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ABSTRACT

This document is a transcript of a hearing concerning small business opportunities for Vietnam veterans in the Boston area. During the hearing, testimony was given from four panels of Vietnam-era veterans who represented a cross-section of those who served their country in that war. Some of the witnesses also represented veterans groups or worked in veterans programs or outreach centers. Minority veterans comprised two of the panels. During the hearing, witnesses testified about the many problems that Vietnam veterans face in attempting to get loans from the Small Business Administration (SBA) to start or purchase a business. The problem is especially acute for minority veterans, according to the testimony, because they have less capital, or they have language barriers and nobody in the SBA to speak their language (primarily Spanish), or they are the victims of prejudice. The veterans who testified cited the need for more outreach programs, more money for loans, and less red tape in the SBA in order to provide some economic opportunity to Vietnam veterans who thus far have been penalized for their service to their country. (Written testimony is also included in this document.) (KC)

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SMALL BUSINESS OPPORTUNITIES
FOR VIETNAM VETERANS

ED255703

HEARING
BEFORE THE
COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

BOSTON, MA, JUNE 11, 1984

Printed for the use of the Committee on Small Business



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(11)

CONTENTS

	Page
Hearing held on June 11, 1984.....	1
Opening statements of:	
Mavrroules, Hon. Nicholas, a Representative in Congress from the State of Massachusetts	4
Mitchell, Hon. Parren J., chairman, Committee on Small Business.....	1
Testimony of:	
Alexander, Karol, assistant director, Vietnam Veterans Leadership Pro- gram in Massachusetts.....	71
Armstead, Ronald, Boston Vietnam Veterans Center	80
Basque, Will	88
Camacho, Paul R., Massachusetts Vietnam-era Veterans Association.....	35
Cooper, Ralph, director, Veterans Benefits Clearinghouse	79
Doris, Hon. Francis D., senator, Commonwealth of Massachusetts, and chairman, Special Commission on the Concerns of Vietnam Veterans.....	6
Ducey, Richard J., executive director, Vietnam Veterans Leadership Pro- gram.....	44
Halachis, John, commissioner of veterans services, Commonwealth of Massachusetts	22
Hallbrook, Al, president, Massachusetts Vietnam Era Veterans Asso- ciation.....	70
Henning, William, staff coordinator, Nam Vets Association of the Cape and the Islands.....	66
Jernigan, Donald L., vice president, Winchester Square Vietnam-era Vet- erans, Ltd	88
Klein, John, president and owner, Intrepid Technologies, Inc.....	37
Long, Michael.....	77
McNally, John J., Jr., District Director, Small Business Administration....	30
McNiff, John, Regional Director, Veterans Administration	28
Moakley, Hon. Joe, a Representative in Congress from the State of Mas- sachusetts.....	5
Moakley, Robert, Regional Director, Veterans Employment and Training Service, Department of Labor	27
Molina, Tonio.....	77
Rodriguez, Jaimie, director, Operation Outreach	79
Additional material supplied for the hearing record:	
Doris, Hon. Francis D., senator, Commonwealth of Massachusetts, and chairman, Special Commission on the Concerns of Vietnam Veterans: Testimony of Mr. William F. Littlefield before the commission	6
Ducey, Richard J., executive director, Vietnam Veterans Leadership Pro- gram: Brochures of programs.....	47
Henning, William, staff coordinator, Nam Vets Association of the Cape and the Islands: Prepared statement.....	67
Jernigan, Donald L., vice president, Winchester Square Vietnam-era Vet- erans, Ltd: Outline of Springfield Business Development Fund Pro- gram.....	41
McNally, John J., District Director, SBA: Percentages of veteran loans approved and declined.....	35
Mitchell, Hon. Parren J., chairman, Committee on Small Business: Pre- pared statement.....	2

APPENDIX

Report of Commonwealth of Massachusetts Senate, re concerns of Vietnam war veterans.....	87
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SMALL BUSINESS OPPORTUNITIES FOR VIETNAM VETERANS

MONDAY JUNE 11, 1984

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Boston, MA.

The committee met, pursuant to notice, at 9:20 a.m., at J.W. McCormack Post Office and Courthouse, Boston, MA, Hon. Parren J. Mitchell (chairman of the committee) presiding.

OPENING STATEMENT OF CHAIRMAN MITCHELL

Mr. MITCHELL. Good morning. This hearing will come to order. I am Congressman Parren Mitchell. I have the honored privilege of chairing the House Small Business Committee. This morning the committee will conduct a hearing on small business opportunities for Vietnam veterans and on the special problems these veterans are having in entering into the business mainstream. We have as a committee received testimony in the past from veterans, but this is our very first time we have had a hearing solely and exclusively devoted to Vietnam era veterans and small business problems.

We are delighted to be here in Boston. We had no problem getting through the tunnel at all, and it was nice inside the tunnel, breathing in that air while we traveled here.

As you probably might know, there is a Veterans' Committee of the House which has the responsibility for veterans' affairs, but there is an overlapping of jurisdiction because in our Small Business Committee, we have introduced legislation which specifically addresses itself to veterans, that is, the legislation which authorizes the veterans loan program at the Small Business Administration.

I will not take time to spell out what that program involves, but I must congratulate the members of the committee and the Congress, the House and Senate. We have consistently appropriated money for that veterans' loan program. Unfortunately, the Reagan administration blocked the funding last year, and there was a deferral and delay in the spending. However, during 1984, we again made \$25 million available under the SBA regular appropriations bill, and I am hoping that this \$25 million in special loan funds will be fully utilized this year and that funding for veterans' loans will continue for many years in the future.

This morning we will hear from four panels of Vietnam era veterans who represent a cross-section of those who served their country so well in that terrible war. Some of our witnesses also represent veterans groups or work in veterans programs or outreach

(1)

centers, so that they have considerable experience with the problems Vietnam era veterans face.

Two of our panels are composed of minority veterans. As our committee members know, these veterans face even greater difficulty in entering the business mainstream. We are pleased that we will hear from officials from both the Commonwealth of Massachusetts and the Federal Government. In particular, I want to thank Senator Francis D. Doris for taking the time to appear. It is our understanding that he has been most instrumental in shaping veterans' programs in Massachusetts.

[Chairman Mitchell's complete prepared statement follows:]

PREPARED STATEMENT OF HON. PARREN J. MITCHELL, CHAIRMAN, COMMITTEE ON SMALL BUSINESS

This morning the Committee on Small Business will conduct a hearing on small business opportunities for Vietnam-era veterans and on the special problems these veterans have in entering the business mainstream. Although the Committee has received testimony from veterans groups in the past, this is our first hearing devoted solely to the concerns of Vietnam veterans; and I am pleased that we were able to come to Boston and meet so near where our country's first veterans began the struggle for freedom and independence which resulted in the founding of this great nation.

Under the Rules of the House of Representatives, the Committee on Veterans Affairs has the primary legislative jurisdiction in most issues affecting veterans; however, the Committee on Small Business has jurisdiction over issues affecting small business and, in particular, Small Business Administration programs. In recent years, there has been increasing interest in how these programs can serve the needs of Vietnam veterans, and the Committee has strongly supported efforts to improve the delivery of SBA services to this group. In fact, as long ago as January, 1974, legislation was approved which provided that veterans were to receive "special consideration" in all SBA programs. This provision, included in Public Law 93-237, was all but ignored in some parts of the country until relatively recently, when additional legislation made it clear that the Congress was willing to reserve funds for the exclusive use of Vietnam-era and disabled veterans. Fortunately, I understand SBA's Boston District Office has initiated a variety of efforts to give veterans the "special consideration" which the law entitles them to, and we hope to hear more about these efforts later.

There has been some confusion about the legislation which created a veterans loan program at SBA, and I believe it would be helpful to briefly summarize how this program came about. A new Veterans Administration business loan program was authorized by the Veterans Small Business Loan Act of 1981, Title III of Public Law 97-72, which was approved on November 3, 1981. However, the Reagan administration has opposed implementation of this program, and as a result no funds have been available since its enactment. Instead, the Congress reserved direct loan funds in the existing SBA loan program for the exclusive use of Vietnam-era and disabled veterans. This was first done by Public Law 97-377, approved on December 21, 1982, which set aside \$25 million during fiscal year 1983, an amount equivalent to that authorized for the unfunded VA business loan program.

Unfortunately, the Reagan administration persisted in its efforts to block funding for this program and froze all SBA direct loan funds by requesting a "deferral" or delay in spending. This request was rejected by the House of Representatives on March 10, 1983, with the result that direct loan funds were again available. Unfortunately, by the time funds were allocated and instructions were issued to the field offices about the new SBA veterans loan program, more than half the fiscal year had been lost, and at the conclusion of fiscal 1983 only \$8 million in loans had been approved, or less than one-third of the \$25 million which was available.

During fiscal 1984, \$25 million was again made available by SBA's regular appropriations bill, Public Law 98-165, which was approved on November 28, 1983. I am hopeful that these special loan funds will be fully utilized this year, and that funding will continue in future years for SBA veterans loans.

Looking to the future, I am pleased to report that legislation originating in the Committee, and approved by the House on March 15 by an overwhelming majority of 386-11, would provide, for the first time, a separate line-item authorization for SBA veterans loans. This bill, H.R. 3020, would authorize \$30 million in direct veter-

ans loans in fiscal 1985 and \$31.2 million in fiscal 1986. A similar Senate bill, S. 1323, provides for \$25 million in 1985. Unfortunately, a conference to resolve the differences in the two versions of the bill has been delayed because of administration opposition to the bill. Also, the administration's 1985 budget request again seeks to eliminate all SBA direct loans, including those to veterans.

I intend to continue to fight for the retention of this important resource for Vietnam and disabled veterans. In addition, I believe SBA must continue to improve its outreach efforts to identify those veterans which may be able to use agency services and to increase awareness of these services, including not only financial assistance, but management and technical assistance, bonding assistance, and the agency's advocacy and research functions. Although, SBA's commitment to the direct loan program has been disappointing, I do believe that its outreach efforts have improved markedly since \$3 million was earmarked for that purpose last year.

Finally, I believe it is time for Congress to take a good look at what should be done to clarify the meaning of the "special consideration" provision enacted by P.L. 93-237 more than ten years ago. Current regulations are extremely vague, with the result that veterans in some areas are afforded practically no special consideration, while those in other areas with more committed and aggressive personnel receive the priority attention intended by the law. I believe new regulations are called for, and I hope that some of the information that we receive today will be useful in this regard.

This morning we will hear from four panels of Vietnam-era veterans who represent a cross-section of those who served their country so well in that terrible war. Some of our witnesses also represent veterans groups or work in veterans programs or outreach centers, so that they have considerable experience with the problems Vietnam-era veterans face. Two of our panels are composed of minority veterans, and as our Committee's members well know, these veterans face even greater difficulties in entering the business mainstream.

I am very pleased that officials from both the State of Massachusetts and the Federal government can be with us this morning. In particular, I wish to thank Senator Francis D. Doris for taking time to appear. As those here know, Senator Doris has been instrumental in shaping veterans programs in Massachusetts, and it is a pleasure to have him here with us this morning.

Mr. MITCHELL. Let me say that this program—this hearing—has had an intense amount of interest. The Speaker's staff will be here with us today, that is, Hon. Thomas P. O'Neill. I almost said "Tip."

Mr. JOE MOAKLEY. Some of these people even know him by that name.

Mr. MITCHELL. Congressman Barney Frank had a particular interest in this. He has been quite a fighter on the House floor for veterans and his staff will be represented.

We will hear from Congressman Mavroules and Congressman Moakley in a moment. Congressman Moakley, I want to thank you for helping us to put on this hearing. It was his impetus—his drive—that caused us to come here.

One or two other things—housekeeping measures—before we actually get to the other two Members' statements.

Ladies and gentlemen, normally on Mondays the House of Representatives does not have any recorded votes. We elected to have a hearing on Monday in Boston. Then a decision was made that there would be votes today, so we will take off in time to make the votes. There are a number of bills under suspension. We cannot afford to miss those votes. I would urge cooperation from everyone, and I will be saying this time and time again, to try to capsulize your statements in at least 5 minutes. I know it is rough to do, but we are going to have to do it if we hear from all the witnesses we have scheduled.

My first thought, when we learned there would be votes today, was to simply cancel this hearing, but that would be manifestly

unfair, so we have come, but we are going to operate under a very compressed timeframe and I would urge your cooperation.

Most of the Members of the House will attest to the fact that I am rather good with this, and if you go a little beyond 5 minutes, there will be a resounding whack up here to let you know that you have exceeded the time. I hope we can get your cooperation.

Congressman Mavroules, would you like to make a statement?

OPENING STATEMENT OF HON. NICHOLAS MAVROULES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. MAVROULES. Thank you very much, Mr. Chairman, and let me thank you for the foresight and wisdom, at the request of Congressman Moakley and others, to have this hearing here in Boston, MA, on this Monday morning.

