-send tllCy pts to VA

Issue Briefing for Veterans Roundtable

I. Read through **talking points and one page accomplishments document**

II. **Primary Concerns**

1. Health benefits - vets profs - holding line on vets entitlements
2. Gulf War Illness - access - IVPU
3. Budget / REGO - 96
4. Relations with Vietnam

III. **Other Military and International Topics**

1. Relations with China
2. POW/MIA Full accountability
3. Armed Forces Readiness
4. Smithsonian Exhibit Controversies

IV. **Other Domestic Topics**

1. Medicare Reimbursement
2. Spinal Cord Injuries
3. Post Traumatic Stress Disorder
4. Education Benefits (COLAs)
5. Shrinking Cemetery Space
6. Homelessness

- 96 bdgt: $1.6 B in targeted effort p'ships funding x 6 agencies; VA funding (30%) → 62% over 3 yrs to $76M
HUD-VASH → rental asst vouchers for perm. housing for homeless vets
$5M-HVRP
Corp for Nat'l Svcs

THE WHITE HOUSE

WASHINGTON

May 25, 1995

ROUNDTABLE WITH REPORTERS FROM VETERANS ORGANIZATIONS

DATE: May 26, 1995
LOCATION: Roosevelt Room
TIME: 11:45 AM EDT
FROM: Mike McCurry

I. PURPOSE:

This session will provide you with the opportunity to talk about what your Administration has done for the nation's veterans. Specifically, you can discuss your belief that providing veterans benefits is a moral obligation, your commitment to increased benefits and health care, and your efforts to assist Persian Gulf veterans and help break the cycle of homelessness among veterans.

II. BACKGROUND:

You will take Qs&As from 10 reporters from a variety of Veterans organizations. The reporters are specifically interested in health care and benefits for veterans, Desert Storm Syndrome, Medicare eligibility for retirees, POW/MIA issues, and Spinal Cord Injuries and Diseases. Qs&As are attached.

III. PARTICIPANTS:

1. Mike McCurry
2. Philip Budahn, American Legion
3. Richard Flanagan, AMVETS
4. John Grady, Association of the U.S. Army
5. Dave Autry, Disabled American Veterans
6. Patricia Williamson, Fleet Reserve Association
7. Howard Metzger, Jewish War Veterans
8. Cliff Crase, Paralyzed Veterans of America
9. James Currieo, Veterans of Foreign Wars
10. Margaret Pratt Porter, Vietnam Veterans of America
11. Mark Peterson, Stars and Stripes

IV. PRESS PLAN:

The interviews will be exclusive to the participants.

V. SEQUENCE OF EVENTS:

--You will be briefed in the Oval Office between 12:00-12:30 PM EDT. You will then proceed to the Roosevelt Room for the roundtable.

VI. REMARKS:

Prepared remarks are not needed for this roundtable.

VII. ATTACHMENTS:

Q&As and Background Information on :

-Gulf War Illness - NSC
-Administration Accomplishments Serving Veterans - VA
-Budget and Health Care issues - VA
-Veterans Preference issues - VA
-Reimbursement - VA/DOD
-Spinal cord injuries - VA
-Post Traumatic Stress Disorder - VA
-Veterans Employment Programs - VA
-POW/MIA Full accountability - OASD/ISA
-Education Benefits - VA
-Incentives to Enlist - DOD
-Shrinking Cemetery Space - VA
-Homelessness among veterans - VA
-Relations with China - State Dept
-Armed Forces Readiness - DOD
-Relations with Vietnam - NSC
-Smithsonian Exhibit controversies - NSC
-Japanese experiments on American POWs - Cabinet Affairs

THE WHITE HOUSE

WASHINGTON

VETERANS TALKING POINTS

BUDGET AND HEALTH CARE ISSUES

-We have a moral obligation to protect Veterans benefits.

1996 -My budget calls for a $1.3 billion increase in veterans benefits, including an additional $1 billion for health care, enabling the VA to provide medical treatment to an additional 43,000 veterans, construct 2 new hospitals and 3 nursing homes.

-Veterans should not be targeted for benefit reductions. They must have facilities to use, and know that if they get hurt, they will receive care.

-Under the Republican plan:

thru 2002
- *Nearly 1 million veterans would be denied medical care
- *Poor veterans would pay more for medicine
- *All VA construction would be frozen
- *More than 53,000 medical positions would be cut
- *Republican cuts could close 41 VA Medical centers

BENEFITS

-I fought to preserve veterans' preferences for federal jobs; to ensure that veterans and military retirees receive their full Cost of Living Adjustments.

-Homelessness among veterans continues to be a significant problem. The Administration has a number of initiatives to address the issue including:

- *HUD-VASH (Veterans Affairs Supported Housing) a program to provide HUD rental assistance vouchers for permanent housing for homeless veterans
- *DOL's Homeless Veterans Reintegration program to get and retain jobs (this program is on the rescission list) ←
- *National Service, AmeriCorps, volunteers work in VA hospitals. In Houston and L.A. half the volunteers are veterans.

PERSIAN GULF ILLNESS

-My Administration has taken aggressive action to be responsive and sensitive to veterans of the Persian Gulf War suffering from unexplained illnesses.

-I have signed legislation paying compensation to chronically disabled veterans with undiagnosed illnesses. first time

-V.A., D.O.D., and H.H.S. will spend up to $13 million on new research on the possible causes, transmission and treatment of Gulf War veterans illness.

GULF WAR ILLNESS ADVISORY COMMITTEE

-I have just signed the Executive Order establishing the Presidential Advisory Committee on Gulf War Veterans' Illnesses.

-12 physicians, scientists, defense experts and veterans make up the committee, including two Gulf War veterans, Gen. Fred Franks and Marguerite Knox.

CUSTOMER-RESPONSIVE V.A./REGO

-VA is working to reduce customer waiting times, staffing and red tape while reducing costs.

-The Vice President announced VA Reinvention initiatives yesterday that will improve services ~~to~~ save money at VA. Many of these initiatives have long been advocated by veterans. For example:

OUTREACH

-The Administration held an unprecedented number of meetings this year with VSO's and Military Coalition groups to discuss the budget.

-An ongoing White House driven Interagency Veterans Policy group has successfully worked to ensure progress on issues of concern to veterans, such as consultation on budget issues, and disability policy review.

-We're getting rid of the complicated old rules about who gets treatment for what where. Under the old rules, the V.A. outpatient clinic could put your leg in a cast, but can't give you crutches unless they put you in the hospital. We think doctors in clinics not rules in Washington should decide what treatment is needed.

-We will make room for expanded outpatient treatment by converting empty hospital wards into busy clinics.

-We will give top priority to veterans who have low incomes and those with service connected disabilities.

-We're getting rid of the 93-question, hour-long interview that many veterans have to endure to establish eligibility for free health care.

ADMINISTRATION ACCOMPLISHMENTS SERVING VETERANS

*President Clinton's National Performance Review of the federal government will improve services to veterans, simplify complex veterans' health-care eligibility rules so VA physicians can provide a full range of medical care to every patient in the appropriate setting, and save $209 million over five years.

VHA

*The Administration sent Congress a plan to reorganize VA's national health care system under 22 patient-centered service networks to deliver care more efficiently.

VISNS

*The Administration is seeking a $1.3 billion increase in VA's fiscal 1996 budget, $1 billion of which is targeted to VA's health-care system, which will enable VA to provide medical treatment to an additional 43,000 veterans, construct two new hospitals and three nursing homes.

*President Clinton established a Persian Gulf Advisory Committee to review the hazardous elements in the Gulf region and respond to the needs and concerns of Persian Gulf veterans.

*A series of health-care initiatives for women veterans was implemented, including establishing four comprehensive health centers and four stress-disorder treatment teams, as well as hiring counselors in 69 locations to treat the aftereffects of sexual harassment and assault.

*44 new or expanded programs were approved for homeless veterans at VA facilities nationwide.

*VA Secretary Jesse Brown called the first National Summit on Homelessness Among Veterans, which was held in Washington, D.C. in February 1994.

*34 new or expanded post-traumatic stress disorder treatment programs were initiated at VA medical centers, bringing to 110 the number of such specialized VA programs nationwide.

*The Administration determined that Vietnam veterans suffering from respiratory cancers (lung, larynx and trachea) and multiple myeloma (a cancer involving the bone marrow) should be awarded disability payments based on presumed exposure to Agent Orange and other herbicides.

*The White House has conducted extensive outreach to the veterans service organizations, resulting in greater access to the Administration on a broad range of domestic and foreign policy issues.

✓

NSC

QS AND AS FOR THE PRESIDENT ON GULF WAR ILLNESSES

Q: What is the status of the Presidential Advisory Committee on Gulf War Veterans' Illnesses that you announced earlier this year?

A: -- I am pleased to be able to tell you that later today I will sign the Executive Order establishing the Advisory Committee.

Q: Who will be on the Advisory Committee?

