

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 20, 1997

REMARKS BY THE PRESIDENT
ON MEDICAID GAG RULE

The Oval Office

11:05 A.M. EST

THE PRESIDENT: Thank you. I was just sitting here thinking that in the spirit of full disclosure the Vice President and Secretary Shalala may have a particular vested interest in health care issues -- that they both just got back from South Africa and when they got back he got on a plane and went to Los Angeles to speak to the AFL-CIO convention; he got back at 4:00 a.m. this morning. And she got on a plane and went to New York with me to a welfare reform event. And I don't see how either one of them are still standing up. (Laughter.) But they probably have a strong interest in what happened here today...

...Let me just make one other comment here, because this came up at the last press briefing I had, about the status of our

nominations for the Cabinet and the Senate. I have been gratified by the treatment that the Cabinet members who have been confirmed have received by both parties, and the prompt dealing with their nominations. I said something about Mr. Lake when I last was with the press.

The only other comment I want to make today is there has still not been a hearing scheduled for Alexis Herman. I think that is a big mistake. She enjoys wide support among labor -- the labor unions endorsed her yesterday strongly -- and she has wide support among business. I don't know that there's ever been a person nominated for Secretary of Labor that had as much broad support in the business and the labor communities. She's clearly well-qualified. If anybody wants to vote against her for whatever reason, they're plainly free to do that, but she deserves a hearing and if she gets a hearing, she's going to be confirmed. And I think Senator Jeffords is a good man and a fair man, and I believe he will give her a hearing. But it's imperative that it be done. It's now midway through February and I think it's time to get on with this.

Thank you.

END

11:15 A.M. EST

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So I think that our policy is the right policy. We will continue to engage strongly with China. I look forward to all the meetings which are going to occur, including Secretary Albright's trip and then the Vice President's trip later, and then the exchange of visits by the two Presidents. The policy we are following of engaging with China, to work where we agree and to honestly air our disagreements and work through them, is the right policy for the people of the United States and, indeed, for the world in the 21st century. If you imagine what the world will look like 30 years from now, 40 years from now, we can do nothing other than what we are doing. It is the right thing to do.

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EST

Mccurry in Boston 2/19/97

Q Is the President doing anything to personally lobby on behalf of Alexis Herman's nomination? What's his view of the prospects of that nomination at the moment?

MR. MCCURRY: He's followed very carefully her effort because we think it will be a successful effort to win confirmation. He gets reports on the discussions that she's had with individual senators. He's been following very carefully the effort to identify concerns and answer concerns that senators may have, and he is confident that any concerns that have been raised have been adequately addressed by Alexis Herman.

He has also indicated his willingness, if there is a need for it, to work on individual votes. But at this point, what the President is very keen on doing and what he has personally been involved with is trying to get a date for a confirmation hearing so that she can answer publicly any concerns that are out there. And he has pursued this privately with individual senators and is hoping that there will be a date set for her confirmation hearing quite soon.

Q If I could follow up on that, the investment that she was in that was reported over the last weekend, where there was no money down for her participation in the investment, would that be acceptable under the President's new vision for affirmative action?

MR. MCCURRY: The structure of that investment is not one that I am familiar enough to talk to. Mr. Lockhart has been and can help you. I'm not even sure whether that investment was done under any of the SBA programs that have historically been associated with affirmative action. I'd have to check further. But Lockhart has been working that and can walk you

through those issues.

Q Anything on the gambling commission appointments this week?

MR. MCCURRY: I'm not in -- anything on the gambling commission this week.

Q Mike, can you share any reaction to the U.S. government to the situation in Mexico with their drug czar being apparently put under house arrest?

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MR. MCCURRY: Well, the White House certainly shares the sentiments that have been expressed by General McCaffrey, that it is certainly appropriate that they've taken a law enforcement action, that they are appropriately pursuing this through their law enforcement efforts. And it is also simultaneously extremely disappointing to the United States government that the Mexican government has evidence of corruption as this high a level.

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Anything else?

Q -- endorsing needle exchange program of HHS?

MR. MCCURRY: The President supports the work of the Department of Health and Human Services, which has been looking very carefully at the issue of needle exchange. There was a report that Secretary Shalala I think either made available or received last week. The principal concern that we have is with public health and evidence that as a public health question needle exchanges advance drug treatment and drug rehabilitation. But the Department has been, under the circumstances allowed by law, looking at pilot projects that exist around the country.

