

to extend the Senate Committee's investigation into Whitewater indefinitely and if an additional \$600,000 for the investigation should be provided.

I oppose this attempt to extend the hearings indefinitely. The Senate has already spent \$950,000 on 277 days of Whitewater investigation, heard from more than 100 witnesses, and collected more than 45,000 pages of documents. Enough is enough.

Let me tell you what I support. I support Senator DASCHLE's proposal to complete the task at hand by extending the hearing until April 3, 1996, with a final report due on May 10, 1996. I also support letting the Independent Counsel do his work. Three federal judges have given him the job of investigating Whitewater and all related matters. He has more than 130 staff members helping him. There is no time limit or spending cap on his investigation, so he will be able to gather facts in a systematic and unencumbered way and to investigate Whitewater thoroughly. The results of his investigation will be made public. If the Independent Counsel finds wrongdoing, he has the authority to bring any lawbreakers to justice. By permitting him to do what none of us can do and what none of us should be doing, we will get a complete rendering of the facts. That's the right thing to do. That's what I support.

What I don't support is using Senate committees to play Presidential politics. The goal of this proposed extension is very clear. It's about Presidential politics. And, it's about vilifying Mrs. Clinton in the name of Presidential politics. This attack on her is unprecedented. She has voluntarily answered questions on four occasions from the Grand jury and on three occasions in interviews for the Grand jury, numerous written questions, and she has been cooperative with the committee. I know her personally. Like many others across the Nation, I have deep admiration and respect for her.

Like so many other American women she has struggled to meet the demands of both a career and a family. She is dedicated to her family and she is a dedicated advocate for children. For more than 25 years she worked on behalf of children and families which she discusses in her book "It Takes a Village". In "Village", Mrs. Clinton shares with the public her passion, conviction, and insight, gleaned from her experience as a mother, daughter, advocate, attorney, and First Lady.

Mrs. Clinton has truly inspired a generation of men, women and children. She has worked to raise her own family and she has worked to protect a generation of children. So I don't support extending the Senate committee's investigation into Whitewater.

We should not ask taxpayers to continue subsidizing this round of Presidential politics and this attack on Mrs. Clinton. Instead, I say, let's get on with the business of this country and its citizens. The Senate committee should finish its investigation imme-

diately, write its report, and let the American people hear what the committee has to say. I believe the Senate should get back to the job we were elected to do. Get back to meeting the day to day needs of the American people. The American public deserves our full attention.

#### WHITEWATER

Mr. SARBANES. Mr. President, I listened with great interest while my colleague, the distinguished Senator from New York, and his colleagues went on for some length, and I do not intend to match that length at this hour. I do not think that is really necessary, but there are some matters that I think ought to be reviewed with respect to this Whitewater matter.

First, a great deal is being made about these documents that appear, as though it is a nefarious plot. I understand that people like to attach sinister intentions, but the explanation for it may be far more innocent than that. And I really want to include in the RECORD an article that appeared a few weeks ago in the New York Times by Sidney Herman, a former partner of Kenneth Starr. Let me quote from it:

Documents that are relevant to an investigation are found in an unexpected place 6 months after they were first sought. A shocking development? Absolutely not. In most major pieces of litigation, files turn up late. One side or the other always thinks of making something of the late appearance. But these lawyers know the truth. It could just as easily happen to them. Despite diligent searches, important papers in large organizations are always turning up after the initial and follow-up searches.

Later on he goes on to say:

My former partner, Kenneth Starr, knows all this. As independent counsel in the Whitewater investigation, he will take it into account. But the American people have no reason to know that this is a normal occurrence. It is not part of their every-day experience. Reporters really do not have any reason to know this either, or they may know and simply choose to ignore it.

Now, Mr. President, I ask unanimous consent that article be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SARBANES. I place it in the RECORD simply to make the point, as the article does, that the appearance of documents a considerable period of time after they have been requested is, in fact, not a shocking development. This goes on all the time, as anyone involved in litigation or document requests well knows.

In each instance, of course, one has to judge the explanation for the late-appearing documents with respect to their plausibility, but as I indicated when we were discussing Mr. Gearan earlier, his explanation, I thought, was very straightforward. He said by mistake these had been packed into a box he took with him to the Peace Corps. He thought they had remained at the

White House where the White House counsel could go through them and provide responsive matters to the committee. It was only by chance that these documents, then, were later discovered in that box that had been sent over to the Peace Corps and then were put back into the loop so that they eventually came to the committee.

