold any Senate hearings to prevent interfering in an investigation into removal of Whitewater files from Vince Foster's office after Foster's 1993 suicide.

**** filed by:APW-(MO) on 11/03/94 at 01:05EST ****

**** printed by:WHPR(JEL) on 11/03/94 at 08:01EST ****

PM-NY--Clinton-Cuomo, Bjt,0400

Clinton Makes Another Visit to Boost Cuomo

Eds: Will be topped after Clinton's visit, scheduled to begin at 10:30 a.m.

By DAVID BAUDER= Associated Press Writer=

ALBANY, N.Y. (AP) President Clinton's planned visit today to the city where Mario Cuomo has lived and worked for 12 years comes as polls show the Democratic governor is likely to stay here for four more.

The president, as part of a national tour to help Democratic candidates, was to watch a demonstration of interactive television and attend a rally at the State University of New York at Albany gym.

Cuomo's been playing up the ``star factor'' in the campaign's final days, just as polls have shown him reversing Republican opponent George Pataki's longtime lead.

Cuomo appeared at the state Capitol on Wednesday with U.S. Housing and Urban Development Secretary Henry Cisneros, then rushed to New York City to campaign with First Lady Hillary Rodham Clinton.

The president has already appeared at fundraisers and an economics roundtable in New York City with Cuomo. But Cuomo specifically wanted Clinton to visit upstate New York this trip, said real estate executive Meyer Frucher, a longtime Cuomo campaign aide.

Frucher accused Pataki of promoting regional rivalries with ads that question whether taxpayers elsewhere in the state will be hurt by Cuomo's alliance with New York City Mayor Rudolph Giuliani and a plan to have the state take over the Long Island Lighting Co.

``Clinton's visit and the way it's going to be structured is designed to show the unity of the state,'' Frucher said.

Through a television link, students in Buffalo, Rochester, Syracuse and New York City were to explain how they use new educational technologies. Mayors from the upstate cities were also expected to pipe in.

The Pataki campaign, newly aggressive with the belief that its candidate is bouncing back, said another Clinton appearance would not help Cuomo.

``The only place he can bring the president to is a state university that is funded by him,'' Pataki aide Zenia Mucha said. ``The only people supporting Mario Cuomo are the ones totally dependent on him. He's consistently tried to buy this election with taxpayer dollars and is going to do it again.''

Pataki also planned a campaign appearance in Albany today, part of a series of upstate stops.

**** filed by:APE-(NY) on 11/03/94 at 00:37EST ****

**** printed by:WHPR(JEL) on 11/03/94 at 08:01EST ****

AM Health Care, Bjt,580

Hillary Clinton Won't Head Next Reform Attempt

By RON FOURNIER= Associated Press Writer=

WASHINGTON (AP) Plotting a more modest course on health care, President Clinton no longer wants his wife and her polarizing aide Ira Magaziner to be coordinators of his reform strategy.

Two lesser-known aides, Domestic Policy Adviser Carol Rasco and Robert E. Rubin, the head of the National Economic Council, will head the administration's second attempt at health care reform, White House officials said Wednesday.

Rasco and Rubin will work within the normal White House operation, aides said, a stark contrast to the previous health care effort that operated in many ways autonomous of the rest of the White House.

Aides expect the swap to improve coordination and organization of the health care effort, and said it may offer some political cover from Mrs. Clinton's critics.

They said Mrs. Clinton recommended the change, feeling that the health care debate has moved to another stage.

Mrs. Clinton, while touring the Memorial Sloan-Kettering Cancer Center in New York on Wednesday, said the administration is still committed to do all we can to make changes in the health care system."

"I don't think there's any reason to be anything but hopeful that eventually we will make the kind of changes that people consistently say they want," she said.

The first lady will likely continue to be a major force in the development of the administration's health care policy, if not as visible as before. Rasco, a former aide to Clinton in Arkansas, has worked closely with Mrs. Clinton for years.

"She will play a vital part in health care policy and strategy, just as she always has," the first lady's spokeswoman, Lisa Caputo, said of Mrs. Clinton. "She'll continue to be the public advocate."

Rasco said that Magaziner also "will still be part of the effort" but that the mounds of research and number-crunching done by the so-called working groups that he oversaw does not need to be duplicated in 1995.

"Because there wasn't a massive amount of background work to be done, we thought it was time to move it through the normal policy-making process," Rasco said. "There wasn't a need to have that large group of people working separate from the White House."

She and Rubin can coordinate the economic and policy aspects of health care reform, picking up where the old team left off, she said.

Although any decisions on the 1995 health care package will wait until after the midterm elections, aides said the staffing change signals that Clinton realizes any reforms will be modest.

A senior White House official, speaking on condition of anonymity, said the administration will not repeat its mistake and submit a lengthy, complicated bill to Congress.

The administration is more likely to simply present Congress a list of goals, or push for incremental reforms one bill at a time.

Comparing the theory to the successful crime bill effort, the senior official said Clinton will propose a more moderate plan than last time, risking the loss of some liberal Democrats to gain the support of a few Republicans.

Aides also said there will be less focus on health care in 1995. It will be viewed as a major, but not exclusive, goal in the president's portfolio that includes action on campaign financing, lobbying reform and welfare reform.

**** filed by:APE(--) on 11/02/94 at 20:13EST ****

**** printed by:WHPR(JEL) on 11/03/94 at 08:02EST ****

AM-Suicide Skit,230

Republican Halloween Party Skit Portrays Suicide Of White House Counsel
tpnas

NASHVILLE, Tenn. (AP) A Halloween party skit portraying the suicide of Clinton aide Vincent Foster had about 100 Republicans laughing, but a U.S. Senate candidate at the gathering didn't think it was funny.

Republican candidate Fred Thompson was standing in the back shaking hands when a woman portraying the former White House deputy counsel, a native of Hope, Ark., pulled out a toy pistol and pretended to commit suicide.

"We have felt the Vincent Foster reenactment was inappropriate and in bad taste," Mary Anne Carter, a Thompson spokeswoman, said Wednesday.

The skit was performed Saturday at the Honker's Ball, a Republican event and Halloween Ball staged at the farm of state Rep. Clint Callicott, about 20 miles south of Nashville.

Callicott said he had no idea the Foster suicide skit was planned, calling it "unfortunate."

The state Democratic Party issued a statement condemning the skit, calling it the "single most tasteless and inconsiderate event of the campaign year."

Another skit featured a duo wearing Bill and Hillary Clinton masks singing Sonny and Cher's "I Got You Babe."

Thompson is running against Democrat Jim Cooper. They are vying for the seat vacated by Vice President Al Gore.

**** filed by:APW-(AR) on 11/03/94 at 00:31EST ****
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PM-M - Missouri Today,0880

Bond Alleges More Confidential Administration Whitewater Contacts

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Bond wrote a letter Tuesday to Senate Banking Committee Chairman Donald Riegle, D-Mich., and the panel's ranking Republican, Sen. Alfonse D'Amato of New York, Bond called for a new round of hearings into the contacts.

Cutler told The Washington Post in a story published Wednesday that he did not share the depositions with any other White House officials and that most of the information was already known.

"It didn't tell us anything we didn't know already," Cutler told the Post.

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11/03/94

BC-RODHAM national:FL

Clinton brother-in-law happily making his Senate run a family affair

(ARCHIVE PHOTO: details below)

(HAS TRIM)

By William E. Gibson

Fort Lauderdale Sun-Sentinel

FORT LAUDERDALE, Fla. While other Democrats run away from President Clinton this election year, Hugh Rodham nearly bowls over the commander-in-chief with a big brotherly bear hug.

Welcome to Florida, Rodham tells his brother-in-law. Come down any time.

Scorned by pundits, ignored by campaign professionals and spurned by some fellow Democrats, Rodham has turned to family members to rescue his campaign for the U.S. Senate.

Brother Tony, who married a California senator's daughter, came home to Miami to manage the Rodham campaign.

Big sister Hillary Rodham Clinton, the first lady, emerged from gloom at the White House to flash a radiant smile across the South Florida political landscape.

Their mother, Dorothy Rodham, has gamely put in appearances at campaign rallies.

And the president briefly spoke to a poorly attended Rodham rally in Miami.

Never mind that only 200 people turned up when thousands were expected. For Rodham, the moment made his trudging along the campaign trail worthwhile.

"It's kind of bound us together in this cause because we've always been very close as a family, and when I get myself into a fix like this, they always try to come and bail me out," the candidate said with a chuckle.

Rodham, 44, has never held public office until now, he has never sought public office and he did not vote for more than a decade. He is the ultimate long-shot outsider candidate but with White House connections.

When more powerful Florida Democrats shrank from a race against Republican incumbent Sen. Connie Mack, Rodham filled the wide void. It's a campaign Rodham expects to win, defying all conventional wisdom and contrary evidence.

"I think the message my campaign brings is that if you believe in ideas, you have the right to run for any political office, no matter how many rotten things are said about you," Rodham said.

His ideas include alternative ways to deal with crime problems, based on his experience with the special Dade County "Drug Court," which channels first-time non-violent offenders into rehabilitation instead of prison.

Rodham helped the needy of Colombia while serving in the Peace Corps in the early '70s, then went to graduate school and law school before becoming an assistant public defender in Dade County.

After registering to vote in Arkansas in 1974, he did not re-register in Florida until 1991, just before his brother-in-law was elected president. Rodham said he had been disgusted with politics during the Reagan era.

"If I had it to do over again, I would have fully participated in the process," Rodham said.

Democratic leaders tried to dissuade Rodham from fully participating in the Florida Senate race this year, which they feared would be a losing cause. Operatives at the Democratic National Committee showed Rodham poll numbers indicating he could not defeat Mack, who has gathered \$2.5 million of campaign cash.

"It's no secret they discouraged him from running," said Ken Wolf, a Rodham supporter and Democratic committee member in Broward County. "They see the enormous risk of making that race a litmus test for the administration."

Rodham said the Clintons did not restrain him. "They talked to me about it early on, as family members will discuss problems over the dinner table. I made up my mind, and they said, 'Good.'"

Rodham supports most of Clinton's agenda, notably his policies on immigration, Cuba, Haiti and health care. He has differed only on trade

policy, opposing the North American Free Trade Agreement.

(EDITORS: STORY CAN TRIM HERE)

None of this has brought much money or attention outside the family. Rodham has received no money from the Democratic Senatorial Campaign Committee, headed by Florida Sen. Bob Graham. His main support comes from labor groups who favor his trade policy.

Rodham's embrace of the White House risks alienating many voters.

"I did not support Mr. Clinton. I feel like certain liberties have been taken by his family, which I strongly object to. I suppose this is unfair, but it rubs off on Hillary's brother," said William Fitzgerald, a retired Miami businessman leaning toward Mack. "Knowing that this state has been going strongly Republican, this could possibly hurt Rodham."

But discouraging words do not deter the underdog candidate.

In booming speeches leavened by self-inflicted fat jokes, the rotund Rodham defies what he calls "defeatist mentality." He stands by his own goals and by his White House kin.

"It's not to scold Democrats across the country," Rodham said, "but to let them know that there are some of us who are not running away from the president, and never were."

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(Archive photos of Hugh Rodham (photos that have moved more than a week ago) are available from the KRT Photo Archive through PressLink dialup via Macintosh computer. For information, call (800) 435-7578 or (202) 383-6099.)

**** filed by:KR-F(--) on 11/01/94 at 08:46EST ****

**** printed by:WHPR(JEL) on 11/01/94 at 09:23EST ****

bc-Charge-Against-Hunger
TO CITY EDITOR:

CHARGE AGAINST HUNGER 1994 IS LAUNCHED NOV. 1
WITH SCHOOL BREAKFAST EVENTS THROUGHOUT THE UNITED STATES
Campaign Hopes to Raise \$5 Million to Fight Hunger

WASHINGTON, Nov. 1 /PRNewswire/ -- American Express and Share our Strength (SOS), one of America's largest private, nonprofit sources of funds for hunger relief and prevention, today launched the second Charge Against Hunger campaign to fight hunger in America. Charge Against Hunger unites Cardmembers, merchants and employees in a high-profile fundraising, awareness and volunteer effort.

To mark the launch, First Lady Hillary Rodham Clinton joined more than 300 elementary school children for breakfast at Benning Elementary School in Washington, D.C. The Benning School breakfast, along with six others across the country, was organized to bring attention to the benefits of a healthy breakfast and the need for greater awareness of the hunger problem in America, which affects 20 million people, eight million of whom are children. Mrs. Clinton's remarks were broadcast live via satellite to the thousands of at-risk children who started their day with a healthy breakfast at the Charge Against Hunger launch, and she answered their questions about nutrition.

From now through December 31, American Express Travel Related Services Company, Inc., (TRS) will donate three cents to Share Our Strength each time the American Express(R) Card is used, with the goal of raising up to \$5 million to help fight hunger. In 1995, the Charge Against Hunger campaign raised \$5.3 million, which SOS distributed to over 250 local hunger relief and prevention organizations to provide food assistance, nutrition education and long-term preventative measures to the fastest-growing segment of hungry Americans -- young children and their families.

"The Charge Against Hunger partnership between American Express and SOS not only fed millions of hungry Americans, but showed millions of others how to help in their own communities," said Bill Shore, executive director of Share Our Strength. "Most importantly, Charge Against Hunger grants are now helping food rescue programs provide an additional four million pounds of food that otherwise would have gone to waste, teaching nutrition education to more than 1,000 at-risk men and women, and making free or reduced-cost school breakfast available to almost 400,000 kids. With the funds raised this year, we will increase what we were able to do last year and continue breaking down the cycle of hunger through teaching and empowerment."

A host of celebrities, athletes and local entertainers participated in the seven events launching Charge Against Hunger around the country. In Washington, Mrs. Clinton was joined by Bob McGrath of "Sesame Street" and Wes Unseld, NBA All-Star and Executive Vice President of the Washington Bullets. Celebrities in New York were Spike Lee, Kathleen Turner, Rosie O'Donnell and basketball Hall of Famer Nate "Tiny" Archibald; in Boston, Edward James Olmos, along with Sam Gash and Chris Slade of the New England Patriots and Pervis Ellison of the Celtics; in Chicago, retired Chicago Bull Bob Love; in Phoenix, retired Phoenix Sun Connie Hawkins; in Atlanta, Broadway entertainer Savion Glover, vocal group A Few Good Men, musical group Kriss Kross, and retired Atlanta Falcon Billy "White Shoes" Johnson; in Los Angeles, Cedric Ceballos of the Lakers, radio personality Mario Machado, boxers Rafael and Gabriel Ruelas and the musical group Los Lobos.

American Express' restaurant, retail and travel merchant partners have answered the call to help fight hunger, as they did last year during the campaign. Merchant participation ranges from displaying a blue and white Charge Against Hunger window decal and other point-of-purchase materials including counter card inserts and shopping bags, to taking a larger role and hosting a Charge Against Hunger event, mobilizing employees to participate in local community events or to volunteer at local hunger organizations, or making a financial contribution to Charge Against Hunger, or even matching American Express' three cents donation per transaction.

"Businesses nationwide are joining the Charge to prevent and alleviate hunger in the United States and help us to exceed our \$5 million goal," said Thomas O. Ryder, President, Establishment Services Worldwide, American Express TRS. "This year, merchants such as Kmart, Melville Corporation, The Wiz, and Madison Square Garden, among others, will participate in the campaign through matching donations or other activities to generate further awareness. Our strong partners will help attract even more attention to the hunger problem."

Expansion of School Breakfast and Summer Feeding Programs is just one of the categories of grants which will be funded by Charge Against Hunger 1994. Last year, Charge Against Hunger raised \$5.3 million, of which \$1.9 was directed to 200 schools and 34 advocacy groups to assure that free or affordable meals are available.

Other 1994 Charge Against Hunger grant categories include:

-- Nutrition Education Programs: Funds will be provided to food banks and multiservice organizations to start or expand Super Pantry programs, a series of workshops that teach clients nutrition education, food preparation and budgeting to help them lessen their dependency on emergency food. Funds will also go toward expanding the reach of Operation Frontline, which mobilizes chefs in cities across the country to teach nutrition and food budgeting to low-income families.

-- Food Assistance Projects in High-Need Areas: Grants will be awarded to food banks and direct food programs in the nation's highest need and most underserved communities.

-- Growth and Development/Failure to Thrive Clinics: Funds will help Growth and Development Clinics identify and provide family-centered, multidisciplinary services to severely malnourished children in their communities.

-- Model National Programs: Grants will support innovative model hunger relief and prevention programs that can be replicated nationwide.

Share Our Strength works to alleviate and prevent hunger throughout the United States and the world. With the help of thousands of volunteers, SOS fights hunger through grant distribution, public education, community outreach and direct service. Founded in 1984, SOS has become one of the nation's leading hunger relief and prevention organizations.

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/CONTACT: Ann Andrews of Share Our Strength, 202-393-2925; Greg Tarmin of American Express, 602-954-1717; or Ellen Markowitz of M. Silver Associates, 212-754-6500/ CO: Share Our Strength; American Express ST: IN: SU: CK -- NY002 -- 0313 11-01-94 05:36 EST

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

**** filed by:PR-F(--) on 11/01/94 at 06:38EST ****

**** printed by:WHPR(JEL) on 11/01/94 at 09:23EST ****

Letters to the Editor: Hillary, You're Not Listening

In regard to your Sept. 30 page-one story "Transition Figure: Hillary Clinton Looks at Her Strange Role; Gender Rorschach Test":

Hillary Clinton says that the deep and widespread hostility toward her is really not directed at her personally but at her symbolic representation of the powerful woman. Doris Goodwin says, "There is an anger in the criticism of Hillary that has got to mean it is not only about her, because otherwise it doesn't make sense." They're partly right: The depth of the rage and resentment against Mrs. Clinton are about her, but in the context of her position in American society.

We Americans are a peculiar people. We were raised on the notion that if we worked hard, played fair and followed the rules, any one of us could grow up to be president; some of us still repeat this to our children. We have always identified achieving the highest office in the land with exhibiting the highest of virtues, so much so that we created a national mythology of honesty and integrity around Washington, Jefferson and Lincoln. We have been betrayed by Hillary and Bill.

We feel as used as we did when we found out (after the fact) that Richard Nixon had attempted to cheat in the 1972 election and that he subsequently lied about it and connived to cover it up. We despise Mrs. Clinton not for being a strong woman -- her critics include those that are well-known admirers of such genuine strong women as Margaret Thatcher -- but for being like her husband, always twisting and turning to slip out of one jam or another.

When her remark about not wanting to "stay home and bake cookies" was criticized as a slight to homemakers, she promptly baked up a batch of cookies and passed out her recipe. When her commodity trading profits came to light, she acquiesced in a series of clumsy fabrications, which she allowed others to mouth for her in an attempt to sweep the matter under the carpet. And as her health-care crusade crumbled, she began to fade from view, like a chameleon changing colors to match the background.

Mrs. Clinton takes comfort from her fantasy of millions of insecure (presumably white Republican) males taking out their angst on her, but that's not reality. While the real Hillary had the power within the administration to make health-care reform its top legislative priority, eclipsing welfare reform and putting even such important initiatives as GATT and the crime bill at risk, she was willing to leave the hard political work to the mostly male Democratic congressional leadership. She didn't have the power (or the leadership capacity, or the moral authority) to bully or cajole or shame Congress into passing her program. "Hillary the strong woman" doesn't threaten us American males, because she is a mythical beast.

Stuart Creque
Moraga, Calif.

I share the same generation, gender and profession with Ms. Clinton. The reason that I "react" intensely to her does not, however, bear any relationship to transitions or the difficult choices I must make in my life. It has everything to do with her unyielding arrogance and self-centered myopia. I am chagrined that she can dismiss her critics with a self-aggrandizing comparison of herself with Mrs. Roosevelt and a corresponding blanket denigration of today's women's abilities to cope with changing times. Apparently she perceives herself to be one of the very few elite women who have the intelligence, moral fiber and strength to deal with today's world. And for that reason she appears to perceive herself as every weak, driveling, incompetent man or woman's scapegoat.

It is very evident that the women of America are strong, independent, motivated and capable, much like our forebears. We do not need Hillary as a scapegoat, savior, transition figure, gender rorschach test, or otherwise.

Her reaction to the failure of her health plan was revealing. She blamed it on the "missteps of the administration." And who might that be? Her husband, Bill? It appears that she practices self-delusion and self-defense as twin art

forms.

Carey Swan
Houston

Evita Peron would be a more apt comparison to Hillary Rodham Clinton as first lady than Eleanor Roosevelt. Mrs. Clinton just does not get it -- the criticism of her is personal and well-founded. She arrived in Washington "with her own name, her own career and her own agenda," but no mandate. Our Constitution makes no provision for a co-presidency. Mrs. Clinton holds no office, elected or appointed, and thus is accountable to no one. Her analogy to a female boss is inappropriate and presumptuous; she is not the boss. Her unpopularity stems less from some sociological transition than from her own personal character flaws, including unabashed arrogance and lack of integrity.

Compare Mrs. Clinton, for example, to New Jersey governor Christine Todd Whitman, an independent and powerful woman, speaking out in her own right. Gov. Whitman's popularity is growing daily, both in New Jersey and across the nation, without any sociological impediment. Women like Gov. Whitman, who won an election based on her agenda, are the true symbols of the ascendancy of women in America. As a woman, a lawyer, a mother and a wife myself, I would have liked to have been proud of Mrs. Clinton's role as first lady. Instead, I am embarrassed by her. She has proven to be the classic stereotype of the meddling wife.

Lydia C. Stefanowicz
Watchung, N.J.

One need look no further than her ominous government-run health scheme to clearly see her philosophy in action. She does not place her faith in free individuals making choices in their own lives, as she piously states in the article.

I am amazed that Mrs. Clinton, who is so often noted for her intelligence and insight, chooses to ignore a fundamental truth -- ideas do matter. It's really nothing personal. The American people are not taking issue with her because of her gender or her unconventional role, but because she advocates ideas that do great injury to our treasured way of life -- individual freedom and free enterprise.

Sharon Kelly, M.A.
Newtown, Pa.

Most people dislike her completely on her own merits. As the most visible central planner in an administration that ran as "New Democrats," she epitomizes their bait-and-switch campaign strategy.

The American people reject her plan to personally engineer the socialization of our medical industry. It is typical of her arrogance that she blames tactical errors such as failing to get the media on board rather than admitting to herself that people do, in fact, know what her agenda is and simply do not agree with it.

Robert J. Lauf
Oak Ridge, Tenn.

Are all women supposed to hold Mrs. Clinton in high esteem and look to her as a "transition figure" just because she's educated and has practiced law? Are we supposed to be impressed that she prances around Washington as if she were an elected official?

-END-OF-AUTOBREAK(1)-
-AUTOBREAK(2)-FOLLOWS

**** filed by:WSJ(--) on 11/02/94 at 02:20EST ****
**** printed by:WHPR(JEL) on 11/02/94 at 08:10EST ****

BC-Letters-to-the-Edit

----- AUTOBREAK (2)-----

People are hostile toward her because of her arrogance. We don't like the way she manipulates the truth with all her doublespeak gobbledygook. We don't like her double standards. Why was it okay for her to make a killing on cattle futures, but medical doctors, who save people's lives, are greedy?

She has made comments that Americans don't really know what's good for them and don't really understand the issues. Totalitarian governments think this way, too. I find it most insulting.

Catherine B. Janosky
President and CEO
Global Manufacturing Inc.
Little Rock, Ark.

She is now paying the price for dancing down Pennsylvania Avenue on inauguration day, envisioning "the winds of change" creating a world more to her liking. She should have asked the people who have to live in that world what they'd like it to look like. Instead she and her experts thought they knew best.

Mrs. Clinton ignores the facts when she implies Americans don't like strong women. Look at the increasing numbers of women elected to the Senate, House and local government. Even "gridlock" pro-gun supporters voted in Kay Bailey Hutchison -- twice.

What Americans don't like is someone using power that belongs to someone else. We cringe when the boss's spouse or children meddle in corporate decisions. We like it even less when that boss is the president of the United States.

John H. Alban III
Dallas

The report on Hillary Clinton was little more than a rambling narrative of excuses by Mrs. Clinton. Blaming everybody but herself, these excuses always centered around the fact that she's an "independent and powerful" woman and that men just can't handle it.

The fact is that Hillary Clinton is in the same trouble her husband is for the same simple reasons. The policies she advocates are far too liberal and she doesn't play it straight with the American people. As your reporter ever so gently touched upon, Mrs. Clinton flat out lied in her April press conference when she said that she didn't have any knowledge of Whitewater documents being removed from the office of Vincent Foster.

And as for demagoguery, Hillary Clinton is right there with the best of them. When she accuses Rush Limbaugh and others of getting "their names by attacking somebody else," Mrs. Clinton might consider sharing her tears with doctors, small business owners and those employed in the pharmaceutical and insurance industries. They really know how it feels.