A: -- The Committee will be comprised of physicians, scientists, veterans and policy experts. Its members will have real expertise in all of the areas relevant to Gulf War veterans' illnesses, including research, diagnosis and medical treatment.

-- We will be releasing the names of the Committee members later today.

(IF PRESSED:

-- The Committee will be chaired by Dr. Joyce Lashof, who is former Dean and Professor Emerita of Public Health at the University of California at Berkeley.)

Q: Why did you decide to establish this Committee?

A: -- I am determined to ensure that we leave no stone unturned in our efforts to identify the causes and provide care to Gulf War veterans who are ill.

-- This Committee will help ensure that our response to this problem, especially our research efforts and our medical care, is as comprehensive and effective as possible.

Q: How will it be different from other experts groups?

A: -- This is a Presidential Advisory Committee, reporting to me, through the Secretaries of Defense, VA and HHS, on the full range of U.S. government activities related to Gulf War veterans illnesses.

-- Previous expert panels, like the NIH workshop and the Defense Science Board study, have been more short term or had a more narrow focus.

Q: What else is the Administration doing on this issue?

A: -- As a result of our efforts over the past two years, tens of thousands of Gulf War Veterans have received free, comprehensive medical exams at DOD and VA medical facilities and those who are ill are getting free medical care.

-- VA and DOD have opened six specialized care centers for veterans who need additional tests and treatment. Two of these centers opened just within the last few months.

-- VA and DOD have registered more than 55,000 Gulf War veterans with health concerns to help avoid the kinds of problems that delayed care and compensation for those exposed to Agent Orange.

-- In the area of compensation, I made sure, by legislation I signed last fall, that veterans disabled by unexplained illnesses receive compensation, even as we continue to search for what is causing their illnesses.

-- On the research side, we have more than 30 studies underway on a range of subjects, including various environmental hazards, in an effort to determine the causes of the illnesses of our veterans.

-- We are spending $8-13 million more on new research this year. In fact, just this week, DOD announced that it was seeking proposals from independent researchers for studies on the possible causes, transmission and treatment of Gulf War veterans' illnesses.

-- DOD also announced this week the opening of a new, toll-free telephone line for veterans and others who served in the Gulf to report *first-hand* details of incidents they believe may be related to this problem.

-- The Defense Department is also continuing to declassify all documents related to the possible causes of these illnesses.

Q: The Stars and Stripes reported this week that VA has denied 95% of the claims it has reviewed thus far from Gulf War veterans seeking compensation for undiagnosed illnesses under a regulation issued last December. What is your reaction to this report?

A: -- The VA is still in the early stages of its review of all of the claims for compensation for undiagnosed illnesses, and expects to approve a higher percentage of claims in the future.

-- In the meantime, they are reviewing a sample of the claims that have been disallowed to correct any problems and address any claims requiring a change.

-- I want to emphasize that we supported providing disability compensation for undiagnosed illnesses, and that we will do everything that is necessary to ensure that Gulf War veterans who are ill receive the medical care they need and the benefits they deserve.

The Stars and Stripes

The National Tribune
Since 1861
THE OLDEST NATIONAL VETERANS NEWSPAPER

"To Care For Him Who Shall Have Borne The Battle And For His Widow And His Orphan" Abraham Lincoln

Vol. 118 No. 21 | WASHINGTON, D.C., FOR THE WEEK OF 22 - 28 MAY 1995 | 75¢ Per Copy U.S. Edition

Gulf Syndrome Cases Being Denied By VA

By Dick Maggrett
Stars and Stripes Staff Writer

The VA so far has denied nearly 95 percent of Gulf War syndrome cases reviewed for compensation under a recent regulation, but the department says it's too soon to show a solid trend toward large numbers of rejections.

A law that affects veterans compensation and pension programs took effect last November, and the VA subsequently published a rule requiring that it authorize payment to Gulf veterans for undiagnosed illnesses after case review.

R. John Vogel answers some claims

Between 8 Dec., when the regulation took affect, and 12 May, the VA said it denied 1,951 of 2,059 claims. Only 108 cases were rated as service-connected.

Of the 1,951 cases denied, 299 did not meet eligibility requirements and the rest were disallowed because, the VA said, no disabilities were found.

"These data suggest that the VA is either unfamiliar with the new rules or unwilling to abide by them," said Paul Sullivan, who heads Gulf War Veterans of Georgia.

Denise Nichols, founder of Desert Storm Veterans of Colorado, said, "The VA is not living up to the spirit of the law. Veterans are dying quietly with no help."

The VA handles Gulf syndrome claims from offices in Philadelphia, Louisville, Nashville and Phoenix, and the VA's Compensation and Pension Service trained employees on the regulation last February, according to R. John Vogel, undersecretary for health benefits who heads the VA's Veterans Benefits Administration.

"The assigned to the [four offices] to review

Syndrome Cases

From 1

compensation claims based on environmental hazards for possible entitlement," Vogel told Congress recently.

"Obviously, the number of grants [for compensation] is quite small, approximately 5 percent of the total claims reviewed," Vogel said.

But in reviewing the claims, Vogel said, most were found to have been "previously denied because there was no evidence of disability either anywhere in the record or upon physical examination by the VA."

Vogel said, "Since we are still in the early stages of our review, with many claims pending in various stages of development or consideration, we can reasonably expect to see more claims allowed in the future."

Even so, Vogel said, the compensation service is reviewing a sample of disallowances from each of the four offices.

"They have not yet fully completed and analyzed the results, but they will address any areas in which a need for change or improvement is indicated," Vogel said.★

Gulf Syndrome Claims

Veterans eligible	399,473
Claims filed	72,501
Claims processed	67,703
Claims allowed	17,769
Claims disallowed	49,934
Claims pending	4,798

All figures as of April 1995. Source: VA

NDC

BACKGROUND INFORMATION ON GULF WAR VETERANS' ILLNESSES

There were 697,000 U.S. troops that served in the Persian Gulf War in 1990-91. Since returning, thousands have complained of symptoms that often don't fit a neat diagnosis, including chronic fatigue, memory loss, rashes, sleep problems, gastrointestinal disorders, joint pain, and unusual bleeding. There are many theories about the possible causes of these symptoms, including exposure to toxic by-products from oil well fires, depleted uranium, vaccines and anti-nerve gas drugs, pesticides and chemical and biological weapons. Post-traumatic disorder or stress is another possible cause of these symptoms.

We are conducting more than thirty research projects to try to determine the causes of Gulf War veterans' illnesses, operating hotlines to ensure that Gulf War veterans are referred to the appropriate DOD and VA facilities for medical examinations and treatment and providing specialized examinations to veterans with undiagnosed illnesses. For the first time ever, we are also providing disability compensation to veterans suffering from undiagnosed illnesses. And, to help counter perceptions that DOD has "covered up" evidence of exposure to chemical or biological weapons, the Department is declassifying *all* material related to the possible causes of Gulf War veterans' illnesses.

Despite these efforts, the government's handling of this issue has been the subject of criticism from both veterans and the Congress, frustrated by the lack of more definitive answers and distrustful of the government, particularly in light of the Agent Orange experience. To help assure the public that the Administration is committed to determining the causes and providing care for Gulf War veterans who are ill, you announced, at the VFW Annual Conference in March, your intention to establish a Presidential Advisory Committee on Gulf War Veterans' Illnesses. This Committee, which will report to you through the Secretaries of Defense, VA and HHS, will review and make recommendations on the full range of U.S. government activities related to Gulf War veterans' illnesses.

In your roundtable discussion, you can indicate that you will be signing the Executive Order establishing the Advisory Committee and appointing its members later in the day. You can also highlight a number of ongoing and new initiatives the Administration is undertaking related to Gulf War veterans' illnesses, in areas such as medical examinations and treatment, compensation, research, diagnosis, and declassification.

PRESIDENTIAL ADVISORY COMMITTEE ON
GULF WAR VETERANS' ILLNESSES

ROLL-OUT STRATEGY

Friday, May 26:

12:00 NSC and White House Legislative Affairs call appropriate Hill staff (Rockefeller, Shelby, Browder, Buyer, Kennedy, Montgomery, Evans, etc.) to inform them that the Executive Order will be signed and the Advisory Committee announced later in the day.

White House Public Liaison makes similar calls to veterans service organizations (VFW, American Legion, etc.).

12:30 President tells roundtable participants that he will sign the Executive Order and appoint the Advisory Committee members later in the day.

1:30 Immediately after the roundtable, President signs Executive Order.

2:00 White House Press Office issues press release announcing signing of E.O. and appointment of Advisory Committee members.

NSC and White House Public Liaison fax copies of press release to Hill offices, veterans organizations, and participants in Presidential roundtable.

3-7:00 NSC responds to press queries, on background.

Saturday, May 27-Monday, May 29:

Establishment of Advisory Committee is included in Presidential and other speeches for Memorial Day.

