

has a theoretical policy that it does not sell federally owned weapons to the public. The Civilian Marksmanship Program violates this policy, and the new corporation would continue to violate it.

Why we should be subsidizing rifle practice—which is the theory behind this—baffles me. Hardly any of those who will use the weapons will enter into the armed forces. The Defense Department did not request this.

I had never fired a rifle or handgun before entering the Army, and with minimal training I became a fair-to-good marksman.

Senator Frank Lautenberg of New Jersey and I tried to eliminate this incomprehensible expenditure from the bill and we got only 29 votes for our amendment. The NRA still has power.

We should be reducing the numbers of weapons in our society, not increasing them.

A government policy of destroying weapons and not selling outmoded guns to the public is sound.

While rifles are not the primary weapons for crime—pistols are—some of those 176,000 weapons will get into the hands of people who should not have them. If 1 percent reach someone who is irresponsible, that is 1,760 weapons.

Let me in advance extend my sympathy to the families of the people who will be killed by these weapons. They will be needless victims of this folly. •

U.S. AID TO AFRICA

• Mr. SIMON. Mr. President, The salaries of the most elite professional basketball players who became free agents and signed contracts during a 1-week period in July outstripped the amount of United States development aid to all African nations except Egypt. I discussed this development in a weekly column written for newspapers in my State and ask that it be printed in the RECORD.

The column follows:

NBA Star Pay Shoots Past U.S.
Development Aid To Africa
(By Senator Paul Simon)

Ask people at any town meeting whether we are spending too much money on foreign aid and there will be a resounding "yes" response—but there would not be if they knew the facts.

The world's poorest continent is Africa, and this year we are spending \$628 million in development aid to African nations, if Egypt is excluded from the calculation.

Compare that with the total for the contracts signed July 11th to July 18th for free agents with the National Basketball Association: \$927 million.

Twenty-nine African nations have total government revenue less than the amount paid to these star athletes.

I have no objection to the money earned by Michael Jordan and the others. They are players of unbelievable talent. And the people of the nation are not making any great sacrifice to provide these funds for them.

Nor are we making a great sacrifice in foreign aid.

That \$628 million in aid to Africa compares to \$1.2 billion we get from one cent of gasoline tax in the United States. So the aid to Africa is slightly more than one-half cent a gallon, if we were to use the gasoline tax to pay for it, which we are not.

The United States was once the most generous nation in helping the poor beyond our borders. Now, of the nations of Western Europe and Japan, Australia and New Zealand, we are dead last.

We once gave almost 3 percent of our national income to help the needy beyond our borders, and now we give less than one-sixth of 1 percent. Norway gives eight times as much as we do, in percentage terms.

Foreign aid is less than 1 percent of our Federal budget. And the total is getting smaller each year.

Should we be doing a better job of giving opportunity to the poor here at home?

Of course we should. And those of us who advocate doing more to help the poor at home are the same ones who advocate helping them beyond our borders.

If instead of giving the Defense Department \$18 billion more than they requested for this year and next, which we are doing, we were to devote one-third of that amount to helping the poor here at home, one-third to helping the impoverished in other countries, and one-third to reduce the deficit, we would have a stronger nation, a better nation, and a more stable world.

The United States is gradually becoming more short-sighted and provincial both at home and abroad. "Let's take care of ourselves," is the cry, and "ourselves" excludes the poor at home and the poor abroad.

And so we fall far behind in paying our United Nations dues, and do not provide adequate leadership in troubled areas at home and abroad.

Congressman Ray Thornton of Arkansas suggested that the United States should have a Marshall Plan for impoverished areas of our Nation. He is right. We need it both here and for other nations.

But that requires creativity, courage and compassion by leaders. "Welfare reform" for too many has become a code phrase for bashing the poor even more, though genuine reform is obviously needed.

The nation that led the world with the exciting and compassionate and sensible Marshall Plan is now a nation in retreat. We are now a nation that pays more money to a few professional basketball players than we spend to give opportunity to the people of Africa.

