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Vince Foster was 'just a messenger,' McDougal says

BY BILL SIMMONS
Associated Press Writer

James Blair, not deputy White House counsel Vincent Foster, oversaw the first family's sale of the troubled Whitewater Development Corp., according to James McDougal.

McDougal's assertion challenges some congressional Republicans, who have tried to portray Foster's role in the Whitewater affair as having been significant before his July 20, 1993, suicide.

Republicans have questioned former Whitewater special counsel Robert Fiske Jr.'s conclusion that Whitewater did not appear to have been a factor in Foster's decision to kill himself.

Fiske's successor, independent counsel Kenneth Starr, recently reopened the investigation into Foster's suicide.

"Foster was just a messenger," said McDougal, who now lives near Arkadelphia.

Blair gained attention last year when it was revealed that he was the investment adviser who guided the first lady through commodities trading in the late 1970s.

McDougal and his former wife, Susan, were partners from 1978-92 with President Clinton and Hillary Rodham Clinton in Whitewater, a failed 230-acre residential development along the White River in Marion County.

James McDougal also owned Madison Guaranty Savings and



McDougal



Blair

Loan Association, which failed in 1989 at a cost to taxpayers of \$65 million. Starr is investigating allegations that money was transferred illegally from Madison accounts to Whitewater accounts.

Just before entering the White House, the Clintons sold their interest in Whitewater to McDougal for \$1,000. Afterward, Foster filed delinquent Whitewater tax returns.

McDougal said he remembered Blair's role because the Tyson lawyer included language in the original agreement that required McDougal to take care of delinquent tax returns.

"That was offensive to me," McDougal said. "I had not had the records those years. I remember asking Foster if he would allow any client of his to sign such a statement, and he answered, 'Jim, I'm just a messenger' in kind of a sad way."

When a question arose, "we had to call Blair on the telephone for the answer," McDougal said.

Blair declined to comment.