Tuesday, May 30:

DOD files Advisory Committee Charter with General Services Administration.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

PRESIDENT APPOINTS ADVISORY COMMITTEE

ON GULF WAR VETERANS' ILLNESSES

President Clinton today signed an Executive Order establishing the Presidential Advisory Committee on Gulf War Veterans' Illnesses and announced the appointment of its chairperson and members. The 12 members include scientists, health care professionals, veterans, and policy experts.

"This independent Advisory Committee will help ensure that we are doing everything possible to determine the causes of the illnesses being reported by Gulf War veterans and to provide effective medical care to those who are ill," the President said. "Its members have real expertise in all of the areas relevant to Gulf War veterans' illnesses, including research, diagnosis and treatment."

The Committee is to review and provide recommendations on the full range of government activities relating to Gulf War veterans' illnesses. It will report to the President through the Secretaries of Defense, Veterans Affairs, and Health and Human Services. The Committee will provide an interim report within six months of its first meeting and a final report by no later than December 31, 1996.

The chairperson of the Advisory Committee is Joyce Lashof, M.D., former Dean and Professor Emerita of the School of Public Health at the University of California at Berkeley. Dr. Lashof was Assistant Director of the Office of Technology Assessment from 1978-81 and Deputy Assistant Secretary for Health Programs and Deputy Assistant Secretary for Population Affairs at the Department of Health, Education, and Welfare from 1977-78. She served as President of the American Public Health Association in 1991-92.

The members include:

John Baldeschwieler, Ph.D., is Professor of Chemistry and former Chair of the Division of Chemistry and Chemical Engineering at the California Institute of Technology. From 1971-73, Dr. Baldeschwieler served as Deputy Director of the White House

Office of Science and Technology Policy. He is an expert on national security issues, having served on numerous scholarly panels, commissions and committees.

Arthur Caplan, Ph.D., is Director of the Center for Bioethics at the University of Pennsylvania. Dr. Caplan was Director of the Center for Biomedical Ethics and Professor of Philosophy and Professor of Surgery at the University of Minnesota from 1987-1994. He is an authority on ethics and medicine, and serves as the first President of the American Association of Bioethics.

Adm. Donald Custis, M.D. has served as the Senior Medical Advisor to the Health Policy Department of the Paralyzed Veterans of America since January 1994. From 1980-84, Admiral Custis served as Chief Medical Director for the Veterans Administration, having joined VA in 1976. During his career, he served as Commanding Officer of the Naval Combat Hospital in Danang, Vietnam (1969), followed by command of the National Naval Medical Center in Bethesda, Maryland. He retired in 1976 as the U.S. Navy Surgeon General with the rank of Vice Admiral.

Gen. Frederick M. Franks, Jr. is a Vietnam and Gulf War veteran. From 1991-94, Gen. Franks was Commander of the Training and Doctrine Command. He served as the Commanding General of VII Corps, U.S. Army Europe, from 1989-91 and as VII Corps Commander during Operation Desert Shield and Desert Storm in 1990-91. During the Vietnam War, he served as S3, 2nd Squadron, 11th Army Cavalry, where he was wounded in action. He retired in 1994.

David A. Hamburg, M.D., is President of the Carnegie Corporation. Dr. Hamburg was President of the Institute of Medicine, National Academy of Sciences, from 1975-80 and Director of the Division of Health Policy Research and Education and John D. MacArthur Professor of Health Policy at Harvard University from 1980-82. He served as President, then Chairman of the Board, of the American Association for the Advancement of Science, between 1984-86.

James A. Johnson is Chairman and Chief Executive Officer of the Federal National Mortgage Association in Washington, DC. Mr. Johnson was Executive Assistant to Vice President Walter Mondale from 1977-81. He is Chairman of the Board of Trustees of the Brookings Institution and also serves on the Boards of the Carnegie Endowment for International Peace and the Carnegie Corporation.

Marguerite Knox, M.N., R.N.C., C.C.R.N., is a Clinical Assistant Professor at the College of Nursing of the University of South Carolina in Columbia. As a member of the U.S. Army Nurse Corps, Capt. Knox was stationed with the 251st evacuation hospital at King Khalid Military City during Operation Desert Shield and Desert Storm. From 1988-1993, she was a Special Nurse,

Peripheral Vascular Lab at the William Jennings Bryan Dorn Veterans Hospital in Columbia, South Carolina. She is a member of the South Carolina Army National Guard.

Philip Landrigan, M.D., is Director of the Division of Environmental and Occupational Medicine at the Mount Sinai School of Medicine in New York. Dr. Landrigan is an expert on toxic environmental and occupational exposures, and is Editor-in-Chief of the American Journal of Industrial Medicine and former Editor-in-Chief of Environmental Research. In 1988, he served as Chair of the science committee that reviewed the health effects of Agent Orange for the American Legion. Dr. Landrigan served as an Epidemic Intelligence Officer and then as a medical epidemiologist with the Centers for Disease Control and Prevention from 1970-85.

Elaine L. Larson, Ph.D., R.N., F.A.A.N., C.I.C., is Dean of the Georgetown University School of Nursing. Dr. Larson was Professor and Nutting Chair in Clinical Nursing at the Johns Hopkins University School of Nursing and Director of the School's Center for Nursing Research from 1985-92. She is a member of the Health Sciences Policy Board of the Institute of Medicine, National Academy of Sciences, and is a Trustee of the Research Foundation of the Association of Practitioners in Infection Control. She has been a consultant in infection prevention in the U.S., Kuwait, Singapore, South America, Australia, Ghana and Europe.

Rolando Rios is a public interest attorney in private practice in San Antonio, Texas. From 1969-72, Mr. Rios served in the U.S. Army. He earned the rank of First Lieutenant and was disabled while serving in the Vietnam War.

Andrea Kidd Taylor, Dr.P.H., is the International Representative and Industrial Hygienist of the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) in Detroit, Michigan. Dr. Taylor is also the Health Representative of the National Advisory Committee on Occupational Safety and Health. From 1984 to 1987, she was an Industrial Hygienist with the Maryland Committee on Occupational Safety and Health.

# # #

Budget Issues

Q. Will this administration continue to press for funding for critical veterans health and benefits programs?

• Yes. The nation's obligation to the men and women who served must be met. We must be willing to continue to stand by the people who defend us.

• VA is taking steps to bring additional efficiencies into the operation of its programs, and that will mean that more veterans can be served with the funds that are available. The administration will stand by its commitments to veterans, and VA will stand by its commitment to become more efficient and offer timely, quality service to the people who have earned it. That means that:

• Incompetent veterans cannot be targeted for benefit reductions;

• Necessary construction should be undertaken to ensure that veterans have facilities to use that meet community standards;

• VA should be given the freedom to address its long term problems creatively, so more veterans can receive quality care from the system created to care for them.

• But, the budget plan Congress proposed affects more than veterans. Our children's education, the nation's commitment to people with disabilities, employment and training funds will all be scaled back or eliminated. That is short sighted, and it is unwise.

• As long as we face this huge budget deficit, each of us has a responsibility to address it. But, we must do it in a way that does not create more problems, or forget our obligations to the people who have defended us, and who will defend us tomorrow.

Q. Who is affected by cuts to veterans' programs?

• Congressional proposals to cut benefits to veterans receiving disability are not clear with respect to how they will be applied, and so far some important details need to be clarified.

• For example, what will the new rules consider to be a "service-connected" disability? Has anyone proposing changes considered the effect on the people who rely on VA for some, if not most, of their resources?

• The men and women who serve this nation in the military willingly give up a number of their rights, and they agree to be available for active duty day and night. They have a right to know if they will be discarded and forgotten — the burdens of their families or their localities — if they are injured on the way to or from their jobs.

• They need to know if this nation will continue to honor its commitment to them if they are seriously injured while on active duty.

• If guidelines for the payment of VA disability and medical treatment are drawn even more strictly than they currently exist, the following people will be at risk. Each has given permission to have his name used.

Issues Raised In 5/21/95 Washington Post Article And William Safire Columns

Q - Is it accurate to say that some VA hospitals have many empty beds and low occupancy rates?

• Beds are being eliminated in VA hospitals to coincide with the expansion in outpatient services. This is a general trend in health care nationwide (both in the public and private sector), which reduces costs and expands the availability of health-care services. While VA inpatient care is declining, the number of outpatient visits increases dramatically each year, which makes good business sense.

Q - Since so few veterans actually chose VA for their health-care needs, shouldn't some VA hospitals be closed?

• Congress in the 1980s passed legislation to ensure that veterans with service-connected disabilities and poor veterans — those veterans who cannot otherwise afford to pay the costs of health care — receive VA hospital care on a mandatory basis. Veterans who do not have service-connected conditions and have higher incomes may receive VA heath care but based on the availability of space and resources. Most of the veterans treated in VA hospitals are in the mandatory category.