Charles A. Hummer
Moraga, Calif.

(See related letters: "Letters to the Editor: Why the Vile Attack on Hillary?" -- WSJ Nov. 2, 1994)

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**** printed by:WHPR(JEL) on 11/02/94 at 08:10EST ****

BC-CT--Campaign Watch, Conn Bjt,280

Election '94: What's Happening On the Campaign Trail

GOVERNOR'S RACE

Curry Endorsement

The leaders of 11 prominent women's rights organizations are urging women to support Democratic gubernatorial candidate WILLIAM CURRY JR. and not to throw their support to A Connecticut Party candidate EUNICE GROARK because she is a woman.

The women's advocates signed a letter Tuesday that they intended to mail to women around the state.

``It is tempting to vote for a woman for governor and that is fine if you just want to make a statement, but if you want to make a difference you have to vote for Bill Curry for governor,'' Betty Gallo, legislative chair of the Connecticut Coalition for Choice, said in a statement.

Bill Halldin, a spokesman for A Connecticut Party's gubernatorial candidate Eunice Groark, said a vote for Groark ``is a statement that you want the best candidate and the best government.'' Groark is the only woman gubernatorial candidate.

The letter itself urges women voters to support Curry, saying he has demonstrated ``a strong commitment to women's issues, especially a woman's right to choose.''

Hillary Speaks

First lady Hillary Rodham Clinton took to the Connecticut airwaves Tuesday, giving Democratic gubernatorial candidate WILLIAM CURRY JR. and other democrats another plug before Election Day.

``We have a president and we have candidates like Bill Curry or Jim Maloney or Sam Gejdenson who are devoted to making government work by solving problems,'' said Mrs. Clinton, who appeared on the Judy Jarvis Show on WPOP-AM. ``They are not locked into the old ways of thinking.''

Mrs. Clinton also had some encouraging words for her husband.

``We've had problems developing in our country and in Connecticut for many years. And we finally have now a president who is willing to solve these problems,'' she said.

**** filed by:APE-(CT) on 11/02/94 at 01:35EST ****

**** printed by:WHPR(JEL) on 11/02/94 at 08:10EST ****

PM-CT--Governor-Finances, Conn Bjt,450
Governor's Race Fund-Raising Reaches Historic Proportions
lpstfaf

By LISA MARIE PANE= Associated Press Writer=

HARTFORD, Conn. (AP) Republican candidate John G. Rowland has set a record in Connecticut politics for the amount of money raised in a gubernatorial campaign.

So far, his campaign has attracted \$3.3 million in donations \$500,000 more than the record amount he raised in his 1990 campaign. And he still has another week or so to raise money.

According to reports filed Tuesday a week before Election Day he still has \$505,000 left in the bank, which is considerably more than any of his rivals in the race.

"Our fund-raising has been strong all year, but it's really taken off over the past couple of weeks," said David W. O'Leary, Rowland's campaign director.

In the last reporting period, which covers Oct. 7 through Oct. 25, Rowland took in \$553,972 or about \$30,000 per day.

Democrat William E. Curry Jr., who has been running second in the polls, remains in second place in fund-raising.

In the last reporting period, Curry raised \$405,000. In total, he's taken in \$1.9 million, and has \$76,000 on hand.

A Connecticut Party's Eunice S. Groark has raised about \$927,000 in total, and \$109,500 during the last reporting period. She is shown having \$62,170 on hand.

A report was not immediately available from Independence Party candidate Tom Scott, who in the last filing was shown to have raised \$27,500 and had \$13.53 left.

Curry has brought in some heavy hitters to help him raise money, including President Clinton. In addition, in the waning days of the campaign, he's planning to bring in Vice President Gore and first lady Hillary Rodham Clinton for more fund-raising events.

Those appearances, Curry said, make him "confident that we'll have more than enough money to carry us across the finish line."

Gore is expected to stump for Curry on Thursday at a luncheon the Holiday Inn in Hartford. Mrs. Clinton, who visited Connecticut with her husband on Curry's behalf two weeks ago, plans to host a rally on Saturday at the state Capitol for Curry.

In 1990, Rowland set the pace by raising and spending \$2.8 million. But Republican-turned-independent Lowell P. Weicker Jr., who raised \$2.7 million, ended up winning. Democrat Bruce A. Morrison raised about \$2.4 million that year.

Despite Rowland's record-setting fund-raising this time around, the governor's race has nevertheless brought in fewer donations than in 1990. The total in 1990 was about \$7.9 million; this year, the total is hovering around \$6.5 million, although there is about a week left to go.

**** filed by:APE-(CT) on 11/02/94 at 01:33EST ****
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PM-NY--Clinton-Cuomo,0285
Clinton Visiting State Capital For Cuomo
With PM-NY--Governor's Race

ALBANY, N.Y. (AP) President Clinton, who just two weeks ago stumped for Mario Cuomo in New York City, will visit Albany on Thursday to again help boost the governor's re-election chances.

Cuomo campaign spokesman Joel Benenson said Tuesday the president would appear with Cuomo, probably at the State University of New York at Albany, just five days before the election.

Clinton, who considers New York crucial to his own re-election chances in 1996, has appeared at several fund-raisers for Cuomo during the campaign and made other joint appearances with the governor. At the Oct. 19 fund-raiser in New York City, Clinton called Cuomo "a national treasure."

On Wednesday, Hillary Clinton will be campaigning in New York City for Cuomo.

Cuomo aides said the Thursday appearance would feature a high-tech demonstration of the SUNY system's ability to electronically link its campuses across the state. Clinton and Cuomo would be able to see and speak to students from across New York.

One Cuomo campaign aide, speaking on condition of anonymity, said the event was designed to portray Cuomo as someone who could pull the state together. It was being conducted in the state capital to boost Cuomo's appeal in upstate New York, the aide said. Upstate New York is the area where Republican challenger George Pataki has been running strongest.

Recent polls have shown Cuomo moving ahead of Pataki, who until last week has been running even with or ahead of the three-term governor. The polls have also indicated that Clinton is more popular in New York than Cuomo.

**** filed by:APE-(NY) on 11/02/94 at 00:24EST ****
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BC-PEOPLENEWS national, people:WI
People in the news

By Cheryl Levenbrown

Knight-Ridder Newspapers

SPLITSVILLE: A FIRST-LADY ATTRACTION

The irreconcilable differences in an Israeli woman's divorce petition can be summed up in three simple words: Hillary Rodham Clinton.

The Israeli woman says her husband is totally obsessed with the first lady. "When my husband heard that the Clintons were coming to Israel, he lost all control," the unnamed woman says in divorce papers, according to the newspaper Yedioth Aharonoth. "He waited in front of their Jerusalem hotel (last) week for hours just to see his beloved. ... A month ago, my husband surprised me by ordering me to color my hair to match the shade used by the president's wife and to copy her hairstyle."

The first lady's spokesman, Neel Lattimore, sympathized with the woman's plight, telling The Washington Post: "If he were as handsome as Bill Clinton, she would probably have stuck around. But it sounds to me like he's the one who needs the total make-over."

Steven Seagal's seven-year marriage to Kelly LeBrock is officially under siege. In divorce papers filed Monday in Los Angeles, the actress cites irreconcilable differences and seeks custody of their three children. The couple, who split Oct. 1, co-starred in "Hard to Kill."

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**** filed by:KR-F(--) on 11/01/94 at 22:02EST ****
**** printed by:WHPR(JEL) on 11/02/94 at 08:11EST ****

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Gejdenson and 4-Vote Loser Both Ask Court for a Recount

Special to The New York Times

HARTFORD, Nov. 18 — Both candidates in the closest Congressional race in the nation asked the Connecticut Supreme Court today for a partial recount, three days after United States Representative Sam Gejdenson was declared the winner by four votes.

His Republican challenger, Edward W. Munster, made several complaints about the way the Nov. 8 vote was tallied, including the treatment of absentee ballots, paper ballots that he said were marked similarly but counted differently and towns where he charged that the number of votes cast did not equal the number of votes counted.

Mr. Gejdenson's appeal is limited to the city of Norwich, where he charged that the votes counted on Election Day did not equal those tallied during the recount. He is seeking another recount in Norwich, where some 12,000 votes were cast.

A recount completed Tuesday found Mr. Gejdenson (pronounced GAY-denson), a seven-term Congressman from eastern Connecticut, ahead by 4 votes out of 186,000 cast in the Second Congressional District. Only one Congressional contest this century has been closer.

Mr. Munster is seeking enough discrepancies to overturn the election, while Mr. Gejdenson appears to be trying to increase his margin of victory in the face of Mr. Munster's challenge.

"The cumulative result of these and other irregularities cited in the petition would be to overturn the election," Ralph Elliot, Mr. Munster's lawyer, said today. "I want to make it absolutely clear that we are not alleging widespread irregularities or fraud. We are, instead, concerned about numerous instances of inconsistencies or irregularities that

would clearly impact a four-vote election."

Mr. Munster also asked the court to order a new election if "the outcome cannot be known with that certainty to which the candidates and the electors are entitled," his complaint reads.

The Norwich recount recorded 37 fewer votes than the election count, with a net loss of 13 votes for Mr. Gejdenson, said Chris Sautter, a lawyer for Mr. Gejdenson who is a political consultant in Washington.

Norwich was one of three Connecticut towns that used a new voting system this year. The others were South Windsor and Newington, which are not in the district. Voters filled out a paper ballot, and a scanning device recorded the vote.

"There was a total drop-off in votes for all candidates, attorney general also," Mr. Sautter said. "It's our belief that new system isn't worked out yet."

The court will have to render its decision by Dec. 19, Mr. Elliot said. Ultimately, the matter can be appealed to the new Republican Congress, which will have final authority over whom to seat.

McCaughey Named to Head A Task Force On Medicaid

By RONALD SULLIVAN

Describing New York's \$20.4 billion a year Medicaid program for the poor as the "single largest fiscal and social challenge facing state government," Governor-elect George E. Pataki yesterday appointed his incoming Lieutenant Governor, Elizabeth P. McCaughey, to head a task force to study the problem.

Mr. Pataki said the Comprehensive Medicaid Task Force "will devise ways to assure greater continuity of care, reach New Yorkers most in need of care, and control cost."

The 20-member task force is composed of physicians, hospital administrators, insurance executives, and local government and social service officials. In a statement announcing the effort, Ms. McCaughey did not say what specific parts of the Medicaid program would be subjected to the closest scrutiny nor how long it would take for the task force to make any recommendations.

Medicaid has been an increasing fiscal problem for succeeding state administrations ever since the Federal-state program was established by Congress in 1966. The Federal Government pays for nearly half the program in New York, with the state paying 32.3 percent, or \$6.6 billion, and New York City 18.9 percent, or \$3.9 billion.

During the recent election campaign, Mr. Pataki urged that increasing numbers of Medicaid recipients be enrolled in managed care programs to reduce costs and to provide more continuity of care.

Mr. Pataki also said a number of services could be reduced or eliminated, without offering specifics. As a Senate Senator, Mr. Pataki consistently voted to stop Medicaid payments for abortions.

These are the other members of the task force:

Aswad, Charles N., M.D., executive vice president, the Medical Society of the State of New York.
Berman, Howard, president of Rochester Area Blue Cross and Blue Shield.
Boyle, Robert, board chairman, Hudson Valley Hospital Center.
Carroll, Thomas, president, Change-NY.
Clark, John B., senior vice president, William E. Simon & Sons Municipal Securities Inc.

Whitewater Counsel Asks Sentence Delay

LITTLE ROCK, Ark., Nov. 18 (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 husband, James, head of the Madison Guaranty Savings and Loan Association, invested with Mr. Clinton in 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.

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.



Andrea Mahon/The New York Times

Elizabeth P. McCaughey at a victory party last week with Governor-elect George E. Pataki.

DeMartino, Rita, director, Federal Government affairs, A.T. & T.
English, Lawrence P., president, Cigna Healthcare.
Foreman, Spencer, M.D., president, Montefiore Medical Center.
Glass, Mary, Westchester County Commissioner of Social Services.
King, Robert L., Monroe County Executive.
Macielak, Paul F., vice president of government, community and public affairs, New York Hospital-Cornell Medical Center.
Meier, Raymond, Oneida County Executive.
Miller, Gerald H., Director, Michigan Department of Social Services.
Raphael, Carol, president, Visiting Nurse Service of New York.
Rowe, John W., M.D., president, Mount Sinai Medical Center.
Tranter, G. Thomas Jr., Chemung County Executive.
Walker, Ballus Jr., professor, Howard University College of Medicine and associate director, University Cancer Center.
Wang, Patricia J., senior vice president, health economics and finance, Greater New York Hospital Association.
Wyatt, Hugh, founder, Medical Herald.

THE NEW YORK TIMES, SATURDAY, NOVEMBER 19, 1994

12

Ex-Rose law firm partner Kennedy quits White House to come home

BY RANDY LILLESTON
Democrat-Gazette Washington Bureau

WASHINGTON — White House Associate Counsel William Kennedy III, one of the few Arkansans still serving in a high-level Clinton administration job, is coming home.

Kennedy said Friday he will voluntarily leave his post and return to Little Rock.

Kennedy joined first lady Hillary Rodham Clinton and two other former Rose Law Firm partners in Washington when President Clinton took office in January 1993.

Like the other former Rose partners, his time in Washington was marked by controversy. His departure had been rumored for months.

Kennedy said he is leaving for personal reasons.

"I've got kids back there (in Arkansas) that I just can't see up here without getting on airplanes," he said. "It was completely my decision."

An administration spokesman agreed.

"He made a decision that it was time to leave, and that was a decision made by him," said Ginny Terzano, a deputy press secretary.

The first lady, Kennedy, former Associate Attorney General

Webb Hubbell and former White House Deputy Counsel Vincent Foster were Rose partners.

Foster committed suicide July 20, 1993, at a federal park in northern Virginia.

Hubbell resigned in March after disclosures that current Rose partners were investigating his billing practices. An ethics complaint was later filed by the partners against Hubbell.

The first lady came under criticism when her health-care reform package failed to pass either house of Congress this year. She also was criticized for her dealings in the cattle-futures market in the late 1970s and early 1980s.

Kennedy's resignation goes into effect Monday. Friday was his last day on the job.

He won't be returning to the Rose firm.

When asked if he has a job lined up in Arkansas, Kennedy replied, "At the moment, I don't."

The Wall Street Journal reported in March that Kennedy had paid past-due Social Security taxes for a domestic employee by using an account in his estranged wife's name.

At the time, Kennedy was performing background checks on administration nominees. The "nanny tax" question already had caused problems for several

potential nominees.

Kennedy denied the action was taken in an attempt to shield the payment from public disclosure, but the incident received widespread publicity.

Kennedy was involved in another controversy this year when it was disclosed that dozens of administration officials had not received security clearances to work at the White House in part because the paperwork remained on his desk.

It was widely rumored that Kennedy would step down or be moved to a post outside the White House. Instead, the responsibility for security clearances was taken away from him.

Kennedy was reprimanded in 1993 by then-White House Chief of Staff Thomas F. "Mack" McLarty for improper contacts with the FBI during the White House travel office controversy.

There also were well-publicized divorce proceedings in Arkansas involving Kennedy. The divorce was finalized in August.

"I have a lot of mixed emotions," Kennedy said about leaving the White House.

Asked if he had seen history made, he replied, "I have. I gave at the office."

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Free Trade ... Does GOP Want to Fight That?

= (c) 1994, Los Angeles Times=

The following editorial appeared in Friday's Los Angeles Times:

Free trade is one of the oldest ideas in the books, but now its time finally may have come.

Last year President Clinton lobbied for congressional passage of the historic North American Free Trade Agreement. Congress, which never should have been so difficult on an issue so clearly in the national interest, grudgingly came through. Now Congress bodes to be difficult again on another free-trade issue the complex but vitally important General Agreement on Tariffs and Trade. That passage is in some doubt is a commentary on how partisan and ridiculous Washington has become.

GATT, as it is called, is a titanic international treaty that now only needs to be approved by all the signatory nations to begin to lower trade import taxes on a variety of goods from around the world. The treaty would lower the cost of many imported goods gradually but steadily. For good reason Sen. Daniel Patrick Moynihan, D-N.Y., says that for the average American, GATT would represent the largest tax cut ever; because it would reduce U.S. import taxes on goods, consumer prices on many foreign articles would decline.

But GATT's passage is now in doubt, especially in the Senate, where Ernest F. Hollings, D-S.C., and Jesse Helms, R-N.C., are doing sentry duty for various domestic U.S. protectionist interests. Helms, who is to become chairman of the Senate Foreign Relations Committee, has even threatened to hold all sorts of Clinton administration business hostage if the GATT vote is not postponed.

Clinton should stand up to Helms, and so should the other Republican colleagues. The GOP historically has been a signal champion of free trade. To retreat from that valuable economic philosophy now would be shameful treachery, done solely for partisan purposes: to embarrass the Democratic President.

This is not to say that every single aspect of GATT is unblemished. The disciplinary proceedings of the powerful World Trade Organization, to be created under GATT to monitor member compliance with all the mandated tariff-reducing, should be open to the press, not closed; this needs to be addressed. And here or there, individual member-state problems need more work.

But the totality of GATT, achieved after more than a decade of talks, is extraordinary. It moves the planet further from the bleak world of closed-door trading blocs and economically inefficient commerce. Now, thanks to the prodigious efforts of gifted American trade negotiators such as Carla Anderson Hills (under President George Bush) and Mickey Kantor (under Clinton), this jewel is all but a done deal. Thus Congress should approve the agreement in showdown votes that will come soon and not risk making itself the laughingstock of the world.

Appeal by Rose not set

By Jerry Seper
THE WASHINGTON TIMES

Officials at the Rose Law Firm said yesterday they had not decided whether to appeal an order by a federal judge that the firm turn over its client list to investigators looking into possible conflicts of interest involving a failed Arkansas thrift.

Ronald M. Clark, chief operating officer at the Little Rock firm where first lady Hillary Rodham Clinton was a partner, said in a statement, "No final decision has been made on whether to seek an appeal."

Mr. Clark said, however, the firm was "especially pleased" that U.S. District Judge Paul L. Friedman said he would take action against the Resolution Trust Corp. — which sought the list — if the confidentiality rights of the firm or its clients were threatened.

"Our firm's primary purpose was to ensure that the RTC increase the level of confidentiality afforded any client names discovered through the RTC's subpoena," he said.

Judge Friedman ordered the firm on Wednesday to comply with an RTC subpoena for the list, but said it did not have to produce other records containing more specific information about the firm's clients. He the RTC inspector general's office had shown "good cause" for an order compelling the firm to honor a subpoena for a list of clients dating back to Jan. 1, 1994.

The RTC is looking into possible conflicts involving the firm where Mrs. Clinton, former Associate Attorney General Webster L. Hubbell, the late White House Deputy Counsel Vincent W. Foster Jr. and White House Associate Counsel William H. Kennedy III were partners.

At issue is the firm's handling of a 1989 Federal Deposit Insurance Corp. lawsuit involving Madison Guaranty Savings and Loan Association. The agency wants to know if the firm disclosed potential conflicts in 1989 in its representation four years earlier of Madison in a separate case before the Arkansas Securities Department.

Rose represented Madison in



Webster L. Hubbell's statements are now getting close scrutiny.

1985, four years before it failed. In 1989, the firm represented the FDIC in a suit accusing Frost & Co., Madison's accounting firm, of negligence in failing to detect Madison's troubles.

In 1985, Mrs. Clinton was paid \$2,000 a month by Madison owner James B. McDougal to represent the S&L before state regulators looking to close it because of insolvency. She presented a preferred stock plan based on a Frost audit to state regulators appointed by her husband. The government said four years later the plan was fraudulent.

At the time, Mr. McDougal and his wife, Susan, were partners with President and Mrs. Clinton in Whitewater Development Corp., an Arkansas real estate venture. Whitewater and Madison are now under investigation by Independent Counsel Kenneth W. Starr, who is probing accusations that Mr. McDougal manipulated loans through the S&L and diverted other money to Mr. Clinton's 1984 gubernatorial campaign.

Investigators also are looking at possible conflicts involving Mr. Hubbell, who resigned from the Justice Department in March over billing discrepancies, and Mr. Foster, whose July 1993 death was ruled a suicide. They want to know if the two men made false statements to win government contracts.

Mr. Hubbell handled the 1989 FDIC suit, which sought to recover \$10 million in damages from Frost. It was settled out of court in 1991 for \$1 million, less than the insurance coverage Frost held. If Mr. Hubbell and Mr. Foster made false statements to get the contracts, the firm — which was paid \$400,000 to represent the FDIC in the 1989 case — could be banned from future government work.

Toys for Tots sees contributions drop Charity struggles after embarrassment

By Joyce Price
THE WASHINGTON TIMES

The Marine Toys for Tots Foundation says contributions have declined dramatically since last year, when the charity spent its nearly \$9 million in direct-mail donations to pay a fund-raising firm.

"Not one penny of the direct-mail contributions was used to buy a toy," said retired Marine Corps Maj. Bill Grein, a spokesman for the foundation, based in Quantico.

"It's hurt. . . . We're struggling," he said. "We had some significant contributions from corporate sponsors that are not there this year."

The Marine Toys for Tots Foundation is a private, nonprofit group that collects money and toys to assist the annual Toys for Tots campaign. It is not run by the Marine Corps or Marine Forces Reserve.

Last year, the U.S. Postal Service investigated the foundation after several donors had learned their direct-mail contributions were not used to buy toys for needy children.

Postal inspectors cleared the charity of charges of misleading donors but blasted the fund-raising firm — Steve Cram & Associates of Virginia. The firm's bills consumed all the donations, despite its assurances some funds would be left over to buy toys, according to a report in the Buffalo (N.Y.) News.

Maj. Grein said his group has tried to bolster its public image in the wake of the direct-mail flap, noting that the foundation has fired the fund-raiser and has killed its direct-mail campaign.

"We fixed everything that had appeared to be broken," he said in a telephone interview yesterday.

The charity has changed its procedures as the Marine Corps has adopted new Clinton administration ethics rules that will reduce its involvement in the 47-year-old Toys for Tots campaign.

A policy derived from the Defense Department's Joint Ethics Regulations, which were published in August 1993, prohibits the Marines from soliciting help in collecting, storing and transport-

ing toys.

The new rules allow Marines limited use of government vehicles and storage facilities in the toy-collection drive as long as such use does not harm a unit's mission.

According to Maj. Grein, the Marine Toys for Tots Foundation last year through corporate contributors was able to provide "950,000 toys for kids" despite having wasted its \$9 million in donations. A large portion of those toys were given to children in Mississippi River communities that were devastated by floodwaters.

Maj. Grein said the foundation will send the Toys for Tots campaign "more than 140,000 toys this year," as well as 100,000 children's books donated by Pizza Hut Inc.

He hopes the foundation will be able to provide the campaign with an additional 250,000 toys before Christmas.

Meanwhile, the Corps' new ethics rules may have little effect on the toy-collection effort — at least locally.

Marine Corps Gunnery Sgt. Joe Steigerwald, assistant coordinator of the Toys for Tots Campaign in the Washington metropolitan area, said his commander intends to "leave our program as is."

As a result, 25 active-duty Marines and 350 reservists will participate in the campaign — the same number as last year — and some military trucks will be used.

Sgt. Steigerwald said he feels safe in doing this. He said his commander is "always ready for mobilization, and there are no conflicts on the horizon."

Sgt. Steigerwald explained that, unlike some campaigns around the nation, the Washington-area campaign has long been one with heavy community involvement.

For instance, he pointed out that firms such as Inter-State Van Lines provide seven to 10 vans to collect toys at local shopping malls, while Balmar Printing Co. picks up toys at 250 sites throughout the metropolitan region.

He also noted that toys are stored in four civilian warehouses.

"We collected 165,000 toys in the Washington area last year, and I'm looking [at collecting] in excess of 200,000 toys this year," the sergeant said.

Act offers hope to displaced staffers

By Ruth Larson
THE WASHINGTON TIMES

Democratic congressional aides are learning there may be life after Capitol Hill via "Ramspecking" — the art of moving into career civil service jobs.

Nevertheless, some executive branch agencies may be reluctant to hire former congressional staffers, especially amid governmentwide personnel cuts.

Larry Slagle, former personnel director at the Agriculture Department, told congressional aides contemplating moves to the executive branch: "You're a political animal, and in a time of downsizing you're competition — you're an extra mouth to feed."

He spoke Wednesday evening at a jobs seminar sponsored by the House Administrative Assistants Alumni Association.

Many soon-to-be-unemployed Hill workers are rediscovering the Ramspeck Act, an obscure 1940 law that allows congressional em-

ployees to obtain civil service positions without going through the normal testing and screening process.

