

**9. The MM posting of June 20, 2004 by "DB" criticized a NY Times review of Bill Clinton's book. The critique relied, in part, on an item from Senator Clinton's book which said the Times only ran a "few paragraphs" about the 1995 report to the RTC by Pillsbury, Madison & Sutro. Were you DB? If so, did you check to see whether the "few paragraphs" statement was accurate? (The Times ran 4 pieces about the PMS report, including a lengthy piece in July 1995 based on a draft of the PMS report, another piece on the final PMS report ---which was virtually the same report as the draft --- at 13 paragraphs, and two more pieces in late February and early March 1996 about an addendum to the PMS report.)**

Yes, I did write the *Media Matters* item about Michiko Kakutani's reviews of books by Bill and Hillary Clinton.

The point of the item was that the *New York Times*, in critically reviewing the Clintons' books, failed to note that both books contained passages critical of the *Times*' reporting. This point was made perfectly clear in the very first sentences of the *Media Matters* post, as well as in its headline:

***New York Times' Kakutani twice failed to note Clintons' criticisms of the Times***

In her *New York Times* [review](#) of Hillary Rodham Clinton's memoir, *Living History*, Michiko Kakutani failed to inform readers that the book contained information contending that *The New York Times*' reporting on the so-called Clinton scandals was false and wrong. Kakutani made similar egregious omissions in her June 20 *New York Times* [review](#) of President Bill Clinton's memoir, *My Life*.

As you can see, the point of our item was Kakutani's failure to inform readers that the books she critically reviewed had criticized her employer. We were noting the undisclosed conflict, not passing judgment on the validity of the Clintons' criticism. Naturally, in doing so, we had to note that criticism of the *Times*.

Having said that, I cannot let your defense of the paper's coverage of the Pillsbury report pass without response, which I hope you'll share with your co-author.

You write "The *Times* ran ... a lengthy piece in July 1995 based on a draft of the PMS report." This is true, but – as you surely know, since you co-wrote the article – that piece suggested that the Clintons were *guilty* of wrongdoing. The article, headlined "Documents Show Clintons Got Vast Benefit From Their Partner in Whitewater Deal," began:

From the moment questions about the Whitewater real estate venture began arising nearly three years ago, the main defense by President Clinton and his wife,

Hillary, has been that they lost money on the ill-fated deal and were personally liable for its extensive bank loans.

But newly available documents -- including the first completed independent review of Whitewater, prepared for a Federal agency by a law firm -- cast both positions in a new light.

The review shows that the Clintons' partner in the deal, the owner of an Arkansas savings and loan association whose failure cost the Federal Government \$60 million, shielded them, to an extent far greater than previously reported, from paying their half of Whitewater's losses.

From 1980 to 1986, that partner, James B. McDougal, advanced the Whitewater venture the \$100,000 it needed to avoid a messy default on its bank loans, while the Clintons, half-owners of the corporation, contributed nothing, the report says.

Coming in at more than 1,700 words, the article painted the Pillsbury report as a damning one, rather than a vindication of the Clintons. Indeed, it wasn't until the article's 23<sup>rd</sup> paragraph – more than 900 words into the article – that the first piece of exculpatory information was listed:

The report said investigators could not determine "how much, if anything, the Clintons knew about the McDougals' advances to Whitewater." It explicitly supports the Clinton's oft-repeated assertion that they were "passive investors" in Whitewater and had little role in its financial management until 1988.

That paragraph was immediately followed by more insinuations of wrongdoing:

But it includes some newly available documents showing that the chaotic finances of Whitewater did occasionally require the earlier attention of the Clintons. Taken together, those documents suggest that the couple could have had reason to suspect that the venture was failing to pay its bills.

Buried at the end of the article – nearly 1,600 words in – you finally acknowledged “The report offers no evidence that Mr. [James] McDougal benefited from his relationship with Mr. Clinton.”

Mrs. Clinton's reference to the “few paragraphs” of *Times* coverage of the report in *Living History* might reasonably be construed as a reference to the “few paragraphs” devoted by the *Times* in its reportage on one report to the actual news in it: that it exonerated the Clintons of wrongdoing.

The *Wall Street Journal*, by contrast, had reported three weeks earlier that the report vindicated the Clintons. The *Journal* article, headlined “Clinton's Are Vindicated in New Report On Collapse of Madison Guaranty S&L,” began:

A long-awaited report on the collapse of Madison Guaranty Savings & Loan corroborates most of President and Mrs. Clinton's assertions about their Whitewater real-estate investment.