We can do better. •

THE POLITICS OF WHITEWATER

• Mr. SIMON. Mr. President, my attention has been called to an article in the Miami Herald by Ernest Dumas, who is described in the Miami Herald as "Sometime critic of Bill Clinton who teaches journalism at the University of Central Arkansas, and writes a column for the Arkansas Times. A former political writer, and associate editor of the Arkansas Gazette in Little Rock, he wrote this article for the Herald."

I don't believe I've ever met Mr. Dumas, but he has written an article that gives a perspective on the Whitewater situation that I frankly have not seen in the media elsewhere.

I call this to the attention not only of my colleagues in the Senate and in the House, but I call this to the attention of editorial writers who may be looking through the CONGRESSIONAL RECORD.

It gives a very different perspective on "The Politics of Whitewater."

I ask that the Miami Herald article be printed in the CONGRESSIONAL RECORD.

The article follows:

[From the Miami Herald, June 23, 1996]

THE POLITICS OF WHITEWATER

(By Ernest Dumas)

When Sens. Jesse Helms and Lauch Faircloth, the North Carolina Republicans, had

lunch in 1994 with their old friend and protégé, Judge David R. Sentelle of the U.S. Court of Appeals for the District of Columbia, even they must have fathomed the importance of what Sentelle was about to agree to do.

His Judicial panel would remove Robert B. Fiske Jr. as the independent counsel for Whitewater and replace him with a far more doctrinaire Republican, Kenneth W. Starr, who had lost his job as solicitor general when Bill Clinton became president and who was representing the Republican National Committee and groups hostile to the Clinton administration, including the tobacco industry.

Starr would keep the Whitewater investigation on track for the 1996 presidential election all right, but he would prove far more valuable to his party.

The majority report of the Senate Special Whitewater Committee last week said the two lending institutions that were the heart of the scandal were "piggy banks for the Arkansas political elite."

It was half true. A who's who of Arkansas Republicans had helped David L. Hale plunder his federally subsidized small business investment company.

Hale, who triggered the Whitewater investigation and the appointment of an independent prosecutor when he accused President Clinton of asking him to make an illegal loan in 1986, actually was illegally channeling federal tax dollars into the campaign of Clinton's Republican opponent. Moreover, according to his testimony at the trial in April, he was paying the Republican state chairman to help him defraud the federal Small Business Administration. Another former state Republican chairman and perennial candidate was on the books for a substantial federally subsidized loan when the Clinton administration moved to shut Hale down in 1993. Other prominent Republicans collaborated with Hale to skim money from the company.

Other than Gov. Jim Guy Tucker, then a private businessman, and the ubiquitous James D. McDougal himself, the owner of Madison Guaranty Savings and Loan Corp., no Democratic political figure had anything to do with the dummy companies and scams that Hale ran.

Thanks to Kenneth Starr, this is not the picture Americans got of Whitewater.

Not only did Starr not seek indictments against the Republicans when they began to turn up on every chapter of the examinations of Hale's small-business lending company, he did not call them as witnesses at the trial at Little Rock. The prosecutors persuaded the trial judge not to allow the deeds of Hale's Republican collaborators to be used as proof of selective prosecution. It would have confused the picture of Whitewater, a story about the rascality of Bill Clinton and his Democratic friends.

The special prosecutor's refusal to explore any of the Republican bigwigs to the glare of trial—while leveraging misdemeanor pleas from many spear carriers in the real estate deals who made no profits from the deals—makes a compelling case that the investigation is politically motivated and the prosecution selective.

Hale ran a federally licensed and subsidized small business investment company at Little Rock called Capital Management Services, which in 1992 applied to the Small Business Administration for another \$45 million. It claimed an expanded capital base. He didn't get approval before the election and Clinton's SBA in 1993 got suspicious. When auditors began digging into the company's records, Hale told the SBA to just forget the whole thing. Clinton's new SBA director, Erskine Bowles, referred the matter to the Justice Department. When the SBA put Hale's

company in receivership, 86 percent to fits loans were overdue and its accumulated losses exceeded its private capital by 171 percent.