• Another set of criteria exist for outpatient services, which are even more restrictive. The VA health-care system is not underused. Strict eligibility criteria — set by law — limit health care to certain categories of veterans. In some parts of the country — particularly the Sun Belt — veterans who want VA health care are being turned away.

• One of VA's Reinventing Government initiatives will reform these complex health-care eligibility rules, to ensure that veterans are treated in the most clinically appropriate setting. VA estimates that there will be a shift of approximately 20 percent of its inpatient workload to outpatient care over a two-year period.

Veterans Preference Issues

Q. Mr. President what is your position concerning veterans preference in federal employment?

• On June 22, 1994 I joined with all Americans in commemorating Veteran's Employment Day. As the nation celebrated the 50th Anniversary of the Veterans Preference Act, I assured that this Administration's support for the Act has not diminished and that I am committed to preserving the Act.

• Jim King, director of the Office of Personnel Management, and the reinventing government staff in the Vice President's Office have met with veterans groups and reassured them that we will work together to preserve veterans preference.

• Civil Servia Reform proposal maintains this commitment

Reinvention Phase II Initiatives

Q. The means test to determine nonservice-connected veterans' access to and cost of medical care asks 93 questions each year — and doesn't allow VA to verify financial information veterans provide. Can VA improve this system?

• You're right; it burdens the veteran and costs the government money. A VA legislative proposal would:

• give VA authority to ask veterans' permission to access IRS tax records for verification that their most recent income levels are below the thresholds;

• simplify assessment of financial means by eliminating veterans' assets from consideration, using income only;

• save $46 million and eliminate 280 positions over five years.

Q. Should VA be more integrated with other health-care systems paying for health care?
A. Several initiatives would benefit VA, DoD, Medicare and, through Medicare, the private health-care sector.

• If veterans could use their Medicare benefits to receive VA care, non-service connected veterans whose incomes don't qualify them for VA medical care would have the choice of receiving care from VA. They deserve a choice.

• Medicare would reimburse VA for their care, bringing VA more patients and more money to treat them and, because VA would provide total, coordinated care, saving Medicare expenditures for those patients. We are asking VA and HHS to create demonstrations to iron out any billing and information problems.

• The Treasury now receives the reimbursements that VA collects from veterans' health insurers (except for VA's collection costs). Permitting VA to keep 25 percent of its collections would give medical centers more incentive to pursue collections and result in 10 percent greater collections.

• VA and DoD want to study how to expand their medical sharing and facility integration. They have several joint facilities now and many arrangements by which they purchase services from each other. We are asking the two departments to develop a long-range plan now and to report to the Vice President in 6 months on plans to expand their sharing.

Reimbursement

• One of the Phase II Reinventing Government initiatives calls for pilot projects to permit veterans who want to use VA health care but are not entitled to medical care to bring their Medicare reimbursement to VA to cover the cost of their care. Currently, veterans who want to do this don't have that option.

• VA currently has the authority to collect from third-party insurers for treatment of nonservice-connected conditions but can only keep the portion of the collection that covers operating costs. Everything else is returned to the Treasury. Under another Reinventing Government initiative, VA would be able to keep 25 percent of the funds collected while continuing to cover all collection expenses.

• VA and DOD are involved in nearly 700 sharing agreements representing thousands of shared medical or support services. VA and DOD charge each other mutually agreed upon prices for the services provided — each retaining the proceeds received. Another Reinventing Government initiative calls for an expansion of these sharing agreements.

Spinal Cord Injury

• VA operates spinal cord injury units throughout the nation in a program unmatched in the private sector in the quality and extent of the care provided to such a specialized group of patients.

• Extensive research also is underway, including experiments at the San Diego VA Medical Center with a protein called nerve growth factor that produced cell growth in rats with both intact and injured spinal cords. These results could be an important step toward repairing damaged spinal cords in humans.

Post-Traumatic Stress Disorder

• VA continues to expand the number of programs for treating veterans with post-traumatic stress disorder — both for inpatient and outpatient care and in Vet Centers (the nationwide network of counseling centers).

• In this fiscal year, funding was increased to enhance all of these programs, and the 1996 budget calls for another increase.

• VA also is establishing more counseling programs for World War II veterans, some of whom are only now just coming forward to deal with the lingering effects of their service.

Veterans Employment Programs

• The Administration does not support legislation that would transfer the Veterans' Employment and Training Service (VETS) from the Department of Labor to the Department of Veterans Affairs.

• This change is not warranted nor would it necessarily improve employment and training services for our veterans.

• The proposed transfer would affect only staff level functions. The services to veterans would continue to be provided by state employees. VETS has ready access to job information developed by the Bureau of Labor Statistics and other agencies within Labor and is in a unique position to provide the employment services with which it is charged.

• An effective partnership already exists between VA and the Labor Department.

Issue: Full Accountability of POW/MIAs (War in Southeast Asia)

Question: How close are we to resolving the issue of full accountability?

Proposed Answer: Achieving the fullest possible accounting for Americans who remain unaccounted for as a result of the War in Southeast Asia remains a high national priority. The U.S. Government is committed to continuing related operations in Vietnam, Laos, and Cambodia until such an accounting is achieved. There are currently 2,205 Americans who remain unaccounted for in Southeast Asia. Since the economic embargo was lifted, 79 sets of remains have been repatriated. Although 28 sets of previously repatriated American remains were identified in 1994, the identification process remains a slow, deliberate process that often takes in excess of a year to complete.

Overall cooperation from the Government of the Socialist Republic of Vietnam has steadily increased since the lifting of the economic embargo in 1994, however, the U.S. Government can provide greater assistance through the unilateral location and turnover of relevant documents, the identification of Vietnamese witnesses possessing information that may lead to the resolution of cases involving unaccounted for Americans, and the repatriation of all American remains currently possessed by Vietnamese nationals. The U.S. Government will continue to press for this increased cooperation. Although Joint Task Force Full Accounting operations in support of this issue are currently projected to continue for only one and a half to three years, the U.S. Government is committed to continuing our push for the fullest possible accounting.

POC: Lt. Col. C. Young, OASD/ISA (DPMO/PP)
(703) 602-2102, Ext. 159

Issue: Increased Education Benefits

Background: Among the benefits of military service has been the time-honored GI Bill, which in years past could be counted on to defray all of a veteran's education expenses. Indeed, more than 21 million veterans benefitted from the legislation. Nowadays, that assistance has failed to keep pace with rising college costs that can run as much as $10,000 a year and more.

Question: What can be done to expand this entitlement and make it more meaningful?

The original GI Bill program paid most of the costs of a veteran's education and provided additional funds for living expenses. Subsequent programs modified that approach and today the GI Bill does not cover the basic costs of most programs of higher education. What can be done to address this concern?

The cost of higher education in the United States has increased significantly in recent years. Even with the limited monthly increases provided, the present level of GI Bill benefits has not kept up with increases in tuition and other costs. The current programs are designed to assist eligible veterans with the costs of their education, not to pay for the entire program as the original GI Bill was designed.

Utilization of the GI Bill programs remains relatively high, notwithstanding the additional costs veterans must absorb to pursue many programs of education. In selected cases the military services provide recruitment incentives in the form of additional monies which, when added to the basic GI Bill benefit, are more closely aligned to the costs of the veterans' training.

Throughout the history of the GI Bill, the increased earning power of veterans as a result of training under the GI Bill has resulted in higher tax revenues to the Federal and State Governments far in excess of the costs of the program. However, during this period of budgetary constraints, a significant increase on the level of benefits provided to eligible veterans under the GI Bill may be difficult to justify.

Question: What steps are being taken to make service in the Armed Forces a more attractive option to high school graduates?

Answer: Senior officials within Department of Defense and Congress consider recruiting success vital to military readiness and to our national security. Accordingly, we will continue to give the highest priority to recruiting high-quality young men and women to meet the needs of a volunteer force.

Our Youth Attitude Tracking Study (YATS) indicates that money for education, job training, duty to country, and pay are the most common reasons for young people to join the military. Recent YATS results show the percentage of youth interested in money for education is increasing. Because education benefits are one of the primary reasons many young men and women are attracted to the military, the Montgomery GI Bill (MGIB) is one of DoD's primary incentives used in attracting quality high school graduates. This program provides a Service member with over $14,500 for education or training after separation. Available only to Service members with a high school diploma, over 90 percent of eligible recruits have enrolled in this program during the past three years. Moreover, the Army, Navy, and Marine Corps offer additional education benefits for selected recruits who enter hard-to-fill occupations or enlist for longer terms of service. These "kickers" increase the value of the education benefit to $30,000 for eligible Service members.

The Department is also committed to expanding opportunities for women in the military. For example, in 1994 the Services opened an additional 80,000 positions to women. Currently, 92 percent of all career fields and 80 percent of all jobs are open to women. In addition to creating more opportunities for women to serve, opening up more jobs to women expands the pool of high quality recruiting prospects. These changes allow us to better select the most qualified person for each job. To publicize the increased opportunities for women, we have developed an advertising campaign which is running in magazines that specifically target young women ages 17-24.