A great to-do is made of the fact that if you have a fixed date for ending, you will not get the documents, and that to-do is made over documents that we have gotten. I find it incredible—in other words, these documents are furnished to us and then an argument is made if you have a fixed date—as we did, the date of February 29—you will not get the documents. I do not know how you square the two. We get the documents. They are provided to us. Then the assertion is made if you have a fixed date you will not get the documents. We have a fixed date. We got the documents. The people provided them to us in response to the request. I do not understand that argument. Obviously, logically, it does not hold together.

Now, the issue here is essentially the difference between the request of my colleague from New York, Chairman D'AMATO, for an open-ended extension of this inquiry, and the proposal put forth by Senator DASCHLE for an extension until April 3 for hearings and until May 10 to file the report.

When this resolution was first passed, it was passed on the premise that there would be an ending date, February 29, and the rationale advanced in part for that ending date was to keep this matter out of the Presidential election year and therefore avoid the politicizing of these hearings and the erosion of any public confidence in the hearings because of a perception that they were being conducted for political reasons.

I listened with some amazement earlier as the Washington Post editorial was cited by my colleagues on the other side of the aisle in support of their position for an unlimited extension. Now, that is the position, and I recognize it, of the New York Times. I recognize that the New York Times' posture is for an indefinite extension; but the Washington Post, which was also cited in support, said today, very clearly, "The Senate should require the committee to complete its work, produce a final report by a fixed date."

Now, they question the dates that we put forward as perhaps being too short a period. They said a limited extension makes sense but an unreasonably short deadline does not. They said 5 weeks may not be enough time. They suggested maybe there should be a little extra time, running in the range of through April or early May. In other words, a few more weeks beyond what the leader has proposed in the alternative, which my distinguished friend from Nebraska has suggested was a possible way of approaching this matter.

In any event, so that readers of the RECORD can judge for themselves, I ask unanimous consent that this Washington Post editorial entitled "Extend But With Limits," and which contains as I said the sentence, "The Senate should require the committee to complete its work and produce a final report by a fixed date," which editorial has been used by some in support of an indefinite extension—for the life of me I cannot understand how one can do that, can make that argument. I ask unanimous consent that editorial be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 2.)

Mr. SARBANES. Mr. President, I want to point out with respect to both the Gearan and Ickes notes, because the point was raised that we have these notes and we got them late in the day. The fact is the committee held a full day of hearing with Mr. Gearan and a full day of hearing with Mr. Ickes with respect to their notes. There was an opportunity to examine their notes, see the contents of their notes, bring them in before the committee, and have a hearing with respect to them.

The White House has, in effect, now responded to every request of the committee. We have some e-mails to be obtained, but that is almost completed. I outlined earlier the difficult problems that were associated with the e-mails. First of all, the extraordinary and onerous breadth of the committee's request and the fact that the Bush administration had put in a procedure, a process at the White House that made the recovery of those e-mails extremely difficult. The White House finally had to bring in a consultant, and they are expending hundreds of thousands of dollars in order to provide those e-mails. The ones that have been provided thus far, the weeks covered, have not produced anything. That is in a very real sense a fishing expedition. It has not produced anything thus far.

Now, Mr. President, a lot has been made of citing the book by Senator Mitchell and Senator COHEN with respect to having a firm deadline and their feeling that the Iran-Contra inquiry would have worked better without a firm deadline. Of course, as my colleague from Connecticut pointed out earlier, there has been no inquiry conducted in the Senate without a firm deadline. This is an entirely new and different precedent that was going to be established.

Let me just quote from their book:

At the time, the setting of a deadline for the completion of the committee's work seemed a reasonable and responsible compromise between Democratic members in both the House of Representatives and the Senate who wanted no time limitation placed upon the committee, and Republican Members who wanted the hearings completed within 2 or 3 months.

As an aside, I may note that probably the strongest advocate of a time limitation for the committee's work was

the then-minority leader, Senator DOLE. Time and time again he took the floor to argue that very strenuously, did the same thing in the meetings that were being held between the leadership to work out how that inquiry would be done, and did, in fact, press for a timeframe at one point of only 2 or 3 months, as this book indicates.

Now, the book then goes on to say, and I am now quoting it again:

"It escaped no one's attention that an investigation that spilled into 1988 could only help keep Republicans on the defensive during an election year. Both Inouye and Hamilton recommended rejecting" and I underscore that. "rejecting the opportunity to prolong, and thereby exploit President Reagan's difficulties, determining that 10 months would provide enough time to uncover any wrongdoing."