As you well know, I, too, have a speaking engagement in Washington at 12 o'clock and I am going to try to make that. However, I felt it was very important to be with you this morning, at least to get my statement in the record and let all of you know where we are coming from. I think it is so important.

Mr. Chairman, just as a review, the concerns of the Vietnam vet are many and they touch upon every aspect of their lives. They range from war trauma, to their exposure to agent orange and a hostile homecoming, to difficulties fitting back into society.

Upon returning home, Mr. Chairman, the Vietnam veteran encountered a generally hostile public reaction to his or her participation in that war and, for the life of me, I will never know why. This was coupled with a misplacement of public values resulting in a meager distribution of social services at all levels of government. There can be no doubt that this past decade has left us with a bitter legacy of broken promises and official neglect. Some steps are slowly being taken to reverse that trend.

For example, with the dedication of the Vietnam Veterans Memorial in Washington, DC, these veterans are finally beginning to receive some of the recognition and national concern that were so long denied, but so very much well deserved. On this past Memorial Day, the Unknown Soldier from the Vietnam era was interred at Arlington National Cemetery as a tribute to the other 2,400 Americans whose whereabouts and fate also remain unknown.

For the living the struggle continues. No issue is more important to any of us than that of employment for Vietnam veterans. They have been faced with high unemployment rates, a hostile and often discriminatory social climate and an indifferent Government system. Special attention, therefore, Mr. Chairman, needs to be focused on job training and educational programs, and opportunities for State or Federal civil service employment.

Even more importantly, we need to promote small business opportunities and focus on small business programs at the State and Federal level. The concerns of our Vietnam veterans should be a special priority, and it is time that we embrace our Nation's sons and daughters for their valiant efforts and assist them in establishing a secure future.

I welcome that opportunity today in these small business hearings, Mr. Chairman. Once again, let me thank you for your dedication to the Vietnam veteran. I have watched you in our committee meetings, and not only for the Vietnam vet but for all of those having a difficult time today, and I want to thank you for taking time from a very busy schedule to have these hearings here in Boston.

Thank you, Mr. Chairman.

Mr. MITCHELL. Thank you. It is reciprocal. I know of your other engagements and it was at great sacrifice that you came here. Congressman Moakley.

TESTIMONY OF HON. JOE MOAKLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. JOE MOAKLEY. Mr. Chairman, I want to thank you very much. Senator Doris and Paul Camacho and some of the vets that came down to Washington told me how important it was to have this hearing in Boston so that they could personally discuss with you and the committee some of the things they felt were very important and should be heard.

I thank you for allowing the committee to come to Boston on such a day to hold this hearing.

You were telling the audience about the votes today. Not only do we have votes, we have a vote on immigration which is probably one of the hottest bills that we are going to deal with in the Congress. We have as many people for it as against it, and the Rules Committee, which I am a member of, was notified by the Speaker last week to have it on the floor today after Parren Mitchell so greatly accommodated my request to have the committee come to Boston.

So all I can say is I want to thank you, and if you see the Members of Congress leaving in the area of 12 o'clock, you will know it will be the last time we can get a plane to get back to vote on the immigration bill.

I will waive my opening statement, Mr. Chairman, because of the time constraints, but also I would like, if it is all right with you, for members who cannot get their entire testimony before us, to have their entire statement appear in the record.

Mr. MITCHELL. Sure, of course. For all the persons who have prepared testimony, your testimony will be submitted in its entirety for the record. It will become a part of the committee hearing.

We are simply asking that you try to capsulize your testimony, cut it as short as you can without leaving out any of the important things, simply because of the compressed timeframe that we are under.

We are delighted to have Senator Doris. I saw you when you came in the door there, please come right up to the witness table.

He is a Senator in the Commonwealth of Massachusetts and he is chairman of the Special Commission on the Concerns of Vietnam Veterans.

In addition we have Mr. John Halachis, commissioner of veterans services, Commonwealth of Massachusetts.

Senator.

TESTIMONY OF HON. FRANCIS D. DORIS, SENATOR, COMMONWEALTH OF MASSACHUSETTS, AND CHAIRMAN, SPECIAL COMMISSION ON THE CONCERNS OF VIETNAM VETERANS

Mr. DORIS. Thank you very much, Mr. Chairman. I echo the sentiments of the two outstanding Congressmen from Massachusetts who have cared so much and so long, not only for the Vietnam veterans of Massachusetts but for the Vietnam veterans of the United States of America.

I thank you for listening to them and for caring enough to come. On behalf of all the veterans of Massachusetts I thank you.

Mr. Chairman, I will leave with you five copies of Senate Report 2307, which is the final report of the Massachusetts Commission on the Concerns of Vietnam Veterans. In addition to that, I will leave you the full commission hearing which was held back in March 1983 relative to employment and material on the Small Business Administration.

[The report referred to above appears in the appendix.]

Mr. JOE MOAKLEY. Senator, what was the complete title of the commission hearing?

Mr. DORIS. It was the "Massachusetts Special Commission on the Concerns of Vietnam Veterans." This was a special informational hearing on employment and I would suggest to you, Mr. Chairman, and members of the committee, that information relative to the Small Business Administration would be contained in the testimony of William Littlefield, which is on page 128 through page 134. And also I refer you to exhibit 5, which is a packet of some 16 pages from the SBA.

[The pages of the transcript and exhibit 5 follow:]

Mr. LITTLEFIELD. I will make this rather brief because of the time. I would like to say tonight that the long awaited business loan program for the Vietnam Era Veteran and for disabled veterans is now online, and is going to be administered by the United States Small Business Administration.

The top item that you see in the fact sheet on that program, that fact sheet is dated March 11, 1983, and became available to me this week.

There was a meeting of the Veterans Task Force in Washington, that task force came up with 29 items. One of the items that they came up with is they wanted the Administrator, James Sanders to make a statement concerning Vietnam Veterans, and Veterans in general. Mr. Sanders statement as Administrator controller of the Agency was that Veterans have absolute preference in all services within the United States Small Business Administration. They have preference as far as direct money is concerned over non-veterans. And, there are monies that are now set aside specifically for Vietnam Veterans and Vietnam Era and Disabled Veterans.

There were 29 items that the Task Force came up with, each one of these items is addressed separately in the documentation that you have before you. The Agency is working on each one of those.

There is a bit on what the Agency is doing and what the Agency intends to do. Our District Director, Jack McNally has said that he has an open door policy and that everybody who works with him and for him is going to have an open door policy.

My name is Bill Littlefield, I am the Veterans Affairs Officer, I have an open door policy and I am available any time, any place, to go anywhere as schedule permits, to talk to any veterans group about SBA loans. And that is my personal commitment and a commitment of this Agency.

Thank you very much.

[The documents referred to were marked exhibit 5(a)-(p).]

Mr. FITZPATRICK. Thank you.

Mr. Littlefield, do you cover all small businesses?

Mr. LITTLEFIELD. Yes, sir.

Mr. CAMACHO. So the man with a garage shop or the man with a lumber business or the man with a dry cleaning business, small construction business; he can perhaps get a loan for equipment or—

Mr. LITTLEFIELD. The one thing that we want to stress that these are loans, and that the one non-negotiable item is that, you know, it has to be a quality applicant with repayment ability.

Mr. CAMACHO. All right.

Mr. LITTLEFIELD. We will delve deeply into these at any time. There are basic requirements. The only restriction, the restriction as far as discharges are concerned is that the discharge must be other than dishonorable. That is the only restriction as far as discharge.

Mr. CAMACHO. How much of this money, is this money allocated by states, it says 25 million; so half a million dollars per state or what?

Mr. LITTLEFIELD. We have not been informed exactly what the allocation was going to be.

Mr. CAMACHO. Would you, being knowledgeable and practically speaking, how quick would the lineup have to be for a veteran to get in on part of that 25 million?

Mr. LITTLEFIELD. I really don't think there is any schedule involved, if the demand is there, I am sure that Congress is going to meet that demand.

Mr. CAMACHO. And how restrictive do you think, these are just normal precautions or are they exclusively—

Mr. LITTLEFIELD. I really can't answer that.

Mr. CAMACHO. Capability, that shouldn't be a category by which to make ineligible many people. That is just a normal—

Mr. LITTLEFIELD. It would probably be the category in which we would make most people ineligible.

Mr. CAMACHO. You don't expect any bureaucratic snafus?

Mr. LITTLEFIELD. No, I do not.

Mr. FITZPATRICK. I just have one more, this ties in with something Paul said, and you talked about earlier before the hearings.

A Vet has to be turned down by three banks before he can apply for this, is this correct?

Mr. LITTLEFIELD. We are a federal agency and we are not in competition with the private lending institutions within the state of Massachusetts.

Really the person who wants a loan has three shots. He goes through, he comes up with his documentation, his business plan, whatever the bank wants; he goes to the bank. If the bank likes him, he is off and running and he is with the bank.

The bank may feel that they are more comfortable with an SBA guarantee. If that happens, under our guarantee program, we will guarantee, at the request of a participating bank, up to 90 percent of the unpaid balance to a credit worthy applicant. All right?

If the bank doesn't like him directly or with the 90 percent guarantee, they can come and apply direct to the Agency. When they come they must have a letter from two banks. That letter must state the amount of the loan, the terms, the duration and the reason why the applicant was turned down, and it also must state that the bank will not consider the applicant under the SBA guarantee payment program.

I am not saying that this is an easy process, that it is going to be easy for a veteran to qualify. But, I am saying that the monies are there for a credit worthy veteran and that we will work with them through the management assistance department of the SBA, and through the various small business development centers throughout the state, and we will try to help the veteran in any way that we can.

Mr. CAMACHO. Does this also include expansions of existing businesses?

Mr. LITTLEFIELD. Yes, it does.

Mr. CAMACHO. All right.

FACT SHEET

U.S. SMALL BUSINESS ADMINISTRATION
BUSINESS LOANS FOR VIETNAM-ERA AND DISABLED VETERANSThe Program

To provide Vietnam-era and disabled veterans with special financial assistance under 7(a) criteria when credit is not available elsewhere. Such loans may be made to establish and/or assist in the operation and expansion of an existing business. Direct loans will be limited Administratively to \$150,000 (statutory limit is \$200,000). Guaranty loans are available to eligible applicants under the regular Business Loan Program. If a guaranty loan is available a direct cannot be considered.

Eligibility

Vietnam-era veterans who served for a period of more than 180 days, any part of which was between August 5, 1964 and May 7, 1975, and were discharged other than dishonorably; Vietnam-era veterans discharged for service-connected disability; disabled veterans with compensable 30% or more disability; or, veterans with disability discharge. A business concern must meet SBA's eligibility criteria and be at least 51% owned by eligible veterans, who must direct the management and daily business operations. It is not intended that this program be used by eligible veterans to promote investment interests.

Interest

The interest rate will be the same as for SBA's 7(a) Business Loan Program.

Collateral

Loans must be of such sound value or so secured as reasonably to assure repayment. Available collateral and other guaranties will be required.

Applications for Loan

A small business concern may make application at the nearest SBA office. More detailed information may be obtained from the Veterans Affairs Officer at any SBA office.

Other veterans who do not qualify under this program are entitled to special consideration under the SBA 7(a) Business Loan Program.

William F. Littlefield
Small Business Administration
150 Causeway Street-10th Floor
Boston, Ma 02114
223-3192

MAR 11 1983

SEA LOANS TO VIETNAM VETERANS

	1980	1981	1982	1st QTR. 1983
	1,933	2,318	1,737	409
Million	\$158.7	\$207.9	\$172.7	\$47.1

Prepared by: SDA
Office of Veteran Affairs
March 4, 1983 LJB

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13

THE SBA VETERANS PROGRAM

A REPORT TO THE CONGRESS

1. Task Force To Define Scope of Effort

Following the March 31, 1981 Congressional Hearing on Special Consideration for Veterans, on the recommendation of the American Legion and at the suggestion of Congressman G. V. "Sonny" Montgomery, the Administrator directed that a Task Force on Special Consideration for Veterans be created.

The Chief Counsel for Advocacy organized the Task Force. Membership on this Task Force included members of the SBA Management Board and representatives from each of the major veterans service organizations. The organizational meeting was held on September 16, 1981. The Task Force's objectives were:

1. To examine and clarify "special consideration" for veterans as mandated by the Small Business Act, as amended by Public Law 93-237, with a view toward eventually publishing new rules and regulations which more clearly reflect SBA's capabilities and responsibilities toward veterans of the Armed Forces of the United States and their survivors or dependents;
2. To define the scope and direction of the SBA's commitment to veterans; and,
3. To develop areas of mutual cooperation in this effort between the SBA and national veterans service organizations.