The report to the Resolution Trust Corp. is noteworthy because White House aides were upset when the agency retained Jay Stephens, a Republican critic of the president, to prepare an analysis of civil liability stemming from Madison's collapse.

The *Journal* went on to note that the Pillsbury report “largely confirm[ed]” then-First Lady Hillary Clinton’s accounts of her role in Whitewater, and that the report verified the Clintons’ statements about their Whitewater losses.

To sum up: Nearly three weeks after the *Wall Street Journal* reported that the Pillsbury draft report “vindicated” the Clintons, your July 1995 article depicted the report as a figurative, if not literal, indictment of the Clintons.

As such, it seems odd that you would cite that article in defending the *Times* from charges that it downplayed the exculpatory report. It is, instead, Exhibit A in support of those charges.

The next month, August 1995, a *Times* editorial also used the Pillsbury report to paint a damning picture of the Clintons’ involvement in the Whitewater deal.

Then, on December 24, the *Times* buried on page 12 a report by Stephen Labaton that “the Resolution Trust Corporation has decided not to sue President Clinton or his wife for losses that the Whitewater land venture caused an Arkansas savings and loan association that collapsed six years ago.” Coming *four days* after the RTC decision had been made public, and buried 12 pages into the Christmas Eve edition of the *Times*, even this article took pains to avoid portraying the report as good news for the Clintons:

While the report was hailed by both the Clintons and Democrats in Congress as a complete exoneration of the First Family, it is not expected to have any effect on the significantly broader investigation of the President, Mrs. Clinton and Madison Guaranty being conducted by the Whitewater independent counsel, Kenneth W. Starr.

[...]

The report noted that its authors had been unable to interview a number of important witnesses, some of whom have been cooperating with the Whitewater independent counsel. It said its conclusions did not demonstrate that the transactions at issue "have been proved legitimate or that the evidence exonerates anyone; it simply means that no basis has been found to sue anyone, or in some instances that litigation would not be cost-effective."

Again, it seems odd to tout this article as a defense against charges that the *Times* downplayed the exculpatory report. It is also worth noting that these two *Times* articles both failed to mention the fact that, as the June 1995 *Journal* article put it, “The report to

the Resolution Trust Corp. is noteworthy because White House aides were upset when the agency retained Jay Stephens, a Republican critic of the president, to prepare an analysis of civil liability stemming from Madison's collapse.”

The other articles you reference are similarly unpersuasive as evidence that the *Times* gave the report its due. The February 1996 article checked in at fewer than 500 words and was placed on page 18; the March 1996 report ran on page 25. This last article finally did include a somewhat detailed description of exculpatory conclusions. But given that it appeared roughly *nine months* after the *Wall Street Journal* reported that Pillsbury “vindicated” the Clintons, it seems bizarre to point to the March 1996 article as evidence that the *Times* gave the report its due.

It is also important to keep in mind just how much total coverage the *Times* was devoting to Whitewater at the time. The newspaper’s downplaying of the RTC report came during a lengthy period when the *Times* may as well have been called the *Whitewater Times*. A search of the Lexis-Nexis database of *Times* articles yields 58 results mentioning “Clinton” and “Whitewater” in December 1995 alone. While the RTC article the *Times* ran that month was stuck on page 12 of the Christmas Eve edition, the *Times* ran front-page Whitewater articles on December 9, 12, 15, 16, 19, 21, 22, and 23.

And what ended that impressive late December run – front-page Whitewater articles on three consecutive days, and four days out of five? The *Times*’ December 24 article about the RTC’s decision not to sue the Clintons, which was banished to page 12. After relentlessly hyping Whitewater, the *Times* couldn’t find room on its front-page for its (belated) report on the RTC decision. The paper did, however, make room for a human-interest story headlined “For Clergy, Christmastime Means Overtime.”

Surely this critique cannot surprise you. Media critics have long noted the *Times*’ curious handling of the Pillsbury vindication of the Clintons.

For example, the September/October 1996 edition of the Columbia Journalism Review contained a review of Gene Lyons’ *Fools For Scandal: How the Media Invented Whitewater*. In the review, CJR founding editor James Boylan explained:

A representative example of Lyons's approach is his critique of the *Times*' coverage of the reports prepared by the law firm of Pillsbury Madison & Sutro for the Resolution Trust Corporation to determine whether anybody should be sued as a result of Whitewater or the troubles of the two institutions with which it was entangled, Madison Guaranty Savings & Loan and the Rose Law Firm. The findings turned out to be so unexpectedly favorable to the Clintons that the administration has seized on the reports as exoneration.