I want to underscore to this body that the Democratic leadership of the Congress, as that book states, Chairman HAMILTON from the House and Chairman INOUE from the Senate, agreed to a defined timeframe as the minority leader, Senator DOLE, had pressed for very, very hard. And, of course, the reason was to keep it out of the 1988 Presidential election year and, therefore, not turn the inquiry into a political football.

That was the thinking here last year when we passed Senate Resolution 120 with an ending date of February 29, 1996, which is where we find ourselves now. That was the thinking. And many of us have taken the view, and I hold to it very strongly, that extending the inquiry deep into a Presidential election year will seriously undermine the credibility of this investigation and create a public perception that this investigation is being conducted for political purposes. I think that is clearly happening, and I think the effort to have the inquiry continue on through the Presidential election year will contribute to that.

I was very much interested in an editorial that appeared in U.S. News & World Report on January 29, by its editor in chief, Mortimer Zuckerman.

I ask unanimous consent that editorial be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. SARBANES. In the course of it he says, and let me just quote it:

It would be foolish to expect a congressional investigation to be above politics. But at what point, in a decent democracy, does politics have to yield to objectivity? At what point does rumor have to retreat before truth? In Whitewater that point would seem to have been reached when we have had an independent, exhaustive study of the case under the supervision of a former Republican U.S. attorney, Jay Stephens.

Of course, he is referring there to the study that was commissioned by the RTC, from the Pillsbury, Madison, Sutro law firm.

He goes on a little later in that editorial to say:

That official report is in, but hardly anyone who has been surfing the Whitewater headlines will know of it. It has been ignored by both the Republicans and a media hungry for scandal. The Stephens report provides a blow-by-blow account of virtually every charge involved in the Whitewater saga. Let us put the conclusions firmly on the record. The quotes below are directly from the Stephens report.

And he then goes through questions that were raised about various activities and the conclusions of the report. And then goes on to say:

The report concludes: On this record there is no basis to charge the Clintons with any kind of primary liability for fraud or intentional misconduct. This investigation has revealed no evidence to support any such claims. Nor would the record support any claim of secondary or derivative liability for the possible misdeeds of others.

Stephens's firm—Pillsbury, Madison & Sutro—spent two years and almost \$4 million to reach its conclusions and recommended that no further resources be expended on the Whitewater part of this investigation.

Pillsbury, Madison actually asked for a tolling agreement from the Rose Law Firm at the end of December, because of some new material that had come out. And then subsequent to that we received the billing records of Mrs. Clinton from the Rose firm. Other matters came of public record, and they examined all of those before they submitted their final report, which has just come in today. In that report they conclude, as they had concluded earlier, that there was no basis on any of the matters they investigated—and they went carefully through quite a long litany of them—

... no basis on which to charge the Clintons with any kind of primary liability for fraud or intentional conduct, nor would the record support any claim of secondary or derivative liability for the possible misdeeds of others.

This report needs, obviously, to be carefully examined by my colleagues. It is a very important report; \$4 million of public money was expended on it. And it reached the conclusions which I have just outlined.

Mr. President, I think the proposal that Senator DASCHLE has put forward is an eminently reasonable proposal. It is argued, on the one hand, we need even an indefinite time because we need to get more material. The material has now all come—an extraordinary request for material, some of it delayed, in my judgment, because of how far-reaching and onerous the document requests were. Other items were delayed because people misplaced them, did not find them. They have now been provided to the committee.

The other argument that is made, which is an interesting argument given the record of this committee, is that we now need to await the trial in Arkansas. It was recognized in Senate Resolution 120 that the independent counsel was already at work, and it was never anticipated that the committee would defer its work to the independent counsel in such a way as to go beyond the February 29 deadline.

In fact, when the independent counsel in September of last year indicated to the committee to forbear until some unspecified time any investigation and public hearings into many of the matters specified in Senate Resolution 120, we rejected that in a joint letter which Senator D'AMATO and I sent to Mr. Starr. We stated:

We have now determined that the special committee should not delay its investigation of the remaining matters specified in Senate Resolution 120.

We went on to say:

We believe that the concerns expressed in your letter do not outweigh the Senate's strong interest in concluding its investigation and public hearings into the matters specified in Senate Resolution 120 consistent with section 9 of the resolution.

Section 9 is the provision of the resolution which called for the February 29 concluding date for the work of this committee.

