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Clinton agrees to probe into real estate deal

Dole, Michel seek congressional probe

By The Associated Press
WASHINGTON — Despite President Clinton's new willingness to have an independent counsel examine the Whitewater land deal, Senate Republican Leader Bob Dole demanded Wednesday that Congress launch its own inquiry.

Clinton reluctantly gave in Wednesday to pressure for a special counsel to investigate his 1980s real estate investment.

But Dole, R-Kan., and House Republican Leader Bob Michel of Illinois said they would introduce resolutions when Congress returns later this month to form separate, bipartisan House and Senate committees to investigate Clinton's involvement in Arkansas' Whitewater Development Co.

Dole, comparing the situation to the Iran-Contra scandal, said such a panel would remove "any perception of a whitewash" in the case.

"It's almost unprecedented to have so many serious questions without even one congressional committee looking into the matter," Dole said.

Attorney General Janet Reno said Wednesday she would comply with Clinton's request and name an independent investigator "as soon as possible."

While vehemently denying that the Clintons had done anything wrong — or that the appointment was even



Sen. Bob Dole calls for a congressional probe of the Whitewater deal.

necessary — the White House said the Whitewater controversy had left Clinton little choice.

"The Clintons have been subjected to a barrage of innuendo, political posturing and irresponsible accusations," said White House adviser George Stephanopoulos.

He said that even many of the Republicans demanding an investigation were predicting the Clintons would be exonerated.

Sen. Dole may ease up on Clinton

Political pressure may subside if Reno appoints right person to probe Whitewater

By JOHN O'NEILL
N.Y. Times News Service

WASHINGTON — Sen. Bob Dole, R-Kan., said Sunday that he might drop his call for a congressional investigation into President Clinton's Arkansas land dealings depending on whom Attorney General Janet Reno names as a special counsel on the matter.

But Dole continued to call for the Clintons to release documents relating to the land venture, Whitewater Development Co., and he gave no indication of letting up the political pressure on the issue.

Asked on the ABC News program "This Week With David Brinkley" about what he thought might be in the Clintons' papers, Dole said that "the efforts to cover up whatever may be in there" suggested that "somebody must know something we don't."

Bowing to congressional pressure, Clinton last week asked Reno to appoint a special counsel to investigate accusations that money may have been improperly diverted to Whitewater by the Clintons' partner, James B. McDougal, from an Arkansas savings and loan association he owned. The Clintons have denied doing anything wrong.

Justice Department aides said Friday that Reno had narrowed down the list of candidates, and that two of the leading prospects were Robert B. Fiske Jr. of New York and Dan K. Webb of Chicago, both former Republican prosecutors. Webb was one of seven lawyers and former prosecutors Dole had listed earlier this month as acceptable choices.

Dole on Wednesday responded to Clinton's decision to seek a special counsel by saying that it "doesn't take care of our responsibility in Congress." But asked Sunday if he would continue to press for a congressional investigation, Dole said: "I think we need to wait and see who's appointed special counsel. That may change the attitude some."

Appearing on the CBS News program "Face the Nation," Rep. Jim Leach, R-Iowa, also defended the need for congressional hearings. "The reason that hearings may well be appropriate is that what we're dealing with here are issues, really, of public trust more than criminality, and special counsels are a little bit more in one direction," he said. "Public trust is more the realm of Congress."

Following Dole on the ABC program, Vice President Al Gore argued that the call for a special counsel should end criticism that the Clintons weren't being fully forthcoming.

"Look, all of the information's been turned over, every scrap of it," Gore said. "A special counsel is being appointed. What more do you want?"

Also on the program, a lawyer for McDougal, Sam Heuer, said that a deputy White House counsel who handled personal matters for the Clintons, Vincent W. Foster Jr., had apparently been in possession of some Whitewater documents that the Clintons have denied receiving.

Reno defends suggestion of political interference

By CAROLYN SKORNECK
The Associated Press

WASHINGTON — Attorney General Janet Reno denied Republican suggestions Friday that there is political interference in a Justice Department probe of President Clinton's role in an Arkansas real estate venture. She refused once again to appoint a special prosecutor.

"Who really is in charge of the Justice Department's investigation? Is it the White House or is it the Justice Department's career prosecutors as you claim?" Senate Republican Leader Bob Dole asked in a letter.

