

Little Rock trial verdict must send a wake-up call on Whitewater

by Edward Spannaus

The May 28 guilty verdicts against Jim and Susan McDougal and Gov. Jim Guy Tucker, in the Little Rock, Arkansas trial run by Whitewater special prosecutor Kenneth Starr, should be taken as “a wake-up call” for people around the Clinton administration, *EIR*'s founding editor Lyndon H. LaRouche declared the following day. “I think that some people didn't take this Whitewater defense issue as seriously as they should,” LaRouche noted, pointing to the role of British intelligence and the friends of George Bush and his allies in destabilizing the United States Presidency.

LaRouche described the Whitewater attack on the Presidency as “a national security matter” that should not have been allowed to go on. “*You can not allow the institutions of the United States to come under discredit for false reasons,*” LaRouche stressed, “particularly when one political faction, that is, the friends of Bush and his allies, are running a dirty operation, trying to destabilize the United States, not because of the personality of the President, or not because President Clinton has done anything. But, because *they don't like his policy*, especially his foreign policy. They don't like his Ireland policy, they don't like his support for the Peres peace effort in Israel, they don't like his China policy, they don't like his Russia policy, they don't like his Germany policy, and so forth and so on.”

LaRouche also singled out the role of the U.S. Justice Department and Attorney General Janet Reno, saying that he finds Reno's conduct “unbelievable” in this and other matters. LaRouche traced this corruption within the Department of Justice back to the Anti-Defamation League (ADL)-linked Office of Special Investigations (OSI) in the Justice Department and its withholding of evidence which would have exonerated Cleveland autoworker John Demjanjuk of the charge of being Treblinka's “Ivan the Terrible,” and Reno's reversal to overturn this fraud on the courts. On case after case, LaRouche said, Reno has capitulated to the grouping in the Justice Department tied to the ADL and to the “neo-conservative” grouping around Bush.

As we have previously shown (see *EIR*, May 3), the Attorney General has the power to remove a special prosecutor; and, indeed, she is the only official who has such power. In the case of Starr, with his multiple conflicts of interest, and his record of prosecutorial abuses, there are urgent and compelling grounds for his immediate dismissal.

Starr's strategy

The response of the White House and various Democratic Party spokesmen to the guilty verdicts returned in Little Rock, has been to stress that Bill Clinton himself was not implicated in the transactions on which the Little Rock trial centered. While technically correct, such emphasis is rather misplaced, because Whitewater special prosecutor Starr is pursuing a different strategy, using the Tucker-McDougal trial, as well as the scheduled June trial of two small-town Arkansas bankers, as stepping stones toward the President himself. Starr's strategy all along has been to squeeze lower-level people in Arkansas, to induce them to provide spurious evidence which could be used to build toward an indictment of the President. Following the Little Rock convictions, the news media are filled with leaks from Starr's office, and speculation that Starr will use the threat of long prison sentences to get one or more of the Little Rock defendants to trump up evidence against the President.

Much of this campaign by the news media is undoubtedly occasioned by the fact that, prior to the May 28 guilty verdicts, Starr had obtained nine guilty pleas from various defendants in his Whitewater investigation, but only one, David Hale, has provided evidence against President Clinton, and he has been completely discredited. Even the jurors who convicted Governor Tucker and the McDougals said that they did not believe Hale's allegations against Clinton, and that they had based their verdict on documentary evidence, not Hale's testimony.

Much of the speculation has focused on Susan McDougal. But her lawyer scoffed at this, saying: “There will be no swapping of testimony for leniency. She will not fabricate evidence to try to extricate herself.” Jim McDougal has likewise denied that he would make any deal with Starr. “I have no interest in any deal that would involve my making false statements about the President, which is what they would want me to do before they'd make a deal,” McDougal said.

Governor Tucker has always been outspoken against any cooperation with Starr, and in fact he was indicted last summer, shortly after he and his wife had refused to give testimony before Starr's grand jury. At the time, he accused Starr of improperly pressuring his wife and others for information, and said, “Many of these people have had their wives threatened and their futures threatened. If I don't resist this kind of

stuff, who will?"

On June 17, the next trial on Starr's docket will commence, involving two Arkansas bankers, Herby Branscum, Jr. and Robert M. Hill, who are accused of having fraudulently obtained \$12,000 in bank funds, which were then funneled into Bill Clinton's 1990 re-election campaign for governor. Starr's key witness against Branscum and Hill will be the former president of the Perry County Bank, Neil Ainley. Ainley was previously indicted on five felony counts, and then cut a deal with Starr under which he was let off with two years' probation and a mere \$1,000 fine, in return for his testimony against the others. Unnamed sources told the *Washington Times* in February that these indictments were a "major step" in Starr's efforts to target Clinton campaign officials, and from there, to attempt to nail Clinton himself.