The Task Force was divided into four subcommittees: Loans and Other Financial Assistance; Management Assistance; Training and Public Information; Procurement and Technology Assistance and Organization, Policy and Interagency Cooperation. Each subcommittee met on several occasions and the Task Force met as a whole to formulate the Task Force's Final Report. The meetings extended over a period of six months, and, in March 1982, the Task Force made twenty-nine recommendations to the Administrator.

2. Task Force Recommendations

The recommendations of the Task Force were:

1. Applications submitted by veterans should receive priority both in processing and funding ahead of applications received from non-veterans.
2. In its guaranteed loan program, the SBA will emphasize its policy of "special consideration" for veterans, including efforts to publicize the needs of veterans and to encourage bank loans to veterans.
3. The SBA should explore the possibility of providing packaging assistance to veterans.

1982 MAR 18 10 13 AM

3. Administrator's Policy Statement

On May 14, 1982, after reviewing the recommendations of the Task Force, the Administrator issued a Policy Statement providing the guidelines for SBA action to assure special consideration for Veterans.

United States of America
Small Business Administration
Washington, D.C. 20416

POLICY STATEMENT

By

JAMES C SANDIAS Administrator

Subject: Special Consideration for Veterans of the Armed Forces

Public Law 95-277 which amended the Small Business Act, directed that the Small Business Administration give "special consideration" to veterans of the Armed Forces in all Agency programs. Since this law was first implemented by regulation in 1979, the SBA has provided thousands of hours of business counseling and training to veterans and in FY 1981 alone made \$34.3 million in loans to the group. This represented more than 15% of the total SBA loan dollars for that year. While the record demonstrates a sincere effort to provide assistance to veterans, there has been a steady increase of concern from the national veterans services organizations and committees of Congress that, in reality, veterans do not receive any "special consideration" of the law requires when seeking SBA assistance.

While SBA programs are not a substitute for benefits in the traditional sense of other veteran programs of the Government, it seems clear from Congressional Hearings, SBA studies, and reports of veteran services groups that the Agency must do more to assure that the men and women who served their country in the Armed Forces are provided every opportunity to utilize the services of SBA. Also, this is especially important for the Vietnam-era veteran who is just beginning to enter the economic marketplace in larger numbers, and the handicapped veteran whose circumstances are of special concern to the Agency and Administration. Therefore, I am directing that the following actions and policies be implemented:

1. There shall be established a permanent Office of Veterans Business Enterprise, within the Office of the Chief Counselor for Advocacy. This office shall be responsible for providing advice and counsel to SBA management on all legislative, regulatory, economic and management issues affecting the interests of veteran entrepreneurs. Also, this office shall perform advocacy duties as defined in Public Law 94-303 on behalf of veterans including the review of SBA programs and the activities of other government departments and agencies whose policies and regulations affect the interests of veterans in business.

2. New regulations as necessary shall be issued to clarify and assure that veterans are, in fact, provided "special consideration" within each assistance program of SBA. Assistant and Associate Administrators shall review their programs and actions and issue the request for regulations or SOPs within 90 days from this date.

Specifically, financial assistance regulations shall provide that qualified veterans receive higher priority in the processing and funding of loan applications, with particular attention to be given to the handicapped and Vietnam-era veteran. The "Peween Study" commissioned by SBA in 1980 and the Report of the SBA Veterans Task Force on Special Consideration for Veterans shall be used to guide the development of all these regulations.

3. Management assistance and business training for veterans shall be accelerated over the next fiscal month. In addition, special business training projects shall be initiated in at least five geographic locations (emphasis) to reaching the maximum number of veterans. The staff and resources of the Small Business Development Centers, the Office of Public Information, and Agency procurement and technical assistance activities shall be employed in these projects. All other departments and activities of the Agency shall cooperate and lend support to this program as called upon.

4. Regional administrators and district directors are responsible for assuring the effective delivery of "special consideration" for veterans in all their operations and programs. Veterans Affairs Offices (VACOs) shall be sponsored in each regional and district office, if not already designated. VACOs shall be highly qualified, trained, and experienced in SBA programs and procedures. These offices shall be readily accessible to veterans seeking agency assistance. Each program office shall monitor the performance of field areas in the effective delivery of services to veterans.

5. The Office of Administration, in cooperation with the Office of Veterans Business Enterprise and each program office, shall assure that information and data concerning the participation of veterans in all SBA programs are collected, measured, and analyzed in a manner which serves the policy-making needs of the Congress and Agency management. The Chief Counselor for Advocacy shall periodically report to the SBA Management Board his findings and recommendations regarding veterans participation in SBA programs and the small business economic sector.

The policies and actions set forth in this Statement are to be implemented immediately and shall be incorporated into the regulations and other operating procedural of SBA at the earliest possible date.

James C. Sandias

James C Sandias
Administrator

Date: May 14, 1982

Washington, D.C.

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Policy StatementTask Force Recommendation -

28. The Administrator of SBA and the Administrator of VA should issue separate "Policy Statements" to their employees, regarding assistance to veteran business.

What SBA is Doing -

Administrator Sanders issued Statement on May 14, 1982.

Proposal -

Full implementation with all deliberate speed utilizing available budget funds.

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Veterans Affairs Office

Task Force Recommendation -

17. Establish a permanent Office of Veterans-in-Business within the Office of the Chief Counsel for Advocacy.
18. Establish a 12-month Task Force on Veterans-in-Business to be composed of senior program officials of SBA and veterans service organizations.
23. Establish the full-time position of Assistant Advocate for Veterans Business Affairs within each regional office responsible for assuring that veterans receive "special consideration" in all regional and district level programs.
24. Appoint a Veteran Field Service representative in the SBA Central Office and monitor field performance in providing business services to veterans. This applies to each Associate Administrator.

What SBA is Doing -

The Administrator established an Office of Veterans Affairs under the Associate Deputy Administrator for Special Programs and established a Twelve-month Task Force. The Office of Veterans Affairs is headed by a Director, who is responsible to the Associate Deputy Administrator. All program areas are represented on the Task Force. Administering the program in the Field Offices are the District Directors, each of whom has appointed a Veterans Affairs Officer. There is a Regional Veterans Affairs Officer assisting the Regional Administrator in each of the ten regions.

The Office of Veterans Affairs employs the only full-time Veterans Affairs Officers. Currently only four of five full-time slots are filled.

The current operating cost of this Office are \$170,000.

Proposal -

- A. Fill vacancy on Veterans Affairs staff.
- B. Continue to work with the Task Force and monitor field office performance.
- C. Review and develop appropriate programs and incentives for veterans business ownership.
- D. Include in budget the total administrative expenses of maintaining the Office of Veterans Affairs

Total cost - \$290,000

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Training ConferencesTask Force Recommendations -

6. Continue the MA national effort, with special Training Seminars for all Veterans, with emphasis on Vietnam-era and disabled veterans.
7. Management Assistance Division will implement a demonstration project in no less than four different geographic locations of "Special Business Management Training for Veterans."
8. No less than five state SBDC's (Wisconsin, Washington, South Carolina, Pennsylvania, and Florida) will develop, promote, and execute business assistance pilot programs targeted for veterans.
16. The Management Assistance Workshops include a segment on "How to do Business with Government."

What SBA is Doing -

SBA targeted five cities for the Management Assistance Division demonstration project of Special Business Management Training for Veterans. They are San Francisco, Dallas, Denver, Columbus and New York.

The San Francisco Conference was held on December 11-12, 1982. In connection therewith, three objectives were emphasized:

1. The creation of local Veteran Business Resource Councils. Composed of veterans, federal and state officials and others, each council would provide a network of business resources for veterans and involve local veteran groups in defining needs and problem solving.
2. Provide business training specifically focused on the needs of the veteran entrepreneur. Special emphasis is to be placed on prerequisites to obtaining a loan, doing business with the Government and special areas of local interest, as identified.
3. Awareness of special needs of veterans by SBA program personnel to form the basis for increased community outreach and to enable SBA to communicate these needs to local lenders and banks.

The pilot SBDC Project is underway in Minneapolis, Minnesota. The training session is scheduled for February 19-20, 1983 and based on developments, similar targets will be formulated. This project differs from the training project since each SBDC's functions are defined by contract.

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Funding for these conferences has consisted of two contracts of, roughly \$20,000, with no provision for funding the remaining conferences.

Proposals -

- A. Fund the remaining pilots at \$10,000 for each program at a cost of \$50,000.
- B. Schedule 30 additional conferences over the next 18 months, providing identical funding at a cost of \$300,000.

These funds would defray the cost of organizing the conferences as well as special printing, facilities and equipment rental.

- C. Provide funding for Veterans Business Resource Councils at \$300,000.

Total cost - \$650,000.

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Veterans Affairs Officers TrainingTask Force Recommendation -

5. All current and newly appointed field Veterans Affairs Officers (VAOs) should receive extensive training to inform and orientate them on the Agency's organization, mission and commitment to "special consideration" for veterans.
14. Designated Veterans Affairs Officers (VAOs) receive training on SBA Procurement and Technology Assistance programs and that, on an on-going basis, they receive pertinent updated information regarding Procurement and Technology Assistance.

What SBA is Doing -

Currently the Office of Veterans Affairs maintains contact with the Veterans Affairs Officers in the field by forwarding memoranda explanatory of the program and thru periodic telephone contact as needed.

Proposals -

The Office of Veterans Affairs will schedule two-day seminars for the Districts Directors and the Veterans Affairs Officers to review the statutory and policy background for special consideration for veterans, to introduce the loan program under 97-72, and to set targets for each district to perfect its veterans programs.

Total cost - \$100,000.

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Upgrade Publications and DirectivesTask Force Recommendations -

9. The Office of Public Communications will research, develop, and publish a booklet/brochure for veteran service- and programs.
10. SBA develop a comprehensive veterans brochure especially containing information pertaining to procurement and technical assistance.
12. SBA should make available appropriate copy describing procurement programs that could readily be included in the publication of veterans organizations.

What SBA is Doing -

SBA issued its Veteran's Handbook based on the provisions of P. L. 93-237, pointing out the availability of all SBA's Programs to Veterans and "special consideration."

Subsequent appropriation of funds for SBA to implement a Vietnam and Handicapped Veteran Liaison program, originally assigned by the Congress to the Veterans Administration, requires a comprehensive update of the Handbook.

The Task Force has also recommended the publication of a manual for the use of SBA's Veteran Affairs Officers. Work on this manual is presently include under contract with the Vietnam Veterans Foundation on the Minnesota project.

It is anticipated that other outreach materials will be required and developed.

Proposal -

Full implementation of the above recommendations utilizing the funding provided by Congress for veteran outreach.

Total cost - Veterans Handbook	\$150,000
VAO Manual	\$ 75,000
Outreach Materials	\$125,000
	<u>\$350,000</u>

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Internal ImplementationTask Force Recommendations -

1. Applications submitted by veterans should receive priority both in processing and funding ahead of applications received from non-veterans.
2. In its guaranteed loan program, the SBA will emphasize its policy of "special consideration" for veterans, including efforts to publicize the needs of veterans and to encourage bank loans to veterans.
4. SBA should modify Part 116 of its Rules and Regulations consistent with the recommendations of this Task Force.
11. SBA develop a procedure for systematic notification of local veterans organizations to advise them of upcoming procurement conferences, seminars, and trade fairs.
21. Assure that in SBA regulations, SOP's and policy directives, veterans are placed ahead of all other applicants when establishing priorities for assistance of any type.
22. Include in all SBA Agency operating plans, Regional Operating plans, goals and objectives appropriate recognition and goals for Veterans-in-Business; and include veterans-in-business in the annual Congressional reports of SBA and Chief Counsel for Advocacy.

What SBA is Doing -

The SBA has incorporated a change in its loan processing standard operating procedure which provides for priority for veterans both in processing and funding ahead of non-veterans. This SOP must be cleared before it becomes effective. The policy has been discussed with field office personnel.

SBA has taken no specific action on a Bank Outreach Program. The creation of the Veteran Business Ownership Councils in connection with SBA's pilot conferences is the first step in the creation of a network to accomplish this goal. The availability of direct loan funds has centered the attention of SBA and the task force on internal procedures rather than bank outreach at this time.

The task force's recommendations on the modification of Part 116 of the SBA rules and regulations has, by mutual agreement, been held in abeyance

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pending our experience from the pilot programs to enable SBA and the task force to re-examine the content of the originally proposed regulations.

The Office of Veterans Affairs has assumed the duties of advising the National Veteran Service Organizations of scheduled activities of local interest and a joint effort is being made to notify the local offices of activities.

SBA through the Office of Veterans Affairs and the task force are working to provide for veteran priority and appropriate goals to assure compliance with the congressional mandate of special consideration for veterans.

Proposal -

SBA and the task force will continue to monitor these activities and cooperate in providing for full implementation. Expenditures to accomplish any of the outreach under this activity will be included in the activities: publications and material; resource councils; and, studies and data collection, as appropriate.

The Pechin Report

Task Force Recommendation -

13. Direct the Agency to initiate systematic measures to implement recommendations contained in the "Pechin Report" consistent with the programs and policies of the Administration.