Q Mike, since you're talking about juvenile issues today, there was a proposal back during the campaign for drug testing of minors that were getting driver's license. Has the administration put forward legislation to enact that? Is that --

MR. MCCURRY: No, we have not -- the President instructed Secretary Pena and Secretary Shalala to report back to him further on that. They are continuing to work on that report,

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stand up on the highest desk in this Chamber and bray and bellow and trumpet and talk about how they balanced the budget. I ask every American to look at one number. What happened to the debt in that year in which they balance the budget? The answer: They say they balanced the budget and they have to increase the Federal debt limit by \$130 billion, the same year in which they claim they balance the budget. Why? Because the budget has been balanced.

And it is not just me. I say to the Senator from Pennsylvania, who is on the floor, he raised the same points the other day. There are Republicans in the House, two or three dozen, that raised the same points. I do not know how he and others will vote on final passage, but I say, as controversial as this is, I agree with what the Senator from Pennsylvania said on the floor the other day. I agree with what Congressman NEUMANN and others are saying in the House. I agree with the presentation I am making. This is an issue that is not insignificant, \$1 trillion in 10 years, and it is much more than that in the 20 to 25 years that you have to look out to see what will be the consequence of this kind of proposal.

Let me frame it in a positive way. I believe we ought to balance the Federal budget. I will support altering the Constitution to place in the Constitution a requirement to balance the Federal budget. We will vote on an alternative, on a substitute constitutional amendment to balance the budget that does that. I will offer it. I intend to vote for it. I will not vote for a constitutional amendment that accomplishes this—that essentially reduces by 10 years the solvency of the current Social Security system and guarantees that which we are supposed to be saving will not be saved and that which we are supposed to be saving cannot, by virtue of the language of this constitutional amendment, be available for use by Social Security recipients when it was promised.

Sometimes I get the feeling that the only thing we do in this Chamber is talk to ourselves. We just talk back and forth with "budgetspeak" and language and a priesthood of dialog that only we understand and that seems almost totally foreign to the American people. I will bet you that with a lot of this discussion that's the case. The American people, I think, want a balanced budget and should expect that we can do what is necessary to balance the budget. But let me emphasize again that, although I believe there is merit to alter the Constitution to require a balanced budget, if we alter the Constitution at 2:05, by 2:10—which is 5 minutes later—we would not have changed by one penny either the Federal debt or Federal deficit. That will only be altered by decisions on taxing and spending made individually by Members of this Congress, deciding what is a priority and what isn't, how much should we spend or should we not

spend, or how we raise revenues or how don't we raise revenues. Only those decisions will bring us to a place we want to be—a balanced budget that provides for the long-term economic health of this country.

My hope is that, in the coming days, when we finish this debate, we will have accomplished something in that we will all have resolved not only to perhaps make a change in the Constitution, if we can reach agreement on how that is done, but we will have resolved that we should, as men and women, balance the budget. Changing the Constitution is not balancing the budget. Some want to substitute that as political rhetoric. But, ultimately, the question of whether we balance the budget will be determined by the choices that we make individually.

Mr. President, I see the Senator from Connecticut on the floor. I wanted to say to the Senator that I used a bit of the time in the 4-hour block. I hope he didn't mind. I wanted to make this point. I hope to come back in general debate, and I hope that the Senator from Utah and I can engage on the consequences of this language because I think it is a trillion-dollar question that remains unanswered. I would like to have a dialog back and forth rather than just presentations that vanish into the air when the presentations are completed. I thank the Senator from Connecticut.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I have checked with the managers of both sides and he has agreed to yield me 5 minutes. I ask unanimous consent that I may proceed as in morning business for a period of up to 5 minutes.

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

NOMINATION OF ALEXIS M. HERMAN, TO BE SECRETARY OF LABOR

Mr. SPECTER. Mr. President, I have sought recognition to speak briefly on the issue of the pending nomination of Ms. Alexis M. Herman to be Secretary of Labor, and I urge that Ms. Herman be given a hearing on the subject so that there may be a determination, one way or the other, about her qualifications to be Secretary of Labor.

I talked at some length to Alexis M. Herman yesterday. A request had been made by the White House for me to meet with her, perhaps in my capacity as chairman of the Appropriations Subcommittee that has jurisdiction over the Department of Labor. And I met with Ms. Herman in the context of a number of questions that have been raised about her qualifications to be Secretary of Labor.