On July 20, 1993, the FBI raided Hale's offices and confiscated his files. By August Clinton's new U.S. attorney for the Eastern District of Arkansas, Paula Casey, prepared to ask a federal grand jury to indict Hale for defrauding the SBA.

What the SBA inspectors and the FBI had found was that Hale had essentially been dealing with himself and a few cronies, including two state Republican chairmen and other Republican politicians and, briefly, seven years earlier, Jim McDougal and Jim Guy Tucker, then a private citizen licking the wounds of a crushing defeat at the hands of Bill Clinton in the 1992 governor's race.

Hale's story about Clinton asking him to make an illegal loan to one of his old business partners seems implausible because Hale at the time was funneling money illegally from his small business development company into the campaign of Clinton's Republican opponent, former Gov. Frank White, who had appointed Hale to his municipal judgeship in 1981.

Here are details about some of the Arkansas Republicans who have avoided the harsh light of Special Prosecutor Starr:

Hale's fellow municipal judge, Bill Watt, testified at the April trial that Hale had written a \$10,000 check to the company headed by his law partner, Richard M. Grasby, the Republican county chairman, with directions that \$2,000 of it be laundered and put into White's campaign against Clinton. Watt contributed \$1,000 in the name of his secretary and \$1,000 in the name of the secretary's daughter. The gifts never showed up in White's campaign reports. White says he doesn't think he got them. Using the proceeds of a federally backed small business loan for political gifts is illegal. Defense attorneys elicited the story from Watt, a prosecution witness.

Starr is prosecuting two rural bankers this week on charges that they arranged \$13,000 in contributions to Clinton's campaign and reimbursed themselves by padding their expenses at the bank. The gifts to White's campaign from federal funds seemed to be analogous, but Starr passed when the gifts came to light last year.

More intriguing was Starr's pass on Bob Leslie, a Little Rock lawyer who was the state Republican chairman and later national committeeman, during the 1980s. Leslie had been the Republican candidate for Congress from South Arkansas' Fourth District in 1982. When Hale was on the stand, a defense lawyer, Bobby McDaniel of Jonesboro, asked him about a \$20,000 SBA-guaranteed loan to Leslie. Hale said it was a "pay-off" for Leslie's help in a scheme to defraud the Small Business Administration. Leslie had written legal opinions to the SBA saying Hale qualified for more SBA funds when he didn't.

"He had a tax problem, and I loaned that money to him," Hale said. "The U.S. attorney said they were not going to charge him."

Leslie wasn't called as a witness. He told reporters he had done nothing wrong.

Hale also made a federally backed loan of \$275,000 to a minority mortgaging company Leslie formed, which was not repaid. Leslie told a reporter that he actually didn't get to use the money.

Hale had an unusual affinity for Republican chairmen. Leslie's predecessor as state chairman was Ken Coon, the Republican nominee for governor in 1974 and an unsuccessful candidate for Congress in the Republican primary last month.

When he applied to the SBA for leverage capital the last time, Hale listed Coon as the recipient of a substantial loan for a disadvantaged business if the SBA was forthcoming. Coon was a director of a burial insurance company Hale owned.

Another rising Republican star who became entangled in Hale's web but was ignored by the special prosecutor was Robert Boyce, a young businessman who ran unsuccessfully for the legislature in 1992 from Little Rock's silk-stocking Pulaski Heights district.

Boyce was president of a company that was supposed to handle liquidation sales for stores going out of business. In November 1988 Hale wired \$300,000 into Boyce's account and he wrote checks totaling \$250,000 to two men who were later convicted of conspiring with Hale to defraud the SBA. Boyce told SBA inspectors in 1994 that while he was the purported owner and president of Retail Liquidators Hale secretly owned it and used it as a front to obtain loans from his SBA lending company. Federal law bars small business lending companies from lending to the owners.

Boyce wasn't charged or called as a witness at the trial.