Named after former Rep. Robert C. Word Ramspeck, Georgia Democrat and chairman of the House civil service committee, the law was designed to enable aides forced out of their congressional jobs to transfer their expertise to the executive branch, according to John Pontius, a former Hill staffer now at the Congressional Research Service.

Some 96 congressional staff members took Ramspeck appointments in fiscal 1993, according to the Office of Personnel Management (OPM). The number could be higher this year, with an estimated 1,500 Democratic aides due to lose their jobs in January.

The Ramspeck Act was amended last year to bar any political official from recommending that an individual be hired. For example, a Congress member could not write a cover letter to accompany

a person's resume asking that the applicant "be given full consideration."

Mr. Slagle questioned the propriety of the White House's apparent efforts to coordinate the job placement of Democratic staffers, first reported Wednesday in The Washington Times.

"I talked with lawyers at both OPM and Agriculture," Mr. Slagle said in a telephone interview yesterday. "They agreed that the Ramspeck Act amendments make it illegal for any political official to transmit an application or do a letter of recommendation."

"Overall, I think it's a good idea because it removes the pressure on the agency to hire someone, simply because his boss is chairman of a particular committee," he said. "This will tend to force agencies to look more at an individual's qualifications."

Mr. Slagle said the White House personnel office could ask agencies for a list of vacancies.

House staffers can get their

Ramspeck certification through the House Finance Office. To be eligible for Ramspeck appointments, staff members must have at least three years of legislative branch experience.

Ramspeck applies to forced moves only; staffers who decide to resign or leave voluntarily do not qualify, Mr. Pontius said.

Mr. Slagle stressed that it is up to individuals to locate position vacancies for which they are qualified: "Ramspeck is a license to hunt. It's not an entitlement."

For those who find executive branch jobs, Mr. Slagle offered these tips:

- Play down your congressional ties.
- Refrain from discussing your Capitol Hill connections.
- Learn your new job well and earn the respect of your coworkers.
- Use your Capitol Hill connections to improve your product, but don't broadcast them to your colleagues.

Bonior launches attack on Gingrich

Rips talk of killing House ethics panel

By Nancy E. Roman
THE WASHINGTON TIMES

Democratic Whip David E. Bonior yesterday lashed out at Rep. Newt Gingrich, likely to be the next speaker of the House, over reports that Mr. Gingrich plans to abolish a committee that is investigating the Georgia Republican.

Mr. Gingrich said there has been no decision to eliminate the House ethics committee, formally known as the Committee on Standards of Official Conduct.

"Newt Gingrich trying to do away with the House ethics committee is kind of like Howard Stern trying to do away with the FCC," said Mr. Bonior, Michigan Democrat, referring to the frank radio personality's battles with the Federal Communications Commission. "This is the height of arrogance and hypocrisy."

The panel is investigating charges that GOPAC, Mr. Gingrich's political action committee, improperly withheld the names of its donors.

"It seems Mr. Bonior has a difficult minority whip race ahead of him and has decided that a harshly partisan attack on Newt helps him out with his increasingly liberal caucus," said Tony Blankley, spokesman for Mr. Gingrich.

For the past several days, the Republican leadership has been working with a transition team to overhaul the infrastructure of Congress, trimming some committees and eliminating others altogether. Among those on the endangered list are the Merchant Marine and Fisheries Committee, the Post Office and Civil Service



Rep. Charles Stenholm (left) plans to challenge Rep. David Bonior for the position of House minority whip. Mr. Bonior is now majority whip.



Photos by Peter A. Harris/The Washington Times

Committee, and the D.C. Committee.

Barry Jackson, chief of staff to Rep. John A. Boehner, Ohio Republican, who serves on the transition team, said it has considered merging the ethics committee, the House Administration Committee and the Franking Commission into a bipartisan oversight panel.

"There has been no discussion of abolishing the ethics committee as a function," he said. "David Bonior is having a hard time adjusting to the fact that he is on the outside looking in. He is making statements that he believes are factual and in truth are not."

One hour after Mr. Bonior's attack, conservative Democrat Charles W. Stenholm of Texas announced that he would challenge Mr. Bonior for the Democrats' No. 2 leadership position.

"We Democrats have had a devastating loss on November 8," Mr. Stenholm said. "The people have spoken loudly and clearly: The programs, the party and the leadership was not attracting a majority of the American people."

He said the Democratic Party has to be more inclusive, a message that seemed to mirror that of Rep. Charlie Rose of North Carolina, who is challenging Majority Leader Richard A. Gephardt of Missouri for minority leader. Mr. Stenholm said such challenges would generate a healthy debate within the party.

Mr. Stenholm made it clear that he will not consider switching par-

"David Bonior is having a hard time adjusting to the fact that he is on the outside looking in."

ties even if he loses the race, and that he knows of no conservative Democrats who are considering jumping ship.

He said regardless of whether he becomes whip, he will try to reform the party, working with Republicans only when he agrees with them, such as on a balanced-budget amendment and school prayer. "When we fight, we better be on the side of the angels," the Texan said.

Mr. Stenholm declined to discuss Mr. Bonior's comments about Mr. Gingrich, saying the majority party should make its own decisions.

Mr. Bonior also accused Republicans of asking prospective committee staff members about their religious beliefs and their positions on abortion. "It smacks of McCarthyism," he said.

Republicans dismissed his denunciations as sour grapes.

"Just like they did during the campaign, the Democrats are distorting the truth for political purposes," Mr. Boehner said.

Federal jury d'cts Duran for attempted assassination

Words, evidence said to reveal intent

By Kristan Metzler
THE WASHINGTON TIMES

A federal grand jury yesterday indicted Francisco Martin Duran on a charge of attempted assassination of the president based on conversations he reportedly had with several people in Colorado and on evidence found in his pickup truck.

U.S. Attorney Eric Holder said Mr. Duran described a mission to kill President Clinton with several people in Colorado before leaving for Washington and peppering the White House with bullets Oct. 29.

"We're quite confident that the information we are going to put before the jury will convince them that he was attempting to assassinate the president," Mr. Holder said.

Mr. Duran, 26, of Colorado Springs, was also indicted on four counts of assaulting Secret Service agents, two counts of possession of a firearm by a convicted felon, two counts of use of an assault weapon during the commission of a crime of violence and one count of destruction of U.S. property and interstate transportation of a firearm with intent to commit a felony.

He was arraigned in U.S. District Court late yesterday and pleaded not guilty to all charges.

Mr. Duran, initially charged with several felonies, faced up to 35 years in jail if convicted. The new charge of attempted assassination of the president could draw a life term.

At yesterday's hearing, Judge Charles R. Richey ordered Mr. Duran's attorneys to respond by Monday afternoon to a request by the U.S. Attorney's Office as to whether Mr. Duran intends to use the defense of not guilty by reason of insanity. But defense attorneys could ask for more time before disclosing that information, several attorneys said.

During the hearing, Mr. Duran,



Photo by Bert V. Goulet/The Washington Times

U.S. Attorney Eric Holder answers questions after announcing Francisco Martin Duran is charged with attempted assassination of the president.

wearing a blue prison-issued shirt and pants, often looked into the audience of the packed courtroom, leaning over several times to speak with his attorney.

Judge Richey also heard a request by media organizations to release a four-page letter seized by the FBI from Mr. Duran's truck parked near the White House. He could rule on that request Nov. 29.

The letter caused the U.S. Attorney's Office just after the arrest to request a psychological examination of Mr. Duran to determine if he is competent to understand the charges against him and help defense attorneys build his case. He was found competent.

The contents of the letter remained a secret yesterday, but one of Mr. Duran's attorneys said in court that it makes no reference to the president.

"This letter says nothing about the president, about an assassination of the president and it has nothing about any harm intended to the president," said A.J. Kramer, who argued that release of the letter to the public could jeopardize Mr. Duran's right to a fair trial.

At a news conference yesterday, Mr. Holder blasted unidentified acquaintances of Mr. Duran who he said knew of Mr. Duran's inten-

tions but did not tell authorities.

The witnesses contacted authorities after the shooting and are being interviewed by the U.S. Attorney's Office.

"I find very disturbing the fact that a number of people apparently had information about the defendant's intentions before the incident occurred and yet those acquaintances failed to come forward and notify authorities until after the incident took place," Mr. Holder said.

Secret Service officers arrested Mr. Duran Oct. 29 after he stood on a Pennsylvania Avenue sidewalk that Saturday afternoon and, according to witnesses, sprayed the White House with bullets. Police said Mr. Duran pointed a Chinese-made Norinco SKS 7.62 semiautomatic assault rifle, loaded with a 30-round clip, between the wrought iron fence that surrounds the White House and opened fire.

After bullets hit the pressroom and the house, Mr. Duran pulled the gun out of the fence and continuing spraying gunfire as he ran along the sidewalk, firing a total of 29 rounds, Mr. Holder said.

President Clinton heard the shots from a room in the White House where he was watching a football game, Mr. Holder said.

Gene Lyons *The Washington Post* 11-18-94 Friday
The Non-Scandal That Won't Quit

In the October issue of Harper's magazine and at a subsequent appearance at the National Press Club, I raised serious questions about the news coverage of the Whitewater affair and especially the reporting on it by Jeff Gerth of the New York Times. In The Post's Style section Oct. 29, Howard Kurtz dons his sword and buckler and gallantly joins Gerth in defending aspects of the Whitewater story that nobody has ever disputed.

Can I really be the redneck Pollyanna Kurtz portrays? "Said Lyons," he writes, "It struck so many people in Arkansas as so wrong. Clinton was always known for being clean."

What I actually told a Harper's forum at the National Press Club (and a C-Span audience) two weeks ago was that reporters had every reason to search Whitewater for "a 'smoking quid pro quo.' You had the governor of Arkansas involved in a real estate deal with an S&L operator who later went bankrupt," I said. "Good question: Did Clinton do anything to help his pal out when his pal got in trouble? Or did he not? And if so, what did he do?"

Kurtz quotes Gerth to the effect that my Harper's piece "dwelt on minor points," and the minor points it's about are also wrong."

Alas, Gerth provides no examples of errors, major or minor. Nor has anybody at the Times in the two months since the article appeared. Kurtz's own little list of my allegedly weak

arguments hardly touches what I actually wrote and said. (My article "Fool for Scandal" and a forum transcript are both available from Harper's.) Invited to refute me in several public arenas, all concerned have declined.

Here's the essence of what I wrote in Harper's:

"The theory implicit in Gerth's Times stories may be summarized as follows: when his business partner and benefactor McDougal got in

Taking Exception

trouble, Bill Clinton dumped the sitting Arkansas securities commissioner and appointed a hack, Beverly Bassett Schaffer. He and Hillary then pressured Bassett Schaffer to grant McDougal special favors—until the vigilant feds cracked down on Madison Guaranty, thwarting the Clintons' plan. This is the Received Version of the Whitewater scandal as it first took shape in the pages of the New York Times. And it bears almost no relationship to reality."

Why not? At the Harper's forum, I briefly dissected the classic Jeff Gerth Whitewater sentence: "After Federal regulators found that Mr. McDougal's savings institution, Madison Guaranty, was insolvent, meaning it faced possible closure by the state, Mr. Clinton

appointed a new state securities commissioner, who had been a lawyer in a firm that represented the savings and loan."

What's wrong with it? First, federal regulators did not, in fact, determine that Madison was insolvent in 1984, 1985 or 1986—the years Gerth's articles treated. Second, Arkansas officials had no real authority to shut down federally insured S&Ls without federal help, which they never got. Third, the appointment of Bassett Schaffer as Arkansas securities commissioner in January 1985 had no connection to either situation. (And by 1987, Bassett Schaffer was writing certified letters begging federal regulators to shut Madison down—letters that got no answers.)

What's more, all of these assertions are amply documented in Arkansas Securities Department files—as well as in those of the Federal Home Loan Bank in Dallas. Any reporter who missed them must have been wearing wrap-around blinders. Gerth found the quid all right—the Clintons' ill-fated real estate investment. The pro quo has not been shown to exist.

Even more shocking was Gerth's treatment of Bassett Schaffer. Back in 1992 and 1993, the New York Times portrayed her as suspiciously forgetful. Bassett Schaffer, Gerth wrote "said she did not remember the Federal examination of Madison." He depicted her as Jim McDougal's

personal choice as securities commissioner—a corrupt gift from his pal, Bill Clinton.

But the simple truth is that Bassett Schaffer did remember. What's more she also told Gerth that she'd never met Jim McDougal and never heard Bill Clinton mention his name—a contention the Times omitted. How do I know? Because she'd put it in writing long before Gerth's March 1992 article, along with a detailed, persuasive account of her dealings with Madison Guaranty, 20 pages in all. (Among other things, she writes a lot better than Gerth.) Bassett Schaffer also kept copies, one of which The Post's Kurtz had on his desk when he phoned me last week.

So how did Kurtz deal with this embarrassment? He wrote that I complained "Gerth did not quote from a lengthy memo sent him by former Arkansas securities commissioner Beverly Bassett Schaffer. ('I had 1,500 words. She was a tangential part of the story,' Gerth said.)"

Absolutely amazing! Once the very linchpin of the Whitewater scandal, Bassett Schaffer has been demoted to a bit player not worth quoting. And if Bill Clinton didn't use his office as Arkansas governor to protect Madison S&L, then what, pray tell, is this vastly overblown scandal all about?

The writer is a columnist for the Arkansas Democrat-Gazette.

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-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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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.

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The firm has been contesting the subpoena for months.

REUTER

**** filed by:RB--(--) on 11/17/94 at 02:21EST ****
**** printed by:WHPR(NLAT) on 11/17/94 at 18:30EST ****

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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Spies on information superhighway

Rival nations stealing economic intelligence, FBI warns

By Bill Gertz
THE WASHINGTON TIMES

Businesses that send uncoded electronic transmissions risk losing valuable trade secrets to foreign intelligence services seeking to support their countries' economies, a senior FBI counterspy warned yesterday.

R. Patrick Watson, FBI assistant director of operations, told a conference of security experts that telephone conversations, faxes and computer data can be easily intercepted and passed to foreign competitors.

"If you are using a fax system [and] a telephone system that are not encrypted, especially if they are going internationally ... you are at great risk," Mr. Watson told the International Security Systems Symposium at the Omni Shoreham Hotel.

"The technology to intercept that type of information exists and is held by many countries," he said. "It's really only a question of making the decision to use that technology to support their national interests."

Several countries, including Russia, have decided to use their spy agencies to collect business secrets, he said.

But the FBI still does not fully know the extent of the activity.

The countries involved may have capitalist economies, yet they differ greatly from the U.S. economic system.

Foreign intelligence services and other government entities have been tasked to spy on business secrets, and some are more active than others.

The FBI has learned through intelligence sources that governments that have decided to engage in economic espionage have not done so on a major scale.

Other officials have said many Asian and European nations — notably Japan, South Korea, France and Israel — are the most actively engaged in economic espionage against U.S. businesses.

Clint L. Howard, director of security at Hughes Aircraft Co., said in a speech that the Japanese telephone firm NTT "routinely monitors" fax traffic in and out of Japan — and even sells this information to Japanese companies.

Mr. Howard said Hughes canceled its participation in the 1993 Paris Air Show after the CIA warned the company it had been targeted for economic collection by the French intelligence service.

In another case involving Hughes, a procurement specialist working on a Tomahawk cruise

missile contract tried to sell proprietary pricing data to McDonnell-Douglas, which contacted the Pentagon and FBI. The employee was arrested.

"Foreign governments are not the only perpetrators of information espionage," Mr. Howard said. "Our competitors — both domestic and international — unscrupulous investors, media people, hackers, and disgruntled and former employees might all engage in information espionage."

Mr. Watson also said FBI counterspies have detected some cases in which computer hackers have been used by foreign intelligence services for information collection.

"We have seen that connection. Most of it doesn't involve that, but we have seen that connection," he said.

Also, foreign intelligence services are exploiting the Internet computer network to obtain information and assess what information to target for clandestine collection, Mr. Watson said.

"Foreign powers are certainly aware, and intelligence services are certainly aware of the value of being able to tap into that kind of information," he said.

The FBI does not monitor the Internet for foreign intelligence service activity, he said.

Rose Law Firm loses round

Judge backs subpoena of client list involving S&L cleanup

ASSOCIATED PRESS

A federal judge has ordered first lady Hillary Rodham Clinton's former law firm to turn over a list of clients to investigators looking into possible conflicts of interest involving the cleanup of failed savings and loans.

But U.S. District Judge Paul Friedman said the Rose Law Firm of Little Rock need not produce other documents that could reveal more detailed information about the clients.

The subpoena is related to the Whitewater affair. Mrs. Clinton once did legal work for Madison Guaranty Savings & Loan Association, the failed Arkansas thrift owned by James B. McDougal, who was the Clintons' business partner in the Whitewater Development Corp. real estate venture.

The Resolution Trust Corp. (RTC), 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, when her husband was governor of Arkansas. Rose also has handled other cases for the RTC since 1989, including a case targeted at Madison's accounting firm.

In addition, the agency is trying to learn whether former Associate Attorney General Webster L. Hubbell, a former Rose firm partner, overcharged the government in one S&L cleanup case, according to RTC officials who spoke only on the condition of anonymity.

In arguing against the subpoena, Rose claimed the RTC exceeded its authority, saying the law limits inspectors general to investigating only the internal operations of federal departments and agencies.

Judge Friedman disagreed.

"The IG's investigation into Rose's possible conflicts of interest directly concerns whether a government contractor receiving federal funds related to a federal program may have committed fraud or abuse or wasted taxpayer dollars by failing to disclose actual or potential conflicts," the judge said.

"Any undisclosed Rose conflicts of interest could have denied the RTC the independent, loyal and diligent legal representation and advice for which taxpayer dollars were paid."

The judge's ruling also denied Rose's request for a "protective order" limiting investigators' use of subpoenaed information. Judge Friedman said the inspector general had done enough to assure that confidential information

would be kept secret by outlining the steps it would take in a "confidentiality undertaking" memorandum.

Rose's contracts with the RTC and the Federal Deposit Insurance Corp. (FDIC) required it to disclose all actual or potential conflicts of interest. The firm certified that it had found no conflicts of interest that had not already been waived, Judge Friedman's order said.

The RTC and FDIC reviewed allegations that not all conflicts had been disclosed in reports the agencies released in February. During a Feb. 24 Senate banking committee hearing, some senators criticized the reports and asked the RTC's inspector general to investigate.

The inspector general's office issued a subpoena April 18, seeking to compare a list of Rose's clients with the records of the RTC and of the failed institutions for which Rose provided legal services. Rose failed to produce the documents requested, and the inspector general appealed to the federal courts to enforce the subpoena.

On Oct. 7, Rose and the inspector general signed a memorandum of understanding that described how Rose could comply with the subpoena by providing client lists and no other documents.

WASHINGTON



By Anne Ryan, USA TODAY
ROSTENKOWSKI: Will get \$98,462 per year



By Tim Dillon, USA TODAY
FOLEY: Ousted House speaker to get \$123,804 per year

Pensions ease incumbents' losses; GOP plans review

By Judi Hasson
USA TODAY

Ousted by disgruntled voters, congressional incumbents will have something to cushion their defeat — their pensions.

House Speaker Thomas Foley, in Congress for 30 years, will take home \$123,804 a year, according to the National Taxpayers Union, a fiscally conservative watchdog group.

Other pensions for defeated congressmen:

► Indicted Rep. Dan Rostenkowski, D-Ill. — \$98,462.

► Defeated Rep. Jack Brooks of Texas — \$96,462.

► Rep. Mike Synar of Oklahoma — \$53,475.

► Sen. James Sasser of Tennessee — \$53,289.

"Taxpayers will think that many departing incumbents have won the lottery," said Pete Sepp, spokesman for the National Taxpayers Union. "A huge pension, the lion's share ... funded by taxpayers."

The average yearly congressional pension is about \$60,000, but longevity and leadership positions help it grow.

Sen. Robert Dole, R-Kan., new Senate majority leader, would get \$129,396 if he retired

now. That includes all government time, including military.

Senate Majority Leader George Mitchell, D-Maine, who is retiring, will collect \$84,595.

And House Minority Leader Bob Michel, R-Ill., also retiring, will collect \$110,538.

Rep. Newt Gingrich, R-Ga., the next House speaker, will get a raise from \$133,600 to \$171,500. The group estimates his pension at \$48,398 this year.

The new Republican majority is promising to take a look at everything in Congress — including pensions and salaries.

Lawmakers contribute about 20% of their pension; the rest comes from the taxpayer, says Sepp.

Pension benefits are likely to be a source of conflict if the GOP succeeds in cutting entitlements as part of its promise to shrink government.

Only 59% of Americans receive pension benefits and the average retired worker's Social Security benefit is \$8,088.

"Will Americans let their entitlements get cut without members of Congress cutting their own pensions first?" asks Gary Ruskin of the Congress Accountability Project, a public interest watchdog group.

San Diego favored for GOP convention

San Diego emerged Wednesday as the favorite for the 1996 Republican convention. New York was dropped from consideration to punish GOP Mayor Rudolph Giuliani for supporting Democratic Gov. Mario Cuomo's re-election bid, The Associated Press reports. The decision to dump New York left San Diego, New Orleans and San Antonio in the competition for the August 1996 event. Although San Diego is favored, it is not a done deal. Its hall is smaller than the GOP wants. The halls in New Orleans and San Antonio are big enough, but other factors work against them.

MILITARY RESERVE CUTS: Reserve forces will be cut by nearly 40,000 in the next 10 months, Defense Secretary William Perry said. The cuts will affect units in 39 states, the District of Columbia and six foreign countries.

LEADERSHIP FIGHT: House Democrats, shattered by the GOP election victory, are expected to face another leadership challenge today. Charles Stenholm of Texas, a conservative, is expected to challenge David Bonior of Michigan as whip; Rep. Charles Rose of North Carolina will face incumbent Richard Gephardt of Missouri for Democratic leader, and Kweisi Mfume of Maryland is challenging Vic Fazio of California to chair the Democratic Caucus.

WHITewater PROBE: U.S. District Judge Paul Friedman has ordered the Rose law firm of Little Rock to turn over a list of clients to investigators looking into the cleanup of failed savings and loans. Rose, Hillary Rodham Clinton's former employer, was hired to do savings-and-loan cleanup in 1985. Clinton did legal work for Madison Guaranty Savings & Loan, the failed thrift owned by the Clintons' business partner in the Whitewater Development Corp.

ELSEWHERE IN THE WORLD

Handling of abuse case unravels Irish government

Ireland's 2-year-old coalition government collapsed Wednesday when Labor leader Dick Spring rejected Prime Minister Albert Reynolds' apology for the handling of a child sex abuse case. The collapse is expected to slow but not alter the peace drive for Northern Ireland that Reynolds and Spring worked on for two years.

Members of the Labor Party are dissatisfied with Reynolds' explanation of why no action has been taken for seven months on extraditing the Rev. Brendan Smyth, a Roman Catholic priest accused of child sexual abuse.



Reuters
ARISTIDE: Leaving priesthood

ARISTIDE'S ROLE: Haitian President Jean-Bertrand Aristide, the priest whose fiery championing of the poor often pitted him against dictators and the Roman Catholic Church, is leaving the priesthood. The Vatican, long at odds with the priest, pressured Aristide to resign, a church official said Wednesday. The resignation is not likely to hurt his popularity among the poor, who associate the conservative church hierarchy with the old military regime.

BOSNIAN FIGHTING: Fighting raged around Bihac in northwest Bosnia as Serb forces aided by both Croatian Serbs and rebel Bosnian Muslims moved to reclaim territory. Bosnian President Alija Izetbegovic, in a telephone call to U.N. Ambassador Madeleine Albright, asked her to appeal to the U.N. Security Council for help.

Senate GOP Leader Robert Dole of Kansas called Thursday for U.S. leadership to reverse the Serb offensive.

Rose Law Firm Ordered to Turn Over Client List

By Toni Locy
Washington Post Staff Writer

A federal judge yesterday 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 that 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 that 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 that 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.

DEFENSE & DIPLOMACY

Court-Martial Recommended In Iraq Friendly-Fire Incident

An Air Force investigator recommended yesterday that a radar-plane officer be court-martialed for his actions during the shootdown of two U.S. Army helicopters over Iraq earlier this year.

The April 14 incident was one of the military's deadliest friendly-fire incidents, killing 26 persons.

A Pentagon study suggested controllers on board the Airborne Warning and Control System (AWACS) radar plane knew the two Black Hawk choppers were in the area but failed to warn two F-15 fighter pilots who reported they had sighted the helicopters.

The F-15 pilots, believing the Black Hawks were Iraqi craft violating a restricted zone, shot them down.

The officer recommended for court-martial is Capt. Jim Wang, the Air Force said in a statement. He was senior director of the mission crew on the AWACS aircraft and faces five counts of dereliction of duty. The senior director is in charge of the crew working a given shift on the radar plane.