Department of Defense Office of the Secretary

Issue: Shrinking Cemetery Space

Background: Of the 114 cemeteries operated by the National Cemetery System, almost half are closed. Existing developed land can accommodate some 278,000 additional gravesites, but projections through the year 2010 point to a deficit of nearly 700,000 sites. On the other hand, undeveloped areas can handle an additional 1.6 million sites.

Question: How much expansion of existing sites is realistically possible?

The National Cemetery System is not "running out of gravespace." Nationwide, the system has an inventory of more than 10,600 acres, approximately half of which can be developed in the future to meet increased demand. This undeveloped land has the potential to provide an additional 1.6 million gravesites, not "278,000" as indicated in your question. Our current inventory of unassigned gravesites is approximately 278,000. While the years ahead will pose severe challenges to the system, and five old cemeteries will exhaust unassigned grave space, VA is working aggressively to meet this challenge.

a. We are building new cemeteries in Seattle, Dallas, Cleveland, and Albany. All are large metropolitan areas where there is not currently a national cemetery serving veterans. This will add about 2,000 acres to the inventory, allowing us to provide additional grave space in the areas of high veteran population.

b. We are acquiring land adjacent to nine existing cemeteries in order to maintain service. This will add approximately 500 acres and thousands of new grave sites that will allow us to continue providing service at cemeteries where expansion is feasible.

c. VA encourages the use of our state cemetery grants program. VA matches a state's contribution 50/50 - to establish or improve a veterans cemetery operated by a state.

Public Affairs Guidance
Presidential Memorial Day Address

Question One:

Issue: Relations with the "Republic of China."

(Background Note: The US has not had formal diplomatic relations with the Republic of China since January 1979. We have an unofficial relationship with the authorities on Taiwan in conformance with the Taiwan Relations Act. The US recognizes the Peoples' Republic of China as the sole legal government of China and acknowledges the Chinese position that there is but one China and that Taiwan is a part of China. End Note)

Question: Should the threat of aggression from Red China surface, to what extent would the United States bolster Taiwan's defenses?

Answer: Peace in the Taiwan Strait has been the long-standing goal of our policy toward Taiwan. United States arm sales to Taiwan are designed to serve this end. In accordance with the Taiwan Relations Act, the United States provides Taiwan with "sufficient self-defense capability."

We welcome the growing dialogue between Taipei and Beijing and applaud actions on both sides which increase the possibility of a peaceful resolution of the situation in the Taiwan Strait.

Coordination:
Consistent with EASR, which was approved by State

Readiness of the U.S. Armed Forces

Question: What is the likelihood of the armed forces being overextended under this "do more with less" approach?

Answer: Overall, we are not asking our forces to do more than they did during the Cold War; we are asking them to do some different things. Because we no longer confront any threats on the scale of that posed by the Soviet Union during the Cold War, we have been able to safely scale down the size of our armed forces over the past several years. Our forces are now structured to support a new national security strategy appropriate to the post-Cold War era. This strategy calls for ready and flexible military forces capable of a wide variety of missions, including: deterring and defeating regional aggression, deterring and preventing the effective use of weapons of mass destruction, enforcing and keeping peace in selected areas, sustaining a stabilizing presence overseas, and others.

As we have downsized, we have taken great care to maintain highly ready, professional and technologically superior forces. So, while we may be smaller today than we were yesterday, the United States still possesses the best military in the world. While it is true that the tempo of operations for some of our forces has increased over the past few years, this has not undermined overall readiness. As long as Congress continues to appropriate the resources we have requested for defense, including timely supplemental funding to cover the costs of contingency operations, our forces will have what they need to accomplish their missions.

Vietnam

-- I just sent a Presidential delegation to Hanoi and Vientiane earlier this month to take a hard look at how we're doing on POW-MIA accounting.

-- They met with senior leaders in both capitals and obtained pledges that the good cooperation on POW-MIA issues we've seen over the past year will continue.

-- The delegation received some important new documents -- 116 documents totaling 187 pages. The information is the kind of thing we've been asking for, and is now being evaluated by the Defense Department's POW-MIA Office.

-- It's clear from the way the delegation was treated that both Vietnam and Laos are prepared to continue working with us on this issue.

-- Premier Kiet sent me a letter promising continuing cooperation. This is encouraging. Their cooperation since last year, when we lifted the trade embargo, has been very good.

-- Hanoi is taking unilateral actions to provide more accounting.

Historical Commemorations

Background

Citing the Smithsonian's Enola Gay exhibition and the Postal Service's Atomic Bomb stamp as examples, the participants may ask you what the Government could do to lessen controversies surrounding the commemoration of other World War II events and similar historical commemorations.

Points

-- Because of their nature, historical commemorations of wartime events are, unfortunately, bound to generate controversy. In wars you have winners and losers -- and when peace ensues and the post-war healing process occurs, the losers do not want to be reminded of their loss and their wartime sacrifices.

-- Similarly, the victors do not wish to see their efforts sullied and their sacrifices forgotten or belittled; hence, the roots of continual controversy.

-- The Smithsonian's proposed "Enola Gay" exhibit and the Postal Service's "atomic bomb" stamp depicted events of lasting import -- the dropping of atomic bombs on Japan, our former enemy.

-- As Americans, we are greatly disturbed by the death and destruction associated with these weapons -- and that is why we vigorously pursue efforts to limit the spread and usage of weapons of mass destruction. But we also recognize that in 1945 -- acting within the context of the times -- President Truman made the decision to drop two atom bombs.

-- The impact of that decision is lasting; it has had profound effects on the Japanese people, Americans and, in fact, the whole world; and controversy will always surround both the decision and the actual events.

Q1: How does the United States Government account for former POWs' claims that they were used by Japanese Army Unit 731 in Manchuria for biological experiments?

A1: The POW/MIA issue is and has always been a high priority of the United States Government, not only for WWII, but from all major conflicts in which the United States has been a participant. There does not appear to be any documentary evidence to support the claims of U.S. POWs that they were subjected to biological experiments during WWII, but we are continuing to review information on the matter.

Q2: Will the Federal Government endorse the lawsuit of the American Defenders of Bataan and Corregidor against the Government of Japan for reparations?

A2: Claims of U.S. citizens against Japan for its conduct during WWII were settled by the Treaty of Peace with Japan of September 8, 1951. Under this Treaty, Japan gave each of the Allied Powers, including the United States, the right to seize and dispose of Japanese assets located in its territory in order to satisfy its war claims as well as those of its citizens. In return, the Allied Powers waived any right to further reparations or claims. The proceeds of those Japanese assets have long been distributed.

Veterans in the White House
April 7, 1995

-We have done a tremendous outreach to veterans and veterans organizations

-Further, we have worked very hard at making sure diversity is represented not only in the White House but across the administration. Many of my top advisors are veterans - including the Vice President, Secretaries Christopher, Riley, Jesse Brown, Ron Brown, Leon Panetta, Erskine Bowles, Sandy Berger, Bill Galston, Judge Mikva.

-While statistics may show that the Clinton Administration has hired fewer veterans, it must also be noted that this administration has hired more women; and because women are less likely to be veterans, comparative numbers will be lower than previous administrations.

Issue: Homelessness among veterans?

Background: Homelessness among veterans continues to be a significant issue. It is a problem we are working hard to correct. On any given day as many as 250,000 veterans are living on the streets or in shelters. The number of homeless veterans today is greater than the number of U.S. servicemen who died during the Vietnam War.

What the Administration is doing: My budget calls for $1.6 billion in targeted and performance-partnership funding across 6 federal agencies to assist local communities in developing local, coordinated solutions to break the cycle of homelessness.

VA funding of programs for homeless veterans has increased by more than 30% over the last 3 years to a current $76 million

VA awarded first ever grants to public and private non-profit groups to develop veterans assistance programs

HUD-VASH (Veterans Affairs Supported Housing) This joint V.A. and HUD staffed program provides rental assistance vouchers for permanent housing for homeless veterans

The Department of Labor's Homeless Vets Reintegration program assists homeless veterans in getting and retaining jobs

And the AmeriCorps program of National Service volunteers not only work in projects that benefit homeless veterans like counseling and health care support services, but for example half of the AmeriCorps volunteers in Houston, and Los Angeles are veterans.

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript May 26, 1995

REMARKS BY THE PRESIDENT
IN VETERANS ROUNDTABLE

The Roosevelt Room

1:00 P.M. EDT

THE PRESIDENT: Whoever wants to go first, have at it.

Q Mr. President, the Fleet Reserve Association supports a concept called Medicare -- and this plan would allow the health care financing administration to reimburse the Department of Veterans Affairs for medical services provided to veterans, age 65 and older. I think this was part of your health care plan, something you --

THE PRESIDENT: It was.

Q -- but I'd still like some comments. We as an association feel that it would profit our veterans. It would also be a cheaper way to go, and we'd very much appreciate your remarks on this.

