

# The Whitewater probers are coming up with dry holes

by Edward Spannaus

London works in many ways. Just as President Clinton appeared to be gaining the upper hand in his battle with the Republican insurrectionists who have been out to destroy the national government through budget cuts and shutdowns, an escalated round of scandal-mongering began to hit the White House. Whitewater, Travelgate, and Paula Jones took equal billing with the budget fight on the front pages of most of the nation's popular news media.

The great irony was that all of this took place after a \$4 million report was issued by the Resolution Trust Corp. (RTC) which cleared President and Mrs. Clinton of charges of wrongdoing in the so-called Whitewater matter. And then, during the first week of January, the White House released newly discovered documents relating to the White House Travel Office affair, and also to the legal billing of Hillary Clinton's former law firm with respect to Madison Guarantee Savings and Loan.

Sen. Alfonse D'Amato (R-N.Y.), one of the top political hit men for London's attacks on the U.S. Presidency, immediately jumped in front of the news cameras to accuse the White House of stalling and obstructing his Senate investigation. This was the same D'Amato who for months has been complaining that the White House was not producing relevant documents; as soon as the White House located and disclosed the documents, he then called a press conference to complain about the documents which were released. He's a hard man to please.

The *New York Times*' William Safire, another mob-linked crony of D'Amato, then wrote a column labelling the First Lady "a congenital liar." Ted Turner's CNN and other news outlets obliged by giving Safire's diatribe leading news coverage in the United States and around the world. Coincidentally or not, a federal appeals court then issued a ruling on Jan. 9 permitting the Paula Jones "sexual harassment" lawsuit against President Clinton to proceed—providing more grist for the media mill.

Commenting on the distractions facing President Clinton, which are preventing him from concentrating on crucial foreign policy issues, *EIR* founder Lyndon LaRouche noted that with the RTC report, everything that D'Amato has been pushing is essentially dead in the water, and that the senator therefore shifted ground. This is reflected in the Safire piece. "That piece is being bruited, by British intelligence, all over the

world, as a new operation against Clinton, analogous to the operation which British intelligence launched against President Clinton at the end of 1994, with the *Daily Telegraph* operation, the Hollinger Corporation operation," LaRouche said.

"The British are operating against every aspect of U.S. strategic interests," LaRouche continued, "and people such as D'Amato, Safire, and Ted Turner, and so forth, inside the United States, are acting like a bunch of Bush League traitors, in fact, to the vital interests of the United States."

## Drilling for muck

Robert Bennett, one of Clinton's principal attorneys, said recently that all of the current allegations have come up because Clinton opponents have just only "reached dry holes on the important stuff." Bennett listed the following "dry holes" which have been dug so far:

1) The first issue raised was that there had been improper contacts between the Treasury and the White House. But the first Whitewater independent counsel, Robert Fiske, said there had not been. 2) Then, Bennett noted, "Jay Stephens, the former Republican U.S. Attorney on behalf of the RTC, investigates Whitewater, spends \$4 million, approximately, doing it, and what does he conclude? No culpability on the part of the Clintons and that they should close the Whitewater inquiry." 3) "And now, we have Ken Starr spending a million dollars a month."

The latest round of digging began with a memo by former White House aide David Watkins, which was discovered at the White House on Dec. 29. Watkins's memo claimed that he had fired seven Travel Office aides at the insistence of Hillary Clinton. Watkins himself was later fired for having taken a White House helicopter on a golf outing. While Republicans immediately jumped on the memo as evidence of a "coverup," a White House spokesman called it "a tempest in a teapot," noting that the Watkins memo was undated, unsigned, and was never even sent to anybody.

Then came the Rose Law Firm billing records, which were found at the White House among a box of memorabilia, and released on Jan. 5. D'Amato took to the cameras to declare this a "miraculous" discovery. And the spin doctors went to work to claim that the records disproved Hillary Clinton's previous statements that she had done minimal work on the

Madison Guarantee account. The records showed that the Rose firm had billed 60 hours of work over a 15-month period, and that Hillary Clinton's portion of the billing was about \$7,000. As anyone who has dealt with lawyers knows, for a period of over a year, this certainly is minimal billing.

Bennett suggested to TV talk show host Larry King on Jan. 9, that lawyers in Washington spend more than that on "power lunches," which they bill to their clients. Larry King remarked: "I have lawyers and anyone in my business has lawyers . . . any lawyer who billed me 60 hours last year was the lowest-working lawyer for me. . . . That ain't a lot of work. . . . Sixty hours is 'Hello, goodbye' for the lawyer."