What SBA is Doing -

In addition to the Administrator's May 14, 1982 Policy Statement, the Office of Veterans Affairs along with the Task Force on special consideration are working jointly to explore practical ways to implement the recommendations of the "Pechin Report."

Proposal -

That the joint effort toward practical implementation continue. No specific funding is required.

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Action with the Veterans Administration

Task Force Recommendation -

- 26. Initiate action with the Veterans Administration to secure their appointment of a Veterans-in-Business coordinator in each regional city to work with SBA Advocate and other agencies.

What is Being Done -

- * The Veterans Administration has named representatives to serve as Veterans-in-Business coordinators in each regional city. The SBA has advised its field staff.

Proposal -

Continue to involve the VA Veterans-in-Business coordinators in planning and participation in Veteran Business Resource Councils and SBA field office activity. No cost is anticipated.

PACKAGING ASSISTANCE

Task Force Recommendation

- 3. The SBA should explore the possibility of providing packaging assistance to veterans.

What SBA is Doing -

At this time the SBA does not provide packaging assistance for its clients. The Minority Business Development Agency of the Department of Commerce allocates funds for minority packaging assistance. The Office of Veterans Affairs and the Task Force has examined this problem and are exploring the provision of these services by possible contract with or grant to Veterans Business Resource Councils. These are adequate funds projected for the councils to include loan packaging pilots. An alternative approach would be through utilization of the Vietnam Veterans Leadership Program administered by ACTION.

Proposal -

Further study by SBA and the Task Force.

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Mr. DORIS. In addition, I will leave you two letters, one of them from your great State of Maryland and your reputation, by the way, precedes you here and your particular concerns for those Vietnam veterans. Mr. Chairman, here is another letter from the State of Georgia.

It is typical of the response through the Vietnam veterans leadership program in many other States.

In Massachusetts—and the Vietnam veterans of Massachusetts have certainly led the way in our entire country—I would probably say that the Small Business Administration office in Boston has been, in my opinion, extremely cooperative, very much concerned about serving the Vietnam veteran population. Mr. Chairman, when they came before the Committee on the Concerns of Vietnam Veterans at that special hearing, I would like to have you know that it was held in the evening, lasted some 3 hours, and they stayed with us, they were concerned about us and they stayed to answer questions if need be by individual Vietnam veterans.

During that hearing, it was requested that they go out and hold hearings, informational hearings as we did in various geographic locations throughout the Commonwealth. Mr. Littlefield mentioned at that time, and this was a few years back by the way, that the Small Business Administration had in fact made those efforts, but the Vietnam veteran population did not respond as expected at that time.

I think as Congressman Moakley and as Congressman Mavroules are very well aware, that going back 3 years ago, the feeling and sense for Vietnam veterans in Massachusetts and in our country was not as it is today. The Vietnam veterans themselves in many cases didn't care because they thought the general population and those of us who served in Government really didn't care. So they didn't respond, but the SBA did make an effort.

I would like you to know that the SBA office in Boston responded favorably. They went out and held new hearings again, and they are doing that now. It was recently down in Lynn that 60-some Vietnam veterans showed up for a Saturday hearing. Again, I commend the local SBA officials who are giving up their Saturdays and giving up their evenings and traveling throughout the Commonwealth to listen to and help these Vietnam veterans.

So I say that in a very positive sense and will probably end there and answer any questions you may have. There are individuals who will testify following me, Rick Ducey, director of the Vietnam Veterans Leadership Program, and our executive director of the Commission, Paul Camacho. They have done a tremendous job.

The Vietnam veteran population has a tremendous communication network that went to work in combination with the SBA to reach out to the people that they couldn't otherwise reach in the beginning. I think that may be a very important thing when it comes to other States as they look into the problem. There is in place that communication network if the other States have it.

With that, Mr. Chairman, again I thank you. If you have any questions I will be glad to answer them.

Mr. MITCHELL. Thank you, Senator.

If time permits, I would like to hear from Mr. Halachis and then put questions to the both of you if that is all right.

Mr. DORIS. Yes, sir.

Mr. MITCHELL. Thank you for taking time to be with us.

TESTIMONY OF JOHN HALACHIS, COMMISSIONER OF VETERANS SERVICES, COMMONWEALTH OF MASSACHUSETTS

Mr. HALACHIS. It is indeed a pleasure and my considered duty to be here for the subject you are addressing here in Boston. I would like to add my welcome in addition to that of Congressman Mavroules and Congressman Moakley.

On behalf of the Governor and his administration, I welcome you to Boston. We know that the reason that you are here is most important and those who will come before you here in Boston certainly are representative of the Vietnam veteran population and the problems facing that population.

I would like to say one thing very quickly, that the preceding speaker has and is recognized here in Massachusetts as having been at the forefront in addressing the wrongs that were made and imposed on the Vietnam veterans in the last 10 years and immediately following that war. It was his leadership, and when these young men looked for leadership they found it in Senator Doris. You cannot imagine how I feel sitting in this room with him and having him as a member of the general court to assist me in doing the job I need to do. Those are very, very genuine and sincere words and I hope you accept them and make that part of the record.

Sir, I want to also congratulate this committee in assembling here through the efforts of staff member Joe Sobota, perhaps without doubt the greatest representation of Vietnam leaders, Vietnam vets that sit behind me today. They will come before this committee and, given the opportunity, they will express and transmit to you, to this committee the views, the common views and problems and perhaps hopefully how to address those problems of the Vietnam veteran community.

Sir, I have capsulized my testimony in a very short statement. I am more able to keep myself confined within the time allotted by reading the statement rather than to do otherwise.

Mr. MITCHELL. Yes, fine.

Mr. HALACHIS. Veterans of all wars deserve the gratitude of their country. Young men enter the service of their country at a time when the basis for establishing a livelihood is important. Some veterans return with scars and physically something less than when they entered. Others return to communities where a readjustment is required.

The Vietnam veteran is a veteran that has been tempered with history—a history that reflects a divisiveness in our country. There was little forthcoming for its Vietnam veteran from his community or from its leadership immediately following the Vietnam war. They looked upon their own ranks for leadership. They weathered some tough times, they stayed together.

The Vietnam veteran discovered that he had some problems: Agent Orange; post-traumatic stress due to combat; a feeling of resentment from the American people that he was the blame for the war and as such, the symbol of a much dreaded war.

The Vietnam veteran has made significant contributions to the community and the country. The Vietnam veteran generally has an average age of 35 to 37 years old. In the veteran community we have seen the importance that a younger generation represents to the aging historical national veterans organizations. The Vietnam veteran will play an important role in the leadership of those great veterans organizations.

A parallel can be made within our own business community. The Vietnam veteran has much to contribute to our economic system. In Massachusetts, there are approximately 175,000 Vietnam era veterans. While Massachusetts enjoys a low unemployment rate, there are pockets of high unemployment in the major industrial cities. The Vietnam war drew young men and women that came from heavier populated and industrial cities of Massachusetts.

Massachusetts throughout history has aided the veteran in times of economic crisis, and does so today. Massachusetts has always and will continue to support veterans in every way possible.

World War II and the GI bill proved that, given the chance, the veteran can make a positive contribution to our society. As commissioner of veterans services, I have seen on a daily basis the outstanding abilities and positive attitudes of the Vietnam veteran. However, what is lacking are opportunities for the Vietnam veteran.

This is more clearly a case of where the recipient is capable of assuming responsibilities than a case of doing "something" for a veteran. What is needed is a revitalization of a program specifically designed within the SBA to deal with Vietnam veterans in three major areas:

One, an information program to explain simply what is available

Two, research and categorize opportunities in the business community for the Vietnam veteran.

Three, develop a program that can be administered jointly by the SBA and the State's Veterans Commission.

The Federal Government and the State government have a long history of working effectively and jointly in programs for veterans. The precedent is there, the mechanisms are in place.

That concludes my statement, Mr. Chairman.

Mr. MITCHELL. Thank you very much for your statement.

Before raising one or two questions that I have, I am delighted that Congressman Ike Skelton, a subcommittee chairman of the House Small Business Committee, has been able to join us. How you made it here, I don't know. I took a look at your schedule for Saturday and Sunday, but we are delighted that you could be here.

Mr. SKELTON. Thank you, Mr. Chairman.

Mr. MITCHELL. Let me just say I think both of your statements were just excellent. I would not have completed college had I not had the GI bill of rights. I simply would not have.

I certainly think that the Vietnam veterans are entitled to all the same benefits that I got as a veteran, all of those and perhaps more. I have heard about the organization of Massachusetts Vietnam veterans, and I perhaps should talk to the veterans themselves. I want to learn how it has done.

In other States, it is an enormous problem for us. We have one Vietnam veteran group here and another there and there with no communication; they have no common agenda in many instances. We try to set up something that we think is meaningful in response to one group and another group says no, that is not the way to do it. So we want to learn from representatives of the various organizations how they were put together and how they were held together.

Mr. Halachis, the Senator has spoken of his evaluation of SBA's degree of cooperation. What about your working relationship with the SBA and the Veterans' Administration?

Mr. HALACHIS. I am sorry to say, since assuming my office, I have had very little experience in dealing with SBA with any problems in that whole context of programs. I was hoping that, perhaps when time allowed, the executive director of the Vietnam Veterans Leadership Program, Rick Ducey, who has been heavily involved in that area, could provide me counsel and guidance. So I would defer. I cannot judge or give a degree of effectiveness of the program from my office at this point.

Mr. MITCHELL. Thank you.

Congressman Moakley.

Mr. JOE MOAKLEY. Parren, you said if it weren't for the GI bill of rights, you would never have finished college. If it weren't for the GI bill of rights, I wouldn't have finished high school, so I can do one better than you.

Actually, Fran, I want to thank you for the contribution you have made on the local level, also at the national level in coming down with Paul Camacho and the rest of the veterans. I have had an opportunity to look at some of the legislation that you proposed and the study that came out. I think it is very commendable. I think this really should be the Bible for many veterans organizations.

Commissioner, I was just wondering, you say that there are 175,000 Vietnam veterans in Massachusetts.

Mr. HALACHIS. Yes.

Mr. JOE MOAKLEY. Although we face low unemployment, there are pockets of high unemployment among certain Vietnam vets. Do you have any figures on what the unemployment rate is among Vietnam veterans? I know in Massachusetts we have probably a 4.25-percent unemployment rate which is very, very low.

Mr. HALACHIS. Using a formula devised in my office, and we are not playing with figures, I would say you use a times four factor and say that, whatever statistics are developed by the Department of Labor or so on, you could add about 25 percent to that total and come up with that many.

For example, if the unemployment rate is 10 percent, then you may consider 12.5 percent for Vietnam-era vets. If you go one further and analyze minority groups where already there is a separate figure for unemployment of minority groups, then you would find we can conceivably go to 14, 15, 16 percent.

Mr. JOE MOAKLEY. In other words, that is consistent throughout the State?

Mr. HALACHIS. I would say, yes, you would have to consider it to be consistent. Here in Massachusetts, some of those areas are in

the general Boston vicinity, in areas on the North Shore around Peabody-Lynn, where industrial cities have converted or have not quite made the conversion, certainly in southeastern Massachusetts. There is no question about it. But the fact to be considered is that it is not pure statistics. We are dealing with a population that has had a hard time coming back to the community throughout the area. They have had problems in adjusting to families, friends, and so on.

Mr. JOE MOAKLEY. I agree. I wondered if there was any formula and you explained it very well.

Thank you, Mr. Chairman.

Mr. MITCHELL. Do you have any questions?

Mr. SKELTON. I have questions, but I think I will reserve them for a later witness.

Thank you.

Mr. DORIS. If I may, Mr. Chairman.

Mr. MITCHELL. Yes.

Mr. DORIS. I don't know what the situation is in the Small Business Administration relative to their public relations department. I raise the point at this time because there is very deep concern about cutbacks in the Veterans' Administration. Right now, nationally, there are nine regional public relations persons and they want to cut that down to only four nationally. That would be a disgrace, I think. I don't know whether or not that situation applies to the Small Business Administration but I would hope that you do whatever is possible if you become aware of the fact that there would be cutbacks in that particular area.

The communication process through public relations is so important, and SBA in Massachusetts has been effective there.

Mr. MITCHELL. Senator, I am glad you mentioned that. I think all of us here are committed to the protection of veterans programs. Overall, there is no greater champion of veterans programs in the House than Sonny Montgomery who heads the Veterans Affairs Committee and he generally works against those who try to emasculate those programs.

I was pleasantly surprised to hear you talk about the degree of cooperation that the SBA has given to you and this city.

Mr. DORIS. Yes.

Mr. MITCHELL. I would be less than candid if I did not say that the SBA has not performed the way I would expect them to perform, not only with respect to veterans, but across the board. Under this administration, we have seen draconian cuts in the direct loan money. Some vets cannot go to the banks and get a line of credit, even with a 90-percent guarantee. It is tough to get a bank loan for them.