And we went on to say:

Accordingly, we have determined that the special committee will begin its next round of public hearings in late October of 1995. This round of hearings will focus primarily on the matters specified in section 1(b)(2) of Senate Resolution 120, and through the remainder of this year the special committee will investigate the remaining matters specified in Senate Resolution 120 with the intention of holding public hearings thereon beginning in January 1996.

That was our position then. I thought it was a correct position. It was not anticipated that the committee would defer its work until after the independent counsel has pursued his trials. It is now said this trial. But he has other trials in the offing as well, all of which, of course, would serve to carry this inquiry on into infinity.

Just to underscore it with respect to Mr. Hale because we, the minority, have pressed repeatedly throughout for bringing Mr. Hale in, seeking through subpoena to obtain his documents—and that has consistently been delayed—this issue was considered at a hearing on the 28th of November, and Chairman D'AMATO said the following. I now quote:

I would like to bring him, Hale, in sooner rather than later so that he can testify and so that he can be examined. If we drag this, if this matter is dragged out into February or later, I believe legitimate questions can be raised as to why bringing him in so late and getting into next year and the political season—and I think that is a very legitimate concern of this committee—both Democrats and Republicans and I would like to avoid that.

It certainly was a legitimate concern and the effort to press to move on the Hale matter never was realized. The minority staff continually sent memoranda to the majority about Hale and nothing was done about it. We now find ourselves finding this being used as an argument to defer the hearings to the other side of the trial. As I said, the trial is not going to be in secret. So the matters developed at the trial will be, I can assure you, on the public record and available to the public.

Many of the witnesses sought have indicated they will take the fifth amendment. And there is every reason

to assume that they will continue to do so. So then they are not going to become available to the committee in any event. And the committee has to do its work and make its report.

We have taken an extraordinary number of depositions. Much of what we are now looking at, which involves matters that occurred in Arkansas 10 and 15 years ago, had been covered voluminously in the press. I am really almost staggered by the fact that we hold a hearing and then it is asserted, well, new revelations came out at this hearing. We held a hearing with Ickes. And everyone said, "My goodness, we have discovered that a special team was set up in the White House to deal with the Whitewater matter in January of 1994." A newspaper account in early January of 1994 states that a special team under the direction of Mr. Ickes was set up. So he comes in. We have these notes. He comes in and testifies. We have the situation in the committee where the establishment of this team and him as the head of it is considered as a new discovery when there is a newspaper story from 2 years earlier stating that such a team was being set up and that he would head it up.

Interestingly enough, the article that was written on the day after the hearing paralleled the article that was written 2 years earlier. The January 7th, 1994—not 1996, 1994—article in the Washington Post stated, and I quote:

With the start of the new year, the White House launched a major internal effort to fight back against mounting criticism of the way it has handled inquiries into President Clinton's Arkansas land investments. A high-powered damage control squad was appointed under the direction of new Deputy Chief of Staff, Harold Ickes, and daily strategy sessions began.

That is in 1994. Then we get notes from Ickes about a meeting of the special strategy session that he is heading up, and that is treated as though we discovered something new. In fact, the article reporting on the hearing paralleled the article written 2 years earlier.

That is what we have been going through; I mean a replotting of material that has already been available generally in the press and out to the public. In fact, the Atlanta Constitution in the editorial that my colleague, Senator PRYOR, cited of February 15 states:

The Senate's Watergate hearings of 1973 and 1974 were momentous delving into White House abuses of power and leading to the resignation of the disgraced President and the imprisonment of many of his aides. They lasted 279 days. Next week, Senator Alfonse D'Amato, Republican of New York and his fellow Whitewater investigators, will surpass that mark. Today is the 275th day, and they have nothing anywhere near conclusive to show for their labors. To put matters in context, all they have to ponder is a fairly obscure 1980's real estate and banking scandal in Arkansas. With the February 29th expiration date for the special panel staring him in the face, Senator D'AMATO has the effrontery to ask the Senate for more time and money to continue drilling dry investigative holes. Specifically, he wants open-ended authority and another \$600,000. That is on top of

\$950,000 his committee has spent so far plus \$400,000 that was devoted to a Senate Banking Committee inquiry into Whitewater in 1994. The partisan motives behind Senator D'Amato's request could not be more obvious.

They then go on along this vein.

They also make the point in concluding that the independent counsel will continue his investigation and, therefore, the legal and business affairs of the President and Mrs. Clinton will be scrutinized by the independent counsel.