The investigator, identified as Col. William Colwell, also recommended that one other AWACS officer charged in the incident, 1st Lt. Joseph Halchi, receive an administrative punishment. That means he could receive a variety of punishments, such as forfeiture of pay or duty restrictions.

The investigator also suggested charges against three other AWACS officers be dismissed. Those officers were identified as Maj. Douglas Martin, Maj. Lawrence Tracey and 2nd Lt. Rickey Wilson, the Air Force said.

The final decision on the punishments will be made by Lt. Gen. Stephen Crocker, commander of the 8th Air Force and in charge of all AWACS aircraft, the Air Force statement said.

An Article 32, the equivalent of a grand jury hearing, has been held for one of the F-15 pilots, Lt. Col. Randy May. May is based in Spandahlheim, Germany, and no recommendation in that case has been made.

— Associated Press

Reserve, Guard Cut Ordered

■ Defense Secretary William J. Perry announced yesterday that U.S. military Reserve and National

Guard "Weekend Warrior" positions will be cut by 39,900 next year, to a total of 996,100.

The reduction is part of post-Cold War defense cuts that will also trim regular full-time military forces to 1.4 million.

"It is imperative that we eliminate force structure we don't need and apply our finite resources to enhance the mission-readiness of those who remain in the force," Perry said in a statement issued by his Pentagon office while he was traveling in Brazil.

— Reuter

Antipersonnel Mine Ban Approved

■ Representatives of the United States and 22 other governments have tentatively agreed to ban trade in antipersonnel land mines, an official of the Arms Control and Disarmament Agency said yesterday.

"They're not addressing tank-killers, they're addressing baby-killers," said Ralph Earle II, deputy director of the U.S. agency.

Approval of a U.S. proposal came without dissent, he added. Millions of such mines are still in the ground throughout the world after being planted by forces that later withdrew, such as troops of the former Soviet Union in Afghanistan.

Earle said the accord was reached at a meeting in New York Tuesday. Participants were working on a successor to COCOM, the Coordinating Committee on Multilateral Export Controls. Until it was dissolved in March, COCOM was the international body formed to prevent strategic goods reaching the armed forces of the Soviet Union and China.

— Associated Press

Cuba Immigration Pact Lawsuit

■ A private group advocating stricter immigration measures filed a lawsuit yesterday challenging the immigration agreement reached between the United States and Cuba in September.

The suit by the Federation for American Immigration Reform charged the Clinton administration has exceeded its legal authority to admit Cuban immigrants and has abused its power to circumvent the limits set by Congress.

The suit, filed in federal court in Washington, named Attorney General Janet Reno and Immigration and Naturalization Service Commissioner Doris Meissner as defendants.

— Reuter

AM-People,0492

People in the News

Eds: Contains items on Alan Dershowitz, Neil Young, Al Green, Susan McDougal and Zubin Mehta.

AP Photos NY44, Jones, Mehta

CAMBRIDGE, Mass. (AP) Alan Dershowitz has offered Harvard's Widener Library a spicy gift in perpetuity: Penthouse magazine.

The Harvard law professor made the offer Nov. 10 after finding out the library subscribes to the Journal of Historical Review, a Holocaust revisionist magazine.

Nat Bunker, the library's bibliographer for American history, told The Harvard Crimson it will accept the subscription. He called Penthouse a "useful publication for the library" and noted the Widener already receives Playboy.

Dershowitz, who writes a column for Penthouse called "Justice," said he doesn't care what the subscription costs.

"If it's \$40 or \$50 a year, then that's a reasonable price for keeping the First Amendment alive," he said.

NEW YORK (AP) Janis Joplin, Frank Zappa and Duane Allman will be inducted posthumously into the Rock and Roll Hall of Fame with several other acts, including Neil Young and Al Green.

Surviving members of Led Zeppelin, Martha & the Vandellas and the Allman Brothers Band will also be inducted Jan. 12 during the annual ceremony.

The new members were announced Tuesday.

The Hall of Fame is under construction in Cleveland and is scheduled to open late next year.

SANTA MONICA, Calif. (AP) A former partner in the Whitewater investment deal will stand trial on charges of embezzling more than \$150,000 from conductor Zubin Mehta and his wife.

Susan McDougal is accused of forging checks and making unauthorized credit card purchases while she was the bookkeeper and assistant to Mehta's wife, Nancy.

Ms. McDougal and her ex-husband, James McDougal, were partners with President and Hillary Clinton in the Whitewater real estate venture in Arkansas.

The project is at the center of a federal investigation into whether depositors' money from McDougal's failed savings and loan benefited the Clintons.

Ms. McDougal's attorney, Leonard Levine, denied she did anything illegal. She was ordered Monday to stand trial.

"All expenses were for the Mehtas' benefit and are with their approval," Levine said.

NEW YORK (AP) Quincy Jones, Geraldo Rivera and "Soul Train" host and producer Don Cornelius have formed a minority-controlled broadcasting business and are buying two TV stations.

Investors also include the Tribune Co. of Chicago and football Hall of Famer Willie Davis.

The new company, Qwest Broadcasting, has agreed to buy WATL in Atlanta from Fox Broadcasting for \$150 million and WNOL in New Orleans for \$17 million. WNOL already is partially owned by Jones.

The deals are subject to approval by the Federal Communications Commission.

The new company "is setting out on a mission to create a viable alternative to what is currently on television," Jones said Wednesday.

**** filed by:APE(--) on 11/16/94 at 14:49EST ****
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MHS

BC-WHITE national:WA

Republicans plan bigger, broader Whitewater hearings next year
(HAS TRIMS)

By Angie Cannon
Knight-Ridder Newspapers

WASHINGTON If you thought Whitewater was over, think again.

Whitewater will be back next year with bigger and broader hearings before the Senate and House banking committees. And, with the Republicans in charge, next year's show is expected to be an even worse nightmare for President Clinton.

During marathon congressional hearings last summer, often lasting until the early hours of the morning, the inquiry was confined to the Washington phase of the scandal: possibly improper White House contacts with Treasury officials over a federal investigation of a failed Arkansas savings and loan with ties to the Clintons.

Even with Democrats in control, the televised hearings were an embarrassment for the White House and led to the resignation of two senior Treasury officials deputy secretary Roger Altman and general counsel Jean Hanson.

Next year's hearings are expected to be broader, possibly delving into Clinton's Arkansas campaign finances, the Clintons' Arkansas real estate venture known as Whitewater Development Corp., the failure of the Little Rock thrift Madison Guaranty and perhaps even Hillary Rodham Clinton's lucrative commodities trading.

The Clintons owned Whitewater in partnership with James McDougal, owner of Madison Guaranty.

A special prosecutor is trying to determine whether the expenses of Whitewater, which failed, contributed to losses at Madison Guaranty and whether Clinton as governor gave the ailing thrift favorable treatment. Arkansas political contributions to Clinton also are being explored.

The Clintons have insisted they have done nothing wrong.

Clearly, White House aides are not looking forward to another round of Whitewater testimony, certain to be politically damaging as the 1996 presidential elections draw closer.

Clinton aides question the need for more hearings when the administration cooperated last summer. But they have no chance of dodging this bullet.

Sen. Alfonse D'Amato, the feisty New York Republican, led the charge for a more extensive Whitewater investigation by the Senate Banking Committee earlier this year. He was blocked by Democrats who then controlled the committee and permitted inquiry into only a fraction of the Whitewater affair.

The Democrats said they did not want to interfere with a separate Whitewater inquiry by then-special prosecutor Robert B. Fiske, a moderate Republican who argued that broader congressional probes would have stymied his investigation. In August, a three-judge panel replaced Fiske as special prosecutor with Kenneth W. Starr, a conservative Republican.

Now, as the incoming banking committee chairman, D'Amato has said he wants "full and fair, comprehensive hearings ... to see if there were taxpayers' monies used improperly, whether there was an abuse of power and to get the facts." He said he wanted hearings early in the session, which begins in January.

"There will be no witch hunts," D'Amato promised Sunday on NBC's "Meet the Press." "We're not going to be looking to tear people apart, but they will be thorough."

D'Amato said Republicans wanted broader hearings last summer but "the Democratic leadership restricted us, mocked us, fought us at every turn."

The New York senator said he and retiring banking chairman Donald Riegle, D-Mich., met with Starr at the end of the congressional session and would meet with him again to set up procedures for the hearings.

(EDITORS: NEXT 6 GRAFS OPTIONAL TRIM)

"We do not intend to impede his investigation, but we have our own

constitutional responsibility," D'Amato said. "So we're going to look to cooperate with him. We're not going to go in like a bulldozer and go in over his objections. We're going to do it in a thoughtful manner."

However, D'Amato emphatically insisted that Starr would not restrict the congressional areas of inquiry.

"He's not going to determine for the Congress what we can and what we cannot do," D'Amato said. "We're going to do this in a thoughtful way, taking into consideration his requests. And we'll give great, great weight to them. But it is not the responsibility of the special counsel to actually block us from going forward, nor do I think he would intend to do that."

D'Amato said if Starr objected to any witnesses the committee intended to call, "we'll give that great weight and most likely will withhold."

To White House officials, D'Amato is hardly an appropriate watchdog because of his own ethics problems.

After a two-year investigation, the Senate Ethics Committee criticized him in 1991 for running his office in "an inappropriate and improper manner" by letting his brother, Armand, use his office on behalf of a defense contractor. Armand later was convicted of fraud because he took money for a promise to lobby his brother.

(END OPTIONAL TRIM)

Rep. Jim Leach, a moderate Iowa Republican, will oversee the next round of Whitewater hearings in the House. Leach, who is incoming chairman of the House Banking Committee, is much more civil than fiercely partisan and scrappy D'Amato.

In an interview with Knight-Ridder, Leach said he would proceed with "a great deal of caution" and without any "mean-spiritedness."

Leach said he had not decided how broad the House hearings would be, but said: "My commitment is to seek full disclosure, to seek public accountability and to put the issue behind us."

(EDITORS: STORY CAN TRIM HERE)

Leach said his concerns included the White House handling of the files of Deputy White House Counsel Vincent Foster after his suicide in the first summer of Clinton's presidency and the fact that Congress had received no public documents on the collapse of Madison Guaranty.

"This administration has been able to shield documents commonly provided to Congress on all other types of financial institution failures," he said.

Leach also said it did not serve the country to debilitate the presidency, but added, "nobody is above the law, and nobody is above full disclosure."

Leach is expected to use the subpoena power of Congress to obtain Whitewater-related documents that federal regulators refused to provide him when he was in the minority last summer.

He has said he does not plan on early Whitewater hearings and wants to assess what Starr does. Leach's aides said he wanted to work on banking and financial regulatory issues before turning to Whitewater.

(EDITORS: STORY CAN TRIM HERE)

That may be a politically wise strategy. To start with Whitewater hearings out of the box would make the Republicans look as though they were just out for blood, not meaningful reforms.

-END-OF-AUTOBREAK(1)-

-AUTOBREAK(2)-FOLLOWS

**** filed by:KR-F(--) on 11/16/94 at 18:37EST ****

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Judge Orders Rose Law Firm to Give Client List to Investigators

By CASSANDRA BURRELL= Associated Press Writer=

WASHINGTON (AP) A federal judge has ordered Hillary Rodham Clinton's former law firm to turn over a list of clients to investigators looking into possible conflicts of interest involving the cleanup of failed savings and loans.

But U.S. District Judge Paul Friedman said the Rose law firm of Little Rock, Ark., need not produce other documents that could reveal more detailed information about the clients.

The subpoena is related to the Whitewater affair. 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 addition, the agency is trying to learn whether former Associate Attorney General Webster Hubbell, a former Rose firm partner, overcharged the government in one S&L cleanup case, according to RTC officials who spoke only on condition of anonymity.

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.

Friedman disagreed, however.

"The IG's investigation into Rose's possible conflicts of interest directly concerns whether a government contractor receiving federal funds related to a federal program may have committed fraud or abuse or wasted taxpayer dollars by failing to disclose actual or potential conflicts," the judge said.

"Any undisclosed Rose conflicts of interest could have denied the RTC the independent, loyal and diligent legal representation and advice for which taxpayer dollars were paid."

The judge's ruling also denied Rose's request for a "protective order" limiting investigators' use of subpoenaed information. Friedman said the inspector general had done enough to assure that confidential information would be kept secret by outlining the steps it would take in a "confidentiality undertaking" memorandum.

Rose's contracts with the RTC and the Federal Deposit Insurance Corp. required it to disclose all actual or potential conflicts of interest. The firm certified that it had found no conflicts of interest that had not already been waived, Friedman's order said.

The FTC and FDIC reviewed allegations that not all conflicts had been disclosed in reports the agencies released in February. During a Feb. 24 Senate Banking Committee hearing, some senators criticized the reports and asked the RTC's inspector general to investigate.

The inspector general's office issued a subpoena April 18, seeking to compare a list of Rose's clients with the records of the RTC and of the failed institutions for which Rose provided legal services. Rose failed to produce the documents requested, and the inspector general appealed to the federal courts to enforce the subpoena.

On Oct. 7, Rose and the inspector general signed a memorandum of understanding that described how Rose could comply with the subpoena by providing client lists and no other documents.

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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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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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Whitewater

11/16/94

ne fo · pres ce n · o show me · le

Mark me down as somebody who, in the triumphant Republican cant of the hour, "just doesn't get it."

Nobody could argue that the GOP failed to get all it wanted and more in last week's election results. We'll get to the "and more" part directly. But for now, it's worth pointing out that while horrifying to Democrats, the great Republican rout of 1994 has left Congress even more tightly deadlocked than it was before. Today's emergent Republican majority consists of 8 votes in the Senate, 31 in the House.

Enough to reverse the tide of history? Only if you define "history" awfully narrowly. Enough to override a presidential veto? Not likely. As tempting as it is to declare the Clinton presidency all but formally defunct, it's also possible that like Br'er Rabbit, our ever-resourceful, one-size-fits-all commander-in-chief has just been pitched square into the briar patch.

Not a strong possibility, mind you. Watching Bill Clinton on the 1994 campaign trail complaining that voters didn't realize all the good things he had accomplished was a painful experience.

On economics and foreign policy, Clinton has performed creditably. On the macro-economic level, things are looking good. If good times haven't yet benefited everybody, well, that's the toughest problem Clinton was elected to work on.

But whose job was it to sell the public? The White House's.

And on that level the administration's failure is hard to comprehend, much less to defend. How is it that the same Bill Clinton who never let the sun set on Sheffield Nelson's guerrilla attacks seems to many Americans to lack the guts to defend himself?

Judging by opinion polls, many voters believed that Clinton had raised their taxes, increased spending and added to the deficit. Well, I sure wish he had raised my taxes. Because that would mean I'd earned several times what I do make — and put me in the top 1.5 percent nationally. So how come White House press secretary Dee Dee

Gene Lyons



Myers didn't beat that fact into the ground?

Apparently because Myers was too busy defending her turf against Leon Panetta — reportedly by threatening to charge that Clinton (who has appointed 44 women federal judges to George Bush's six) dumped her because she's a woman. If so, he ought to have fired her for attempted blackmail. More likely, Dee Dee cried on Clinton's shoulder and Mr. Softee gave in. Then why let her twist in the wind during an election campaign?

Look, hardly anybody outside Washington cares who does Dee Dee Myers' job, so long as it's done well. But why has the White House allowed a barefaced calumny like "The Clinton Chronicles" videotape to circulate unrebuted? For my money, *Democrat Gazette* reporter Carrie Hengers' coolly factual debunking of the video deserves every journalism prize it's apt to win.

But the White House ought to have done the job months ago.

"Thou shalt not bear false witness," says the Ninth Commandment.

Clinton could have tied the fool thing around Jerry Falwell and Pat Robertson's necks like the proverbial millstone, reminding voters what kind of "Christians" Republicans had consorted with.

Ditto, Whitewater. Ditto, Paula Jones. So what is the White House waiting for? Any defense lawyer would advise you or me to sit tight and keep our mouths shut. But it's not you or me, it's the president of the United States. Too many Americans wonder whether Clinton isn't defending himself because he won't or because he can't. Politically, one's as bad as the other.

So here come Bob Dole and Newt Gingrich, two Republican attack dogs who —

regardless of their personal dislike for one another, said to be considerable — do share a tendency to bite before they bark. Then bite again. Then gloat. And with them comes Clinton's best chance for political redemption.

Ideological mandate, my foot. What happened here is that Republican voters were energized and turned out, Democrats weren't and didn't. The majority of independents let their uneasiness about Clinton govern their choices. As for the famous "Contract with America," exit polls showed that only about 18 percent of voters — mostly committed Republicans — gave it a second thought.

Silly me, I thought dislike of Gingrich would bring enough Democrats to the polls to avert ruin. Turns out that only 18 percent of voters knew who Newt Gingrich was. But all is not lost; within weeks, they'll come to know Gingrich all too well. Here it is barely a week after the election, and already Mr. Family Values has proposed taking away poor people's children and sticking them in government orphanages.

For 12 years under Reagan and Bush, Republicans blamed soaring deficits that quadrupled the national debt upon Congress.

Even though it's a historical fact that Congress spent some \$50 billion less than two Republican presidents asked for. Almost the entire 1994 deficit of \$205 billion (down from \$365 billion under Bush) consists of interest payments on the Reagan-Bush debt.

Now Democrats must call their bluff. Cutting waste is overdue. But chances are that, like Arkansas voters who supported the soft drink tax once they knew what repeal meant, Americans will reject making war upon the poor and disabled in the name of fiscal austerity. But not unless the president shows some guts.

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

White House announcement, Clinton made Tatel the first blind person to be a federal appellate judge when he named him to the influential U.S. Court of Appeals for the District of Columbia.

In 1990, Fred Parker was a prominent Republican lawyer and former state deputy attorney general in Vermont when Bush made him a federal district judge. On the bench, he won high marks for competence and fairness.

And this year, when Clinton had a Vermont seat to fill on the 2nd U.S. Circuit Court of Appeals in New York, he chose the person who came most highly recommended: Fred Parker. The new judge plans to keep his chambers in Burlington, but now he will begin commuting a few days a month to Manhattan to hear arguments.

Diana Gribbon Motz of Baltimore may be the most interesting story of all. Motz, appointed to the 4th U.S. Circuit Court of Appeals in Richmond, Va., and her husband are believed to be the first husband and wife team to sit on the federal bench.

"Yes, it's true. He's a Republican," she said. "It's his only flaw."

Reagan put John F. Motz on the federal bench in 1985. His wife has also won high marks during her 25-year career as a private litigator, state prosecutor and state appeals court judge.

In perhaps her most celebrated case as a Maryland assistant attorney general, she won a \$268,000 judgment against former Vice President Spiro Agnew to recover money he took as bribes during his term as the state's governor.

Late last year, she says, she received a call from then-White House counsel Bernard Nussbaum to talk about the 4th U.S. Circuit Court of Appeals, based in Richmond, Va.

"I said, 'Bernie, you must have the wrong Motz,'" she recalled. "My husband is the best qualified person to move up to the 4th Circuit." He laughed and said, "We know your husband, and he has a fine record, but George Bush should have elevated him."

Whitewater Deal Maker to Stand Trial for Embezzlement (Santa Monica)

By Nancy Hill-Holtzman=
(c) 1994, Los Angeles Times=

SANTA MONICA, Calif. Susan McDougal, whose former husband put together the failed Whitewater investment deal that has dogged President Clinton, was ordered Monday to stand trial in here for allegedly embezzling more than \$150,000 from conductor Zubin Mehta and his wife, Nancy.

Deputy District Attorney Jeffrey Semow said the seven felony counts stem from forged checks and unauthorized credit card purchases made during three years when Susan McDougal was the trusted personal assistant and bookkeeper for Nancy Mehta.

The irregularities came to light in 1992 when a bank called Nancy Mehta for permission to exceed a credit card's \$10,000 limit. A card Mehta said she never knew existed, Semow said.

Susan McDougal and her then-husband, James B. McDougal, a failed Arkansas savings and loan owner, were partners of President Clinton and his wife Hillary Rodham Clinton in the Whitewater real estate investment.

Whitewater continues to be investigated for alleged improprieties, amid denials that was anything another more than a money-losing investment for both couples.

McDougal's attorney in the local embezzlement case said his client is innocent because she had full authority from Nancy Mehta for the disputed expenditures.

"All expenses were for the Mehta's benefit are of with their approval," said attorney Leonard Levine.

Levine said financial records will show that Nancy

Mehta on occasion used the credit card she claims not to have known about. He chalks up the charges to a falling out between the two women after McDougal resigned.

Semow agrees there was a falling out, but said it stemmed from Nancy Mehta's discovery of the alleged deception by McDougal, whom she had thought of as a daughter.

California's Prop. 187 Faces

Lengthy Legal Challenges (Los Angeles)

By Maura Dolan=(c) 1994, Los Angeles Times=

LOS ANGELES As the court fight over Proposition 187 resumes Wednesday in Los Angeles, many constitutional analysts say the measure's legal flaws could block some provisions for two to three years until the U.S. Supreme Court or California's high court makes a final ruling.

"I think at least a substantial part will be enjoined, and a good chance all will be enjoined," said University of Southern California law professor Erwin Chemerinsky.

The recently approved ballot initiative seeks to deny government funded non-emergency services to illegal immigrants.

California Attorney General Dan Lungren, a supporter who will make a procedural move to keep the legal battle before elected state judges, conceded that parts of Proposition 187 are vulnerable to legal challenge.

"I'll just say this," Lungren said, "I am glad there is a severability clause" that lets the initiative remain law even if certain provisions are struck down.

At an afternoon hearing Wednesday in U.S. District Court in Los Angeles, the state will argue that judges should not block enforcement of Proposition 187 until regulations to implement the law are completed. The regulations, Lungren said, may avoid the constitutional pitfalls that a strict reading of the ballot measure could raise.

Opponents of the sweeping measure vow to force the state to defend the initiative itself, not the regulations. They will seek a court order Wednesday barring implementation of the law, citing cases of illegal immigrants who already have had problems getting public benefits since voters approved the proposition last week.

"They know they have serious constitutional problems, and they are really trying to write a different statute," said Mark Rosenbaum, an American Civil Liberties Union attorney who is attempting to invalidate the entire measure.

Lawyers and legal scholars are divided over the ultimate fate of Proposition 187 and which high court the California Supreme Court, dominated by conservatives appointed by Republican governors, or the U.S. Supreme Court would be more likely to uphold more of the measure that seeks to deny public services to illegal immigrants.

Legal analysts predicted the following twists in the court wrangle over Proposition 187:

A provision preventing illegal aliens from attending public schools probably will be blocked by courts pending review by either the state or U.S. Supreme Court. A San Francisco Superior Court judge already has issued a temporary order prohibiting the state from enforcing the provision, which wasn't due to take effect until Jan. 1.

Although the U.S. Supreme Court in the past has prevented states from passing certain laws aimed at illegal immigrants, the high court could interpret federal law as a floor that states can build upon as long as the final result mirrors national policies.

Some of the measure's provisions that require reporting of illegal aliens probably will be struck down while others will withstand court scrutiny. Careful regulations,

PM-AR--Fitzhugh-Matthews-Sentencing, Ark Bjt,300
Matthews, Fitzhugh to be Sentenced Jan. 3
js2houflsfon

LITTLE ROCK (AP) Two men linked to President Clinton's Whitewater land deal are to be sentenced Jan. 3.

Eugene Fitzhugh and Charles Matthews originally were accused of conspiring to defraud the Small Business Administration.

Under a plea agreement, the two pleaded guilty to misdemeanors. Fitzhugh pleaded guilty to one count of improperly trying to influence a banker; Matthews to two counts of trying to influence a banker.

Fitzhugh could be sentenced to a year in prison. Matthews faces up to a year and a half in prison.

"I think Mr. Fitzhugh would like to get the matter over with and resolved," said his lawyer, Randy Satterfield of Little Rock. "It's (been) an ordeal."

The other co-defendant in the case, former Pulaski County Municipal Judge David Hale, avoided trial by pleading guilty to two felony charges in an agreement struck by then-Whitewater prosecutor Robert Fiske Jr.

Hale is to be sentenced Dec. 5.

Hale has accused President Clinton of encouraging him to make a questionable loan to a Whitewater business partner.

Hale said last year that then-Gov. Clinton and James McDougal, Clinton's business partner, urged him in 1986 to make a \$300,000 government-backed loan to McDougal's then-wife Susan.

The McDougals were Bill and Hillary Clintons' partners in Whitewater Development Corp. in 1978-92. The company developed and sold 230 acres in the Arkansas Ozarks. McDougal also owned Madison Guaranty Savings and Loan Association, which failed in 1989.

Authorities are probing the failure of Madison and whether its funds were diverted to Whitewater or to help retire Clinton's 1984 gubernatorial campaign debt.