THE PRESIDENT: Well, as you know it was a part of my health care reform package, and I might say just by the way, I still have some hope that before this budget process is finalized, when the Senate and House Republicans look at the magnitude of the cuts they've proposed in Medicare, and also Medicaid -- 70 percent of which goes to the elderly and disabled, not to people on welfare -- that they will be willing to sit down with me and work through some health care reforms that will be willing to sit down with me and work through some health care reforms that will enable us to achieve some savings and lower inflation in health care costs in the out-years, but also provide for better care. And I like that, as you know.

Now, in lieu of that, we have just recently proposed in the second round of our reinventing government proposal increasing the eligibility of our veterans to use Medicare in different ways. And, Herschel, do you want to talk a little about it?

DEPUTY SECRETARY GOBER: It is part of the project of the RIGA II, as the President said, which would let us -- you take legislation to do it. But we want to run pilot projects to see if we can do it. And I understand there's been some thought about DOD might be doing something like this also. But the veterans are concerned about it, just like -- I know we're -- all of our veterans are concerned about it and we want to get into the Medicare business because we think we can do it cheaper.

THE PRESIDENT: And I believe that if the veterans facilities were able to compete for veterans who have -- who are eligible for Medicare, then they might do quite well.

Q It would make them stronger.

THE PRESIDENT: Absolutely. That's what I believe. That's what I believe. And we have advocated that since the day I got here. And, as I said, it was originally part of the health care reform package. So I hope we can bring it up again in that context and, failing that, or at least before that, we're going to try to run some pilot projects around the country to demonstrate that this a good and effective way to do Medicare for veterans.

Q In lieu of the position that the Medicare program --

people are worried about money coming from that. Would that have any effect, negative effect on that whole --

THE PRESIDENT: Do you mean because they're cutting Medicare overall?

Q Because Medicare funds are dwindling.

THE PRESIDENT: It depends on whether you think this would increase spending on Medicare. I don't think it necessarily would. And I -- I don't believe it would. I also -- I believe that Medicare is going to be hurt very badly if it's cut as much as the House and Senate bills call for it to be cut. And I believe there are some alternatives that will lead us to a balanced budget that don't require that much cut.

And I'll be working with the Congress. I think as time goes on, after they go home and then go home again this summer, before the budget is finally written, I think that we'll probably be able to come together on something that will take us to a balanced budget and doesn't cut Medicare as much as this program does.

Q Mr. President, I'd like to follow up on the military health care portion of it. First, I'd like to thank you and Mr. Gober and Bob Jones for seeing us, the openness and the access from the White House from our perspective has never been greater from the people here. We have, in effect, been shut out of some White Houses, and we really appreciate the opportunity to come here.

And the thing I wanted to follow up on is the Medicare reimbursement of -- for military hospitals. Military retirees are the only federal employees at age 65 who lose their health care from their employer, the Department of Defense. At age 65, they're out, unless there happens to be space in military hospitals. We believe this would open up space in military hospitals, and then combined with CHAMPUS -- to continue the CHAMPUS program past age 65 or the federal employee benefit, or something for military retirees pay would really be a big benefit.

And our studies show that we could save money if we had Medicare -- or Medicare reimbursement. Everything we looked at as some sort of accounting thing that the law could correct, if it were done -- and I'd appreciate your comments on that aspect of it, in other words, reimbursement to military hospitals and extending a DOD benefit beyond 65.

THE PRESIDENT: Well, the Defense Department is looking at it now. We are -- as I said, we've got -- I think we do have pretty good agreement in the Congress with the administration on what the general defense budget is going to be. That's one of the happy conclusions that you can draw from these budget battles. There will never be any publicity on anything except what we disagree on. But I think there is broad agreement that we ought to have a long-term plan to bring a balanced budget, and I think there is pretty significant agreement on what the defense baseline should be, because defense has sustained major cuts since 1987, and we're pretty clear on what we now have to do to maintain readiness. And I'm encouraged by it.

I know -- the Senate budget, I believe, adopted my defense recommendations to the dollar. So I feel quite good about it.

And so, within that context we're examining this health care issue. And a lot of people believe that -- just what you said -- that if you had CHAMPUS and Medicare eligibility for the military hospitals, we could have the same thing. I know I tried to have a study done on this before we closed a couple of them out West because I thought we ought to see, since there were -- there are some areas, as you know, where the military population itself has gone down, but the retired population is staggering.

And I still believe that before we get through this next round of base closings, we ought to have a clear economic analysis of what the

impact would be and whether those hospitals are the most efficient and cost-effective way to provide health care.

Q We would hope that as a part of that look you would look at the Uniformed Services University of the Health Sciences. It's sort of a West Point for military doctors. And they produce an outstanding military physician, but it's on --it's part of the reinventing government proposal that would be closed. But there is also evidence that it saves -- it could save, overall save money for the government if they do something. And I would ask that you take a look at that in terms of keeping it open.

Q Mr. President, I'm from Am-Vets. National defense for Am-Vets is a big concern, as you can well imagine. I'm sure it's the same for veterans groups. Reports that we're getting, what I'm reading, recruiters are meeting their quotas, but nowadays, only one out of four people are entering the service, whereas after Desert Storm, it was one out of three. And the G.I. Bill isn't what it used to be. What is being done to make the services a more attractive option coming out of high school?

THE PRESIDENT: I think one of the things that might have happened is -- of course, the unemployment rate dropped two percent in the last year and a half, and the availability of other economic opportunities may have played some role in this. We also increased the availability and lowered the cost of college education options, which also may have had some impact on it.

But I was very concerned that one of the disincentives to getting really talented, gifted young people into the military was the continued erosion in the quality of life portion of the defense budget, so that the money that I asked the Congress to add back -- even though we're cutting spending I asked them to add back $25 billion over the next five years to the defense budget -- is heavily devoted to quality of life and readiness, because I want our recruiters to be able to advertise to young people exactly what the conditions of living will be and exactly what the commitment to training and readiness will be.

And now a majority of people in the military are married. So these quality of life issues have become even more important because of the families. Every time I go to a military base now, either I or Hillary if she's with me, we always try to inquire about what are the child care facilities like, what kind of supports do the families have, how are they dealing with the extra stresses of having fewer people in the military and having more far-flung assignments.

So I think that we may have to reexamine as time goes on the educational benefits in the context of our overall examination of that. I've been arguing to the Congress basically, as you know, on this budget that we ought not to be wedded to seven years, we might ought to string it out a couple more years and look at some other options for balancing the budget so that we can deal with the education deficit, as well as the budget deficit in American and invest some more money in all education benefits. And, of course, I would certainly include military benefits in that because the Montgomery bill is a great bill, but the stipend hasn't been increased in a while and the cost is going up.

Q I'm a reporter from Vietnam Veterans of America. My question concerns the POW-MIA issue, which is a priority issue for us, as I understand it is for you. For the record -- is opposed to the normalization of relations with Vietnam. Our organization has a program called the Veterans Initiative in which we work veteran to veteran in getting --reach veterans in an attempt to help solve the questions of missing on both sides. And with the Veterans Initiative we've been able to help to get a Vietnamese account for almost 7,000 of them. As a matter of fact, I heard just yesterday that they've discovered another grave -- found 100 missing.

In July, we anticipate returning to Vietnam, specifically for the issue regarding American missing. And we'll meet with Vietnamese veterans and they promise to take that information to the province for us.

Also we've received great support from the administration with this, and James Hall and -- they have been fantastic. And I read your preliminary report which was done on the 22nd, after the trip, and I was just curious to know if more specific information on the issue, so that when we return to Vietnam and meet with Vietnamese veteran counterparts --

THE PRESIDENT: You'll have more of the information that we got. Let me tell you, I have received -- Herschel wrote me a report on the recent trip and I have -- we came, our people came home with over 100 new documents. And every one of them said that the level of cooperation seems to be increasing. They seem to be final -- there seems to have been some kind of -- the cooperation has been reasonably good throughout my administration, but it seems to be getting better. And there seems to be some real clear awareness, I think, now on the part of the Vietnamese about how important this is to Americans.

You know, in the beginning they didn't because they had so many who were missing. I don't think they understood what an important part of our culture it was. And then, as you pointed out, because you've been helping them, they have gotten kind of into it, and they've reciprocated.

So what I have instructed them to do -- we set out certain clear kind of criteria for evaluating the progress in our relationships in terms of the POW-MIAs. And we have to take all these documents now and kind of absorb them and figure out what they mean, and then decide what we should, and also, then decide how to release the information. But our general position has been we should make available the information as soon as we can. When is your delegation going?

Q We're hoping to go in July.

THE PRESIDENT: They'll have it. Okay. Thanks.

Q John Gray, from the Association of the United States Army. My question concerns cost of living adjustments. Alan Greenspan and congressional leaders say the current methods to determine CPI inflation rates are off. And both the Senate and House in the budget resolutions adopted different standards lowering the cost of -- understating or saying that CPI overstates inflation.