This editorial actually called for ending on February 29 as the resolution provided. The distinguished minority leader has in effect come forward and said we will not press this immediate cutoff. We are prepared for the hearings to go on for a limited further period of time, and for a period of time after that in order to do the report. I think that is a very forthcoming proposal, and I very strongly commend it to my colleagues on the other side of the aisle.

Mr. President, I yield the floor.

#### EXHIBIT 1

[From the New York Times, Jan. 27, 1996]

#### DOCUDRAMA

(By Sidney N. Herman)

Documents that are relevant to an investigation are found in an unexpected place six months after they were first sought. A shocking development?

Absolutely not. In most major pieces of litigation, files turn up late. One side or the other always thinks of making something of the late appearance, but these lawyers know the truth: it could just as easily happen to them.

Despite diligent searches, important papers in large organizations are always turning up after the initial and follow-up searches. How many times have you looked for something on your desk and couldn't find it, only to have it appear right under your nose later? Happens all the time.

Indeed, as every litigator knows, there is nothing worse than having an important document show up late. You've only highlighted its absence for your opponent. If you know where it is, it is far better to include it in the initial delivery of relevant papers, where it gets mixed in with the rest of the morass. Why red-flag it by holding it back?

My former partner, Kenneth Starr, knows all this. As independent counsel in the Whitewater investigation, he will take it into account.

But the American people have no reason to know that this is a normal occurrence; it is not part of their everyday experience. Reporters really don't have any reason to know this either. Or they may know, and simply choose to ignore it.

Last summer, notes that were critical to the celebrated libel suit brought by Jeffrey Masson against the writer Janet Malcolm appeared in her private study, years after they were first sought. I recall that discovery being treated as an interesting happenstance, nothing more.

When documents show up belatedly, even in private quarters, there is simply nothing unusual about it.

#### EXHIBIT 2

[From the Washington Post, Feb. 29, 1996]

#### EXTEND, BUT WITH LIMITS

We noted the other day that the White House—through its tardiness in producing

long-sought subpoenaed documents—has helped Senate Banking Committee Chairman Alfonse D'Amato make his case for extending the Whitewater investigation beyond today's expiration date. If one didn't know any better, one might conclude that the administration's Whitewater strategy was being devised not by a White House response team but by the high command of the Republican National Committee.

However, despite the administration's many pratfalls since Whitewater burst onstage, Sen. D'Amato and his Republican colleagues have not provided compelling evidence to support the entirely open ended mandate they are seeking from the Senate. There are loose ends to be tied up and other witnesses to be heard, as Republican Sen. Christopher Bond said the other day. But dragging the proceedings out well into the presidential campaign advances the GOP's political agenda; it doesn't necessarily serve the ends of justice or the need to learn what made the Madison Guaranty Savings & Loan of Arkansas go off the tracks at such enormous cost to American taxpayers. The Senate should allow the committee to complete the investigative phase of its inquiry, including a complete examination of the Clinton's involvement with the defunct Whitewater Development Corp. and their business relationships with other Arkansas figures involved in financial wrongdoing. But the Senate should require the committee to complete its work and produce a final report by a fixed date.

Democrats want to keep the committee on a short leash by extending hearings to April 3, with a final report to follow by May 10. A limited extension makes sense, but an unreasonably short deadline does not. Five weeks may not be enough time for the committee to do a credible job. Instead, the Senate should give the committee more running room but aim for ending the entire proceedings before summer, when the campaign season really heats up. That would argue for permitting the probe to continue through April or early May.

What the Senate does not need is a Democrat-led filibuster. Having already gone bail for the Clinton White House, often to an embarrassing degree, Senate Democrats would do themselves and the president little good by tying up the Senate with a talkathon. Better that they let the probe proceed. Give the public some credit for knowing a witch hunt and a waste of their money if and when they see one. And that, of course, is the risk Sen. D'Amato and his committee are taking. The burden is also on them.

#### EXHIBIT 3

[From the U.S. News & World Report, Jan. 29, 1996]

#### THE REAL WHITEWATER REPORT (By Mortimer B. Zuckerman)

Have you no sense of decency, sir, at long last? Have you left no sense of decency? Forty years ago, Joseph Welch, a venerable Boston lawyer, thus rebuked Joe McCarthy in the Army-McCarthy hearings and stopped his reckless persecution of a naive but innocent young man. How one longs for a Joseph Welch to emerge in the middle of the extraordinary affair now known as Whitewater! The parallels between Sen. Alfonse D'Amato's investigation of a land deal in Arkansas and McCarthy's investigation of communism in the Army are hardly exact, but there is an uncanny echo of 1954 in the fever of political innuendo we are now experiencing and in the failure of an excitable press to set it all in proper perspective. Then, as now, the public found itself lost in a welter of allegation, reduced to mumbling the old line about "no smoke without fire."