**** filed by:APW-(AR) on 11/15/94 at 22:27EST ****
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Newspapers see conspiracy in Whitewater where there is none

It appears that the New York Times' Jeff Gerth can't get anything right. In your Nov. 4 news article ("Harper's lectures a rival over the Whitewater story: Pooh-poohs paper's pursuit of scandal," Nation), which attempted to debunk my Harper's magazine piece on Mr. Gerth's misreporting of Whitewater, Mr. Gerth mocks me as "a self-professed entertainment writer" — as if that had anything to do with the accuracy and cogency of his own work.

In fact, the credit line for my Harper's article mentions that I'm an editorial columnist for the Arkansas Democrat-Gazette, a book reviewer for Entertainment Weekly, and touts my 1993 book "Widow's Web" — which the New York Times unreservedly praised. Your own reporter wondered why I'd resigned from Newsweek in 1986 (to write books), and seemed interested in the fact that my reporting in Texas Monthly won a 1980 National Magazine Award. Just not interested enough to tell his readers.

For the record, the errors and omissions your reporter charges me with are largely of his own imagining. Mr. Gerth's division of Arkansas savings and loans into state- and federally-chartered institutions is, for regulatory purposes, a distinction without a difference. The feds held the insurance, so the feds held all the cards.

Ditto for Madison Guaranty's putatively "novel" plan to issue stock. That it would have been preferred, non-voting stock has nothing

to do with anything — unless to make it less attractive to investors.

The point is that Arkansas securities commissioner Beverly Bassett Schaffer had no real choice but to rule the scheme legal. Arkansas law gave S & Ls all the rights and powers of other corporations; a second statute stipulated that state-chartered S & Ls could do anything federal regulators allowed federally-chartered ones to do.

Since the stock idea was initiated by the Federal Home Loan Bank Board (FHLBB) in the first place, Mrs. Schaffer had little choice but to rule it legal. In any case, no application was ever filed.

Your reporter writes, "Federal regulators took control [of Madison] in 1987 and ousted [James B.] McDougal." That, too, is false. At the urging of Mrs. Schaffer, Mr. McDougal was removed in July 1986. But as late as December 1987, the Arkansas security commissioner was writing letters all but begging the Federal Savings and Loan Insurance Corp. (FSLIC) and the FHLBB to declare Madison insolvent and shut the doors. They finally did so in January 1989.

More shocking, Mrs. Schaffer informed Mr. Gerth of all these particulars and more in a 20-page memo written long before his March 8, 1992, article. (I offered your reporter a copy of the memo, but he wasn't interested.) The Madison Guaranty case file in Little Rock and Dallas is voluminous.

Instead, Mr. Gerth depicted Mrs.

Schaffer as suspiciously forgetful — the very linchpin of a conspiracy falsely created by his own dishonest reporting. Now he alibis that she was a bit player of no significance.

Eventually, I suspect, Mr. Gerth and his supporters are going to have to come clean.

As for my own alleged naivete. I do know this much about how the world works: When you can't argue fact, argue personalities.

GENE LYONS
Little Rock, Ark.

Get the arena right

The city's Redevelopment Land Agency prudently put off making a final decision on a proposal for a sports arena Abe Pollin wants for his teams at Gallery Place. Members said they were taking the time to consider a counterproposal presented by Robert Johnson, chairman of Black Entertainment Television. The arena deal seemed to be hurtling toward final signatures a few months ago until Mr. Johnson raised a reasonable objection. He is of the quaint view that the city should not be creating a benefit for a private interest.

As proposals go, the one the National Capital Development Corp. presented in Mr. Pollin's behalf is full of holes. It leaves the city wide open to unpredictable costs and other problems.

NCDC painted a rather attractive fiscal picture. The plan estimated that in the first year the city would realize about \$4.7 million in sales taxes on tickets and concessions at games for the Bullets and the Capitals and another \$3.2 million in other tax revenue. NCDC would net \$1.1 million, which would be passed on to the city. The aggregate supposedly would be enough to cover \$8.8 million in interest on \$92 million in city-issued bonds. Repayment of the principal would come from a tax on D.C. businesses and nonprofit institutions (providing there are any businesses left in town).

What's more, with vague information as a base, the mayor was required under the agreement to certify by Thursday that the arena will generate enough revenue for the city to pay off the bonds issued to build it. That is about as reliable as the city's ability to predict the revenues from its shrinking tax base.

Of course, none of these assertions could be proved

on a project for which a feasibility study was not even done. The District was left completely exposed to the vagaries of cost overruns on the construction and land acquisition. Also unaddressed is who pays the bill if the numbers don't play out as predicted. One good guess is District taxpayers, as always.

The one thing the District can afford to do is take its time about creating more debt for itself. There is no reason to rush into a decision on either Mr. Johnson's proposal or the one presented by NCDC. Far more pressing issues are at hand.

CORRECTION: For no good reason, yesterday's editorial failed to mention that Peter Edelman, whose name was floated (prior to the election) as a possible nominee to the Court of Appeals for the D.C. Circuit, has moved on from Georgetown University, where he was a professor of law, to the Clinton administration. He serves as "counselor" to Health and Human Services Secretary Donna Shalala, a senior position that, perhaps conveniently, doesn't require Senate confirmation. Consequently, he has been absent from public debate on legal matters for almost the past two years — again, perhaps conveniently, because his exercises in putting pen to paper have established him at the extreme left wing of legal advocacy. For example, he believes that a constitutional "right to a 'survival' income" can be "doctrinally justified right now" — either on the basis of a substantive due process argument or of equal protection theory.

Anyway, if Mr. Edelman's recent lower profile was an attempt to sanitize him for a judicial appointment, the hopes of its success disappeared with Democratic control of the Senate.

Three terms in the House, not six

By Paul Jacob

The American people have voted in overwhelming numbers for term limits in three successive general elections from 1990 to 1994. Limits have swept the polls in 22 states and over 250 cities — places as diverse as New York City and Wyoming. Even in Congress' home town of Washington, D.C., term limits won a striking 62 percent of the vote last Tuesday.

The Republicans who have gained control of Congress have promised the first-ever vote on congressional term limits in keeping with their "Contract with America." But how will the Congress vote and on what kind of term limits?

The majority of incumbents in Congress, both Republicans and Democrats, have refused to support term limits in the past. Republicans should remember that voters are not merely interested in a vote on term limits; they want them enacted. Democrat incumbents have previously marched lock-step behind Tom Foley, Jack Brooks, Dan Rostenkowski and others in opposing congressional term limits. With those leaders defeated (in significant part on this issue), now would be a good time to wake up, smell the coffee and reconsider term limits.

The "Contract with America" promises a vote on two very different term-limit proposals — one, a three-term limit in the House

(favored by most Americans); the other, a six-term limit (favored by most long-term incumbents). The shorter limit has the support of the national term-limits movement and matches what most state voters have enacted. A recent voter survey by Luntz Research found that Americans instinctively understand the need for stricter term limits than many politicians favor; they favored three terms over six terms by 82 percent to 14 percent.

Support for a three-term limit rests on the fact that it will create a citizen Congress, allowing more citizens to participate and keeping those who serve closer to a return to private station. Meanwhile, a six-term limit will only slightly mitigate the problems of a career Congress. Three main points demonstrate the critical difference between these two proposals: the seniority system, the adverse pre-selection process and electoral competition.

Longer-serving members have invested in the seniority system and therefore usually favor longer term limits, if they favor any limit at all. The six-term non-limit keeps the seniority system alive, making it more likely that those who serve will seek to spend the entire 12 years allowed in Congress.

The seniority system doesn't make sense. It allows a few districts to gain unfair advantages over all other districts simply by returning the same member term after term. No private employer would assign key positions on any basis other than merit and neither should

Congress. The American people don't want to just muffle the seniority system; we want to end it. Ending the seniority system would go a long way toward reducing corruption.

Many qualified citizens decide not to run for Congress because the prospect of spending a decade or more in Washington doesn't appeal to them. They cannot realistically

A six-term limit will only slightly mitigate the problems of a career Congress.

take a break from their careers for such an extended period of time, and with power in Congress based on longevity, serving less time means not having much impact. A three-term limit, by ending the seniority system, makes it possible for them to serve even one or two terms and accomplish something. The current adverse pre-selection process is a big reason why Congress isn't more representative of the larger population and why elections are not more competitive.

A three-term limit also promotes more competitive elections, where every election is more apt to produce challengers. The end-all and be-all of competitive elections is open seats. Incumbent advantages — from name-recognition to fund raising — make beating incumbents extremely difficult. Even with

the high-profile defeats of Speaker Foley, Jack Brooks, Dan Rostenkowski and others, there was an incumbent re-election rate of 91 percent in the House and 92 percent in the Senate.

Obviously, a three-term limit will likely produce twice as many open-seat races as a six-term limit. But perhaps most important, studies show that the first re-election cycle and the cycle prior to an open-seat are much more competitive than the average election cycle. This argues that a three-term limit would mean significantly more competitive elections, not every once in a while, but in every election.

Beyond the intellectual arguments for a citizen Congress, as compared to the careerism "lite" of a six-term limit, lies a very powerful principle: They work for us. Anger over midnight pay raises, lavish pensions, and other perks and privileges for members of Congress isn't a product of envy, but of righteous outrage that our employees are self-dealing. The same principle applies to the question of who should dictate the terms of term limits. Voters are the boss. If the politicians don't understand this, then they don't really understand term limits.

The American people have spoken. We want real term limits like those passed in state after state, not the "virtual reality" of the six-term limit preferred by politicians. The Republicans have a mandate due in large part to their connecting with the people by embracing term limits. Congress should restore a citizen Congress by passing limits of three terms in the U.S. House and two terms in the Senate. Six terms in the House doesn't cut it.

Paul Jacob is the executive director of U.S. Term Limits.

U.S. troops in the Golan Heights?

By Daniel Pipes

There's a debate bubbling up on the sidelines of the Arab-Israeli peace process: Should U.S. troops be sent to the region to monitor a possible peace agreement between Syria and Israel? Judging from a poll commissioned by the Middle East Quarterly and carried out on election day last week, the American public is saying an emphatic no.

Here's the background: After four decades of nearly unmitigated hostility toward Israel, the government in Damascus agreed in 1991 to sit down to talk peace with the Jewish state. Although the talks hit snags over the course of the next three years, they did progress to the point that the two sides are now within sight of an agreement.

The Israeli leadership has tacitly indicated that, subject to the results of a referendum, it is prepared to return virtually all of the

land seized from Syria in 1967. While the two parties disagree on the timetable of withdrawal, a compromise here seems possible. The same goes for security arrangements (Jerusalem calls for mutual reductions and Damascus wants symmetrical demilitarization), but again these differences do not seem insurmountable.

The only serious issue that divides them concerns normalization of relations: What will peace look like? The Syrian foreign minister has offered Israel a "warm peace" and President Hafez Assad himself has spoken of "peaceful, normal relations" with Israel. At the same time, Mr. Assad refuses to say anything more about normalization. Will it include, as Israel's Prime Minister Yitzhak Rabin insists, "an Israeli Embassy in Damascus, a Syrian Embassy in Israel, an Egg (i.e., Israeli) bus traveling to Aleppo, Israeli tourists in Homs, Israeli ships at Tartus, El Al planes landing, and commercial and cultural ties — everything, and in both directions?" Mr. Assad won't say. He promises to reveal the nature of peace following a complete Israeli withdrawal from the Golan Heights — and no earlier. This the Israelis reject as completely inadequate, and so the negotiations lumber on.

Two facts have always to be kept in mind about these talks. First, over five decades, the Syrians have consistently been Israel's most ferocious opponent, so that Israelis are more suspicious of Syrians than any other Arabs. Second, the Israelis will be giving up a tangible asset (the Golan Heights, a great strategic position) for nothing but words in return. These two factors render Israelis understandably nervous about the course ahead. Indeed, the Likud Party and even some members of Mr. Rabin's own Labor Party don't like the shape of the impending deal with Damascus. They are likely to put up a strenuous opposition.

That's where U.S. troops come in. Hoping to make the deal more acceptable to the Israeli electorate, Mr. Rabin has raised the notion of placing an American force on the Golan Heights to monitor the agreement with Syria. The Assad regime likes this idea as well, and the Clinton administration has indicated it is ready to do its part.

Trouble is, the American people appear to be in no mood for such a commitment. In a survey of 1,000 voters, the polling firm of Fabrizio, McLaughlin and Associates found that by a ratio of 3.6 to 1, Americans dislike the idea of sending troops to

the Golan Heights. (The exact figures are 64.3 percent against and 17.9 percent in favor, with the remainder not knowing or not replying.)

When reminded about previous American experiences with peace-keeping missions, the thumbs down vote for this mission increases slightly, to almost 4-to-1 against. (Here the numbers are 64.8 percent against and 16.5 percent in favor.)

The poll also reveals that, by a 4-to-1 ratio, American opinion wants this issue to be approved by Congress before U.S. soldiers pack their bags for the Golan Heights. (70 percent favor this, 17.1 percent think it unnecessary.)

These strong opinions appear to be in synchrony with the new, Republican Congress. If there is one thing that separates Republican from Democrats on foreign policy issues these days, it is a close attention to American national interests: no troops and no money unless it's clear that they benefit the U.S. taxpayer. This is known to be the view of Jesse Helms, the presumptive chairman of the Senate Foreign Relations Committee, and it is likely to be that of Benjamin Gilman, his counterpart in the House.

The message is clear. Messrs. Clinton, Rabin and Assad have to make a very compelling case if they are to get their way and station American troops between Israel and Syria.

Daniel Pipes is editor of the Middle East Quarterly, a new journal published in Philadelphia, and author of a forthcoming book, "Syria Beyond the Peace Process," to be published by the Washington Institute for Near East Policy.

bc-press-comment

(wap) (ATTN: Editorial Page editors)

Ancient Judgments (Washn)

Harwood is a former ombudsman of The Washington Post.

By Richard Harwood= Special to The Washington Post=

WASHINGTON The New York Times, historically a discreet, upper-crust newspaper, finds itself in an odd position these days, embroiled in accusations of practicing the "yellow journalism" it has always claimed to abhor.

For openers, there is a charge by Harper's magazine and its owner, insurance heir John R. MacArthur, that the Times set the tabloid tone for "the media's coverage of Whitewater (which) has been generally shoddy and based upon rumor, innuendo and outright falsehood." An article in the magazine, written by a Little Rock journalist, fingers Jeff Gerth of the Times for distorting or ignoring the "real facts" in his original reporting on the connections some years ago between Bill and Hillary Clinton and a bankrupt Arkansas savings and loan association.

MacArthur, whose foundation generously funds "geniuses" and iconoclasts, used public relations specialists donated by Jody Powell to set up and get an audience for the Harper's "expose" of the Times. Howard Kurtz of The Washington Post said the session resembled a "nuclear attack" on the press, quoting Gerth complaining as many of our public figures do about "character assassination." All that means, we used to say of politicians in the South, is that a stuck pig hollers. The magazine's critique of the Times and Gerth was described by several journalists as "niggling" and irrelevant to the larger issues that still are not clear.

No matter, skepticism about Gerth and the Times' coverage is showing up elsewhere in the Columbia Journalism Review, the Washington Monthly, the Washingtonian magazine and on a special program on CNN.

Embroidment Two:

The American Lawyer attacked the paper from another quarter a few days ago, charging that the Times especially its editorial page and columnist William Safire played a prominent and irresponsible role in implicating George Bush and his administration in a phony scandal on the eve of the 1992 presidential elections. On this one, they are pinned to the mast.

Stuart Taylor Jr., author of the American Lawyer piece, accused Safire of "some of the worst yellow journalism ever to appear under such a prominent byline." Other sinners, guilty of political bias, bad reporting and "old-fashioned sensationalism" included Mike Wallace of CBS, the Los Angeles Times, "which helped start a freeing frenzy that was joined by almost the entire journalistic pack including ... The Washington Post."

These media, Taylor argues, "built upon and magnified reckless and unfounded claims of Bush administration misconduct by congressional Democrats led by Henry Gonzalez, D-Texas, the flaky, fiercely partisan chairman of the House Banking Committee, and then-Sen. Albert Gore Jr., who falsely accused President Bush of presiding over 'a bigger coverup than Watergate ever was' to hide a 'decision by George Bush to arm Saddam Hussein.'"

Here is the specific indictment:

"It was a big lie to say that Bush secretly and illegally armed Iraq. It was preposterous to say that Bush was 'principally responsible' for creating Saddam Hussein's war machine, as Gonzalez said two days before the 1992 election on '60 Minutes,' with Mike Wallace prompting him. And it was the biggest lie of all to say that attorneys general Dick Thornburgh and William Barr rigged a coverup by obstructing justice, as Gonzalez (also on '60 Minutes') and Safire asserted without qualification and as others including ... the New York Times and The Washington Post hinted more circumspectly. ... This edifice of innuendo was erected on a foundation of factual errors and distortions that spread like a contagion."

Newspapers are firm believers in correcting small errors: "Will E. Jones was incorrectly referred to as Will F. Jones. We regret the error." This sort

of thing is supposed to protect our credibility. But the huge blunders we make, as often as not, are not only not corrected but are never acknowledged.

When the "Iraqgate" charges against Bush and others in his administration began to collapse after the election of Clinton, who had every reason to exploit them, this fact was virtually ignored by those who originated them politicians, journalists, magazines, newspapers and networks that had either discovered or created what Safire had once described as an unprecedented international "criminal conspiracy."

By that time, the "Iraqgate" charges had been refuted by a special prosecutor, by the Senate Intelligence Committee, by a federal judge and this spring in a Foreign Policy magazine article, "The Myth of Iraqgate" by Kenneth Juster, an international lawyer who served in the Bush State Department. They have been under investigation for nearly two years by Justice Department lawyers in the Clinton administration who are expected, according to Taylor, to issue a report in the near future showing "all the hype about 'crimes of Iraqgate' to be groundless." In a pre-emptive strike last fall, Safire suggested that the Iraqgate "criminals" were being protected by the Justice Department because of a deal between Bush and Clinton. That's the last we've heard from him on Iraqgate or on the Bush-Clinton "deal."

Safire is a big figure in the political-media social and professional world, an accomplished and aggressive television performer, a man of many talents. Why wouldn't or won't he show up at a presidential news conference and put the question to Bill Clinton: "You made a deal to protect the criminals of Iraqgate, including George Bush. Why won't you tell us about it?" Ditto for Al Gore, no shrinking violet himself. Ditto for the columnists and editorial writers of other newspapers. Why the silence here?

As for "Whitewater," there has been some grudging acknowledgment by the press that the story may have been "overplayed," and there is a lot of unexpressed opinion among individual journalists that the tale is frail. But it hasn't been abandoned and may not be even if Clinton is exonerated by the special prosecutor on the case. As for Harper's campaign against the Times and other organs, it has thus far been a dud.

Taylor asks: "Does journalism ... mean never having to say you're sorry?" I wouldn't put it that way. It's all a matter of "news judgment," you see. And in any case, why bother? It's ancient history.

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PM-AR--Whitewater-Hale, Ark Bjt,440
Hale to be Sentenced Dec. 5
js2hou

LITTLE ROCK (AP) A former judge who is a key figure in the Whitewater affair is to be sentenced Dec. 5 months after pleading guilty to charges he fraudulently applied for federal money for his lending company.

David L. Hale was sent notification Monday of the scheduled sentencing. In March, Hale avoided trial by pleading guilty to two felony charges in an agreement struck by then-Whitewater prosecutor Robert Fiske Jr.

The two charges replaced a four-count indictment, absorbing those counts into a single conspiracy charge and creating a new count alleging mail fraud, which a Fiske aide said involved the loan from James McDougal's S&L.

The former judge could face a maximum penalty of 10 years in prison and a \$500,000 fine, although his cooperation in the Whitewater investigation could significantly reduce that sentence.

Fiske said at the time that Hale would go before a grand jury to elaborate on his earlier accusation that President Clinton encouraged him to make a questionable loan to a Whitewater business partner.

Fiske's assistant, Rusty Hardin, said in March that Hale had been cooperating with prosecutors and that the former Pulaski County municipal judge had "extensive knowledge in the areas we are investigating."

In August, Fiske was replaced by Kenneth Starr as independent counsel.

Hale said last year that then-Gov. Clinton and McDougal, Clinton's business partner, urged him in 1986 to make a \$300,000 government-backed loan to McDougal's then-wife Susan.

The McDougals were Bill and Hillary Clintons' partners in Whitewater Development Corp. in 1978-92. The company developed and sold 230 acres in the Arkansas Ozarks. McDougal also owned Madison Guaranty Savings and Loan Association, which failed in 1989.

Authorities are probing the failure of Madison and whether its funds were diverted to Whitewater or to help retire Clinton's 1984 gubernatorial campaign debt.

Hale has said that the three men knew Mrs. McDougal was not qualified for the Small Business Administration-backed loan. About one-third of the money went into Whitewater's checking account, regulators say, and the loan was never repaid, according to SBA records.

Clinton, who has denied any wrongdoing in his dealings with McDougal, has dismissed Hale's allegations.

In his plea, Hale said he fraudulently applied for federal money for his government-backed lending company in February 1986. That's the same month Hale said previously that Clinton first approached him about the McDougal loan.

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Richard Harwood

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Here is the specific indictment:

"It was a big lie to say that Bush secretly and illegally armed Iraq. It was preposterous to say that Bush was 'principally responsible' for creating Saddam Hussein's war machine, as Gonzalez said two days before the 1992 election on '60 Minutes,' with Mike Wallace

prompting him. And it was the biggest lie of all to say that attorneys general Dick Thornburgh and William Barr rigged a coverup by obstructing justice, as Gonzalez (also on '60 Minutes') and Safire asserted without qualification and as others including . . . the New York Times and The Washington Post hinted more circumspectly. . . . This edifice of innuendo was erected on a foundation of factual errors and distortions that spread like a contagion."

Newspapers are firm believers in correcting small errors: "Will E. Jones was incorrectly referred to as Will F. Jones. We regret the error." This sort of thing is supposed to protect our credibility. But the huge blunders we make, as often as not, are not only not corrected but are never acknowledged.

When the "Iraqgate" charges against Bush and others in his administration began to collapse after the election of Clinton, who had every reason to exploit them, this fact was virtually ignored by those who originated them—politicians, journalists, magazines, newspapers

and networks that had either discovered or created what Safire had once described as an unprecedented international "criminal conspiracy."

By that time, the "Iraqgate" charges had been refuted by a special prosecutor, by the Senate Intelligence Committee, by a federal judge and this spring in a Foreign Policy magazine article, "The Myth of Iraqgate" by Kenneth Juster, an international lawyer who served in the Bush State Department. They have been under investigation for nearly two years by Justice Department lawyers in the Clinton administration who are expected, according to Taylor, to issue a report in the near future showing "all the hype about 'crimes of Iraqgate' to be groundless." In a preemptive strike last fall, Safire suggested that the Iraqgate "criminals" were being protected by the Justice Department because of a deal between Bush and Clinton. That's the last we've heard from him on Iraqgate or on the Bush-Clinton "deal."

Safire is a big figure in the political-media social and professional world, an accomplished and aggres-

sive television performer, a man of many talents. Why wouldn't or won't he show up at a presidential news conference and put the question to Bill Clinton: "You made a deal to protect the criminals of Iraqgate, including George Bush. Why won't you tell us about it?" Ditto for Al Gore, no shrinking violet himself. Ditto for the columnists and editorial writers of other newspapers. Why the silence here?

As for "Whitewater," there has been some grudging acknowledgment by the press that the story may have been "overplayed," and there is a lot of unexpressed opinion among individual journalists that the tale is frail. But it hasn't been abandoned and may not be even if Clinton is exonerated by the special prosecutor on the case. As for Harper's campaign against the Times and other organs, it has thus far been a dud.

Taylor asks: "Does journalism . . . mean never having to say you're sorry?" I wouldn't put it that way. It's all a matter of "news judgment," you see. And in any case, why bother? It's ancient history.

**Republicans Poised to Invigorate
Whitewater Probe (Washn)**

By James Risen=(c) 1994, Los Angeles Times=

WASHINGTON The two incoming Republican chairmen of the House and Senate committees with jurisdiction over Whitewater real estate affair are poised to begin a new, and more intensive round of investigations into the situation, underscoring the growing concern in the White House that Whitewater is once again about to emerge as a major headache for President Clinton.

Aides to the incoming House Banking Committee Chairman, Rep. Jim Leach, R-Iowa, predicted that Leach will use his

new subpoena power to quickly demand confidential Whitewater-related documents that federal regulators refused to turn over to him when he was in the minority.