Reno fired off a response to Dole, writing: "The answer is that the investigation is being conducted by career prosecutors of the Department of Justice and that as attorney general I have ultimate responsibility for all matters in this department."

Reno's defense came as White House counselor David Gergen decried "cannibalism" in the Republican attacks on Clinton, who was co-owner of a real estate company enmeshed in a probe of a failed Arkansas savings and loan operated by a longtime Clinton friend.

Gergen took issue with critics' tactics and timing in their suggestions of wrongdoing in

the Clintons' investment in Whitewater Development Corp. and its links to Madison Guaranty Savings & Loan.

"I just have to tell you ... as the president goes home to bury his mother, to have the political opposition on the warpath, hammering away, raises all sorts of questions about what has happened in this town," Gergen said on NBC's "Today" show.

Dole accused Reno of "hiding behind" the lack of a law authorizing a court-appointed independent counsel, and the letter released by his office Friday included a list of seven people he said would be suitable for her to name as special prosecutors. Two of them served as attorney general under President Carter.

But Reno replied: "Were I to adopt your suggestion, I would have to appoint such a counsel on my own authority. Any such counsel would not be regarded as truly independent, and would be subject to the same criticisms leveled at special counsel appointed by the previous attorney general."

Republicans have criticized the administration for letting Clinton's private attorney, David Kendall, negotiate the subpoena for Whitewater documents, covering many to make it more difficult for Congress and others to obtain them.

Gergen, in a later interview on CNN, said "there is an argument to be made, obviously, for public release of the documents," but that there was a question whether the documents, since they are incomplete, "would answer the kind of questions that people are asking."

Many of the questions concern the Clintons' relationship with the Arkansas businessman whose savings and loan failed. There have been allegations that some of its funds were diverted in the mid-1980s to help pay personal and political debts of prominent Arkansians, including then-Gov. Clinton.

The Clintons were also partners with the S&L owner, James McDougal and his wife in Whitewater.

Raising a new issue, House Republican Leader Bob Michel urged Reno to ask Clinton and any others under investigation to agree to waive the statute of limitations "so that an investigation can be fully and properly conducted."

But Justice Department spokesman Carl Stern said, "There is no statute of limitations problem in this case." Congress in the late 1980s, he said, doubled to 10 years the limit for crimes related to financial institutions.

The Republican demands came as an administration source said Reno was likely to ask a court to appoint an independent counsel to investigate the matter if Congress reinstates the Independent Counsel Act, which expired in 1992. She has urged Congress to pass the measure. The Senate has done so but the House has not yet voted.

Such a counsel would be different from a special counsel the Republicans want her to appoint now, as anyone she appointed now would be under her control and could be fired by her. She would have no such power over an independent counsel appointed by a court under the act, and that's what she has said she wants.

Dole voted against reauthorization of the act in November, and he helped kill it in 1992 in anger over the long and expensive Iran-Contra probe.

Gergen, one-time aide to President Reagan, defended Clinton's willingness to make information available to the Justice Department and castigated Republican critics.



Dole Meyers

Dole, Meyers put heat on Reno

By Curt Anderson
Associated Press Writer

WASHINGTON — Senate Minority Leader Bob Dole and Rep. Jan Meyers kept the GOP drumbeat going Tuesday over President Clinton's involvement in the Whitewater land venture.

The two Kansans joined six fellow Republican lawmakers in warning that the statute of limitations for any civil fraud allegations expires in March, making it more urgent for immediate scrutiny of the case.

The Republicans asked Attorney General Janet Reno in a letter to obtain agreements with everyone involved — including the president — that the statute of limitations won't be used to block an investigation.

"These agreements will allow time for a complete and independent investigation and permit the orderly operation of the legal and judicial processes," they wrote. "Furthermore, it will reassure the American public that anyone implicated in any wrongdoing will answer these allegations on their merits."

Federal investigators already are examining the 1989 collapse of Madison Guaranty Savings and Loan, the Arkansas institution owned by Clinton associate James McDougal, and whether any of the thrift's money was diverted illegally to Whitewater or to Clinton's 1984 campaign for Arkansas governor.

There has been no evidence the president or First Lady Hillary Rodham Clinton did anything wrong.

Reno spokesman Carl Stern said Tuesday the five-year statute of limitations applies only to civil cases brought by the Resolution Trust Corp.