It would be foolish to expect a congressional investigation to be above politics. But at what point, in a decent democracy, does politics have to yield to objectivity? At what point does rumor have to retreat before truth? In Whitewater that point would seem to have been reached when we have had an independent, exhaustive study of the case under the supervision of a former Republican U.S. attorney, Jay Stephens, a man whose credibility is enhanced by the fact that he was such a political adversary of the Clintons that his appointment provoked Clinton aide George Stephanopoulos to call for his removal. Yes? No. That official report is in, but hardly anyone who has been surfing the Whitewater headlines will know of it. It has been ignored by both the Republicans and a media hungry for scandal. The Stephens report provides a blow-by-blow account of virtually every charge involved in the Whitewater saga. Let us put the conclusions firmly on the record. The quotes below are directly from the Stephens report.

Question 1: Were the Clintons involved in the illegal diversion of any money from the failed Madison Guaranty Savings & Loan, either to their own pockets or to Clinton's 1984 gubernatorial campaign? "On this record, there is no basis to assert that the Clintons knew anything of substance about the McDougals' advances to Whitewater, the source of the funds used to make those advances, or the source of the funds used to make payments on bank debt. . . . For the relevant period (ending in 1986), the evidence suggests that the McDougals and not the Clintons managed Whitewater."

Question 2: What of money diverted to the campaign? No evidence has been unearthed that any campaign worker for Clinton knew of any wrongdoing pertaining to any funds that might have come out of Madison into Clinton's campaign.

Question 3: Did taxpayers suffer from Whitewater through Madison's losses on the investment? No. Whitewater did not hurt Madison, the possible exceptions being a couple of payments involving James and Susan McDougal. The report says the Clintons knew nothing about the payments.

Question 4: Did the Clintons make any money? The report says they did not; instead, they borrowed \$40,000 to put into Whitewater and lost it.

Question 5: What of the charge from David Hale, former municipal judge and Little Rock businessman, that Bill Clinton pressured him to make an improper Small Business Administration loan of \$300,000 to Susan McDougal? As to the \$300,000 loan to Mrs. McDougal, "there is nothing except an unsubstantiated press report that David Hale claims then-Governor Clinton pressured him into making the loan to Susan McDougal." The charge lacked credibility in any event. It was made when Hale sought personal clemency in a criminal charge of defrauding the SBA.

What's left? Nothing. The report concludes: "On this record there is no basis to charge the Clintons with any kind of primary liability for fraud or intentional misconduct. This investigation has revealed no evidence to support any such claims. Nor would the record support any claim of secondary or derivative liability for the possible misdeeds of others."

Stephen's firm—Pillsbury, Madison & Sutro—spent two years and almost \$4 million to reach its conclusions and recommended "that no further resources be expended on the Whitewater part of this investigation." Amen.

So when you cut through all the smoke from D'Amato's committee and almost hysterical press reports such as those emanating from the editorial page of the Wall

Street Journal, what you have is smoke and no fire. No Whitewater wrongdoing to cover up, no incriminating documents to be stolen, no connection between the Clintons and any illegal activities from the real-estate business failure and the web of political and legal ties known as Whitewater.

But wait. What about the time sheets showing the amount of legal work that Hillary Clinton performed for the failed S&L? Surely we have some flames there? Again, no. Her role, says the Stephens report, was minimal. Mrs. Clinton did perform real-estate work in 1985 and 1986 pertaining to an option for about 2 percent of the land, but as the report says, that was at most related only tangentially to the acquisition itself. Mrs. Clinton did not play a legal part in the original acquisition of the land, known as castle Grande, although the Rose Law Firm did. Both sides pointed out that the principals, as opposed to the lawyers, put together the deal. The lawyers did only the scrivener work, and if this transaction was a sham, there is "no substantial evidence that the Rose Law Firm knowingly and substantially assisted in its commission."

As for the option, the report says there is no evidence that Mrs. Clinton knew of any illegalities in this transaction: "The option did not assist in the closing of the acquisition. It . . . was created many months after the transaction closed. The option . . . does not prove any awareness on the part of its author of Ward's [Madison's partner] arrangements with Madison Financial. . . . While Mrs. Clinton seems to have had some role in drafting the May 1, 1986, option, nothing proves that she did so knowing it to be wrong, and the theories that tie this option to wrongdoing or to the straw-man arrangements are strained at best."