And incoming Senate Banking Committee Chairman Alfonse D'Amato, R-N.Y., has vowed to hold a new round of Whitewater hearings soon after the Republicans assume control in the next Congress in January. While Leach has pledged to show restraint to avoid a "witch-hunt" and is not as sanguine about early hearings as D'Amato, his staff still said House hearings are certain to be held sometime next year as well.

(Begin optional trim)

Leach offered conciliatory signals on Friday, when he made it clear that he doesn't see Whitewater as one of the top priorities of the Republican-controlled banking committee. He said that, above all, he wants to avoid any "mean-spiritedness" in his committee's probe of the affair.

In a Washington speech and in talks with reporters afterward, Leach said he would conduct a careful investigation of Clinton's role in Whitewater, but insisted that he doesn't expect to schedule hearings immediately upon assuming control of the committee from outgoing Democratic chairman Rep. Henry B. Gonzalez, D-Texas.

Leach and his aides also insist that he wants to begin work on the substantive banking and financial regulatory issues before the committee such as problems with the derivatives market before tackling Whitewater again.

(End optional trim)

into Whitewater quickly after taking control in January.

(End optional trim)

White House officials, who had thought the worst was over on Whitewater, are now bracing for an even more intensive congressional probe, at the same time that special counsel Kenneth Starr now apparently is engaged in the second phase of his probe, which focuses on the Clintons' Arkansas investment. The first phase focused on controversial discussions between Treasury Department and White House officials on the Whitewater investigation.

Some Republicans said that it would be bad politics for the Republican-controlled Congress immediately to turn back to Whitewater. "If we are perceived as a Whitewater Congress instead of as a reform Congress, we're dead," said one Republican staffer who asked not to be named.

Leach also believes strongly that Congress' role in investigating the Whitewater affair should focus as much as possible on the larger public policy questions it raises, notably what he sees as the possible politicization of independent regulatory agencies.

Currently, an independent counsel is investigating whether the failed Madison Guaranty Savings and Loan Association of Arkansas improperly funneled money into Clinton's 1984 re-election campaign when he was governor of Arkansas or into Whitewater Development Corp., a money-losing real estate venture partly owned by the Clintons and by the owner of Madison.

House and Senate banking committees in August concluded hearings that focused on White House contacts with Treasury officials over the RTC's investigation of Madison's 1989 seizure by the government. The hearings ended inconclusively on the key issue of determining whether there were any improper efforts to impede or influence the RTC probe.

(Begin optional trim)

But beyond the legal and policy issues involved, Leach stresses that he wants to avoid turning his committee into a vehicle for airing the dirty linen of the president and the first lady.

"I believe personally and I've felt from the very beginning that the main issue involved in Whitewater is full disclosure and public accountability," Leach said Friday.

But D'Amato may not share Leach's reluctance for going for the jugular on Whitewater.

D'Amato suggested Thursday that he may schedule

into Whitewater quickly after taking control in January.

(End optional trim)

White House officials, who had thought the worst was over on Whitewater, are now bracing for an even more intensive congressional probe, at the same time that special counsel Kenneth Starr now apparently is engaged in the second phase of his probe, which focuses on the Clintons' Arkansas investment. The first phase focused on controversial discussions between Treasury Department and White House officials on the Whitewater investigation.

11/13/94
Sunday

Arkansas Democrat Gazette

Republican pledges 'mean-spiritedness' won't tar Whitewater

BY TERRY LEMONS
Democrat-Gazette Washington Bureau

WASHINGTON — Republican leaders are considering several options for expanding hearings into the Whitewater Development Corp. affair when the GOP takes over Congress in January.

Sen. Alfonse D'Amato, the New York Republican who will become the Senate Banking Committee chairman, anticipates resuming hearings in late January or early February.

But Rep. Jim Leach, the Iowa Republican who will head the House Banking Committee, said Friday he does not anticipate a "hurried process" involving Whitewater hearings in the House. Leach said it will take time to review documents he expects to receive when he takes over the committee.

Once Whitewater hearings resume, Leach said, he will work to see there is "no element of mean-spiritedness."

Leach said the Republican takeover of the House should end his frustrating attempt to obtain Whitewater documents from federal agencies. Leach, who has filed suit in federal court to get the records, said the administration has said it would respond to document requests only from the Banking Committee chairman.

"I would be strongly assuming full cooperation," he said. "What's at issue here is full disclosure and public accountability."

Meanwhile, the Whitewater independent counsel, Kenneth Starr, pressed on with his criminal investigation, subpoenaing records of a former attorney for Susan McDougal. She is the former wife of James McDougal, who owned Madison Guaranty Savings and Loan Association.

Madison failed in 1989 at a cost to taxpayers of \$65 million.

James and Susan McDougal were partners with Bill and Hillary Clinton from 1978-92 in Whitewater, a failed 230-acre residential development along

the White River in Marion County.

James McDougal's business activities are the focus of Starr's investigation. Gov. Jim Guy Tucker had extensive business dealings with McDougal during the 1980s.

Susan McDougal's former attorney, Tom Overbey of Little Rock, said he is turning over records related to his representation of the S&L owner's ex-wife. He represented her in 1986 when federal regulators ousted James McDougal at Madison.

Attorney Bobby McDaniel of Jonesboro, who now represents Susan McDougal, said his client is "cooperating and not attempting to suppress the delivery of these documents" to the federal grand jury at Little Rock that is investigating the Whitewater affair.

Susan McDougal now lives in Tennessee. James McDougal lives near Arkadelphia.

Beyond the congressional banking committees, Capitol Hill Republicans have discussed the possibility of creating a select committee to review the complex Whitewater affair.

The president promised this week to cooperate with Congress on Whitewater. But some administration officials have said they don't see the need for additional hearings.

Limited congressional hearings were held in late July and early August in the House and Senate banking committees. They focused on Washington elements of the case. Next year, Republicans are expected to review broader Whitewater questions centering on Arkansas.

Allegations that money was transferred illegally between Madison and Whitewater accounts are among the issues being investigated by Starr, whose investigation is based at Little Rock.

The Associated Press contributed to this article.

11/10/94

Clinton: Voters Are Demanded

WASHINGTON, Nov. 9 (Reuters) — Following are excerpts from President Clinton's news conference today on the results of Tuesday's election, as transcribed by the Federal Information Systems Corporation, a private transcription service:

PRESIDENT CLINTON Ladies and gentlemen, last night and again this morning, I spoke with both Republicans and Democrats to congratulate those who won and console those who lost their elections. I also called the leaders of the next Congress, Senator Dole and Congressman Gingrich, to tell them, after this hard-fought campaign, that we are ready to work together to serve all the American people in a non-partisan manner.

The American people sent us here to rebuild the American dream, to change the way Washington does business, to make our country work for ordinary citizens again. We've made a good start by cutting the deficit, by reducing the size of the Federal Government, by reinventing much of our Government to do more with less. We have increased our investment in education and expanded trade, and our economy has created more than five million jobs. We've also made a serious start in the fight against the terrible plague of crime and violence in this country. I remain committed to completing the work we have done.

Still, in the course of this work, there has been too much politics as usual in Washington, too much partisan conflict, too little reform of Congress and the political process. And though we have made progress, not enough people have felt more prosperous and more secure, or believe we were meeting their desires for fundamental change in the role of Government in their lives. With the Democrats in control of both the White House and the Congress, we were held accountable yesterday, and I accept my share of the responsibility in the result of the elections.

When the Republican Party assumes leadership in the House and in the Senate, they will also have a larger responsibility for acting in the best interest of the American people. I reach out to them today and I ask them to join me in the center of the public debate where the best ideas for the next generation of American progress must come. Democrats and Republicans have often joined together when it was clearly in the national interest.

For example, they have often chosen to put international affairs above politics. I urge them to do so again by passing the GATT agreement this year. Our prosperity depends upon it. And there can be no compromise when the national interest and the livelihood of American households are at stake.

Last night the voters not only voted for sweeping changes, they demanded that a more equally divided Congress work more closely together with the president for the interests of all the American people. So I hope that we can do that on GATT, and that by doing so we will pave the way for further cooperation on welfare reform and on health care reform, on a continued investment in our people's educational opportunities and the continued strength of our economy.

We must also take more steps to restore the people's faith in our political institutions and agree that, further, in the best tradition of our own foreign policy that politics will continue to stop at the water's edge.

To those who believe we must keep moving forward, I want to say again I will do everything in my power to reach out to the leaders and the members of this new Congress. It must be possible to make it a more effective, more functioning institution. It must be possible for us to give our people a Government that is smaller, that is more effective, that reflects both our interests and our values.

But to those who would use this election to turn us back, let me say this: I will do all in my power to keep anyone from jeopardizing this economic recovery by taking us back to the policies that failed us before. I will still work for those things that make America strong — strong families, better education, safer streets, more high-paying jobs, a more prosperous and peaceful world. There is too much at stake for our children and our future to do anything else.

Well, a lot has changed since yesterday, but what hasn't changed is the reason I was sent here and the reason the members of the Congress will be sent here: to restore the American dream and to make this country work, this Government work, this city work for the interests of ordinary Americans again.

That is what the American people expect of us.

Last night they said they were not satisfied with the progress we have made. They said the Democrats had been in control of the White House and the Congress, they said they were going to make a change, and they did make a change. But they still want the same goal. I pledge today to work with all the members of the Congress, and especially the new Republican leadership, to achieve that goal. If they will work with me — and they have pledged to do so today — then we can make great progress for this country. We should be optimistic and we should work to make that optimism real.

Taking Responsibility

Q. Not a single Republican incumbent lost in any race for governor, House or Senate, while the Democratic party, your party, suffered its worst losses in four decades. Do you view this as a repudiation of you, or as another common denominator in this election that we're missing?

A. Well, I think that I have some responsibility for it. I'm the President. I'm the leader of the efforts that we have made in the last two years, and to whatever extent that we didn't do what the people wanted us to do or they were not aware of what we had done, I must certainly bear my share of responsibility, and I accept that.

There will be a lot of you doing exit surveys asking the American people what they meant and said. But what I think they said is they still don't like what they see when they watch us working here. They still haven't felt the positive results of things that have been done here that they agree with when they hear about them but they don't feel them.

They're still not sure that we understand what they expect the role of Government to be. I think they want a smaller Government that gives them better value for their dollar, that reflects both their interests and their values, that is not a burden to them but that empowers them. That's what I have tried to do, but I don't think they believe we're there yet by a long shot. They want us to do more.

I went back today and read my announcement speech for President, and I said in that speech that the job of Government was to create opportunity and then to expect citizens to assume the responsibility to make the most of that opportunity. I think that's about where the American people are. They don't think we've done that yet, and the only thing I think they knew to do yesterday was to try to make a change in the people who were in control and who had been. And I regret that some of the people who lost are people who made this a lot better country and who will always, when the history books are written, get the credit they deserve in the hindsight for helping to make the American people more secure.

I don't believe the American people were saying, "We're sorry the deficit has been reduced; we're sorry the size of Government has been reduced; we're sorry you've taken a tough stand on crime; we're sorry you're expanding trade." I don't believe that. I don't think they were disagreeing with a lot of the specifics. I do think they still just don't like it when they watch what we do up here, and they haven't felt the positive impact of what has been done. And since I'm the President, I have to take some responsibility for that.

Contract With America

Q. What do you think this does for your expected bid for re-election? And how will you deal with Contract For America if there are proposed cuts in Social Security and

THE 1994 ELECTIONS
IN THEIR OWN WORDS

Ending That the Parties Work Together



President Clinton turning to answer one more question as he left the press conference.

Medicare, veterans' benefits, the whole nine yards?

A. We've got plenty of time to worry about the next election. The American people are sick of the one they just had — (chuckles) — and they want to get away from politics for a while. I think we should think about the people, their interests; I think we should say, what message were they sending us and what are we going to do about it, and how can we pull this country together, how can the Democrats and the Republicans in the Congress, and the White House and the Republican leadership work together in a non-partisan way to push this country forward?

Now, on the contract, there are some things in that contract that I like. I hope the Congress will give me the line-item veto and do it quickly. If they do, we'll bring this deficit down even more quickly. I hope that we will have aggressive efforts to work together on welfare reform. I hope we will be able to still reduce several areas of Federal spending and continue this whole reinventing Government effort to do more with less.

The issue in the contract is what it has always been. I do not believe that we can afford to go back to the days of exploding deficits, which I believe would lead to a weaker economy, to lost jobs, and to a more difficult future for ourselves and our children.

So, the question there is how will all this be paid for? I do not believe — now many Republicans in the campaign said they did not believe that we should cut Social Security or Medicare. So if we can't cut Social Security

or Medicare if we must maintain the world's strongest defense which I think — and the Republican leadership and I are strongly in agreement upon — then what else are we going to do? And that will be a challenge.

Compromises Ahead?

Q. Do you think you'll be able to compromise with them on that?

A. I'm not going to compromise on my convictions, what makes America strong. We are stronger today but we have more strength to get. We have to have — I'll say again what I think makes our country strong. Strong families, better education, safer streets, more high-paying jobs, a Government that reflects their values and the interests of the American people, and work to make a world that's more prosperous and peaceful.

Those are the principles on which I do not intend to compromise. But I want to work with them. Look, let me give you just one example. I have always wanted to make the tax code more fair. The tax code is more fair today than it was when I took office. We did cut income tax rates for families with incomes of up to \$27,000. They want to go further than that. I would like to go further on that. The question is, how far can we go?

Can we focus on working families with children, how are we going to pay for it? We have to answer now, the details. And in large

measure that is a question that can only be answered by some sort of partnership, and by getting their views. And again, I say, let's give them a day or two to enjoy their victory and then they'll have an opportunity to work for it.

Q. Would you support a tax cut, such as they propose in their Contract With America, of \$500 for every family under \$200,000 income if you don't think it's paid for? Or would you veto it? Would you get into that kind of confrontational mode with them on something specific?

A. They have to have a chance to look at the budget now. When you're in opposition you can be an advocate entirely, and you can put out ideas you think are good.

I hope we can find some way to continue to improve the fairness of the tax code and to help middle-class working Americans. When I was trying to reduce the deficit in 1993, and make the tax code fairer, we had to stop at \$27,000 in income for families with children, working families with children, in our tax relief. I think perhaps we can go further, but I don't want to get into a lot of the details today. I'll just say that if we do this, we need to pay for it. We don't need to explode the deficit again. We do not need to weaken the economic recovery again. We need to be responsible with our budget and with our future, and I still believe that the American people want us to do that.

Partisan Politics

Q. Did you mean to say here that the message the voters sent yesterday was basically an extension of the demand for change they made when you were elected in '92, and that you've been going in the right direction but perhaps need to go farther and faster with essentially the same agenda?

A. I think they were saying, "Look, we just don't like what we see when we watch Washington, and you haven't done much about that." You know, we haven't changed the lobbying reform laws. Congress is still not required to live under the same laws that it imposes on private employers. There's still no line-item veto, there's still no campaign finance reform. We don't like it when we look at it.

It's too partisan, too interest group-oriented. Things don't get done. There's too many people up there playing politics. Democrats are in charge — we're holding you accountable, and we hope you hear this, Mr. President."

The second thing I think they said is, "Look, you may have done all these things, although we haven't heard much of it, we're not sure we believe it, but even if the deficit is down, the Government smaller, more is being invested in education, the crime bill passed and the economy is growing, we still feel insecure. We don't feel that our incomes are going up, that our jobs are more stable, that our neighborhoods are safer, that the fabric of American life is growing more civilized and more law-abiding."

Then, I think the third thing they were saying, and this maybe gets to the point of your question is, there are things that we expect Government to do but we don't think Government can solve all the problems and we don't want the Democrats telling us from Washington that they know what is right about everything.

Whitewater Inquiry

Q. Are you especially concerned that Senator Alfonse D'Amato, if he becomes chairman of the Senate Banking Committee, and Representative Jim Leach, if he becomes chairman of the House Banking Committee, will now intensify their Whitewater investigations?

A. No, I have said I would cooperate with the Congress, and I will continue to cooperate with the Congress, as I have.

I think that they will have, obviously, other responsibilities as well now, and I think that they will just fulfill those responsibilities as they see fit. I'll do my best to fulfill my responsibilities.



Lasting presidential images

The lessons bequeathed us by the bad and bitter Campaign of '94 begin with one that Ronald Reagan always understood instinctively, but Bill Clinton has never seemed to grasp:

Those video images and first impressions of a leader that are squeezed out of TV sets and into

living rooms are like toothpaste — once they are out, they cannot be stuffed back into the tube.

As we admire the courage of Mr. Reagan's latest decision to share with us the news of his affliction with Alzheimer's Disease, we remember the little things that helped him become a larger-than-life leader.

They are about the ingredients of leadership — imagery, style, and substance — things often dismissed as gossamer but which bond to become the glue of governance.

Scene, 1981: As military troops passed in review on the White House South Lawn, our new president was returning his salutes, smartly, crisply, when a general at his side whispered to Mr. Reagan:

"Sir, you should never return a salute without your head covered."

That prompted Mr. Reagan's chief-of-imagery, Michael Deaver, to whisper from the other side: "Ahh-hmmm! You're the commander in chief. You can salute anytime you want to."

Mr. Deaver beamed as he told me

the story months later: "He salutes anything that moves now."

Indeed, Mr. Reagan needed no pack of pollsters and image makers to tell him that, if he was going to succeed as a leader in office, Americans needed to feel good about the way their president seemed to be conducting his job, every time he visited them in their living rooms

on the nightly news.

One decade and two presidents later, Bill Clinton began his days in the Oval Office by seeming to stride firmly forward on an upturned rake. He permitted outside advocates and the news media to paint his first news portrait: A president pressing to open the military to homosexuals, an unsettling start for a new commander in chief who'd survived a campaign in which he was labeled a draft dodger.

More of the 1992-93 mix of imagery and substance: Mr. Clinton appeared in Americans' parlors and seemed to be telling less than the whole truth about old scandal allegations his enemies kept pushing.

Yes, the public kept telling pollsters these aren't major matters — Jennifer Flowers, the Whitewater land deal, smarmy tales from Arkansas troopers.

But Americans' first impressions of their new president were unflattering, and certainly what his media advisers would term "off message" (if indeed he and his advisers had any serious message strategy at all).

And so, months before the midterm of 1994, voters had come to feel that they really didn't good about having Bill Clinton as their leader, in what has become a very personal relationship in this video age between the people and their president.

Voters didn't feel confident that he was leveling with them when he appeared in their living rooms, even though he was presiding over an economy stronger than any experts expected — and had cut the size of the federal deficits and bureaucracy.

Even though he had resolved international crises in Haiti and the Persian Gulf — without the bloodshed critics and even allies warned us we'd suffer.

Even though he'd achieved a crime bill that will put thousands of new cops on our streets and a trade bill that seems to be working, to the dismay of labor union doom-sayers.

Democratic incumbents ran for re-election by running away from the president; Republicans ran against them by running against the president; their attack ads shrieked: "Sen. Doochus voted 76 percent with Clinton!"

To which Doochus issued prompt denials, saying he was really an independent cuss who'd opposed Mr. Clinton a whopping 24 percent of the time.

In 1992, Mr. Clinton's campaign braintrust, James Carville, had decorated his wall with conventional poster wisdom: "It's the economy, stupid!"

In 1994, Mr. Clinton's presidential braintrusts learned, too late: "It's the president, stupid!"

That whirring sound you hear is the late, great Tip O'Neill who cannot believe what we've just witnessed: All politics is national!

Martin Schram is a nationally syndicated columnist.

district he represented for 30 years, accepts

New Whitewater hearings likely with broader scope

By Jerry Seper
THE WASHINGTON TIMES

Having wrested control of Congress from the Democrats, Republicans are expected next year to renew their call for comprehensive hearings into Whitewater — an effort that was thwarted this year.

But the new inquiry could reach beyond the Senate and House banking committees, which held limited hearings last summer, to include the appointment of a se-

lect committee to investigate President Clinton's ties to a failed Arkansas thrift and a real estate partnership.

"We've not yet heard anyone specifically suggest the appointment of a select committee, but look at the mix, the gumbo that has become Whitewater, and think about the breadth of jurisdiction," said one key GOP official.

"There are legitimate questions

rightfully within the domain of several committees — Agriculture, Energy, Commerce, the Small Business Administration, Judiciary, Government Operations and banking," the official said.

Senate Minority Leader Bob Dole, who will become majority leader in January; Sen. Alfonse M. D'Amato, New York Republican, who will lead the banking committee; and Rep. Jim Leach, Iowa Re-

publican, who will run the House banking committee, have all sought expanded Whitewater hearings and have discussed the creation of a select committee.

During a news conference yesterday, Mr. Dole said he hasn't yet decided how to handle Whitewater.

"I think everybody thought [the Senate banking committee] had done a pretty good job," Mr. Dole said. "[Mr. D'Amato] has not in-

dicated any rush to do anything there, but I think there will be hearings; there should be hearings."

The Kansas Republican said the Whitewater affair is "certainly a legitimate area of inquiry" but added that Republicans have no "predisposition" to target it now that they have gained the majority in the House and Senate.

Mr. Clinton, in a separate news conference, said he is not con-

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HEARINGS

From page A1

cerned about the Republican takeover in Congress with regard to new Whitewater hearings. "I have said I would cooperate with the Congress, and I will continue to cooperate with the Congress, as I have," he said.

In an effort to expand Whitewater hearings in August, Mr. D'Amato had sought creation of an 18-member, bipartisan subcommittee and accused Democrats of "foot-dragging" in an effort to protect the Clinton administration from congressional scrutiny.

He offered a resolution, which was defeated by Democrats, to establish a special subcommittee of the Senate banking committee to investigate and hold hearings on at least 17 pending Whitewater issues.

"The Democrats are playing politics," he said at the time. "They very reluctantly agreed to the appointment of a special counsel in the first place, and only when they had to, when they were forced to."

Under the D'Amato resolution, the subcommittee would have been authorized to investigate:

- Improper contacts between the White House and federal agencies investigating Madison Guaranty Savings and Loan Association, including suspected administration interference in the Resolution Trust Corp.'s probe of the thrift's insolvency.

- The Clintons' Whitewater Development Corp. investment and the suspected diversion of funds from Madison to keep the real estate venture solvent. The improper use of federally insured Madison deposits resulted in a \$50 million loss to taxpayers when the thrift was closed by federal regulators in 1989.

- Conflicts of interest in the Whitewater affair by the Rose Law Firm, where Hillary Rodham Clinton, former Associate Attorney General Webster L. Hubbell and the late White House Deputy Counsel Vincent W. Foster Jr. were partners.

- Improprieties in Mrs. Clinton's cattle commodities trading, when she turned a \$1,000 investment into a \$100,000 profit in 10 months, with help from an attorney for longtime supporter and food baron Don Tyson.

- The U.S. Park Police investigation of Mr. Foster's July 1993 suicide and the handling of his papers after his death. White House aides took Whitewater records from Mr. Foster's office less than three hours after his body was found.

- Improprieties involving the Arkansas Development Finance Authority (ADFA), which authorized millions of dollars in loans, bond counsel and underwriting contracts for Clinton supporters.

In July, Senate Democrats imposed strict limits on the Whitewater hearings, blocking GOP attempts to have a wide-ranging inquiry. After rancorous debate, the Senate approved 56-43 — in a party-line vote — a resolution by Majority Leader George J. Mitchell narrowing the hearings to the first phase of Whitewater special counsel Robert B. Fiske Jr.'s investigation.

The hearings, under the Mitchell resolution, focused only on:

- Contacts between the White House and the RTC regarding Madison and its ties to the Whitewater project, a partnership involving Mr. Clinton, Madison owner James B. McDougal and their wives.

- The Park Police investigation of Mr. Foster's death.

- White House handling of Foster documents, including those removed from his office by White House officials after his body was found.

The Mitchell resolution barred members of the Senate banking committee from asking questions on the Clintons' involvement in Whitewater, Madison's financial dealings, or the lending practices of Capital-Management Services Inc., whose former owner has accused Mr. Clinton of pressuring him for an improper, federally-backed loan.

Mr. Dole first asked in December 1993 for congressional Whitewater hearings. He said the American public "deserves a thorough and independent review of the whole Madison Guaranty Whitewater affair."

In September, all eight Republican members of the Senate banking committee asked Whitewater, independent counsel Kenneth W. Starr — who replaced Mr. Fiske in August — to review the sworn committee testimony of three Treasury Department officials and to consider possible criminal charges.

They said Deputy Treasury Secretary Roger C. Altman, General Counsel Jean Hanson and Chief of Staff Joshua Steiner may have "purposely misled Congress" about their knowledge of the Whitewater probe and their involvement in relaying information about it to the White House.

"We have identified numerous passages of questionable testimony regarding those issues," wrote GOP Sens. Phil Gramm of Texas, Christopher S. Bond of Missouri, Connie Mack of Florida, Lauch Faircloth of North Carolina, Robert F. Bennett of Utah, William V. Roth of Delaware, Pete V. Domenici of New Mexico and Mr. D'Amato.