There has been an issue raised about her handling of her position as liaison for public matters in the Office of Pub-

lic Liaison, as to whether there had been some activities that went over the line in political activities or fundraising. I questioned Ms. Herman about that at some length, although not in a dispositive form. But it seems to me that she is entitled to be heard on the subject, and to have a decision made one way or the other about whether she is qualified or disqualified.

I questioned her about the circumstances where there was a coffee, which had started out in her department, where she had issued an invitation to Mr. Gene Ludwig, who was Comptroller of the Currency, to a meeting with bankers, at a time when she thought it was going to be a substantive meeting and it would not involve fundraising. Later, she found out that there were individuals from the Democratic National Committee who were involved, and she then did not attend the meeting herself, but had not informed Mr. Ludwig about the nature of the meeting in order to withdraw the invitation to him.

There have been other questions raised about the Anti-Deficiency Act, and perhaps other matters. But I think it is very important when someone is nominated for a position and there is public controversy and public comment, that that individual have his or her "day in court" to have a determination made as to whether she, or he, may be qualified to handle the position.

I thought it was very unfortunate, when Prof. Lani Guinier was nominated for a key position, Assistant Attorney General in the Department of Justice, that her nomination was withdrawn without having an opportunity for her to be heard. At that time, I met with her and read her writings and I thought she was qualified. But I thought, surely, there should have been a determination by the committee. I recall the withdrawal of the nomination of Zoe Baird, who was up for Attorney General of the United States, and I recollect when Judge Ginsburg had been nominated for the Supreme Court; neither of them had finished their hearings. I think it is very important, in the context where we are trying to bring good people into Government and, inevitably, they are under a microscope, which is the way it is, and that is understandable. But they ought to have a chance to be heard and have their day in court and have a chance to defend themselves and have the public know what has gone on. If they pass, fine, and if they do not, so be it. But they ought to have that opportunity. I respected the decision made by Judge Bork back in 1987 when he wanted the matter to go forward and to come to a vote so that there would be a determination, because I think it is very unfortunate and unwise that when somebody allows their name to be put forward and you have these allegations in the newspapers about misconduct or impropriety, the impression is left with the public that that is, in fact, the conclusion, if the White House withdraws

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the name—as the White House did with Prof. Lani Guinier—or if the person doesn't move forward to a hearing.

I talked to my colleague, Senator JEFFORDS, who chairs the Labor Committee, and Senator JEFFORDS has advised me that he is reviewing the outstanding questions, and the prospects are that there will be a hearing. But after meeting with Ms. Herman and having some say over her Department's activities in my capacity as chairman of the Appropriations Subcommittee, I did want to voice my sentiments on this subject to urge that her nomination go forward. I do not have a final view as to the merits, yes or no. But I think she is entitled to be heard.

Aside from the allegations that have been made about her, she has a very distinguished record. She is a graduate of Xavier University and has worked in the public and private sectors. She has quite a distinguished record as a businesswoman, has served in the administration of President Carter, and has served in the current administration. She may well be qualified, or the contrary may be the case. But I think it ought to be heard so she can have a determination on the merits. I thank my colleagues, Senator HATCH and Senator DODD, for allowing me this time.

I yield the floor.

Mr. DODD. Mr. President, before turning to the subject of my amendment here, let me commend my colleague from Pennsylvania for his comments. I associate myself with his remarks regarding Alexis Herman and the hope expressed by him that a hearing will be held promptly for Alexis Herman. She deserves that hearing.

I have known Alexis Herman for some time. She is eminently qualified, Mr. President, to fulfill the position of Secretary of Labor. There have been issues raised, and the purpose for which we have hearings is to allow those issues to be aired and to give a person an opportunity to respond. In the absence of that hearing, of course, the allegations remain. In many instances, as the Senator from Pennsylvania has pointed out, there is never the kind of opportunity to respond with the same voice and the same positioning with which the allegations are oftentimes made.

Under our system it is absolutely essential in my view that she be given that opportunity. I am totally confident that she will respond to those issues when she is asked publicly to respond to them. It is part of the process here going back years that when people are nominated for high office in any administration they are always advised not to respond or comment but to save their comments for a hearing. Oftentimes it happens that the nominee is left in the position of having to face an assault of questions that are raised and never gets the opportunity to respond because you are advised to the contrary. Then for whatever reason, if you never get that hearing, they stay out there.