The Congress put the direct loan money back in. The administration, as I indicated in my opening statement, had eliminated the money for veterans, the special program for veterans only. We got it back in. Then what happened was they simply did not spend it. It was not spent. There was footdragging in order to save money.

So last year again we put it back in and we are riding herd. There is \$25 million there. It is earmarked for veterans, Vietnam veterans, and it must be spent. So I can almost guarantee you that we will be slugging it out, not with your Boston district SBA, which

is cooperative, but with the national SBA, which I have not found to be very cooperative.

Mr. DORIS. Mr. Chairman, I met you for the first time, you are beautiful. If I may, it is a little bit offbeat—

Mr. MITCHELL. That is all right.

Mr. DORIS. From the SBA, but I believe the figure was \$43 million reverted back in the area of the outreach centers. I believe it was \$43 million or \$63 million. It reverted back and when it came out in the newspaper they said there was just no need for the money. There were no requests.

Just to give you an example, in the interim report of the Massachusetts Commission on Vietnam Veterans, we recommended the establishment of six additional outreach centers in Massachusetts and hopefully through the efforts of Congressman Moakley and—I tend to say Nick and Joe—

Mr. JOE MOAKLEY. That is all right.

Mr. DORIS. Congressman Mavroules, it is not true that the funds were unneeded. Those moneys went back, but they were needed. People didn't put the time and effort into it. I hope they do with the SBA programs. But what we had to do, at least to provide those services until the Federal Government does, was last year to fund the outreach center in Fitchburg, and give partial startup moneys in the Roxbury section of Boston. This year we are funding not only Fitchburg, and full funding Roxbury, but also full funding the Cape and Islands and there is still a need beyond that. The need is there. The need is great.

Mr. MITCHELL. Sure.

Mr. DORIS. You raised a very fine point in saying you wanted to listen to the Vietnam vets and how they established this network of communications. You and I know it was only 2.5 years ago in marching down Constitution Avenue and the national salute to the Vietnam veterans that finally that feeling started to come back, and as Mr. Littlefield had mentioned at the hearing, they went out and tried to reach them. They couldn't. They offered again to do it and they worked in cooperation with the Vietnam veterans leadership and that network and whether or not one person gets a loan as a result, the fact is the opportunity was presented, they were willing to listen again, and in using that network the individuals who were concerned showed up.

Thank you.

Mr. MITCHELL. Thank you.

Gentlemen, thank you very much. I have so many comments I want to make, but my staff said watch your blood pressure. It is not up in Boston. I do get furious about a calculated cynical attitude demonstrated by this administration against not only veterans, but against the have-nots, those who desperately need help. All the cuts that have been made in the areas of housing, benefits for veterans, et cetera. But I have been warned to watch my blood pressure.

Thank you.

Mr. HALACHIS. May I just make one last comment, in expanding what you are saying now, Mr. Chairman.

As Commissioner, I am observing, I have a sense that what is developing in this country is a very dangerous development and that

is to remove veterans as a targeted group or as a group identified as a special group of Americans. They are trying to put them under other categories of the disadvantaged, housewives, women, minorities, unemployed and put them all under those categories and remove from them the characteristics and title and role of veterans of this country. This is very dangerous.

Mr. MITCHELL. Thank you, sir.

We would like to hear from our next panel, made up of Mr. Robert Moakley, Regional Director of the Veterans Employment and Training Service of the Department of Labor; Mr. John McNiff, Regional Director of the Veterans' Administration, and Mr. John McNally, District Director of the Small Business Administration.

Thank you for taking time to be here. It is important that you be here, we must make sure that the SBA and other small business programs for veterans are fully implemented. Thank you very much.

Mr. Moakley, will you lead off.

TESTIMONY OF ROBERT MOAKLEY, REGIONAL DIRECTOR, VETERANS EMPLOYMENT AND TRAINING SERVICE, DEPARTMENT OF LABOR

Mr. ROBERT MOAKLEY. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, thank you for the opportunity to appear here this morning. At the outset, I would like to commend you for your sincere interest in the concerns of veterans, which is evidenced by your presence in Boston today. The members of your staff are also to be commended for their efficiency in making arrangements for this hearing, especially Mr. Sobota who has worked very closely with us over the past 2 weeks.

As the Regional Director of Veterans Employment and Training, I am responsible for the implementation and supervision of all Department of Labor programs affecting veterans in the six New England States. These programs include the Disabled Veterans Outreach Program, local veterans employment representatives, veterans programs under the Job Training Partnership Act, veterans re-employment rights, Affirmative Action Programs and working with the Veterans' Administration in the implementation of the Emergency Veterans Job Training Act.

Because of the diversity of the programs with which I am involved, I interact with other Federal agencies, as well as agencies of States and local governments, on a daily basis. Because of my activity with veterans organizations throughout the region, I have come to know a great number of veterans and have become aware of the problems confronting them.

The major problem confronting the Vietnam veterans is an economic one. Vietnam veterans have a much greater unemployment rate than nonveterans in the same age groups. Those who are employed earn much less than their nonveteran contemporaries and the minority veteran is the most severely affected. Even though the Vietnam veterans are the best educated of all of our veterans, unemployment and underemployment seem to plague them regardless of their abilities.

The American dream is to attain an economic stature that will allow you to buy a home, educate your children, and enjoy some of the pleasures of life. That dream has not been easily attainable for our Vietnam veterans. Out of sheer frustration many Vietnam veterans have come to me, expressed their inability to find suitable employment, and sought guidance to obtain loans so that they could start their own businesses.

Unfortunately, it is a common misconception among many veterans that all they need is a good idea for a business and the SBA will finance them. We, here in this room, know that it is not, and will never be, quite that simple.

The Vietnam veterans who will testify here today are truly representative of all Vietnam veterans. They are male, female, white, Hispanic, and oriental. They represent blue-collar America, white-collar America, and socioeconomic backgrounds ranging from suburbia to the ghettos of the city. They are united by a common bond—concern for their fellow veterans.

I have known and worked with many of them over the years, and I am sure that their testimony will be most useful to you in drafting legislation or initiating programs to assist veterans.

Before closing, I would like to express my thanks to the SBA on the local level here. Mr. McNally and the staff have been most cooperative with us. I have appeared with Bill Littlefield, his veterans officer, on many panels at seminars and conventions over the years, and he has always been most responsive to telephone calls, mail, or people that I have referred to that agency for assistance.

Again, Mr. Chairman, I thank you and the members of your committee for coming to Boston. I know you are on a tight schedule and I intend to keep my remarks brief.

Thank you.

Mr. MITCHELL. Thank you very much.

If it is all right with you, I would like to get the testimony from the other two witnesses and then we can ask questions of all the members.

TESTIMONY OF JOHN McNIFF, REGIONAL DIRECTOR, VETERANS' ADMINISTRATION

Mr. McNIFF. Good morning. I also want to welcome you, Mr. Chairman, and members of your committee, to Boston.

Veterans are a way of life with me. I have spent the last 38 years of my life working in the Boston Regional Office and veterans, to my way of thinking, are the bread and butter of this country and the Vietnam veterans are in this particular State of Massachusetts. We have an excellent relationship with the Vietnam Veteran Leadership Program, with the Vietnam veterans groups, with Commissioner Halachis and Senator Doris, and I would like you to know that our relationships with SBA are excellent.

So, Mr. Chairman, and members of the committee, the Veterans' Administration Regional Office in Boston administers loan guarantee programs for the States of Massachusetts and Rhode Island. At the present time, these programs are limited to the guarantee of home loans obtained through commercial lenders. Prior to 1972, the VA also administered a program which guaranteed loans for

business purposes. This program was rescinded by Public Law 93-569, effective December 31, 1974.

Public Law 97-72, which became effective May 3, 1982, authorized VA guaranteed or direct small business loans to Vietnam era veterans and veterans of any period who were 30 percent or more disabled from service connected conditions. Loans under this program would be limited to \$200,000 and the guaranty could not exceed 90 percent of the loan. Funds to establish and operate this program were authorized by the act; however, a separate appropriation of such funds by Congress would be necessary.

In signing the authorizing legislation, the President stated:

Because this program might duplicate a similar program in the Small Business Administration, and would involve the Veterans' Administration in an area in which it has no expertise, I intend to weigh carefully any efforts to fund this program.

To date, no funding has been appropriated and the program has not been implemented.

The Veterans' Administration is committed to providing full support to the Small Business Administration in its actions to assure that veterans receive special consideration when seeking SBA assistance. Liaison with SBA is handled by the loan guaranty officer in each VA regional office. The VA has participated in recent conferences on small business loan programs.

In concert with SBA, the Vietnam Veterans Leadership Program in Massachusetts has recently sponsored meetings with several veterans groups: In January 1984, a conference was held in Springfield, MA, and was attended by approximately 95 veterans; a second conference, held in Lynn, MA, in May, was addressed by Congressman Mavroules. Approximately 40 veterans were in attendance. Further conferences are scheduled for Hyannis, June 23; Roxbury, August 4; and Worcester, October 13.

The VA is also participating in the Veterans Business Resource Council. This council is being established by SBA and includes representatives from that agency, the VA, the Department of Labor, and the Vietnam Veterans' Leadership Program as well as members of the banking industry and veterans' services organizations.

The VA refers business-assistance inquiries to the veterans affairs officer at the appropriate SBA field office. This fiscal year approximately 200 such referrals have been made by VA offices in Massachusetts and Rhode Island. In addition, when addressing groups of veterans, VA employees provide attendees with a point of contact at SBA who can provide detailed information on the many types of assistance SBA provides.

I would like to point out that during this specific period of time, the major veterans' organizations of Massachusetts are running their State conventions. I fully intend the Veterans' Administration employees to attend these meetings, and I will go to each myself, and we will give this program our complete and undivided support.

I would also like to point out that 87 percent of the employees of my office are veteran employees, Vietnam era veterans. I have with me Ed Lukey who is our district counsel, and Ed, by the way was a Special Forces captain in Vietnam. I have Carl Laster, retired Navy, who ran riverboats up and down rivers in Vietnam,

and Will Geagan, also a Vietnam veteran. So we have a great deal of pride in our staff and the group we work with.

We will support this program any way we can.

Mr. MITCHELL. Thank you, sir.

**TESTIMONY OF JOHN J. McNALLY, JR., DISTRICT DIRECTOR,
SMALL BUSINESS ADMINISTRATION**

Mr. McNALLY. Thank you, Mr. Chairman, and members.

I want to welcome you also to Boston. I want to apologize for the difficulty you had going through the tunnel, but if you follow the lead of the Speaker, maybe in the near future we will have that third tunnel and we will have no problems.

Mr. JOE MOAKLEY. I just want to let you know that the chairman voted with us on that bill.

Mr. SKELTON. Will the gentleman yield?

Mr. JOE MOAKLEY. So does Ike.

Mr. SKELTON. You just picked up another vote.

Mr. MITCHELL. Let's stop this reckless spending; please go ahead.

Mr. McNALLY. I want to thank you for the opportunity to testify. Since establishment of the Small Business Administration in 1953, the agency has endeavored to provide financial and management assistance to the Nation's veterans, and outreach programs directed toward veterans have been a consistent part of our efforts. The enactment of Public Law 93-237, which provided statutory direction for the establishment of "Special Consideration for Veterans" has provided the agency with the impetus to formalize and reemphasize the agency's efforts in this regard. The agency, under this mandate, has established the following programs to assist veterans: In-depth management assistance counseling with emphasis on available SBA programs of potential benefit to veterans; the designation of veterans affairs officers charged with the responsibility to work with local VA offices and veterans organizations and to provide assistance to veterans on where to get answers.

Mr. MITCHELL. Excuse me; we do have your testimony, Mr. McNally. We can read your programs. Would you move over to your next page, sir, on the full implementation of the programs.

Mr. McNALLY. Sure. I will.

One of the most beneficial results of the passage of Public Law 93-237 was the designation of an SBA employee in each district office as a veterans affairs officer. My appointee to that position, William Littlefield, has worked aggressively and closely with veterans organizations to make sure that the district of Massachusetts has an effective outreach program directed toward veterans—and particularly toward Vietnam veterans.

Over the past few years, this SBA Management Assistance Officer has conducted an average of four veterans seminars per year distributed geographically across the State of Massachusetts. The purpose of these seminars was to provide general information on SBA programs available to veterans and on the benefits, disadvantages, and procedures for establishing a small business enterprise. In fiscal year 1983, which ended last September 30, 1983, 2,000 veterans attended these seminars and approximately half of these at-

tendees were Vietnam veterans. In addition, 1,280 individual counseling sessions were held with veterans during fiscal year 1983.