Mr. McDougal, a focus of the ongoing Starr probe, is suspected of diverting Madison funds to several prominent Arkansas politicians, including Mr. Clinton, and of using the S&L's funds for the Whitewater project.

HILL

From page A1

and Transportation Committee, which is chaired for the moment by Sen. Ernest F. Hollen.

"Everybody's sort of . . . stunned. Now we have to go to work."

— Kristi Stewart

Clinton can end party gridlock: Resign

USA TODAY
Let Tuesday's popular
mandate be carried out; even
Democrats might benefit.



By Harry
Schwartz, for
29 years a
member of
The New York
Times' editorial
board.

(of the Clintons we knew
nothing about.

These were some of
the potent forces behind
the sweeping Republi-
can gains Tuesday,
gains that brought Re-
publicans the leader-
ship in both houses of
Congress as well as win-
ning them numerous
state offices. Gridlock
again.

This is the back-
ground for a potential
creative act of high
statesmanship that
could be done jointly by Clinton and Vice
President Al Gore: resign.

Having studied at Oxford, Clinton knows
that gridlock cannot strike in Britain.
There, the chief executive, the prime min-
ister, is named by the party which wins
control of Parliament. In Britain, there-
fore, parties can run upon well-defined
platforms and voters can expect the win-
ner of an election to implement that plat-
form. Gridlock is virtually impossible.

We know that Clinton is an opponent of

gridlock. He has spoken on that topic often.
He and the vice president can take action
which would recognize the reality of their
repudiation, prevent gridlock during the
next two years and conceivably improve
the position of the Democratic presidential
candidate in 1996.

All this is possible because U.S. law has
a mechanism for making the White House
responsive to the will of the kind of over-
whelming midterm popular vote that was
cast two days ago. Under the Presidential
Succession Act as last amended in 1979, if
Clinton and Gore both resigned as soon as
the new Congress has met and organized
in January, the acting president for the
next two years would be the speaker of the
House of Representatives, presumably
Newt Gingrich.

If this is done, it will then be President
Gingrich's task to secure implementation
of the "contract" he had so many success-
ful Republican congressional candidates
endorse before the election. Whether he
could do so and whether, if passed, the
contract would make the voters happier
would have to be seen — but that would be
a good test against which to judge the Re-
publican candidate for president in 1996.

Voices: What message did voters send in the midterm election?

Voters across the country voiced their discontent with the status quo in Tuesday's election. For the first time in 40 years,
Republicans will control both the U.S. House and Senate when the 104th Congress convenes in January. USA TODAY
asked readers to reflect on the message that voters sent politicians through the ballot box.



S. Broder Their ice

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Jim Hoagland

What Wiggle Room Clinton Has Left

Helmut Clinton would have to resign today. Martin Clinton and Giuseppe Clinton too.

In Germany, Britain and Italy, and in other parliamentary democracies, a national leader whose party had been overwhelmingly repudiated at the polls would now step aside to let a new parliamentary majority and national chief executive try to appease an obviously aroused electorate.

No such luck for our Bill. Instead the foreign parallel that his fate conjures up is that of the current French president, Francois Clinton will continue to preside over foreign policy and defense, while his opponents manage the domestic legislative agenda and launch wide-ranging investigations to discredit him and his supporters.

That is the profile of Clinton's second half-term that I hurriedly sketched for foreign colleagues on the morning after a tidal wave of protest voting swept Republicans into control of Congress. The early telephone calls from England, France and Germany focused on the president, not on America's parties or parliament. What had Clinton lost? the callers asked. And what did it mean for America's engagement in the world?

Big questions that will take weeks if not months to answer conclusively. America's Constitution and national temperament give a president more powers and wiggle room than his counterparts in other democracies enjoy. He is down, I said, but not out.

On foreign policy, Clinton may in fact become more deeply and effectively involved in the natural presidential retreat from the slings and arrows of domestic struggle. Dealing with Yitzhak Rabin and Hafez Assad on peace could after all be more fun, and more productive, than dealing with Bob Dole and Newt Gingrich on health care reform.

Even before Bloody Tuesday, Clinton

had returned from his latest trip abroad determined to play a major role in delivering the Syrian-Israeli peace agreement that his aides tell him is within reach. The Republican victories apparently have only strengthened that resolve and have made recent foreign policy success in Iraq, Haiti and North Korea even sweeter.

Clinton's stopover in Damascus to see Assad turned into a public relations disaster when Assad lashed out at questioners at a joint press conference.

He is down but not out.

Assad, who had dealt with the same subjects in a restrained and constructive way in his private meeting with Clinton, blew up at predictable questions about terrorism and Israel's need for reassurance on peace.

Clinton's disappointment was evident. The conciliatory remarks Assad made at the opening of the press conference, but which he did not repeat in his response to questions, were eclipsed by Assad's anger.

The incident underscored for Clinton a central need that can be filled only by U.S. mediation. That is to convince Assad that an effective public presentation of Syria's desire for peace must accompany the private progress that U.S. officials say is being made in the diplomatic exchanges conducted through the United States.

"Secretaries of state can negotiate the details and push the negotiations," says one U.S. official. "But on political life-and-death questions, leaders in the Middle East will confide in and listen to only the president."

At the same time, Clinton will confront

reduced room to maneuver in some areas of foreign policy because of the Republican victories. Foreign aid, including assistance for Russia, will face tougher sledding. Taiwan will get a more sympathetic hearing in Congress now, and the administration's warm embrace of Beijing as a political and economic partner will come under greater scrutiny.

White House aides see the special congressional session on the GATT treaty at the end of November as an important barometer of Republican intentions. Quick passage of the tariff and trade package by the outgoing Congress would indicate GOP leadership interest in finding agreement on foreign and economic policy agendas.

But even the eyes of foreign journalists glaze over at the mention of GATT. They quickly moved on to my point about the problems posed for the Clinton presidency by the Republican takeover of congressional committees that will use subpoena powers to pursue Whitewater and other potentially embarrassing subjects the Democrats handled with gentleness.

While not familiar with the workings of Congress, my French questioner quickly grasped the essential point: Clinton, who has resembled the agile, humanistic and undisciplined French revolutionary Danton for much of this presidency, now has his Robespierre in front of him in the person of Newt Gingrich. Gingrich hopes to build a political guillotine out of his promises to investigate the Democrats as enemies of the people.

"Public opinion in democratic societies is indeed a pitiless dictatorship," Charles Baudelaire wrote a century ago. "Do not try to implore love or leniency or flexibility" from public opinion once it has formed and spoken. That is the hard reality Bill Clinton faces over the next two years.

Excerpts from
President's
Speech

Washington Post

11/10/94

2/2

doesn't overreach where they think
it shouldn't overreach.

Whitewater Probe

The Republicans are taking over the Senate now and the House, so they'll be in charge of all of the committees. Are you especially concerned that Senator Alfonse D'Amato (R-N.Y.), if he becomes chairman of the Senate Banking committee, and Representative Jim Leach (R-Iowa), if he becomes chairman of the House Banking Committee, will now intensify their Whitewater investigations?

No, I have said I would cooperate with the Congress, and I will continue to cooperate with the Congress, as I have. I think that they will have, obviously, other responsibilities as well now, and I think that they will just fulfill those responsibilities as they see fit. I'll do my best to fulfill my responsibilities.

A recurring refrain in the pre-election interviews was that this was the nastiest campaign in modern times. Do you agree with that? What do you think — if you do agree, what do you think caused that, and what do you think can be done about it?

... The causes are many and complex, partly because of the real feelings people have about where they are in their own lives and what they saw here in Washington and how it was presented to them for a good long period of time, partly because of the enormous expenditure of funds for negative ads of all kinds. And I think campaign finance reform would help some.

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Great Value — Great Saving

Selection of Starr By Sentelle Backed By Appeals Judge

By VIVECA NOVAK

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — The chief judge for the U.S. appeals court here rejected complaints suggesting that one of his colleagues acted improperly while choosing Kenneth Starr as independent counsel for the Whitewater investigation.

In a 16-page opinion, Chief Judge Harry Edwards said the fact that some people have a "pristine" view of the appointments process was "irrelevant." He called the citizens who filed the complaints "arguably naive."

Judge Edwards distinguished between the role of judges in adversarial proceedings and their role in making appointments. In the latter, he wrote, judges "have routinely relied on consultations with and recommendations from judicial colleagues, former professional associates, and other members of the so-called 'old boy network.'"

The fact that those consulted might not like the president "should not expose the selection process to an anti-administration taint," Judge Edwards wrote. His opinion was first reported by the Washington Post.

A public defender in New Haven, Conn., a housewife in the Washington suburbs and another individual complained that Judge David Sentelle had lunch with two outspoken Senate Republicans — North Carolina Republicans Jesse Helms and Lauch Faircloth — as he was considering a Justice Department request to name an independent counsel in the Whitewater matter. Judge Sentelle also

was seen on the Senate subway with Sen. Faircloth, who had criticized Mr. Fiske's work and the Clinton administration; the judge denied that the two had discussed the pending independent counsel appointment. Judge Sentelle and two other appellate judges serve on a panel to appoint independent counsels.

The panel in August replaced Robert Fiske, who had been conducting the government's investigation of possible wrongdoing in connection the Clintons' ill-fated real-estate venture, with Mr. Starr. Both are Republicans, but Mr. Starr, who served on the court with Judge Sentelle at one time, has been much more vocally partisan through the years. Attorney General Janet Reno recommended that Mr. Fiske be retained.

Sara Ruschaupt, a retired government employee in Great Falls, Va., who wrote one of the complaining letters, said she plans to appeal to Supreme Court Chief Justice Rehnquist. "To call us naive, to put down the people out there who want to change the system, is outrageous," said Ms. Ruschaupt.

New Haven lawyer Frank Mandanici, another complainant, said he also plans to appeal. Mr. Mandanici said he received the assistance of Washington ethics lawyer Stanley Brand, who represents White House aide George Stephanopoulos, in the complaint process. "But no one's motivating me on this," he said, noting that he had initiated contact with Mr. Brand.

EPA Will Propose Stiffer Emission Rules For Sulfur Dioxide

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Environmental Protection Agency said it will propose stiffening its regulation of sulfur dioxide releases from smokestacks.

The proposed air-quality rule, which will be published soon in the Federal Register, would primarily affect lead and copper smelters, but also would affect paper mills, oil refineries, and some industrial boilers and power plants.

Under the Clean Air Act, the EPA is required to review every five years its air-quality ambient standards for each of six pollutants that can lead to respiratory problems: sulfur dioxide, carbon monoxide, nitrogen dioxide, smog, lead, and particulates. Based on health data, the agency then decides whether to propose a change in the standards.

The specific mechanism for reducing sulfur dioxide releases won't be identified in the proposed EPA rule. Instead, the public will be asked to comment on three alternatives aimed at protecting asthmatics who exercise. The first would require that the amount of sulfur dioxide measured in ambient air not exceed an average of 0.6 parts per million during a five-minute period. Currently the EPA forbids more than 0.14 parts per million measured over a 24-hour period, or more than 0.03 parts per million measured over a one-year period.

The second alternative would set a similar short-term maximum allowable level of sulfur dioxide, but would leave its enforcement to the states. The third alternative would shift air-monitoring equipment closer to smokestacks likely to produce high short-term levels of sulfur dioxide emissions.

Reich Sees New Suit As Way to Discourage Illegal Immigration

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Labor Department, in a lawsuit that it said could help stem illegal immigration, charged a Georgia onion farmer and a contractor who supplied him workers with violating minimum-wage laws and statutes designed to protect farm workers.

Noting that large numbers of illegal aliens are hired for low-wage farming jobs, Labor Secretary Robert Reich presented the lawsuit as a legal alternative to efforts such as California's controversial Proposition 187, which would ban health and education services for illegal aliens and their children.

The department is seeking \$1.2 million—including \$576,000 in back wages—from Delbert Bland of Reidsville, Ga., and independent contractor James Rucker. Besides paying immigrant workers less than the minimum wage, the two men violated laws protecting farm workers from unhealthy and unsafe living conditions and unsafe transportation, the department charged.

Mr. Bland denied any wrongdoing. Mr. Rucker couldn't be reached to comment.

Mr. Reich said the Clinton administration is trying to curb subminimum-wage jobs, which often are filled by illegal immigrants eager to take the jobs many people refuse to work. If these jobs can be replaced with higher paying jobs offering better conditions, Mr. Reich said, they would be filled by workers with legal status. Thus, with cases such as the one filed yesterday, he said, "You remove the incentive for undocumented workers to come across the border."

Labor Department officials called the suit the largest case in which a farmer has been held jointly liable with a contractor for violating the law.

Stocks, Bonds Decline Again On Rate Fears

WEDNESDAY'S
MARKETS

By DAVE KANSAS

Staff Reporter of THE WALL STREET JOURNAL
Stock and bond prices slumped for the third-straight day as investors continued to fret about interest rates and the frail dollar.

The Dow Jones Industrial Average fell 26.24 to 3537.13. The blue-chip indicator, nipping at new highs last Friday, has tumbled 93.53 points this week. The Standard & Poor's 500-stock index slid 1.92 to 466.50, the New York Stock Exchange Composite Index lost 0.76 to 255.98 and the Nasdaq composite eased 0.37 to 771.82.

Stock prices fluctuated throughout the day as traders tracked the Federal Reserve's battle to support the flagging dollar. But as the session neared its close, bond yields edged back toward their intraday highs and stock prices headed toward their session lows. The benchmark 30-year bond's yield closed at nearly 8.09%, its highest level since April 1992.

"The stock market wants to go lower, and it can't seem to find a reason to head higher," said Jack Baker, managing director of stock trading at Furman Selz.

With the earnings season now almost passed, market participants have begun fixating on the meeting of the Federal Open Market Committee, the Fed's policy-setting arm, on Nov. 15. Most economists expect the Fed to raise short-term rates at that time—if not sooner.

A flurry of economic data offered little solace to the bond or stock market. Factory orders and the index of leading economic indicators were mostly in line with expectations. But the midsession release of the Fed's Beige Book, a summary of economic data prepared for each FOMC meeting, showed disturbing signs of inflation, including rising wages.

World-wide, stock prices fell in dollar terms. The Dow Jones World Stock Index lost 1.35 to 117.41.

In major market action:

Stock prices fell. Volume totaled 331.3 million shares on the New York Stock Exchange, where 1,275 issues declined and 943 advanced.

Bond prices fell. The Treasury's benchmark 30-year bond fell nearly 3/4 point, or nearly \$3.75 for each \$1,000 amount, to yield nearly 8.09%.

Judge Rules Fiske Removal Was Ethical

Meeting With Senator Did Not Violate Rules

WASHINGTON, Nov. 2 — A Federal appeals judge has ruled that no ethics rules were violated by Judge David B. Sentelle, who dismissed the Whitewater independent counsel shortly after having lunch with the counsel's harshest critic in the Senate.

The counsel, Robert B. Fiske Jr., was replaced three months ago by a special three-judge panel headed by Judge Sentelle of the United States Court of Appeals for the District of Columbia. The court instead chose Kenneth W. Starr, a Solicitor General in the Bush Administration who has been critical of President Clinton.

The decision was strongly criticized by Democrats because Judge Sentelle, who was active in Republican political circles in North Carolina before being elevated to the bench by President Ronald Reagan, earlier in the summer had been seen having lunch with Senator Lauch Faircloth, the North Carolina Republican who led the charge against Mr. Fiske. Three people separately filed a judicial misconduct complaint with Harry T. Edwards, the chief judge of the appellate panel on which Judge Sentelle serves.

In dismissing the complaints, Judge Edwards said that Judge Sentelle had the authority to consult with whomever he wanted about Mr. Fiske's replacement. Judge Edwards reasoned that there were no restrictions on Judge Sentelle because he was not acting under Article III of the Constitution, which defines the authority of judges, but Article II, which authorizes Congress to give Federal officials, including judges, the power to make appointments.

"There may be some members of society who would question the actions of the accused judge, for they have a pristine (albeit arguably naive) view of the appointment process," Judge Edwards wrote. "But this is irrelevant. The simple point here is that, even accepting the complaints as true for purposes of this analysis, the judge who has been accused in this case would have violated no provision of law or ethical

Canon. There is no basis whatsoever for proceedings against this judge."

Judge Edwards's decision was filed under seal on Tuesday but was made public today by the court after its existence was disclosed in articles in The Washington Post and The Washington Times.

The special panel said it had decided to replace Mr. Fiske because he had been appointed by President Clinton's Attorney General, Janet Reno. The choice fell to her because the independent counsel law was not in effect at the time.

The law has since been renewed, and the special panel said it would be inconsistent with the act for the Administration to have played a role in the selection of the independent counsel. Judge Edwards said in his ruling that those who challenged the appointment had misread the independent counsel law.

"When it is kept in mind that the 'entire purpose' of the independent counsel statute was to provide independence from the Executive Branch, it is easy to see that complaints' view of the appointment process as a cloistered, apolitical judicial proceeding is quite far-fetched," he wrote. "Congress has never expressed an intention to make the appointment process itself independent of all 'nonjudicial influences' outside of the Executive Branch. This may be an aspiration that is now embraced by significant segments of society, but it finds no support in applicable constitutional, statutory, or ethical precepts."

In addition to the complaint filed with Judge Edwards, the appointment of Mr. Starr was challenged by five past presidents of the American Bar Association, who wrote in a letter last month that political considerations "may have influenced the decision of the special court."

But Judge Edwards, an appointee of President Jimmy Carter, suggested that political influence would not matter, because Judge Sentelle and the other members of the special court were granted the authority under the independent counsel's law to make an appointment and thus were essentially fulfilling a different function from an ordinary court.

He dismissed the letter by the past presidents of the bar association, saying there is nothing in the independent counsel's law that bars the judges on the special court "from consulting with others in the exercise of their appointment authority."

"It makes little sense to think that an authority acting pursuant to the Appointment Clause of Article II might be forbidden from consulting with others regarding candidates for appointment," Judge Edwards wrote. "It is hard to imagine how anyone would go about the task without seeking advice."

THE PRESIDENT

Clinton Stumps for Candidates But Watches Where He Treads

By DOUGLAS JEHL

Special to The New York Times

PROVIDENCE, R.I., Nov. 2 — To hear his advisers tell it, this is Bill Clinton's mission as he begins his final cross-country charge of the fall campaign: define the choices, rally the faithful, fill the coffers and help those Democrats who want to be helped.

But these are his instructions: never, never, never stray south of the Mason-Dixon line.

With six days to go before the election, Mr. Clinton is spending his evenings in halls like the Rhode Island Convention Center here on behalf of candidates like Myrth York, the Democrat who hopes to be the state's next governor. By week's end, he will have carried his exhortations to New York, Iowa, Minnesota, California and Washington.

But in Tennessee, Oklahoma, Florida and Texas, where the Democrats are facing some of their toughest Senate and statehouse races, Mr. Clinton will nowhere be seen. Even as the White House claimed today that his resurgent popularity has given the party new momentum, his itinerary reflected a view that there remains much of the country where Democrats are better off if the man from Arkansas stays at arm's length.

"We go where we're invited," a senior White House official said today with a shrug. With voter antipathy toward Mr. Clinton still running fierce across the South, that has left his autumn march confined to fewer than a dozen states across the Northeast, Midwest and the West Coast where candidates believe that the President can make a positive difference.

Missing from the ranks of candidates that Mr. Clinton will try to help in the coming days are some of his party's leading figures, including Gov. Ann W. Richards of Texas, Gov. Lawton Chiles of Florida, Senator Jim Sasser of Tennessee, and Representatives Jim Cooper of Tennessee and Dave McCurdy of Oklahoma, both of whom are seeking to maintain the party's hold on open Senate seats. Instead, Mr. Clinton will spend the final days before the election in the frequent company of statehouse candidates like Ms. York and Bonnie Campbell of Iowa, and Senate hopefuls like Helen Wynn of Minnesota and Ron Sims of Washington, who all are running behind in the polls and are hardly household names.

For the White House, the calculation has been frustrating but simple. Rather than risk alienating voters elsewhere, Mr. Clinton is limiting his stops to states like this one, where he can mobilize Democratic loyalists.

As in every other state he is scheduled to visit, a majority of Rhode Island's voters cast their ballots for Mr. Clinton in the 1992 Presidential campaign. And at a stop this afternoon near here in Pawtucket, Mr. Clinton found the kind of unrestrained support he sought as several hundred senior citizens at a Portuguese Social Club took in his warnings that Republican campaign promises would leave that party no choice but to cut back on Social Security benefits.

"We're moving forward," the President declared to loud applause. "You be thinking on Tuesday: I'm in control. I have a remote control on America's movie. I'm going to go into a polling place and I'm going to push forward. Maybe I'll even push fast-forward. But I certainly won't push reverse."

As Mr. Clinton repeated that sage here in radio and television interviews via satellite with stations in Iowa, Connecticut and Massachusetts, his advisers portrayed his choice of venue as almost incidental. "The President's role in the final

Cross the Mason-Dixon line? Advisers say, Better not.

week is to travel around the country and help define the choice between Republicans and Democrats," said Joan Baggett, the White House political director.

At the same time, the White House issued a three-page fact sheet in an effort to substantiate its claims that Mr. Clinton's trips had begun to have an effect on the Democratic fight to maintain control of the House and the Senate. Titled "A Week in Politics Is an Eternity," the document pointed to recent gains by Gov. Mario M. Cuomo of New York and other candidates for whom Mr. Clinton has campaigned, and it said that recent good economic news and the President's trip to the Middle East would underscore what should matter most to voters: "The nation is at peace, and the economy is growing."

With some recent national polls showing a surge in Mr. Clinton's approval ratings, one senior White House official said today: "I think the danger that voter anger at the President could cause the defeat of a local candidate is gone."

More national news
appears on page B12-14.

PM-MO--Bond-Whitewater, Bjt,0370

Bond Reveals More Confidential Administration Whitewater Contacts

By CURT ANDERSON= Associated Press Writer=

WASHINGTON (AP) Clinton administration officials got additional confidential information about the Whitewater investigation before congressional hearings last summer, Sen. Christopher Bond said.

The Missouri Republican said former White House counsel Lloyd Cutler got unedited depositions from lawyers at the Resolution Trust Corp., which first investigated the Whitewater land deal and the collapse of Madison Guaranty Savings & Loan in Arkansas.

The focus of this summer's congressional hearings was whether there were improper contacts between the White House and Treasury Department investigators looking into the role of President Clinton and first lady Hillary Rodham Clinton in Whitewater and Madison.

"I am appalled that the same Treasury Department, acting under the specific direction of Secretary (Lloyd) Bentsen, would again provide non-public information about the Madison Guaranty case directly to the White House," Bond said.

The RTC is an arm of the Treasury Department with the responsibility to clean up the failed savings and loan mess. Its attorneys could have had confidential knowledge of the Madison investigation.

In a letter Tuesday to Senate Banking Committee Chairman Donald Riegle, D-Mich., and the panel's ranking Republican, Sen. Alfonse D'Amato of New York, Bond called for a new round of hearings into the contacts.

"Congress and the American people deserve to know, at some point, the real truth about exactly who did what, and when," Bond wrote.

Cutler told The Washington Post in a story published Wednesday that he did not share the depositions with any other White House officials and that most of the information was already known.

"It didn't tell us anything we didn't know already," Cutler told the Post.

Bond, a member of the Banking Committee, said Wednesday that attitude is what sparked the congressional hearings in the first place.

"First, the White House denies receiving heads-up, non-public information about the investigation and now, when it's clear they did, Mr. Cutler says so what, there's nothing wrong with that," Bond said Wednesday.

"I think that's the problem, and they just don't get it," he added.

Riegle and D'Amato told independent counsel Kenneth Starr they would not hold any Senate hearings to prevent interfering in an investigation into removal of Whitewater files from Vince Foster's office after Foster's 1993 suicide.

**** filed by:APW-(MO) on 11/03/94 at 01:05EST ****

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Complaints About Judge Dismissed

*Sentelle's Contacts
Ruled Proper*

By Toni Locy
Washington Post Staff Writer

AI

Citizens who questioned a federal judge's luncheon meeting with two Republican senators while he was considering appointment of the Whitewater independent counsel are "naive" and have a "fundamental misunderstanding" of how such appointments are made, a supervisory judge said yesterday in dismissing their complaints.

Judge Harry T. Edwards, the chief judge of the U.S. Court of Appeals for the D.C. Circuit, said the judge was allowed to consult with anyone he wanted while a panel he heads was weighing appointment of an independent counsel.

Although he never names the judge in question, Edwards describes in detail ethical complaints against Judge David B. Sentelle, who serves with him on the D.C. Circuit. Sentelle is also presiding judge of the panel that appointed an independent counsel to investigate President Clinton's Whitewater real estate deal and his involvement with a failed Arkansas savings and loan.