My question to you is, do you think it overstates inflation, by how much, and what will be the effect on the whole range of entitlement programs and aid programs that affect veterans and the military?

THE PRESIDENT: That's an excellent question. Let me say, first of all, the short answer to your question is, I don't know. And neither do they. Now, that's why a system was set up to regularly review the cost of living allowance and to assess whether or not it was accurate. To be fair to Mr. Greenspan and to the Congress, there are many people who believe that the inflation and the cost of living allowance is somewhat too high because we've had 30-year lows in inflation.

And we have had a common commitment, ever since we had that horrible experience -- you remember in the late 1970s and 1980s, that booming inflation -- our country has had a common commitment to trying to keep it down. And it's basically been bipartisan, and it's also been across the various levels of government, not only in the Federal Reserve but in the Executive Branch and in the Legislative Branch.

So there are a lot of people who think that. But there is a regular review which comes up -- and the next one, I believe, is in 1998. There's a process, there's a designated, legal process for review of the cost of living allowance. And I think it occurs every five years or every six years. And the next announced cost of living allowance is supposed to be in 1998.

As I understand what the Senate did in the budget -- and the House may have done a little more, but the Senate assumed that in 1998 the cost of living allowance, the inflation rate that determines cost of

living would drop by a certain amount. Now, the arguments were anywhere from six-tenths of a percent to two-tenths of a percent. Is that right?

DEPUTY SECRETARY GOBER: That's right.

THE PRESIDENT: And did the House adopt six-tenths of a percent? Three-tenths of a percent. Now, that -- since it's a future budgeting technique, it might be acceptable if it's made conditional. But if they write that in there -- in other words, if they're saying, this is what we think is going to happen, but if it doesn't, we'll pay you whatever the inflation rate is, that's one thing. If they're saying, we're going to do it regardless of what the experts say, that's quite another. Because we have taken this out of politics. We have tried to take it out of politics.

Now, you ask what the consequences are. The consequences are as follows: Both retirement and tax rates are adjusted by inflation. So if, in 1998, the rate is reduced, then the annual increase in retirement checks would be reduced at an appropriate level. That is, it wouldn't go up as much, and the annual adjustment on your taxes for inflation also would be less. That is, we give people adjustments for inflation on their taxes so inflation alone doesn't push us all into higher tax brackets.

Now, what we've tried to -- now, as I say, that is a fair and decent thing to do if inflation is really lower on a more-or-less permanent basis or over a five-year period because that's all -- that's what the cost of living allowance is; it's an inflation allowance. But it ought to be done on an entirely non-political way based on the best available evidence.

So we have given some thought to this because we're going to participate, obviously, with the Congress in the ultimate resolution of this budget difficulty we have. And there are a lot of people who believe as Alan Greenspan does that it's slightly overstated. But no one knows exactly how much or what they will ultimately say. So if we plug the budget -- if you put the budget number in there for the future -- none of them do it right now, do they? Don't both of the budgets start in '98? So I just think there ought to be some escape hatch there, some clear acknowledgement by Congress that if they turn out to be wrong, they're not going to deprive people of what they're entitled to because of inflation. I think that's the answer to that.

Q - Mr. President, our national commander said he wanted to thank you for attending our conference this fall, or this last March. You and the First Lady were well-received and we hope we can have you back again.

The concerns that were expressed here and the questions, of course, we share those. We are very interested and very concerned about the health care of veterans throughout the veterans health care system and not necessarily the 171 hospitals as we stand. Now, we're not locked in brick and mortar and we hope there is some effort to kind of down the line, through Congress, through your effort, to enact what we call eligible --I saw in the write-up yesterday of Vice President concerning reinventing government that a lot of those provisions fall right in line with us, and we really do appreciate it.

Another concern, of course, along that same line, is an effort, at least a mentality or concept that's being discussed in Congress of redefining the service-connected eligibility. This is meaning that there are certain conditions that if a soldier, he or she is injured in the service, it is not directly related to combat or directly related to training, for example, they may not be compensated. And this is very shocking to us. We hear this and we see this coming out -- and Mr. Gober has probably heard about this himself. We're adamantly opposed to this, and any effort to restrict the definition -- in other words, I'll give you an example.

A soldier coming off of leave has an automobile accident, through no fault of his own , no misconduct. And he is injured and may be paralyzed for life, and may not be compensated because it's not in

the line -- it's in the line of duty, but it's not on duty. And the present terms of connected eligibility calls for line of duty, which means a soldier is on duty 24 hours a day, so as long as it's not due to willful misconduct he would be compensated.

And we're very concerned about this. And we'll go to the Congress with it, but if we can get your support. And also, in line with the POW issue, the Veterans of Foreign Wars is not, per se, opposed to normalization. Our position is based on the report that is coming out of this latest visit, and we will make a determination at that time. So if there's some way we can have a meeting or whatever, get the factual information so that our leadership can go ahead and move forward on this -- our concern is with the fullest possible accounting, not whether Vietnam is recognized, or not. That's what we're concerned about.

THE PRESIDENT: Well, as you know, I have taken --first of all, for your earlier comments, I appreciate them and unless there's something to this issue I don't understand, I agree with you. You're the first person who has ever asked me about it, and I guess I'll leave myself that little -- but unless there's something about it I don't understand, I agree with you.

Because I have -- that whole thing kind of runs counter to what I'm trying to get done with the Persian Gulf illness, what we did there. We might talk a little more about that. Later today I'm going to sign the executive order which establishes the Presidential Advisory Committee to continue to look into that, because I am convinced there's still -- we've just got to keep finding answers to why this all happened.

Now, on the Vietnam issue, let me just say my position on that has always been to try -- first of all, to try to be very open and up-front with everybody and very deliberate in the way we've done it. What we -- you more than me -- but what we as a country have achieved there is something unprecedented in the history of all warfare. There has never been anything like this that has ever occurred. And it is something you should all be very proud of. And my position vis-a-vis Vietnam has always been that this was a big thing for the United States and that we would make our judgments about how we related to them country to country based primarily on the evidence here on the progress in resolving these matters.

And so far, I think that has worked. These new documents may be a substantial thing, but we have to assess them, we have to evaluate them. And I see no report on the underlying substance of those documents. And that's why I can't give you the information today. But you will get it before you go.

And I appreciate your statement, because I think we all just ought to keep an open mind and look at the evidence as it unfolds. I will say this -- one of the most amazing things about this whole enterprise has been the inter-reaction between the American veterans and the Vietnamese. That's been an amazing thing to behold, really.

Q I have, like many here probably have, been to Vietnam -- I, last April. I met with the veterans associations over there, Vietnamese veterans associations, and it was just a good feeling to see how close -- and I know Mr. Gober had met with them also. So, anyway, we're watching this very carefully. And our leadership, based on the information that is provided by this latest visit, will make a determination on how best to move forward with this thing.

THE PRESIDENT: Thank you.

Q Mr. President -- I'm from the Disabled American Veterans. I've followed with interest the reinventing government proposals that you and Mr. Gore have come out with, and I was wondering if you can tell us if and when you're going to come up with the specific legislative package to get some of these changes that are going to have to be done statutorily?

THE PRESIDENT: The bills are ready. And I think that

the Republican Congress might adopt a lot of these statutory changes we want because it helps them. It's just like, almost all the Republicans voted for the procurement reform we put through last year. It helped the Defense Department; it saved the Defense Department money. But it also helped the budget. So a lot of these things we're doing in reinventing government we really are proving you can do more with less.

And I appreciate what you said about the bricks and mortar on the hospitals, because what I think we have to do is the mission has to be to take care of the veterans and their health care needs. And a lot of the hospitals will have to make the kinds of adjustments we see in the private sector all over the country, and we're going to have to do a lot more out-patient and use some of those facilities for clinics. But if we could work out the eligibility problems and then work out the mission problems of the institutions, you would have a lot of places that look like sort of empty hospitals now being very busy clinics. And I'm confident that that would happen if we could work this thing both ways -- in which case, the care itself would be cheaper, as all outpatient care normally is.

Q Do you have a time line in your mind for submitting the package?

THE PRESIDENT: I think we'll do it pretty soon. My impression from -- I had lunch with the Vice President yesterday; We eat lunch once a week and talk about these things, and I asked him -- he basically talks about what he did last week and what we're going to do, and I talk about what I did last week. (Laughter.) And he knows I'm real interested in this because we had this -- he had been in Congress when we first started our partnership, and I had been a governor. And I said, this eligibility thing is nutty. So I've been trying for two years to get something done on this eligibility thing.