Branscum's attorney charged at the time that Starr had exceeded his authority in bringing the indictments, and said that Starr was interested in Branscum and Hill only because of their ties to Clinton. The attorney said that Branscum is "a pawn in a high-stakes chess game, the result of which may very likely determine the next President of the United States."

But Starr, in defending his jurisdiction, disclosed that he had obtained a broader grant of jurisdiction last summer from Attorney General Reno and the U.S. Appeals Court panel which appointed him. The expanded grant of jurisdiction permits Starr to look at Clinton's 1990 gubernatorial campaign and his 1992 Presidential campaign. It also allows Starr to look for various offenses, such as obstruction of justice and conspiracy, which permit him to go beyond the normal statute of limitations.

Meanwhile, right after the Little Rock verdicts, a beaming Starr proclaimed that the "Washington phase" of his investigation is "very active." This is known to involve a special federal grand jury examining various ongoing investigations of alleged obstruction of justice around the White House Travel Office, and the delayed discovery of Rose Law Firm billing records in the White House last year.

Another special prosecutor, Donald Smaltz, has brought his first indictments in a separate probe which centers around former Agriculture Secretary Mike Espy, but which is reported to ultimately focus on Clinton's relationship to chicken magnate Don Tyson in Arkansas. Lurid allegations involving money-laundering by Tyson's operation in Arkansas on Clinton's behalf, were first published in the London *Sunday Telegraph*.

Who's backing up Starr?

A principal weakness in the defense case in the Tucker McDougal trial was that the defendants were overconfident, and their defense strategy did not reflect an awareness of the array of national and international forces they were up against. The defense put on only two witnesses, President Clinton testifying via videotape, and then defendant James McDou-

gal. The judge in the case also handicapped the defense, by barring them from referring to the political motivation of the prosecution, further forcing defense attorneys to carry out a narrow strategy.

In a television interview on May 30, James McDougal admitted that the limited defense strategy had been a mistake. "I think that probably I was done in by the fact that we were perhaps overconfident," McDougal said. "We felt that the prosecution simply had no case. Therefore, we really didn't put on a defense. . . . The prosecution had been up for two months, presented thousands of documents. We should have done the same thing. We should have taken two months to refute every document, piece by piece, to refute each of their 38 witnesses."

In an earlier interview, McDougal told CNN's Larry King that he was disappointed that the Democratic Party had not come to his defense. "I have had no help whatsoever from any leader in the Democratic Party at either the state or the national level, while the Republicans have been relentless in their attack," said McDougal. "I had one lawyer; they had dozens and dozens, 57 FBI agents." (The 57 FBI-agent figure is probably an understatement; some reports have indicated that Starr has fielded as many as 100 FBI agents in Arkansas, which are also augmented by agents and investigators in the Smaltz-Espy case.)

Another aspect of the weaknesses in the defense case, highlighted by LaRouche in his May 29 interview with "EIR Talks," was their apparent failure to take into account that there has been a "national brainwashing campaign" run through the news media, talks shows, etc., to make sure that no fair trial could take place in Little Rock.

As *EIR* has repeatedly documented, this campaign of vilification of President and Mrs. Clinton has in large part originated in the British press, particularly in the Hollinger Corporation's *Sunday Telegraph*, and in Rupert Murdoch's London *Times*. Since late 1993, the *Telegraph's* Ambrose Evans-Pritchard has played a crucial, instigating role in the Whitewater media frenzy, by publishing the most lurid and fictitious allegations against the Clintons, which are then recycled into the U.S. news media.

For all of the U.S. news media's role in taking what was, at most, a minuscule aspect of the savings and loan debacles of the 1980s, and turning it into an attack on the institution of the Presidency, this has not been enough for Lord William Rees-Mogg, who wrote a vituperative attack on President Clinton published in the May 30 London *Times*.

Mogg wrote: "The Clinton character issue is complex and hard to follow, but America's establishment press has done a rotten job of covering it." Despite all the "evidence" against Clinton, Mogg complains: "Respectable journalists, of liberal views, living comfortably in New York, still do not want to tell the American public what the allegations are, or what the evidence is. So it is still entirely possible that Clinton will be re-elected in November."