Dole won't press Clinton inquiry if Reno picks the right counsel

Eagle news services

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Asked on the ABC News program "This Week With David Brinkley" about what he thought might be in the Clintons' papers, Dole said that "the efforts to cover up whatever may be in there" suggested that "somebody must know something we don't."

The administration, meanwhile,

stressed that Clinton was cooperating fully with a probe.

"All the information has been turned over, every scrap of it. A special counsel (is being) appointed. What do you want?" Vice President Al Gore said.

Reno is expected soon to announce the name of a counsel to investigate the ties between Clinton, his wife, Hillary, and James McDougal, owner of Madison Guaranty Savings and Loan, which failed in 1989 at a cost to taxpayers of \$47 million.

McDougal and the Clintons also co-owned the Whitewater Development Corp., an Arkansas real estate venture. Investigators are trying to determine whether Madison S&L money was illegally diverted to Whitewater or to help Clinton repay a \$50,000 loan for his 1984 gubernatorial campaign.

Clinton denies any wrongdoing, saying he lost \$68,000 in the Whitewater venture.

McDougal's lawyer, Sam Heuer, agreed Sunday. "I would suspect if there were some secrets, we would have known them long before now,"

he said. "Jim McDougal was a savings-and-loan executive, which is akin to being a communist in the McCarthy era."

But Rep. Jim Leach, R-Iowa, the ranking Republican on the House Banking Committee, repeated his call for bipartisan congressional hearings, saying the special counsel would look into illegal activities while Congress needed to air an issue of "public trust."

"This isn't the largest issue. It's somewhere between much ado about nothing and something might be a little rotten in part of the Ozarks," he said on CBS' "Face the Nation." "There are possible breaches of law, but more importantly there's a public ethic here that's at issue."

Leach pledged to proceed on his own if the Democrats refuse to create a bipartisan committee to investigate Whitewater.

But he said he did not envision questioning Hillary Clinton, who was Madison's lawyer at the time. "Nothing would be more inappropriate than a congressional effort to embarrass Mrs. Clinton," he said.

Bob Dole denies he plotted against Inman

By Curt Anderson
Associated Press Writer

WASHINGTON — Senate Republican Leader Bob Dole said Tuesday that Bobby Ray Inman had "fantasies" if he believed the Kansan plotted with a newspaper columnist to attack Inman's nomination as defense secretary.

Inman said he decided to with-

draw as President Clinton's choice to lead the Pentagon partly because Dole and William Safire, columnist for The New York Times, had colluded to undermine his confirmation chances and bash the president over the Whitewater Development Co. affair.

"There were reports, which both will probably deny, that there was a trade between Mr. Safire and Senator Dole, that if Senator Dole would turn up the heat on my nomination that Safire would turn up the heat on Whitewater development," Inman said at a news conference Tuesday in Austin, Texas.

Dole, in Columbia, S.C., to give a speech, said he was "a little bewildered by Inman's comments."

"He's probably not qualified to be secretary of defense if he has fantasies like that," Dole said. "I don't work for the newspaper. He has the right to say anything he wants. He probably didn't want the job."

Asked directly about the charges of collusion with the newspaper, Dole said, "I don't have the habit of working out deals with The New York Times."

Inman, chosen in December to replace Les Aspin at the Pen-

tagon, didn't provide any evidence other than "reports" from "old friends" about Dole and Safire.

"Whether it's true or not, I believed it was true on Jan. 6, and that's the day I said, 'I don't need this,' and made up my mind that, in fact, I was going to withdraw," Inman said.

Times spokeswoman Nancy Nielsen said Inman's statements were a surprise.

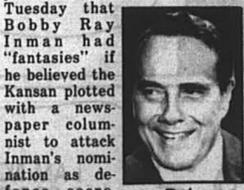
"We are looking into everything he said, and it will take us a while to reconstruct the incidents he said took place. ... At this point we really are just looking into it,"

she said. Dole, who had publicly supported Inman, acknowledged he had some questions about the admiral.

"My greatest concern was that Admiral Inman would be a truly independent voice at the Pentagon and resist efforts to gut — not reasonably cut — our nation's defenses," Dole said.

But Dole said Inman probably would have been confirmed no matter what.

"My view is, barring something unforeseen, his nomination was not in any kind of trouble, and I've said that publicly," Dole said.



Dole