The most fetching story is that of Sheffield Nelson, the former Republican state chairman and now the Republican national committeeman from Arkansas. Nelson, the former president of Arkansas Louisiana Gas Co., the state's largest natural gas distributor, was the Republican nominee for governor in 1990 against Clinton and would be defeated again, this time by Tucker, in 1994.

It was Nelson who arranged for Jim McDougal, a friend and business partner, to tell a New York Times reported in 1992 about his ancient Whitewater land deal with the Clintons.

Unlike the Clintons, who lost money, Nelson and his pal, Jerry Jones, owner of the Dallas Cowboys, profited immensely from real-estate dealings with McDougal.

While perusing the want ads of The Wall Street Journal in the early '80s, McDougal was attracted by an ad for the sale of land on Campobello Island, off the coast of Maine, President Franklin D. Roosevelt, McDougal's idol, had summered there as a youth. The owners wanted \$825,000 for 3,400 acres.

Convinced that the land could be developed for quick resale, McDougal persuaded Nelson and Jones to invest with him. Nelson and Jones put up \$225,000 each. It was the first real estate venture for McDougal's new thrift, Madison Guaranty. The savings and loan subsequently would put up millions of dollars to develop the desolate and blustery land but the agents would never find buyers.

Despite the early charges, Whitewater Development Corp., the Clintons' partnership with the McDouglas, never cost Madison Guaranty and the American taxpayers a penny. But Campobello Estates cost them plenty. It was the single biggest contributor to the S&L's demise. The Federal Home Loan Bank Board warned as early as 1984 that the investment was imprudent and that it was imperiling the thrift's solvency. Nelson and Jones never put anything more into it. It was Madison's money.

After McDougal was ousted from the management of Madison in 1986 and it was closed in 1989, the Resolution Trust Corp. found itself owning Campobello. Nelson and Jones wanted out of the deal. Amazingly, an old football-playing buddy of Jones at the University of Arkansas, Tommy Trantham, had been appointed supervisor of Madison. Trantham arranged for Madison to buy out Nelson and Jones at a handsome profit of \$136,500 each, a buy-out ultimately borne by the taxpayers. The RTC, then under the George Bush administration, approved the buy-out.

William Seidman, who headed the Federal Deposit Insurance Corp. and the RTC at times during the banking and thrift crises, later expressed shock at the buy-out. His experience, he told The Fort Worth Star Telegram, was that limited partners didn't even get their money back, much less a hefty profit.

Nelson's and Jones' roles never surfaced in the special prosecutor's case. They never got a summons from Sen. Alfonse D'Amato, R-N.Y., to explain themselves before the Senate Whitewater Committee.

It is this selective prosecution that is the peril of political investigations like Starr's. The prosecutor does not try to solve a crime and punish the perpetrator but to identify one subject or group and then find a crime.

"Therein lies the most dangerous power of the prosecutor," Justice Robert Jackson of the U.S. Supreme Court, who would be the chief prosecutor at Nuremberg, warned in 1940, "that he will pick people that he thinks he should get, rather than cases that need to be prosecuted. With the law books filled with a great assortment of crimes a prosecutor stands a fair chance of finding at least a technical violation of some act on the part of almost anyone."

With 50 FBI agents and an army of attorneys at his disposal and boundless jurisdiction, the Whitewater prosecutor's problem was that he found more than he cared to prosecute, and in exactly the wrong places.●

ORDERS FOR TUESDAY, JULY 30, 1996

Mr. MACK. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, July 30; further, that immediately following the prayer, the Journal of the proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume the energy and water appropriations bill under a previous consent agreement.

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

PROGRAM

Mr. MACK. Mr. President, at the hour of 10 a.m. on Tuesday, the Senate will begin a series of rollcall votes with respect to the energy and water appropriations bill and the legislative branch appropriations bill. Senators should be on notice that all votes in the voting sequence, after the first vote, will be limited to 10 minutes in length.

I ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. in order for the weekly party caucuses to meet.

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

Mr. MACK. Mr. President, the Senate can be expected to be in session late into the evening each day this week in order to consider appropriations bills and conference reports as they become available.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MACK. Mr. President, if there is no further business to come before the