Rep. James Leach's spokesman asserts that Hillary Clinton's minimal work on the option put her "at the center of a fraudulent deal," and D'Amato says that her billing records show tremendous inconsistencies with her previous statements on the time she spent on Whitewater. Fraud? The only fraud lies in these congressional statements; they are a political fraud on a credulous public. On the role of real-estate lawyers, I must endorse the Stephens judgments here from my personal business experience of thousands of real-estate transactions. Never, not once, have my lawyers drawing up legal documents determined the business terms or the appropriateness of the price.

It is appalling that the smoke and smear game has been played so long by the Republicans and the media that everyone is tagged with some kind of presumption of guilt rather than a presumption of innocence. The double standard of judgment is well illustrated by the performance of those standard-setting newspapers, the New York Times and the Washington Post. The Times originally broke the Whitewater story on its front page with a jump to a full inside page. What did it do with Stephens's report? Ran it on Page 12, in a 12-inch story. The Post's priorities were so distorted that it mentioned the findings in only the 11th paragraph of a front-page story devoted to a much less important Whitewater subpoena battle. Most other major papers ran very short stories on inside pages, and the networks virtually ignored the report.

The press has slipped its moorings here. It seems to be caught in a time warp from the Nixon-Watergate era. The two questions then—what did the president know and when did he know it?—were at the very heart of the matter. The two questions now—what did the president's wife know and when did she know it?—seem a childish irrelevance by comparison. The time, money, and political energy spent barking up the wrong tree are

quite amazing. The press gives the impression that it has invested so much capital in the search for a scandal that it cannot drop it when the scandal evaporates. The Republicans give the impression that if one slander does not work, they will try another. No wonder the nation holds Congress, the White House and the media in such contempt; the people know that the press seems to be acting like a baby—a huge appetite at one end and no sense of responsibility at the other.

We have a topsy-turvy situation here. The Republicans win the case on merit over balancing the budget but are losing it politically on the basis of public perception. The Clintons have the better case on Whitewater but are losing it politically because of smear and slander, a situation compounded by their defensive behavior. The media seem unwilling to focus on the substance of either issue. So much for a responsible press!

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

#### EUROPEAN ARMIES DOWNSIZE

Mr. WARNER. Mr. President, I read with great interest an article in the Washington Times a few days ago. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Feb. 26, 1996]

EUROPEAN ARMIES LOSE SIZE, EFFICIENCY  
CONSCRIPTION NOT WORKING; ALL-VOLUNTEER  
TOO EXPENSIVE

(By John Keegan)

LONDON.—The state may not be withering away, as Karl Marx predicted it would, but Europe's armies are.

Only seven years ago, Europe was awash with combat units. Now they are so thin on the ground that governments can scarcely meet their military commitments. And the situation is getting worse.

The problem is conscription. Young Europeans do not want to perform military service, even for as little as a year, now the norm.

Paradoxically, the generals are not keen on conscription either. As a result, the big armies, such as those of France and Germany, are planning either to increase the proportion of volunteers or to scrap conscription altogether.

France announced Thursday the most sweeping changes in its military since it developed nuclear weapons nearly 40 years ago, saying it will shrink its armed forces by one-third in six years and eliminate the draft. The French want a force of 350,000 by 2002, all of it volunteer.

Smaller armies in Europe have taken similar steps. The Netherlands will call up no new conscripts and release all those in service by Aug. 30. Belgium stopped conscription in 1993. Austria, not part of NATO, is talking of substituting an armed police for its army.

In the former Soviet bloc, the situation is confused at best, chaotic at worst.

Russia's problem is that young men of military age do not report for the call-up. In some military regions, the proportion of those who do is as low as 10 percent, and they tend to be unqualified—often dropouts who cannot find a place in the new free-enterprise economy. That does much to explain the poor performance of Russian units in Chechnya.

The Russian army has been humiliated by the collapse of the Soviet empire, of which it

was the guardian. Russian officers resent the diminution of national power as much as they are frustrated by the drop in their units' ability to perform. Inefficiency is so glaring that self-appointed volunteer formations, often calling themselves "Cossacks," are springing up.

Military disgruntlement in circumstances of political weakness always bodes ill. The need to put the former Soviet armed forces on a proper footing is now urgent.

Poland, where the army is a revered national institution, still operates a successful conscription system. Neighboring states, such as Belarus and Ukraine, are laboring to decide what sort of army they want. They look to the West for advice.