And we feel that if we can make the overall budget case to Congress, and if we can hit their budget number, that we can get there. Now, I'm arguing strongly to them that they ought to balance the budget in nine or 10 years, not seven. It makes a hug amount of difference to our ability to take care of the fundamental needs of the people of the country, especially in education and health care. And it makes no economic difference, essentially -- it makes some economic difference in terms of you amass a little more debt. But in terms of getting the interest rates down, to keep the economy -- the main thing we want to do is keep the economic growth going and every year make ourselves a little more free of the need to get foreign money in here to help us finance our debt. Not because there's anything wrong with money, but because if it comes today it can go tomorrow, if you see what I mean.

So that's the argument I'm going to be making to them. And I feel that a lot of these reform things we're trying to do, not just in the veterans area, but in many other areas, will ultimately be adopted by the Congress. I think even some of the health care initiatives I argued for last year in the form of managed care options for people will ultimately be embraced by them because they make sense and they don't have any partisan tinge to them.

Q Mr. President, I want to thank you for allowing us here. I'll be brief. I don't have a question, been enjoying these answers. But Paralyzed Veterans of America responded because the Veterans Administration did not have significant --didn't have the doctors or the staff to treat spinal cord injury. We're -- now three to five years. Back when I got in the Air Force it was 10 years -- I look pretty good, don't I?

THE PRESIDENT: You look real good. (Laughter.)

Q But I just want to mention that our biggest concern of the smaller veterans groups, I believe, in the nation since World War II -- or World War I -- and they're getting much smaller, but the spinal injury units that the VAs have -- and there's 21 I believe -- were very, very poor in '58 and '59, and in the '60s and '70s they went downhill. But now they're up and doing the finest care, civilian or veteran. I know it's a small pocket of the whole VA issue, but we'll work with you.

And I know you understand spinal injury care is a lot different from acute care or any of the other things. Not that they're not important, but when it's life and death, you have to have spinal injury acute care in your rehabilitation. And Herschel has been very -- the Under Secretary has been excellent --

THE PRESIDENT: First of all, I agree with what you said. We have no intention of allowing the quality or availability of it to erode. And I would just make one other observation that I think should give you some heart. As you doubtless know, there's some very exciting research going on in San Diego around the veterans administration operation there that, for the first time, gives at least some glimmer of hope of rebuilding cell structure.

And I make this general point: One of the unusual things that happened in the Senate debate on the balanced budget amendment was that a Republican from Oregon, Mark Hatfield, who's the head of the Appropriations Committee and a fine gentleman, offered an amendment to put back $11 billion -- that's a lot of money -- but it was over a 7-year period, put back $11 billion back into medical research at the NIH and it passed with overwhelming bipartisan support. They decided they'd cut something else. So I think that we'll be okay on this.

Q My question is regarding an issue that I know everybody in the military coalition have a voice in and that was the recent Enola Gay controversy at the Smithsonian. It caused tremendous feelings in all those involved, and it was something that I had -- the Jewish War Veterans , in particular, thought that never should have been an issue. And we join with our fellow veterans organizations in a campaign to look to what we thought was an historical revisionist exhibit that had a lot of problems. And we'd like to just ask you what can we do -- what can the Smithsonian and some other federal agencies do to ensure that fair and impartial administrators are appointed that have some background in historical -- have some background in history? And how can we ensure the controversy at the Smithsonian which caused a lot of us terrible pain and rancor won't happen again in the near future?

THE PRESIDENT: I think you can do it, first of all, by -- well, let me back up and say something first. I agree with you. I was stunned. You may know this, but I think most of America agreed with you. I got this strong -- when I appeared before the newspaper publishers of America down in Dallas, I got the strongest response of any question that was asked -- they said something about, do you think President Truman did the right thing, and do you believe it was right to try to tone it down? And I said, yes, and no. And they all applauded.

I just think it's -- I know this was an agonizing thing for the Japanese people. And we have a wonderful relationship with them. Even though I'm in a trade dispute with them now, basically, we've enjoyed a wonderful relationship with them. But -- let me give you a parallel observation. We just celebrated the 50th anniversary of the end of the war in Europe, and I went to Russia, where they lost 27 million people -- 10 million to 12 million soldiers, and somewhere between 13 million and 15 million civilians. And the German Chancellor came to Russia to the celebration, and stood up -- and I mean he didn't pull any punches, he didn't say anything -- he said, this is something we did. We are determined never to let it happen again. We regret it. In other words, he was bigger and stronger, and everybody cared more for Germany because of the way it was handled, if you see what I mean.

There's no point in our pretending -- Harry Truman had information that indicated we'd lose another million people if we had to -- if he avoided that option -- and that they probably would lose more people as well. Now, there's no point in going back over all this now, but my view is that, as painful as this has been, if everyone will write about it, talk about it, and explain why this was a wrong-headed way to deal with the 50th anniversary of the second world war, then we will not have historical revisionism as a way of dealing with contemporary sensitivities. There are other ways to deal with the realities of today without rewriting what happened 50 years ago.

I feel very strongly about it. But I think that the common

sense center of American feels this way so strongly that the main advise I have to you is just to make sure that you speak out about it, that you write about it, and we make a clear record of what went wrong here so we don't do it anymore.

Q American Legion -- Mr. President. Yesterday we had the first tangible action up on Capitol Hill on an issue that a lot of the organizations around this table feel strongly about, and that's the constitutional amendment on the flag. Can you tell us a little bit where you stand and how you see the issue?

THE PRESIDENT: Well, first of all, I don't know very much about where it is because I have been overwhelmingly preoccupied with the terrorism legislation and the budget issues in the last few days. And the President also neither signs, nor vetoes proposed constitutional amendments. It's a referral to the states.

I believe -- I disagreed with the Supreme Court decision that said that the statutes weren't legal. I mean, I didn't agree with the decision. And I supported statutory relief. And I had a flag education program that we organized with the veterans groups in Arkansas -- we went into every fifth-grade class in the state just about with a program we put together that we got some national recognition on, didn't we, from the veterans groups, because it was an amazing thing. We had all these veterans in the wake of all that flag burning a few years ago -- flooded our schools and our kids. We found out there were whole classrooms where kids didn't know anything about the flag, how it was supposed to be treated. Some of them didn't even recite the Pledge of Allegiance. Some of them would put their left hand over their heart instead of their right. It was amazing what we found.

So we made something good happen out of something bad. And so I'm very proud of that, and I don't believe that desecration of the flag has to be legal. I think you can make it illegal. Having said that, I have to be honest and tell you that I, as a man who has been the target of a lot of the exercise of the First Amendment -- probably nobody has paid much of a higher price than I have for believing in the First Amendment -- I'm always loathe to see the Constitution amended when it affects the First Amendment, just because I'm always scared how the courts are going to interpret it.

But I personally believe that people ought not to desecrate the flag, and I've done what I could. I thought we had the best response in the country to all that flag-burning, both in the legislation we passed, which has, as you know, been subsequently set aside by the court -- but also in the education we promoted. I have mixed feelings about the constitutional amendment just because it amends the First Amendment, and I've always been for a very broad view of the First Amendment. But it's one fight that I don't have to be involved in one way or the other. (Laughter.) I've got enough to do.

Q Mark Peterson, Stars and Stripes. Later today you're going to be signing the presidential order to establish the Persian Gulf Advisory Committee. Is that going to be independent of the VA-DOD Health and Human Services Joint Task Force, and if so, what exactly that commission going to do that the task force is not doing?

THE PRESIDENT: Well, I will release the --obviously, later today I will release the executive order on the composition of the committee. But I decided to do this because there were so many continuing questions about whether there had been a truly independent look at what was causing the Persian Gulf illness. And this committee has two Gulf War veterans on it, 12 doctors, scientists, defense experts, and veterans. And I just wanted not only to have our government able to pay for disable veterans with undiagnosed illnesses that we believe were connected to their service, but I wanted the people there -- I've met some of these Persian Gulf War veterans and I don't think they're faking it. And I believe they did get whatever it is that's bothering them as a result of their service there. And there's enough common threads among all of them, even though it's hard to pin down that I think the weight of evidence is there.

And I just -- we may never know exactly what caused

these things, but I just felt that the people who served there and their families were entitled to know that an independent commission with no ax to grind and no interest to protect had gone the extra mile to try to research this issue and get the whole truth out.

It's kind of like what we did on the experiments involving atomic energy. Remember when I put that committee together and we'd go back through all the stuff that happened in the '50s and '60s? I just think the American people are entitled to know. I think all the family members are entitled to know. I just want -- and not every question has an answer that human beings can reach, but if there is a greater answer to this -- to me, it's just part of this whole business of keeping faith, you know. These people that showed up for the Gulf War were keeping faith with America. And we ought to keep faith with them. And that's a general principle I think we ought to follow.

I cannot promise that this committee will find out the answers. But at least everybody will know that we took a committee of experts that had no particular bias and no interests to protect who did their best to find out everything that could be found out. That's my goal.

And I say that not to criticize the people in DOD or anyplace else. I don't know anything bad. I just think that it's important that the veterans and their families and their communities have the peace of mind of knowing that we've gone the extra mile. That's what I'm trying to do.

Thank you all.

THE PRESS: Thank you.