The first of these reports, made available in the summer of 1995, was seen in the *Wall Street Journal's* news columns as “[corroborating] most of the President and Mrs. Clinton's assertions about their Whitewater real estate investment.” **No such thing in the *Times*, where a story of 1,762 words, signed by Gerth and Engelberg, found that the major point of the report was not exoneration but**

**the disparity of investment in Whitewater between the Clintons and their partner, James B. McDougal, a difference of some \$ 116,000 in a total outlay of \$ 200,000 that the headline writer called a "Vast Benefit." Only somewhere past the twentieth paragraph did the story say that the report supported the Clintons' claim that they were "passive investors" in Whitewater, and by implication McDougal's victims.**

A supplemental Pillsbury report issued in December 1995 received similar treatment. **The *Times* story, by Stephen Labaton, said that the RTC had decided not to sue to recover losses caused by Madison Guaranty, but it conspicuously omitted the report's conclusion that the Clintons had little or no control over the Whitewater enterprise.**

When he comes to the final Pillsbury report, issued in February 1996, Lyons is guilty of an omission. He does not seem to be aware of the reasonably well-balanced story by Neil A. Lewis in the *Times* of March 1. Moreover, Lyons wrongly states that there was no mention in any newspaper of the report's conclusion that Hillary Clinton earned at best \$ 20 a month from representing Madison Guaranty. Lewis included this fact.

**Not until June 1996 -- too late for Lyons to include -- did a *Times* news story, under the byline of Stephen Labaton, unambiguously state that the "report found no evidence that President Clinton, Hillary Rodham Clinton or others had been involved in improperly diverting money from an ailing savings association into the Whitewater land venture." But that statement was tucked into a story that was designed largely to undermine the findings of the report.** Labaton quoted a letter from Kenneth W. Starr, the Whitewater special prosecutor, to an unnamed person quoting an unnamed deputy as saying, "We would not agree with all their conclusions. We do have some facts that they apparently did not have." Labaton found in this "a tantalizing new clue about the direction of [Starr's] secretive inquiry." **Overall, Lyons is persuasive on this topic, and he makes a convincing case as well that *Times* coverage of the Senate Whitewater hearings was unbalanced in favor of the accusers.**  
(Emphasis added)

On April 1, 1996, *New York Times* columnist Anthony Lewis:

On Whitewater, it is time to follow Al Smith's advice: "Let's look at the record." For there is a record, the reports of a detailed and dispassionate investigation. And practically no one has read those reports.

The investigation was ordered by the Resolution Trust Corporation, the Government body for failed savings and loans, and done by the respected San Francisco law firm of Pillsbury Madison & Sutro. Several volumes were published in 1995, the last on Dec. 28. After billing records turned up in the White House, the investigation resumed; a further 164-page report was submitted on Feb. 25.

The reports examine charges against President and Mrs. Clinton in exhaustive detail -- and find one charge after another to be without substance.

[...]

Those and many other findings are each backed by a painstaking statement and analysis of the evidence. Reading the reports, one is struck by the triviality of the long-ago events at issue -- and by the detachment and clarity with which they are examined.

It is a different world from the conspiracy theories and smears of Senator Alfonse D'Amato and his Whitewater committee hearings. Which is no doubt why Republicans have done their best to see that the Pillsbury reports get no attention. Though they were transmitted to the committee, they have not been published in the usual pamphlet form. The last, of Feb. 25, has not been released by the D'Amato committee at all but was made available by a House Democrat, Henry Gonzalez.

**The press, too, has a responsibility for the fact that hardly anyone knows about the findings of the Pillsbury investigation. Newspapers have paid scant attention to the reports. It is as if they had an investment in the existence of a scandal.**

**It is time for the press to apply to the Whitewater charges the journalistic principles of skepticism and fairness. A good way to begin is to look at the findings of the Pillsbury investigation.**

Though Lewis did not single his own newspaper out for criticism, it is difficult to read his column as anything but an indictment of the *New York Times*, the *Washington Post*, and other media that relentlessly peddled tawdry tales about Whitewater while downplaying exculpatory evidence.

Nor was Lewis alone in voicing such concerns. *Los Angeles Times* reporter David Shaw added on April 18, 1996:

[A]lthough the media have published and broadcast story after story on the various charges of wrongdoing leveled at the President and Hillary Rodham Clinton on Whitewater, the media paid relatively little attention to an independent investigation done on the affair by the law firm of Pillsbury, Madison & Sutro for the Resolution Trust Corp.