The British Defense Ministry held a conference in London last year to explain the options to them. The British model of all-"regular"—that is, career or volunteer—forces is much admired, but is too expensive for many. Conscription staggers on but does not produce combat units worth the money they cost.

The crisis in France and Germany is of a different order.

Conscription in France, since the French Revolution, has always been given an ideological value. Military service, the French believe, teaches the "republican virtues" of equality and fraternity, besides patriotism and civic duty.

There have been ups and downs in the system: exemptions for the well-educated, substitution for the rich. Since 1905, however, all fit young Frenchmen have had to serve a year or two in the ranks.

The logic is different from that held by Britons, who pine for the days before 1961, when conscription was abolished. They see it as a recipe for an end to inner-city hooliganism. In France it has a higher motive. Military service makes Frenchmen into citizens.

In Germany, conscription also acquired an ideological justification in the post-Hitler years.

Under the kaiser, it was intended to produce the biggest army in Europe, but also to make German youth respectful of their betters and obedient to all authority. The imperial officer corps took trouble to see that their authority was obeyed. Regular officers remained a caste apart from civilians, even under Hitler.

When postwar West Germany rearmed, its democratic government harbored understandable fears of creating such an officer corps again. It saw in conscription a check against military authoritarianism. Conscripts were guaranteed their civil rights, military law was abolished, and conscientious objection was made easy.

Too easy, it has proved.

More than half of the 300,000 annual conscripts now opt for alternative, non-military service. There are simply not enough men to keep units up to strength.

What makes things worse is that Chancellor Helmut Kohl, with his passion for European integration, is pushing for more inter-allied units, with Germans serving beside French, Spanish and Belgian soldiers.

Spain retains conscription, though the short term of service makes its army of little use. If French and Belgian troops are to be regulars in the future, the difference in quality between them and their German and Spanish comrades-in-arms will become an embarrassment.

The solution may be to make all soldiers regulars, to go for what Europeans increasingly call "the British system." The problem is cost.

Regulars are at least twice as expensive as conscripts, requiring either a bigger defense budget or smaller armed forces. No one

wants to spend more on defense, particularly when social budgets are crippling national economies. It seems inevitable, therefore, that armies must grow smaller but become all-regular if they are to meet international standards of efficiency.

The French appear to have accepted that logic.

President Jacques Chirac is about to be advised that France should withdraw the 1st Armed Division, its main contribution to the Franco-German Eurocorps, from Germany and disband several of its regiments, together with many others in metropolitan France. The army would be halved.

That may make good military sense, but it is likely to cause a political storm. Democratic France, like Germany, harbors suspicions of regular forces. They are thought to be anti-popular and all too readily turned against elected governments.

French history, like Germany's makes such fears realistic.

Napoleon III came to power through a military coup mounted with long-service troops. Charles de Gaulle faced another coup mounted by the Foreign Legion in Algeria. The Foreign Legion has never been allowed to serve in mainland France during peacetime because of fears about its loyalty.

In Germany, which already has some all-regular units, the public is probably no more ready to face a transition to the British system than is Mr. Kohl. The paradoxical outcome may be to leave Germany with the least efficient of armies among major European states.

German generals, who increasingly count on existing all-regular units to fulfill their NATO commitments, will not be pleased. They are likely to press for an end to conscription but unlikely to get it.

The difficulties involved in a change from conscript to regular forces are not easily understood in Britain, nor is the political debate it causes. The British take their system, together with the political stability of their armed forces, for granted.

What is not perceived is that such stability is the product of 300 years of unbroken constitutional government, during which the officer corps has completely integrated with civil society. There is, indeed, no "officer corps" in Britain, where soldiering is seen as a profession akin to others.

In Germany and France, with their different traditions, it may not take 300 years to change the relationship between army and society, but it will still take some time. In the former Soviet bloc, time may not be on the military reformers' side.

Mr. WARNER. Mr. President, this article was written by John Keegan of the London Daily Telegraph in which he stated the historical perspective of how the principal European nations and Great Britain have, through the years, raised their Armed Forces, and how the future portends that they are going to depart from these time-honored methods, and, as a consequence, the likelihood of their level of manpower could significantly drop in the coming years.

I promptly sent a letter to the Secretary of Defense, the Honorable William J. Perry, addressing my concerns.

The letter said:

DEAR MR. SECRETARY: I want to bring to your attention the enclosed article, "European Armies Lose Size, Efficiency," which appeared in the "Washington Times" on February 26.

According to this article, European nations—many of which are Members of