For fiscal year 1984, as of May 31, 1984, 2,835 veterans have attended SBA-sponsored training seminars; 1,682 of these attendees were Vietnam-era veterans and to date individual counseling sessions have been held with 939 veterans. In addition, a Veterans Business Resource Council has been established to provide a clearinghouse for information and to provide a central source where veterans can obtain referrals for assistance in dealing with problems which they are encountering in their business endeavors.

In addition to these agency initiatives, I and the members of my staff have made ourselves available to participate in numerous meetings conducted by veterans groups. My chief of finance participated in a convention of veterans services agents, and I have addressed the Disabled American Veterans State Convention, the Veterans of Foreign Wars State Convention, the Amvets State Convention, and the American Legion State College.

I am happy to report to you today that these outreach efforts are showing increasing success. In fiscal year 1983 this district office made 9 direct loans and 80 bank guaranty loans to veterans. The direct loans amounted to \$454,000 and the SBA share of the guaranty loans amounted to \$9,472,000, for a total of 89 loans with an SBA share of \$10,926,000 in fiscal year 1983.

In fiscal year 1984, as of May 31, 1984, this office has made 102—13 direct and 89 guaranty—loans to veterans. SBA's share of these loans is \$15,046,000, and over half of these loans, 54, have been given to Vietnam-era veterans. What is perhaps most encouraging is that the percentage of all SBA loans going to veterans in this district has risen dramatically from 18 percent in fiscal year 1983 to 31 percent for fiscal year 1984.

In the SBA 8(a) program administered by our regional office, 21 percent of its participants are veterans and the contracts awarded to these veterans amounted to over \$36 million in fiscal year 1983.

Administrator Sanders has breathed life into this program and made this a national priority of the agency. This emphasis is reflected in the 1983 accomplishments: \$641 million to all veterans, \$292 million of that figure just to Vietnam veterans, or 24 percent of all the loans loaned by SBA for fiscal year 1983.

Also we have a nationwide series of seminars going on currently to train Vietnam veterans about small business and we are witnessing high interest among veteran citizens for this program.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you may have.

Mr. MITCHELL. Thank you very much.

I will ask Congressman Skelton to lead off with questions for the panel.

Mr. SKELTON. Thank you, Mr. Chairman.

Mr. McNally, I would like to address my questions to you.

First, let me recapitulate a little bit of the legislative history that we have had. You recall that there was a loan program established in Public Law 97-72, November 1981, but the administration opposed implementation of that program and no funds came about as a result of it. Are you familiar with that?

Mr. McNALLY. Yes.

Mr. SKELTON. Later, Congress reserved direct loan funds in the existing SBA loan program for the exclusive use of Vietnam era veterans and disabled veterans in the amount of some \$25 million. Now, according to the statistics we received from the Washington SBA office we were told that in direct loans for the fiscal year 1983, there were \$18 million in direct loans to Vietnam era veterans, however, that is, as I understand it, not under this direct loan program established for the exclusive use of Vietnam era veterans.

Evidently that includes all of them who happen to be veterans that qualify under other auspices.

Mr. McNALLY. Yes.

Mr. SKELTON. So actually according to the figures we have as a committee, there have only been \$8 million in such loans approved of the \$25 million. You agree with all of that, do you?

Mr. McNALLY. Yes.

Mr. SKELTON. That is true and correct, is that right?

Mr. McNALLY. To the best of my knowledge, sir.

Mr. SKELTON. I would like to ask some questions regarding part of this. I am just not talking about Vietnam era veterans, I am talking about the Vietnam era and disabled veterans. First, look at the disabled Vietnam era veterans. According to the figures that we received from the SBA, under this program or any program to the best we can conclude, direct loans to disabled Vietnam veterans in fiscal year 1983 totaled six nationwide. Six. For other disabled veterans—direct loans nationwide—the total is zero.

Now, with that in mind and these are their figures so I assume they are correct now, would you tell us what directives, if any, have come from them regarding the specific area of disabled Vietnam veterans and the specific area of other disabled veterans?

Mr. McNALLY. We have had specific instructions to institute a veterans program. I think one of the things that I might point out to you, Mr. Skelton, is that in Massachusetts we have a tremendous outreach program with the banking community of Massachusetts. We run a series of bank office seminars in nine geographical areas of the State over a 3-week period. We zero in on the priorities to get the maximum amount of participation that we can from the banking community.

Mr. MITCHELL. Will the gentleman yield to me for a moment?

Mr. SKELTON. Yes.

Mr. MITCHELL. Your question was with reference to direct loans, not the bank loans.

Mr. McNALLY. That is correct, but I wanted to point out, Mr. Chairman, that with the current rate of interest, we have been able to succeed in Massachusetts by the very figures I gave you in my testimony, in getting the banking community to participate with us—

Mr. SKELTON. Let me interrupt you right there if I may, Mr. McNally. The guaranteed loans for the fiscal year 1983 for the disabled Vietnam veteran category, nationwide are zero. Guaranteed loans, other disabled veterans, fiscal year 1983, guaranteed loans, zero in America, all across the Nation. Those are the figures SBA gave to us.

Mr. McNALLY. I am not privy to the figures that the central office gave you, sir.

Mr. SKELTON. Obviously these figures are correct. They are very damaging in my opinion. It shows a lack of concern—I am very kind in that way—to the disabled vet whether he is from World War II or the Vietnam era. I want to know what directives you have received. Please answer my question: What directives you have received from your superiors in Washington concerning either direct loans or guaranteed loans, particularly direct loans, to assist the disabled Vietnam vets or other disabled vets?

Mr. McNALLY. I have received all of the instructions that we have to participate to a maximum degree to provide—

Mr. SKELTON. I am talking about specifically. Has anything been specifically pointed out or directed to these areas of disabled American veterans? Have you received anything from the Washington headquarters?

Mr. McNALLY. No, sir.

Mr. SKELTON. That is what I wanted to know.

Do you have a special outreach program for disabled Vietnam veterans or special outreach program for any disabled veterans?

Mr. McNALLY. Yes, sir, I do.

Mr. SKELTON. Tell us if you do have that, tell us why there have not been—if you do obviously other parts of the Nation have it—why there have not been more veterans who would qualify under the disabled Vietnam veterans or other disabled veterans portion of this program?

Mr. McNALLY. Let me say this to you: That we are now—

Mr. SKELTON. I am really concerned about this.

Mr. McNALLY. We are now seeing as a result of our endeavors, 2 years ago it was brought out in previous testimony here, we went around the State and ran a series of seminars for veterans. We didn't get very far with them. We then started to work with Rick Ducey and his group in a series of seminars, and we are now seeing an increased participation.

We did participate in conjunction with the Veterans' Administration in all of the State conventions last year. We will be doing the same thing again this year to promote the interest in the Vietnam era veterans and the disabled veterans. We are seeing an increase, we went from 16 percent of our loans last year to up over 30 percent now. We are seeing a bigger percentage coming in in the bank guaranteed loans and we think that in our management programs, particularly with our small business development centers, we are seeing a deep interest also in that.

So we are doing everything that we can to promote the interests of the veterans throughout this district with the resources we have.

Mr. SKELTON. I hear a few things about your work, but I am concerned about an overall national policy. That is my concern. I would just hope we see greater improvement in the fiscal year 1984. Thank you so much, Mr. Chairman.

Mr. MITCHELL. Thank you.

Just one or two questions, Mr. McNiff. You talked about the Veterans Business Resource Council. You say 200 referrals of veterans to this council have been made.

Mr. McNiff. That isn't quite what I said, sir, I said they were establishing this council now, and I further said that we had referred 200 requests to SBA during this fiscal year.

Mr. MITCHELL. To SBA, I see, and not to the council.

Mr. MCNIFF. Yes, sir.

Mr. MITCHELL. Do you do a followup on your referrals to SBA?

Mr. MCNIFF. Carl Laster, who is our coordinator with SBA, does the followup. He follows up with Mr. Littlefield.

Mr. MITCHELL. All right. Do you have data to show what percentage or how many of the 200 referrals to the SBA received the kind of service that they desired?

Mr. MCNIFF. As I understand it, the service they received is excellent. How many loans were granted, I cannot answer that.

Mr. MITCHELL. You don't do followup on that?

Mr. MCNIFF. No, sir.

Mr. MITCHELL. Now, I had another question for you, Mr. McNally, a followup on Congressman Skelton's line of questioning.

In fiscal year 1983, according to your testimony, the district office made nine direct loans and 80 bank guaranteed loans to veterans. You go on to indicate the direct loans were \$454,000, and the guarantees were \$9 million. We have pretty strong evidence to point out that in fiscal year 1983 word was sent out from Washington to go slow on direct loans; that is in 1983. That was because the administration wanted to phase out the direct loan program. To the best of your recollection, was any such directive sent to you?

Mr. MCNALLY. I never received that directive, Mr. Chairman. Yes, it is common knowledge that the administration wants to phase out the direct loans.

Mr. MITCHELL. Phase out direct loans.

Mr. MCNALLY. Right.

Mr. MITCHELL. They couldn't do it legislatively; they tried it administratively by cutting the number of approvals.

Mr. MCNALLY. No, the approval authority rests with the district office, and we have not had any problems in that area whatsoever. The fact of the matter is that during the periods of time we had difficulty in actually utilizing those funds that were budgeted to us in the direct funds.

Mr. MITCHELL. One last question.

Out of the nine direct loans that were made, what percentage is that of the total number of applications for direct loan money?

Mr. MCNALLY. Of the nine made?

Mr. MITCHELL. Nine direct loans, yes.

Mr. MCNALLY. Probably in the vicinity of 15 percent at that time.

Mr. MITCHELL. In other words, 85 percent of those who applied for direct loans were turned down for one reason or another?

Mr. MCNALLY. No, no, I am saying to you that that nine that we approved were for veterans, probably about 15 percent of the total. No, no, of the amount that were actually approved for direct applications, I would say we are probably approving in the direct loan area, that actually comes to an application form, total completed application, we are probably approving somewhere in the area of 60 percent, sir.

Mr. MITCHELL. Well, forgive me but I am a cynical old man who has been in Congress so long. It is one thing to count the final applications that are approved, and it is another thing to count the applications that come in. If you count the final applications that

are approved, obviously your figures look pretty good. I am more concerned about the other end, how many applied, and how many were turned down?

Mr. McNALLY. I don't have those figures readily available, Mr. Chairman.

Mr. MITCHELL. It would be helpful if you submit that to the committee at a later date. The actual number of applications that were made, and what happened to them, why were they turned down?

Mr. McNALLY. All right.

Mr. MITCHELL. There is more than one way to skin a cat—and I am not accusing you—but there is more than one way to skin a cat and if you get 110 applications and you use an awfully tight selective criteria on the 110 and weed it down to just 9 that are finalized and you get 9 direct loans approved, you are batting 100 percent. That doesn't give you a true picture.

Mr. McNALLY. I understand.

Mr. SKELTON. If I may, I would hope that the gentleman could give us percentages of the veterans that applied as well as the percentages of the veterans approved on both ends of the spectrum.

Mr. McNALLY. Yes.

Mr. MITCHELL. That would be most helpful.

[The information referred to above follows:]

Fiscal year	Total applications	Veteran	Declined	Veteran	Approved	Veteran	Percent	
							Declined	Veteran
1983.....	695	113	200	24	495	89	40	21
1984.....	483	139	116	26	367	113	24	18.7

Mr. MITCHELL. Thank you very much for taking time to be with us, gentlemen. We appreciate it.

Our next panel is Mr. Paul Camacho, Mr. Kevin Bowen, Mr. Donald Jernigan, Mr. John Klein, and Mr. Alden Voisine.

Gentlemen, if you would come right up.

Mr. DUCEY. Mr. Voisine was not able to be here. I am Richard Ducey, with the leadership program and he asked me to speak in his behalf.

Mr. MITCHELL. We had you scheduled later, so we will just move you up here. Again, we are delighted you can be here. We would like to hear from you in your own words. What are the problems? What are the good things? What are the bad things? We would ask you to try to limit yourself to 5 minutes. That is awfully difficult, I know, when there is a ton of information inside each one of you, but it would help us because of this compressed timetable.

TESTIMONY OF PAUL R. CAMACHO, MASSACHUSETTS VIETNAM-ERA VETERANS ASSOCIATION

Mr. CAMACHO. I am Paul Camacho, and I gathered these people for the first two panels. We could start by saying the most important thing and the reason, through the graces of Speaker O'Neill and Joseph Moakley, that we approached you was the problem of direct access. If there is any great overriding problem that the Vietnam veterans have, it is direct access to administrators, to

Congressmen and to our legislative leaders in general. That is part of the problem.

As Mr. McNally said, he has been to some of the American Legion and traditional veterans organizations' affairs to explain about the problems of small business, but that word really doesn't get to the local level. It just doesn't happen. There are 22 groups organized under an umbrella organization called Vietnam Veterans of Massachusetts. Today you will hear from several of them.

So on one hand we have the problems of access. On the other hand we have the problem of knowledge about programs, and then I think today you will hear from others the notion of outreach.