So I applaud my colleague from Pennsylvania for coming to the floor

this afternoon and raising this issue. I join with him in urging that our committee—and I sit on the Labor Committee—set up a hearing as soon as possible and move forward. Then, as the Senator from Pennsylvania has pointed out, the committee and/or this body will express its opinion one way or the other. But we will resolve the matter and not leave the individual out there to hang, if you will, in limbo. With all of the appropriate suggestions that the Senator from Pennsylvania has made, as we try to attract people to come serve in our Government and they watch examples like this, it is very difficult to convince people to step forward when they see what can happen to someone who is, in my view, entirely innocent of any of the allegations raised but never gets the opportunity to address them.

So I applaud my colleague.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

AMENDMENT NO. 4

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the Dodd amendment No. 4, with the time between now and 5:30 p.m. divided with 107 minutes to Senator HATCH and 95 minutes to Senator DODD.

Mr. DODD. Mr. President, I rise in support of the amendment I have offered here this afternoon. We have several hours of debate. It may not be necessary to consume all of that time. I will notify my colleagues. Others may want to come over and address the issue. Although we have set a time of 5:30 p.m. for a vote, we may find ourselves having exhausted all of the brilliance on both sides of this amendment and able to move to a vote earlier than that. It would take unanimous consent to vote earlier, but that may happen at some time here this afternoon.

In the meantime, Mr. President, let me state once again what this amendment does. I urge my colleagues and others to pay attention. I will put aside the debate of whether or not we ought to have a constitutional amendment to balance the budget. That matter has been debated and will be debated over the next several days.

The amendment that I raise, Mr. President, does not address the underlying question of whether or not we ought to have a constitutional amendment to balance the budget. But it addresses section 5, and section 5, only, of the proposed amendment. It raises what I believe to be a very legitimate issue in dealing with the national security of this country.

This is an amendment that I offer which you could support and do no damage—in fact, I would think strengthen—the argument in support of the constitutional amendment for a balanced budget. I myself have serious underlying problems with the constitu-

tional amendment. I do not want my colleagues to have any illusions about that. But I am going to put aside that debate and ask my colleagues to draw their attention to section 5 and an amendment that I will offer that I think addresses a legitimate concern.

My amendment corrects two serious flaws in this section. Let me read this section, if I can. Section 5 of the proposed amendment, not my amendment; the proposed constitutional amendment, says:

The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution adopted by a majority of the whole number of each House which becomes law.

First of all, this most important section currently contains language. In my view, that would seriously undermine—the distinguished Presiding Officer is a former Attorney General, and someone who has had a serious amount of experience in judicial matters will appreciate that every word in the constitutional amendment is not a casual word. These words must be selected very, very carefully. So I do not treat this lightly at all.

"A declaration of war"—these are the words that are most of concern to me—and "the United States is engaged in a military conflict which causes an imminent and serious military threat to national security."

The provisions of the balanced budget are waived only if war is declared, or if the United States is "engaged." The balanced budget amendment is quite clear in specifying that our Nation must be engaged in military conflict before a waiver can be granted.

The problem, as I see it, is that prudent foreign policy often requires responding to serious threats before we actually become involved in military conflict. Yet, the language of this amendment is "engaged"—not "might be engaged or there is a threat of engagement"—but rather is "engaged" in military conflict.

Throughout our history this Nation has often found itself necessarily engaged in conflict but yet in situations where immediate action was essential. The Gulf war is one example that immediately comes to mind. I will discuss that example and others in the debate shortly.

My amendment removes this section 5 and would lift the provisions of the balanced budget amendment under a declaration of war or if the United States faces an imminent and serious military threat to national security. The requirement of being engaged is dropped.

The amendment that I offer would also clearly define the role of Congress in certifying the existence of an imminent and serious military threat. Under the current language, in section 5 the courts could conceivably be

For Immediate Release

February 27, 1997

REMARKS BY THE PRESIDENT
TO THE BUSINESS COUNCIL

The Park Hyatt Hotel

Washington, D.C.

10:32 A.M. EST

THE PRESIDENT: Thank you and good morning. Thank you, Larry. Thank you, Mr. Vice President. I want to thank the other officers and all of you who are here today for inviting me to come by. There are a lot of members of my administration here. I know Secretary Rubin spoke earlier, and Chief of Staff Erskine Bowles is here; Gene Sperling, the Director of the National Economic Council; and Maria Echaveste, who is my new Assistant for Public Liaison and Alexis Herman's successor -- some of you may not know here. Maria, where are you? Stand up there. I wanted you to know because she'll be relating to you. (Applause.) I want to thank you for the support that so many of you have given to Alexis Herman in the job that she held and in the job that I'm confident she will hold as the Secretary of Labor.