"There may be some members of society who would question the actions of the accused judge, for they have a pristine (albeit arguably naive) view of the appointment process. But this is irrelevant," Edwards wrote in the 16-page opinion, a copy of which was obtained by The Washington Post.

The Sentelle panel's August decision to replace special counsel Robert B. Fiske Jr., a moderate Republican, with outspoken conservative

See JUDGE, A6, Col. 1

Citizens' Complaints About Judge Dismissed

JUDGE, From A1

Kenneth W. Starr, a former federal appeals judge, was widely questioned after The Post disclosed Sentelle's July 14 luncheon meeting with Sens. Latch Faircloth (R-N.C.) and Jesse Helms (R-N.C.). After the lunch, Sentelle and Faircloth were seen huddled in deep conversation on the Capitol's underground tram. The judge said later that they were "old friends" talking about prostate problems and cowboy boots.

Faircloth was a leading Senate critic of Fiske's performance, accusing the New York lawyer of going easy on the Clinton administration in his early findings.

When Faircloth met with Sentelle, a Helms protege, in the Senate dining room, the three-judge panel was considering a Justice Department request to give Fiske more permanent status under the recently passed independent counsel law. Fiske was already months into the Whitewater probe, and there was concern that a new appointment would greatly delay the investigation, which was then an explosive partisan issue.

In addition to the three citizen complaints, Sentelle's conduct also was rebuked by five former presidents of the American Bar Association, an unprecedented action. Virtually all of the criticism focused on whether Sentelle had compromised the sacred judicial "appearance of propriety" by meeting with people who had a keen political interest in his actions.

Edwards, however, argued in his opinion that Sentelle could consult with anyone about an independent counsel appointment, essentially because he wears two hats as a judge. He is both a so-called Article III judge, one who decides cases between adversaries, and an Article II judge, one who makes appointments, such as independent counsels. Article III judges are subject to the ethical concerns about outside contacts, while the others are not, Edwards wrote.

Edwards said the panel that appoints independent counsels cannot operate in a vacuum and must consult with outsiders. The attorney general, he noted, routinely makes recommendations when seeking the appointment of an independent counsel.

"Congress has never expressed an intention to make the appointment process itself independent of all 'nonjudicial' influences outside the executive branch," Edwards wrote. "This may be an aspiration that is now embraced by significant segments of the society, but it finds no support in applicable constitutional, statutory, or ethical precepts."

One of the citizens who wrote Edwards about Sentelle's conduct—complaints that were immediately placed under seal—yesterday criticized his decision and vowed to appeal. "So, in other words, I could've consulted with him and it would've been okay," said Sara Ruschaupt, 56, a self-described housewife from Great Falls, Va. "That makes a mockery of the whole judicial system."

"Would he consult with the head of the Mafia before he makes a decision on organized crime?" Ruschaupt said. "It leaves the door wide open for anybody to consult with anybody on anything."

Frank Mandanici, a public defender in New Haven, Conn., who also filed a complaint, said Edwards ignored a key issue—his contention that Sentelle should have recused himself from the Whitewater matter because his good friend, Faircloth, had such a vested interest in it.

"I believe the decision betrays common sense," Mandanici said. "For the court to say that Judge Sentelle doesn't act as a judge when he sits on a panel that appoints independent counsels is misguided. It ignores the spirit and letter of the law."

Cutler Got Confidential Depositions In Whitewater Probe, Senator Says

By Susan Schmidt
Washington Post Staff Writer

Sen. Christopher S. Bond (R-Mo.) yesterday called for new hearings on whether the Treasury Department improperly discussed the Whitewater investigation with the White House, saying that he has learned a White House official was receiving confidential material about the probe even as the official prepared for congressional hearings this summer.

In a letter sent to Senate Banking, Housing and Urban Affairs Committee Chairman Donald W. Riegle Jr. (D-Mich.) and Sen. Alfonse M. D'Amato (N.Y.), the panel's ranking Republican, Bond said then-White House counsel Lloyd N. Cutler was given unedited depositions from attorneys at the Resolution Trust Corp.

The RTC is the federal agency that first looked into the Whitewater real estate venture and the failed Madison Guaranty Savings & Loan, then asked the Justice Department to open a criminal investigation.

Bond is a member of the Banking Committee, which conducted hearings on the propriety of White House contacts with the Treasury Department about the investigation of Madison and Whitewater, the development in which President and Hillary Rodham Clinton had been partners with Madison's owner.

Bond said the depositions contained specific information about what was in the RTC's written criminal referrals to Justice, including the information about the Clintons. The depositions, he said, also included a discussion of a legal analysis of the case prepared by RTC attorneys.

"Given that the focus of our hearings this past August was the improper transmittal of confidential information from the RTC to the White House regarding Madison Guaranty and the Clintons," Bond wrote in his letter, "I must tell you I am appalled that the same Treasury Department, acting under specific direction from Secretary [Lloyd] Bentsen, would again provide non-

Republican Sen. Bond called for new hearings on the Treasury-White House contacts.

public information about the Madison Guaranty case directly to the White House."

It was known at the time of the hearings that Cutler, while preparing his testimony, had asked the Treasury Department to give him copies of some interviews conducted by Treasury's inspector general. But it was not known that Treasury turned over copies of interviews with RTC employees, as well as with Treasury employees. The interviews of RTC attorneys are potentially more sensitive because they were in a position to have inside knowledge of the investigation.

Bentsen spokesman Howard Schloss said, "The secretary felt it was important to provide Mr. Cutler with

these depositions so he could have all the information necessary to testify."

Cutler, who has returned to private legal practice, said he does not believe there was much information in the unredacted depositions that the White House had not already learned from earlier press inquiries and conversations with Treasury officials overseeing the RTC. "It didn't tell us anything we didn't know already," he said. Cutler agreed not to share the depositions with other White House officials except his assistants.

Patricia Black, RTC deputy inspector general, said yesterday that her office did not know that the Treasury inspector general planned to give the White House unredacted depositions from RTC employees. "We were surprised by it," she said. "The reason they were redacted was that they contained information the RTC has never confirmed concerning the criminal referrals."

Black said she did not learn that Cutler had the transcripts until July 26, three days after Cutler received them. Black's office and the Treasury inspector general both had copies of the depositions because they were conducting a joint investigation of the White House-Treasury discussions of the Whitewater probe.

A member of Bond's staff recently was permitted to review the unedited depositions by the RTC inspector general after Bond requested more information to follow up on the Whitewater hearings. He had to agree not to make public the portions that the RTC considers confidential and that it redacted before forwarding the depositions to congressional committees this summer.

Sen. Bond Says Data Raise New Questions About Whitewater

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON — Citing information that he said raises new questions about the extent of the White House's knowledge of Resolution Trust Corp. criminal referrals on the Whitewater affair, Sen. Christopher Bond is seeking to reopen last summer's Whitewater hearings.

The Missouri Republican said he had learned that transcripts of depositions received by the White House in late July hadn't been edited. Those depositions were given by Treasury and RTC witnesses during an Office of Government Ethics inquiry. Before they were publicly released, they were redacted, meaning that some information was blacked out. But Sen. Bond said that by receiving the original versions, White House officials were privy to sensitive details about the referrals, such as references to President and Mrs. Clinton.

In response last week to written questions from Sen. Bond, the Treasury said the transcripts didn't contain information that the White House didn't already have. Depending on what is contained in the redacted material, that could mean the White House was more knowledgeable about the specifics of the RTC referrals, and earlier, than administration officials have said. Neither the RTC nor the White House would agree to release the unredacted transcripts.

The Office of Government Ethics report cleared Treasury, White House and RTC officials of wrongdoing in their communications about the RTC investigation of the collapse of Madison Guaranty Savings & Loan Association. Madison was owned by the Clintons' partner in the Whitewater real-estate venture.

Lloyd Cutler, who was White House counsel at the time, said he asked for the transcripts to help him prepare his testimony for the Whitewater hearings and to help his internal investigation of the matter. The transcripts "weren't shared with anyone outside the White House counsel's office," he said yesterday.

In a letter yesterday to the Senate Banking Committee's chairman and ranking Republican, Sen. Bond asked to reopen Whitewater hearings. Chairman Donald Riegle (D., Mich.) was unavailable for comment.

Studies Find the White House Too Rosy On GATT Pact, but Disagree on Data

By HELENE COOPER

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — How much will the new world trade agreement add to the U.S. economy? It depends on who's doing the estimating.

The Clinton administration says the new world trade pact, negotiated under the auspices of the General Agreement on Tariffs and Trade and facing a tough ratification fight in Congress, will pump \$100 billion to \$200 billion into the U.S. economy every year after the agreement takes full effect in 10 years.

Other studies agree that by reducing industrial tariffs and establishing new rules governing services and investment, the trade pact would boost economic activity. But they estimate much smaller gains. A study by the Organization for Economic Cooperation and Development, for instance, projects that annual gains in the U.S. gross domestic product would amount to about \$28 billion after 10 years, while the Economic Strategy Institute puts the number at between \$25 billion and \$30 billion. (GDP is running at \$6.7 trillion this year.)

Yesterday, yet another economic think tank waded in with a look at the estimated gains from the trade pact. The Institute for International Economics projected an annual gain of some \$65 billion to the U.S. economy after 10 years. The world trade pact should "result in modest but positive gains for the U.S. economy as it enters the 21st century," according to the institute's Jeffrey Schott, in his book assessing the results of the trade pact.

Why the wide disparity in the numbers? Many of the trade pact's critics say the administration has hyped the benefits of the trade pact to try to improve its chances for passage in Congress. Who, the argument goes, would vote against a trade agreement that would bring such riches to the U.S. economy?

But the administration's "assumptions don't hold in the real world," says Larry Chimierne, managing director and chief economist at the Economic Strategy Institute. "Overall," he says, "the agreement is a plus, and I support it. But I have a hard time getting even close to \$100 billion to \$200 billion a year."

That's because while some U.S. indus-

tries, such as agriculture and software, would be helped by the trade pact, others such as textiles and apparel won't, the trade pact's critics argue. Furthermore, the pact provides for tougher and quicker GATT actions to resolve disputes over use of antidumping laws. Many expect that the GATT actions would limit the ability of European and U.S. companies, particularly in the steel industry, to impose penalties on foreign producers that sell goods abroad below cost.

Another reason that U.S. economic gains from the trade pact may not be as big as the administration predicts, critics say, is that some big obstacles to trade—such as markets in Japan and Southeast Asian nations that are closed to U.S. banks and securities firms—wouldn't be removed.

The administration maintains that it isn't exaggerating the economic gains
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from the trade pact. But at the same time, David Walters, chief economist with the U.S. trade representative's office, concedes that "there is no model in the world that is capable of dealing with the [trade pact] in its entirety."

Still, the administration maintains, other economic models that project a smaller gain from the trade pact don't take into account the multiplier effect that trade liberalization will have on sectors of the economy that aren't necessarily cov-

ered in the agreement. For instance, Mr. Walters argues, the other economic models don't measure what effect reduced trade barriers might have on, say, advertising. "Our companies face discrimination when they want to bid on advertising contracts in foreign countries," he argues. The pact "will open up such markets, will allow our companies to bid there. None of this taken into account."

"When you look at all the studies . . . and you realize you're opening up the markets in 123 nations, it's difficult to challenge the higher number," U.S. Trade Representative Mickey Kantor said yesterday.

But such multiplier theories represent gray areas that are virtually impossible to put a dollar figure on, Mr. Schott of the Institute for International Economics says. "I don't think it could be that high," he says of the administration's \$100 billion-to-\$200 billion figure.

But with the congressional vote on the trade pact coming up after the elections, the administration can take some heart in a point that even less-enthusiastic supporters of the trade pact, such as Mr. Chimierne, appear to agree on: The accord will mean a substantial boost for the U.S. economy that would, at the very least, far exceed the \$40 billion in projected losses in tariff revenue over the next 10 years.

"It's hard to find another program which would generate \$25 billion to \$30 billion in GDP in a year," Mr. Chimierne said.

U.S. Will Continue Talks With Japan on Flat Glass

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The U.S. will continue talks with Japan over foreign access to Japan's flat-glass markets, despite missing a deadline yesterday, the Clinton administration said.

U.S. Trade Representative Mickey Kantor said the two sides have made progress in resolving "both technical and substantive issues" in the negotiations to open Japan's flat-glass market.

One month ago, the two sides said they had reached an agreement in principle to open the Japanese market to foreign suppliers. At the time, they said it would take 30 days to conclude the deal. If a final agreement isn't reached, the U.S. would pursue a trade sanction case against Japan, according to a statement yesterday by Guardian Industries Corp., a glass maker in Northville, Mich., that is close to the trade representative's office. Mr. Kantor didn't issue any threat, but administration officials privately said they planned to go in that direction if negotiations weren't resolved.

Mr. Kantor said yesterday that negotiations would continue "for a limited period of time."

The main remaining sticking point appears to be the usually difficult area of "objective criteria," which covers how

Senator questions timing of contacts

New Whitewater hearings sought

By Jerry Seper
THE WASHINGTON TIMES **A1**

A key member of the Senate banking committee called yesterday for new hearings into whether Treasury Department officials passed to the White House secret government documents on a Whitewater-related probe involving President and Mrs. Clinton.

Sen. Christopher S. Bond, a lead questioner at Whitewater hearings in August, said a legal analysis by the Resolution Trust Corp. (RTC) went to the Treasury Department at a time when department officials had made more than 40 questionable White House contacts involving the ongoing thrift investigation.

The timing of the White House Treasury contacts goes to the heart of questions about whether Clinton administration officials improperly tried to influence or squelch the RTC probe of ties connecting Madison Guaranty Savings and Loan Association, Whitewater Development Corp. and the Clintons.

The Missouri Republican asked Senate banking committee Chairman Donald W. Riegle Jr., Michigan Democrat, and the panel's ranking Republican, Sen. Alfonse M. D'Amato of New York, to reopen the hearings for questioning on the matter.

"Not only were documents released to the White House at the specific request of White House Counsel Lloyd Cutler, but, in doing so, the Treasury turned over confidential information," Mr. Bond said in a letter to the two senators,

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seeking to find out if the confidential information included a highly sensitive legal analysis.

He said the analysis, by federal regulators, described the Clintons' "status" in the Madison probe, reviewed pending criminal referrals in the case, and offered a legal opinion by the RTC's professional liability section, which reviewed the Madison inquiry.

He said a Treasury Department response to banking committee questions, received only last week, showed that on July 23, the department gave the White House unedited versions of "all of the sworn testimony of Treasury, White House and RTC personnel," but it wasn't until five days later that confidential information in that testimony was redacted.

The redacted versions, edited by RTC lawyers, later were given to banking committee members.

Yesterday Mr. Cutler denied that any improper information went to the White House. He said he arranged with Treasury to get transcripts in the Whitewater matter, then under review by the Inspector General's Office at Treasury, to save his staff from doing duplicate interviews.

He described the procedure as "perfectly proper," adding that decisions on whether any of the documents were to be redacted were made by Treasury.

"We did not see anything in the unredacted material that we did not know before, and none of it went beyond the White House Counsel's Office," he said.

Mr. Cutler also denied the White House received any RTC analysis in the Madison probe.

Treasury Department spokesman Howard Schloss yesterday denied that any RTC analysis in the Madison case had been turned over to the White House. "Absolutely not," he said in response to questions.

RTC spokesman Steve Katsanos said he was not familiar with the Bond letter, but if Mr. Riegle wanted "any information from us, we will be happy to comply."

It was in the unredacted transcripts, Mr. Bond said, that former RTC acting General Counsel Gelion Curtis confirmed he had given information on the RTC analysis to Treasury General Counsel Jean Hanson. Mr. Curtis, according to his July 8 deposition, said he gave the information to Mrs. Hanson sometime in early October 1993.

Mr. Bond said a photocopy of the analysis later was turned over to Mrs. Hanson at the time she was meeting with former White House Counsel Bernard W. Nussbaum about the RTC probe. It is not clear what happened to that document.

Mr. Bond said banking committee members were unaware that unredacted versions of the Treasury-White House-RTC depositions had been made available to the White House.

Mrs. Hanson testified before the banking committee that Treasury Secretary Lloyd Bentsen and Deputy Secretary Roger C. Altman knew department officials had briefed the White House on

nine Madison referrals and the referrals mentioned the Clintons as "potential witnesses." She made no mention of any analysis.

She said she was "tasked" by Mr. Altman to brief Mr. Nussbaum on the referrals, adding that Mr. Bentsen had heard about the substance of the RTC-White House meetings last fall.

Mr. Bentsen denied he knew about the briefings. Mr. Altman said he did not order Mrs. Hanson to tell the White House about the RTC probe. But, William Roelle, former RTC chief financial officer, testified he heard Mr. Altman tell Mrs. Hanson to "call Bernie."

Mrs. Hanson and Mr. Altman both resigned shortly after the hearings.

The initial White House "heads-up" of the RTC probe came from Mrs. Hanson to Mr. Nussbaum during a Sept. 29, 1993, meeting, according to committee testimony. The information later was passed to senior White House adviser Bruce R. Lindsey. A second meeting concerning the Madison probe was held on Oct. 14, 1993.

"They knew more than they were willing to admit," Mr. Bond said during a briefing in his office. "Was anyone able to use this information to change or alter their testimony? These are legitimate questions and ones we should be able to ask."

Mr. Bond also asked the banking committee to forward the information to Whitewater independent counsel Kenneth W. Starr.

"Given that the focus of our hearings this past August was the improper transmittal of confidential information from the RTC to the White House regarding Madison Guaranty and the Clintons, I must tell you I am appalled the same Treasury Department, acting under specific direction from Secretary Bentsen, would again provide non-public information about the ... case directly to the White House," Mr. Bond said.

The Whitewater hearings were limited to topics involving the Washington phase of a federal probe by former special counsel Robert B. Fiske Jr. and, later, by Mr. Starr. It included the death of White House Deputy Counsel Vincent W. Foster Jr., the handling of his office papers after his July 1993 suicide, and the White House-Treasury contacts.

The Bond request would reopen the committee's probe into the White House contacts.

Mr. Bentsen, who ordered a review by his department's inspector general of the contacts and was among those interviewed, testified that he forwarded the IG's documents to the White House so it could prepare for congressional hearings.

The documents included the depositions of several key Clinton administration officials, including Mr. Altman; Mrs. Hanson; White House senior advisers George Stephanopoulos, Mark Gearan and Mr. Lindsey; White House Chief of Staff Thomas F. "Mack" McLarty; Deputy Chief of Staff Harold Ickes; Margaret A. "Maggie" Williams; Mrs. Clinton's chief of staff; and Mr. Nussbaum.

Madison failed in 1989 at a cost to taxpayers of \$50 million.

Exonerating Judge Sentelle

When the special division of the U.S. Court of Appeals responsible for the appointment of independent counsels announced, to official Washington's surprise, that it was naming Kenneth Starr to replace Robert Fiske Jr. as chief Whitewater investigator, the left-wing, judicial-activist set in town — as well as Clinton partisans — had a hissy fit. As anyone with any experience of left-wing legal politics can tell you, such hissy fits do not exactly take the form of earnest letters to the editor forthrightly debating matters of law and policy. No, the form they take is character assassination — as executed through members of the media who are sympathetic to the left's cause, if indeed they are not members in good standing.

In this instance, Mr. Starr himself took the first hit. Because of his service as solicitor general in the Bush administration and his support for GOP candidates, he was painted as a partisan hatchet man incapable of doing a fair job. Mr. Clinton's sexual harassment lawyer, Robert Bennett, said, "when they go ahead and appoint somebody that has all these ties, it's troublesome. . . . If on some issue there's a close call, he could be influenced by his background."

Of particular note in this attack were Mr. Starr's views on the question of whether the president is immune while he is in office from being sued for matters pertaining to his non-official conduct, as Mr. Clinton claims in his effort to delay consideration of Paula Corbin Jones' sexual harassment allegations against him. Mr. Starr had appeared on television expressing his doubts about this far-reaching claim, and The Washington Times reported that he was considering filing an amicus brief to that effect: the smoking gun, to some, of Mr. Starr's bias against Mr. Clinton.

Until, that is, the American Civil Liberties Union, of all organizations, asked the court's permission to file an amicus brief arguing that the president's immunity claims do not pass muster. The ACLU is hardly an organ of the right-wing Clinton opposition, after all. In this context, the notion that Mr. Starr's views on immunity are an indication of a partisan vendetta — rather than being based on a serious consideration of the law — will be rather more difficult to make with a straight face.

Hit No. 2 in relation to the Starr appointment was aimed at Judge David B. Sentelle of the special division. The insinuation was that he had become a tool of anti-Fiske sentiment among some GOP legislators on Capitol Hill. Specifically, some members of Congress had written to the special division urging that Mr. Fiske not be reappointed. Moreover, an anonymous "individual" told The Washington Post that the "individual" had seen Judge Sentelle engaged in an "animated" conversation with Sen. Lauch Faircloth, a leading Fiske critic, as the two boarded the Senate subway. And, The Post reported, the two later had lunch in the Senate dining room with Sen. Jesse Helms.

Now, Mr. Faircloth did not write to the special division about Mr. Fiske. And, as it happens, Judge Sentelle, Mr. Faircloth and Mr. Helms are old friends. And no one, including the "individual," has alleged or produced so much as a shred of evidence that they discussed Whitewater or Mr. Fiske. In addition, the three have said they did not.

But never mind. This was more than enough to try to terrorize Judge Sentelle.

So The Post found a couple of simpatico law professors — Stephen Gillers at New York University and Stephen Bundy at Berkeley — to question "the wisdom of the meeting in view of the matter's political implications." The Post presented the professors merely as "legal experts," conveniently avoiding the issue of whether or not they had any particular agenda. Mr. Bundy said indignantly, "Then we find this guy" — Judge Sentelle — "consorting with the leader of the opposing political faction," meaning Mr.

Faircloth. And Mr. Gillers offered his view that the appointment of an independent counsel is a "judicial function" of the court, thus an area where a judge's behavior is tightly regulated by law and ethics codes. It only remained for a few citizen-activists to file complaints about Judge Sentelle with the court. And there were, in fact, three complaints filed charging the judge with misconduct, implying that he might have been improperly influenced.

Yesterday, however, Judge Harry T. Edwards — the new chief judge of the D.C. circuit and, in fact, one of the court's stalwart liberals — stuffed the whole lot of this "appearances of impropriety" business back into the trash can whence it came. He ordered that the complaints against Judge Sentelle be dismissed. And his tightly-argued, 16-page opinion accompanying the order, a copy of which made its way to The Washington Times' editorial page yesterday, amounts to an unqualified exoneration of Judge Sentelle's conduct.

For purposes of Judge Edwards' analysis, suppose everything anonymously insinuated about Judge Sentelle were actually true: that he had conversations with Mr. Faircloth about the appointment of the independent counsel. (Note that Judge Edwards has made no such finding; this is for purposes of argument.) Even if that were so, it would not have been improper conduct, for the following, very simple reason: The special division of the court responsible for appointing independent counsels is precisely not performing a judicial function in accordance with Article III of the Constitution, in which that function is spelled out. If the court were, then, indeed, "even an appearance of impropriety" is unacceptable. . . . so judicial proceedings are subject to stringent constitutional (e.g. procedural due process), statutory, (e.g., the commands of the Administrative Procedures Act), and ethical (e.g., the prohibition of ex parte contacts . . .) rules."

Rather, the special division is performing an administrative function, in accordance with the appointments clause of Article II of the Constitution, as the Supreme Court noted in upholding the constitutionality of the independent counsel act (and as an editorial here noted in response to Mr. Gillers' claim to the contrary in The Post). "It makes little sense," Judge Edwards writes, "to think that an authority acting pursuant to the Appointment Clause of Article II might be forbidden from consulting with others regarding candidates for appointment. It is hard to imagine how anyone could go about the task without seeking advice."

Judge Edwards notes that the purpose of the independent counsel act is to provide "independence from the Executive Branch." But deriving from that "complainants' view of the appointment process as a cloistered, apolitical judicial 'proceeding' is quite far-fetched. . . . This may be an aspiration that is now embraced by significant segments of society, but it finds no support in applicable constitutional, statutory, or ethical precepts." Judge Edwards goes on to note, "There may be some members of society who would question the actions of the accused judge, for they have a pristine (albeit arguably naive) view of the appointment process. But this is irrelevant. The simple point here is that, even accepting the complaints as true for purposes of this analysis, the judge who has been accused in this case would have violated no provision of law or ethical Canon. There is no basis whatsoever for proceedings against this judge."

So much for that line of attack. The Starr smear is 0 for 2.

And when it comes to the cogency of the legal analysis in The Washington Post, such as Mr. Gillers' statement that the special division is performing a "judicial" function, readers might want to get the other side of the story. They'll have to look someplace else.

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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."

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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