The seminars that the SBA people have held here in Massachusetts have really been held in conjunction with others, and Mr. Littlefield has tried to do a great job and we appreciate that effort on his part, but I think it is best if you hear all the stories from the different people here, and I would close my few comments and hope that I can summarize some things the other people have said at the end, if that is possible.

About the bills, Mr. Bowen has been in some severe transportation problems because he isn't here today. The questions about H.R. 3020 and S. 1323, how do you see the distribution of this? Is this a first-come-first-served setup? Will it be distributed so much earmarked for each of the States or regions?

How are the regulations similar? I mean the problem of the up-front money. Frankly, if any of us had \$20,000 or \$30,000 to put up front to start our businesses, we would not need some of the loan programs, you know. We may need training; that management training would be very helpful. Release of the money, do you see a problem with that so we can call our delegation to assist in passage of that bill? We have the Speaker, we have Joe Moakley, and all of our delegation has been very helpful to us.

We do call and nag them and we play that well.

So the application time, you know, also, is a myopic one. I read in the record of the National Task Force on Special Consideration it is about 12 days for an application to the SBA to be processed. I think that is a bit short. I don't know anyone around here who has had an application done in 12 days.

Mr. MITCHELL. I don't want to interrupt but this has been a sore point with me about SBA since I came to Congress. Set aside the veterans loans for a moment. SBA has come before this committee year after year testifying that it takes a maximum of 120 days to process an application, a maximum. We have absolute knowledge of some that have been pending 2.5 years, each member of the committee knows that kind of case.

So I am in sync when you talk about the 12 days processing time. Well, it is just—OK; go ahead.

Mr. CAMACHO. These are the things that may be brought up and I hope they are. The Peachin report and the National Task Force had 29 recommendations, I think. I only see an initial outreach effort being made. We are lucky for that, but we have a couple of plans that I think the next panel will bring up. Al Hallenbrook may bring up.

So I would just like to stop and maybe reserve comments for the very end after Mr. Hallenbrook or after Ms. Alexander if that is possible.

Mr. MITCHELL. What I would like for you to do, each one of you, is to give the title of whom you represent, whether you represent the umbrella organization or something else. Mr. Camacho.

Mr. CAMACHO. I am connected with the Vietnam Era Veterans Association.

Mr. MITCHELL. Thank you. Yes, sir.

Mr. KLEIN. I am John Klein, I am president and owner of a small company here in Boston called Intrepid Technologies, Inc. I am also a veteran of the Vietnam era.

Mr. MITCHELL. Wounded?

Mr. KLEIN. No, sir.

Mr. MITCHELL. Go right ahead, Mr. Klein.

TESTIMONY OF JOHN KLEIN, PRESIDENT AND OWNER, INTREPID TECHNOLOGIES, INC.

Mr. KLEIN. Basically, all I wanted to do was address the problems of starting a small business as I have gone through recently myself.

My business now is about a year old. I am a reseller of computer systems, that is, I buy computer systems from the major vendors such as Honeywell, and IBM; and I resell to people who are purchasing computer systems but don't want to buy and create a complete computer staff to do so.

One of the major problems that I experienced—and I have found out that other people have experienced in the process of starting up this type of business—is the fact that you don't need a lot of upfront money, cash, to start the business. What you do need, though, are lines of credit so that you can go out and purchase from your vendors, IBM in this case, Honeywell, Data General and a few others, the equipment and resell it.

Now that is done on a credit-type basis. Usually they give you terms of 30 days for payment, which means that you install the equipment and hopefully you get paid, and then you pay your vendor, which means you never really get any cash out of anyone until you finally get paid at the end. You do need to establish a line of credit.

One of the important things that I see missing at SBA today is the ability to help establish that line of credit for small businesses. A lot of people talk about cash, liquidity in the company, but I believe it is establishment of lines of credit.

One of the things that also affects the small business greatly when you get into the areas of credit and interest is the fact of the Federal Government's foray into the money markets to get money for funding of its own programs. That does two things—the money market out there today—it is a limited marketplace, and when the Federal Government goes in and sells its bonds or its particular commercial paper out there, it absorbs a great deal of cash that could be available to small businesses that are trying to go out there into that marketplace.

What happens is the money that is left in the marketplace usually gets used up by the larger institutional buyers who have greater leverage with that market. I think that something that should be addressed is the ability to help safeguard small businesses against that happening. I am not sitting here saying the Federal Government shouldn't go into the money market and absorb cash, but it should be done carefully and I think in cooperation with the SBA so as to minimize the impact on small businesses.

The other thing I would like to address though is a thing called a small business investment corporation. Recently I was asked by a group of Vietnam veterans to review that particular process because they thought that that might be something that they could get into so as to create a corporation to finance small business operations. Having worked with Mr. Littlefield of the SBA, and reviewing the data from SBA the following information comes out.

To start up a small business investment corporation or a minority small business investment corporation, you are required to come up with approximately \$1 million in liquidity in order to start the corporation. After you have done that you have to make sure that more than 65 percent of that money is invested already.

Gentlemen, when you raise a million dollars out there on the marketplace today, then there is really no need to go back into SBA to create a financial corporation because you have already established your credentials. The marketplace is such that if they have enough confidence in you to give you that million to start the corporation, no backing of the SBA is required.

The second requirement of the SBA in putting together this small corporation is that it be headed by a person who already has training in a small business investment corporation or has previously had such a corporation.

The reality of life today is that people who do have that kind of training usually make the transition into the private sector where those skills are paid for at a higher price. Therefore, the ability to attract a person who has either that training or previously worked for a SBIC into the new SBIC is very difficult. Again, that is something I think that should be looked into and to see whether or not we cannot modify that particular regulation.

That is it.

Mr. MITCHELL. Thank you. I do have questions but we will hear from all the panelists first. You are next. Would you take the mike over to you and give us your name and affiliation.

**TESTIMONY OF DONALD L. JERNIGAN, VICE PRESIDENT,
WINCHESTER SQUARE VIETNAM-ERA VETERANS, LTD.**

Mr. JERNIGAN. Donald L. Jernigan, I reside in Springfield, MA, and I am the vice president of the Winchester Square Vietnam-Era Veterans, Ltd.

I am a veterans outreach counselor in the vet center program under the auspices of the Veterans' Administration.

I serve as well on the board of directors for the Vietnam Veterans of Massachusetts, Inc. I have a statement I would like to read.

Mr. MITCHELL. If it is not too lengthy.

Mr. JERNIGAN. It is not.

Mr. MITCHELL. If it is within 5 minutes, fine.

Mr. JERNIGAN. Let me say I am thankful for this opportunity to come before this panel of distinguished gentlemen to express as simply as possible some of the concerns that the Vietnam vets of Massachusetts and indeed the country have. I am Donald L. Jernigan, from Springfield, MA. I have worked with veterans for better than 7 years as one who has tried to encourage and support efforts to provide in a sometimes hostile society as far as we vets are concerned, and I have been a counselor in a professional capacity for the last three years, that is, getting paid for the job.

I was appointed as one of five Vietnam vets to the Commission set up to hear and make recommendations on concerns of the Vietnam veterans. I was appointed by then Governor Keaton and worked under the chairmanship of Senator Doris, I was there 2 years and was the only black to serve on that Commission. I have heard a lot of anger and disappointment expressed mainly because of the poor delivery of services, the poor outreach, inadequate programs, racism, just plain laziness in some cases in terms of delivering those services.

The problem being discussed here today is a lack of adequate programming or inappropriate programming to meet the needs of the very neglected target population, the Vietnam era veteran.

There is a need to develop a program, some program that will take into consideration their capability to perform and their inability to access the opportunity to perform because they don't have the money to do so. They have paid a great price that is yet to be fully acknowledged functionally. Some of these governmental agencies have the ability to help. The legislators have a duty to help make some things right here. I am here to ask that you consider some of the things you will hear in this room today.

Simply, we need a program that will help provide in one case startup capital. Why? Because many of us don't have the money saved up. Our assets are not the greatest. They are, as you have heard from Mr. Camacho and from some others I am sure very limited. Our need is great. Counseling to do these things is very much needed.

I am convinced that the ability of these gentlemen, in the cases where I have been able to hear them on the Commission and working with them personally to resolve some of these problems, I am convinced that that ability is very good.

I am asking that you consider a pilot program to be set up with limited amounts of money that is accessible to qualified Vietnam veterans, veterans who have a worthwhile business project but not the startup capital. This might include a lower equity requirement with a combination of lower than prime interest rate.

We have a program similar to this in Springfield. I do have an outline of that Small Business Development Funding Program here. It recycles investment capital. It lowers the required equity investment, and loans are at less than prime until the business is profitable enough to pay the prime rate. It reviews cases at 3-year intervals, adjusting at no more than 3 percent a year up toward the prime rate, if the business can stand it.

I am told this program was not new. It has been used in other parts of the country. The program is the small business develop-

ment fund. It requires an investment be made in the community block grant development area, and that that is practical except for the fact, I am concerned, that areas where blacks, Hispanics, and other minorities live are the last to be addressed.

Things are usually so bad and the resources so limited that the little money that does come in is not used well, not used functionally, and no real progress is made.

I believe that a program like this could work. It would require the cooperation of a number of governmental agencies such as the SBA, the Veterans' Administration, and with the cooperation and use of veterans organizations like the Vietnam Veterans Leadership Program, the Vietnam veterans organized under the Vietnam Veterans of Massachusetts, these types of vehicles coming together can make a program like this work.

If veterans are trained to help train other veterans in the process of running a business, it can work. It would provide proper technical assistance and outreach to areas where there is a heavier need.

I am particularly concerned with the number of black, Spanish, and other ethnic minority veterans that have or have not been serviced. I would be interested in seeing those figures when we talk about the figures that have come across the table here. I know in my own community of Springfield, I have talked to a number of veterans prior to making this appearance, and they have had a number of problems that border on high restrictions, red lining from the banks, not enough effective cooperation with the Veterans' Administration, for example.

I am a veteran who has a business degree. I have worked extensively with programs in a chapter of the National Business League, a minority business organization developed by Booker T. Washington in 1900.

I would be willing to be the point man for one of these programs, if you want somebody that will test one of these programs. I would be willing to walk the point for that, as a black, as a disabled veteran, and as a person that is interested in going into business and that doesn't have the capital but does have the credibility and ability.

I think, gentlemen, I will end my commentary there. I have an outline of that program that is administered in the Springfield area, and I would be more than happy to share that with you.

Thank you.

Mr. MITCHELL. I hope you will submit the outline of that program. We will reproduce copies for all the members of the committee. I don't think we have that outline now.

[The information referred to above follows:]



SPRINGFIELD ECONOMIC DEVELOPMENT CORPORATION
 A Joint Venture of the City of Springfield and the Greater Springfield Chamber of Commerce

MEMORANDUM

TO:

FROM: John S. Williamson

DATE:

SUBJECT: SPRINGFIELD BUSINESS DEVELOPMENT FUND

OBJECTIVES

The objectives of the Springfield Business Development Fund (SBDP) are as follows:

1. To establish and administer a low interest loan fund to promote additional capital investment and job creation in the city of Springfield.
2. To encourage small business formation and expansion.
3. To fulfill the need for financing of projects which lack the strength to justify full conventional financing.
4. To engage in such activities and functions, as are necessary, proper and in the furtherance of the goals and purposes of the corporation.

INCENTIVES: PARTICIPATION LOANS

The SBDP will issue second mortgage loans not to exceed 30% of the total cost of a project up to a maximum of \$75,000 per project. Such loans will bear an interest rate of 40% of the prevailing prime rate on the date of closing. Loans will be reviewed every three years and an adjustment may be made in the interest rate in the event that the strength of the project will sustain an interest rate which more closely approximates the prime rate. Any such interest rate increase will not exceed 3% at any given three year interval. In no event will such rate increases result in an interest rate which exceeds the prime rate. The maturity will be coterminous with the term of the primary financing.

Bay State West Plaza, 130 Main Street, Springfield, MA 01103 (413) 734-5671

BEST COPY AVAILABLE

ELIGIBLE PROJECTS

In order to obtain financing from SBDP, projects must meet the following minimum eligibility criteria:

1. Total project costs must not exceed \$250,000.
2. The project financing must include at least 10% equity.
3. Projects must be located in the CDBG target area of the City of Springfield.
4. Prospective participants must have received a firm financing commitment from a conventional financing source which is contingent only on SBDP participation.
5. Projects must generate a clearly identifiable economic benefit to the City of Springfield (e.g. an increase in employment or an increase in property taxes).
6. Projects must demonstrate market, management and financing feasibility and a clear likelihood of success.
7. The project must require SBDP participation in order to assure financial feasibility.
8. Projects may involve office, commercial, retail, distribution, warehousing, industrial or related uses. Housing is specifically ineligible.
9. Projects must be referred to the SBDP by a conventional financing institution (e.g. a bank) which is committed to providing the primary financing.