In another televised interview on Jan. 10, Bennett described those who are attacking the President and the First Lady as "political assassins." Regarding the legal bills, Bennett said that "this is all loosey-goosey stuff subject to different interpretations. And the political assassins are out there and they're trying to give their particular spin on these things. I read her answers and I reviewed the billing records, and I think they support the First Lady that her role was very limited."

The law firm billing issue should have been put to rest by the Jan. 11 session of the Senate Whitewater Committee, at which the sole witness was Rick Massey, the associate at the Rose Law Firm who did most of the work on the Madison Guarantee account. Republican spokesmen had been predicting for days that Massey's testimony would contradict Hillary Clinton and prove her a liar, but his testimony in fact confirmed what Hillary Clinton has been saying about her minimal work on the Madison account.

During a TV interview in the morning before the hearings began, White House associate counsel Mark Fabiani challenged D'Amato to release the RTC report on Whitewater/Madison. "That report has been kept secret by this committee," Fabiani said. "The committee has a copy of it and refuses to release it to the public. The committee also has reports done by federal regulators on the Madison legal work. Those are being kept secret by the committee. We challenge Senator D'Amato to release those reports to the public, to let the public see what federal regulators have already concluded, that what the President and First Lady all along have said about Whitewater is true."

"We're very confident," Fabiani added, "that when all the information becomes public, these Whitewater allegations will evaporate once and for all." The pressure brought by the White House apparently had its effect, since the Whitewater Committee did finally agree to release the RTC report at the end of the Jan. 11 hearing.

### **Hollinger's Paula Jones caper**

In this mix, came the ruling of the Eighth Circuit U.S. appeals court on Jan. 9, which allowed the Paula Jones lawsuit against President Clinton to proceed. This lawsuit, filed in May 1994 against the President, alleging sexual harassment,

has been a key weapon in the arsenal of London's assault on the U.S. Presidency. The London *Sunday Telegraph's* Ambrose Evans-Pritchard acknowledged on May 8, 1994, that he had had "a dozen conversations with Mrs. Jones over the past two months." He also admitted that he had been present at a strategy meeting on a boat on the Arkansas River, at which Jones's attorney "was weighing the pros and cons of legal action."

A week later, Evans-Pritchard gave the game away, writing that it doesn't matter all that much whether Mrs. Jones ultimately wins or loses her case. "Put plainly," Evans-Pritchard blurted out, "the political purpose of the Jones lawsuit is to reconstruct the inner history of the Arkansas Governor's Mansion, using the legal power of discovery. In effect, the two lawyers and their staff could soon be doing the job that the American media failed to do during the election campaign and have largely failed to do since."

The federal district court in Little Rock ruled about a year ago that Jones's lawyers could proceed with pre-trial discovery of evidence, but that the case could not go to trial while Clinton was in the White House. The judge subsequently granted Clinton's motion that all discovery be stayed, pending an appeal. The appeals court's opinion, issued by a split panel (2-1), ruled that a sitting President is not immune from civil suits for his unofficial acts. This means that Jones's lawyers could go ahead with depositions of the President and other procedures.

Clinton's lawyer Bennett said he would appeal the decision to the full appeals court and, if necessary, to the U.S. Supreme Court. He will also seek another stay of the proceedings from either the Eighth Circuit or from the U.S. Supreme Court. Meanwhile, Jones's attorneys said they hoped to take a deposition from Clinton and others in coming months, unless a new stay is issued.

The constitutional issues raised by the Jones suit are quite important, but must be viewed in the context of the nature of the action and its sponsors. In an interview with *EIR* shortly after the Jones suit was originally filed, Lyndon LaRouche proposed that there should be some "special rules" for such a case. The first thing to do, LaRouche said, would be to require that Jones show two things in a preliminary deposition:

"First of all, she should be compelled to show that her collaboration with Ambrose Evans-Pritchard did not produce a lawsuit which is clearly politically motivated to destabilize the Presidency (which is what Mr. Pritchard said the purpose of this operation is)."

If it turns out to be the case, that she wouldn't have filed the suit without the instigation of Evans-Pritchard, said LaRouche, then "there are grounds for a summary dismissal or suspension of the suit, and I don't think the woman has any claims coming to her. . . . If she's got a claim, she can wait until the President is through with his business in office. Because she would not have made the suit at this time, but for foreign intelligence instigation."