FUNDING PRIORITIES

In the event that demand for financial support from SBDP exceeds the supply of SBDP resources, projects will be ranked according to their relative economic benefit for the City of Springfield. Projects with greater benefit shall receive funding on a priority basis.

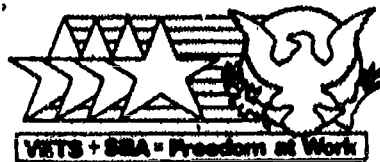
SECURITY

The loan shall be secured by a good and valid secured position in favor of SBDP, Inc. upon all buildings, fixtures, equipment, inventory, and other assets of the applicant. Corporate and personal guarantees will be required as will the assignment of all leases relevant to the project.

ELIGIBLE USES OF SBDP FUNDS

1. Real Estate: The acquisition of land and/or buildings.
2. Construction: The construction of a new facility addition, or

**U.S. Small Business Administration,
Office of Veterans Affairs**



**SBA Small Business Loans
VA Home Loans
Veteran Employment Assistance
Other SBA & VA Services**

**SPONSORED BY:
Vietnam Veterans Leadership Program
of Massachusetts, Inc.**

21 JANUARY 1984

American Legion Post #430

Springfield

Saturday 8:45 AM

PROCESSING FEES

The SBDP will charge an application fee of one point with 25¢ (non refundable) to be payable at the time of application submission and the remainder due at closing. In addition the borrower will pay all legal fees and accounting fees (when excessive) of SBDP, Inc. in preparation of the loan.

USE OF LOAN REPAYMENT PROCEEDS

The SBDP will function as a revolving loan fund and proceeds from the repayment of loans will be re-invested in further loans. Any residual funds at the termination of the SBDP will be paid to the City of Springfield.

POLICY AMENDMENTS

This outline constitutes a set of operating policies for the SBDP. The Executive Committee of the SBDP, Inc. may, from time to time, initiate changes in these policies in order to adapt to evolving economic needs in the community. Any such changes must be approved by the Mayor of the City of Springfield prior to their implementation.

Mr. MITCHELL [continuing]. Mr. Ducey.

**TESTIMONY OF RICHARD J. DUCEY, EXECUTIVE DIRECTOR,
VIETNAM VETERANS LEADERSHIP PROGRAM**

Mr. DUCEY. Thank you very much, Mr. Chairman. I am very glad to be here today.

I might say that your reputation as an advocate of veterans and small business has preceded you. I might also comment that the only comparable experience I have had with the air conditioning problem and traffic was when I was stuck for several hours in the Baltimore Harbor Tunnel, which is quite an experience in itself.

Mr. MITCHELL. Let that be stricken from the record. [Laughter.]

Mr. DUCEY. I would like to especially thank Representatives Moakley and Mavroules, who are also somewhat legendary veteran advocates here in Massachusetts. We are very fortunate to have the congressional staff that we do have here in the Commonwealth.

There are basically only four items I would like to cover today. As I have said, I am the executive director of the Vietnam Veterans Leadership Program. We are working with SBA in developing their informational seminars with the SBA and VA on programs available to us. It was interesting that Mr. McNally pointed out that in fiscal year 1984 there were 682 Vietnam veterans attending counseling sessions nationwide. Well over 100 came from Massachusetts here.

We don't believe that there is, in fact, a problem to outreach Vietnam veterans. We don't believe that of 300,000 combat-wounded veterans from Vietnam there should be any reason why the SBA was not able to find one of them and help him start a small business last year. In fact, what we do believe is that those lower-end figures you discussed, the guy who walks into the SBA office and doesn't get beyond the reception area represents the vast bulk of applicants.

Now, we feel that we can assist materially in changing that. Quite frankly, it is my personal belief that the problem does not lie with the dedication of either Mr. McNally or the veterans affairs

officer, Mr. William Littlefield, here in the Boston office, but rather the problem comes from higher up. The problem comes from money that the Congress gives to the SBA to spend that doesn't get spent.

If we were operating in a vacuum with this agency and no others, then perhaps we might say that it was the result of the machinations of bureaucracy and simply write it off that way. But, again here in Massachusetts, we are extremely fortunate in having very positive, very workable relations with both the Department of Labor and the Veterans' Administration. Clearly, their commitment to veterans and veterans programs indicates that if the commitment comes from the top and the individuals in the district and regional offices don't have their hands tied from above, then they can put out the kinds of programs that we need.

I might add that veterans need those programs now. Our average age is 36. We have an average of two children and a home mortgage. If we are not in small businesses, or in careers, within the next few years we will have aged ourselves right out of the market. Then we will be faced with a whole new kind of discrimination, what is popularly referred to as age discrimination.

Although I understand on the one hand that through hearings and legislation sometimes the bureaucracy moves with glacial speed, I would urge you to address this issue with all due haste because time is of the essence for the Vietnam veteran community.

The second point I would like to make is in regard to the Small Business Development Centers. I think it is an excellent concept. However, I don't believe that they have either the networks or the access to the Vietnam veteran community. With funding through, again, as Mr. Jernigan has pointed out, either the Vietnam Leadership Veterans Program or some type of program like it, we can provide that input. Frankly, most of us are community-based organizations that run on shoestring budgets at best.

Those of you who are familiar with the leadership program know that our Federal funds ran out and we are attempting to rely on the safety net of private sector support to keep us going, and frankly I expect many of the programs are going to fall through the net. That is unfortunate.

I believe the program is one of the best advocacy arms to come along for Vietnam vets in quite some time. I am, of course, very partial to the program because I am its executive director, but I think our track record speaks for itself.

The veterans affairs officers, which have been widely touted by the SBA as being a positive outreach effort on behalf of the Vietnam veteran community, it should be pointed out, are not employed for this single purpose. At best, they are only part time with several other areas of responsibility. In the Boston office, the veterans affairs officer covers 5 counties, 65 towns. He is a management assistance officer. He is responsible for four SCORE chapters and one Small Business Institute.

Now, frankly, again, there should be no question in anyone's mind regarding the dedication of these individuals. But dedication and hours in the day are two different things. If you are going to provide veterans affairs officers to make up for 10 years of neglect regarding the Vietnam veteran community, do you think it can be

done part-time? I don't, quite frankly. It is extremely difficult to get these individuals on the phone because they have so many other responsibilities.

Another point I would like to make is that the five VVLP-SBA seminars for the Commonwealth of Massachusetts. The first two were attended by over 100 Vietnam vets. Mr. Lassiter, who ran the VA Home Loan Program at the second seminar, asked how many vets there might need information regarding the VA Home Loan process, and only two hands went up, not because they were not interested in the program, but everybody but two individuals in the room had their own homes.

We are not talking about bringing forward 100 Vietnam veterans with pipedreams, pie-in-the-sky dreams, who believe the SBA has a check with their name on it. We are bringing forward people who already run mom and pop operations. We are bringing forward veterans who have the credentials, the background, the interest, and the ability to start small businesses. What they need is some assistance to catch up with their nonveteran peers who have 2 to 4 years in mortgage maturity or savings, over their veteran peers.

We think that because of that, and because in fact the Vietnam veteran community includes minorities and includes women, that this is an area that should be given a very close look and some very special consideration.

The director of the VA outreach program, Dr. Arthur Blank, has pointed out that 40 percent of the Vietnam veterans now in counseling could be materially helped toward being completely rehabilitated if they had meaningful career employment opportunities to go to at the end of the counseling sessions. The fact of the matter is that in many instances they don't. If they desire to start a small business, they have, in many instances, got to deal with a bureaucracy that might conceivably set them back in their therapy.

As I have mentioned, I am sitting here today taking the place of someone who intended to come and testify. The gentleman's name is Mr. Alden Voisine, a combat Vietnam veteran awarded the Distinguished Flying Cross as a helicopter pilot in Vietnam 20 years ago. He spent over 2 years attempting to get his handicap assistance loan, and by the time he got it, frankly the price of his equipment had increased by over \$10,000.

These are the kinds of issues that Vietnam vets are faced with. These are the frustrations that they are faced with, and it is, quite frankly, why in some instances the SBA has a great deal of difficulty getting veterans to attend their information seminars.

I thank you very much, and I would be very glad to answer any questions that the committee may have.

[Brochures submitted by Mr. Ducey follow:]

**U.S. Small Business Administration,
Office of Veterans Affairs**



**SBA Small Business Loans
VA Home Loans
Veteran Employment Assistance
Other SBA & VA Services**

**SPONSORED BY:
Vietnam Veterans Leadership Program
of Massachusetts, Inc.**

21 JANUARY 1984

American Legion Post #430

Springfield

Saturday 8:45 AM

WHAT IS IT??

This seminar is to inform Massachusetts Veterans of the VA/SBA policies and procedures pertaining to guaranteed loans and management assistance; and to discuss Vietnam Veterans Employment Assistance and Outreach Programs.

The seminar is an all day workshop co-sponsored by Congressman Edward P. Bouand, Congressman Silvio O. Conte, Springfield Outreach Center, American Legion Post #430, Winchester Square Vietnam Era Veterans Ltd.

TOPICS WILL INCLUDE:

SBA Business Loans

VA Home Loans

SBA Procurement Assistance

Creative Home and Business Financing

SBA Surety Bond Program

Equity and Down Payment Requirement

Eligibility Criteria

Loan Packaging Assistance

Employment Assistance for Vietnam Veterans

Business Acquisition and Franchising

FURTHER INFORMATION:

Rick Ducey, VVLP 617 523-0524

Harry Webb, SBA Holyoke 413 536-8770

Donald Jernigan 413 737-5167

Springfield Veterans Outreach Center

SPEAKERS WILL INCLUDE:

John J. McNally, Jr.—District Director
Small Business Administration

Michael McReaken—Loan Guarantee Officer
Veterans Administration

Edward Oparowski—SBA Loan Officer

Rick Ducey—Vietnam Veterans Leadership
Program

Jerry Coia—Assistant Vice President of
Bank of New England

Vern Bender—Senior Vice President
Hallmark Mortgage Co.

REGISTRATION

There is a \$5.00 registration fee. To register
please fill out the attached form and return
with check to the

VVLP

50 Staniford Street, Suite 800
Boston, MA 02114

Please make checks payable to VVLP.

DIRECTIONS**From Mass. Turnpike**

Mass. Turnpike to Exit #6 (Springfield Exit).

End of Ramp L on I-291 West.

Exit at Armory Street.

Straight past A&P.

Right at traffic light into A&P parking lot.

Post #430 is behind A&P.

From I-91 South

Coming South on I-91.

Exit at 291 East (Ludlow Boston).

291 East to Exit #3 (Armory Street).

Straight through traffic light.

Bear left around rotary.

Onto Liberty Street North.

Proceed past A&P.

Right at traffic light into A&P parking lot.

Post #430 is behind the A&P.

AGENDA

- Time**
- 8:45 Registration Coffee & Donuts
- 9:15 Welcome
John J. McNally, Jr.
District Director
Small Business Administration
- 9:30 Financial Assistance Available
through the SBA
Edward Oparowski, SBA Loan Officer
Gerard Coia, Asst. V.P.
Bank of New England
- 10:15 How To Do Business With
The Federal Government
Vincent Mineo, SBA Procurement
& Technical Assist.
- 10:45 Preparing Your Business Plan
Merwin Tober, Regional Director,
Small Business Development
Center, Springfield
- 11:15 SBA Management Assistance
Program & Resources
Harry Webb, SBA Management
Assistance Officer
- 11:45 SBA Surety Bond Program,
Franchising, Business Acquisition
William F. Littlefield, SBA Veterans
Affairs Officer
- 12:15 Lunch Break
- 1:15 VA Home Mortgages, Loan
Guarantees and Creative Financing
Michael McReaken, VA Loan
Guarantee Officer
Vern Bender, Sr. V.P. Hallmark
Mortgage Co.
- 2:15 Legal Aspects of Business/Home
Ownership
Earl Alpert, Attorney
- 2:45 Employment Assistance for Vietnam
Veterans
Richard Ducey, VVLP
- 3:15 Services Available through the
Springfield Vet Center
Donald Jernigan, Vet Center

*Participants will be available for one on one
problem solving throughout the program.*

**U.S. Small Business Administration
Office of Veterans Affairs**



**SBA Small Business Loans
VA Home Loans
Veteran Employment Assistance
Other SBA & VA Services**

**SPONSORED BY:
VIETNAM VETERANS LEADERSHIP
PROGRAM OF MASSACHUSETTS, INC.**

**HOSTED BY:
VIETNAM COMBAT VETERANS
GREATER LYNN CHAPTER, INC.**

12 MAY 1984

St. Mary's Church
Cardinal Cushing Center
Conference Room #1
Tremont St., Lynn, MA

Saturday 8:45 AM

WHAT IS IT?

This seminar is to inform Massachusetts Veterans of the VA/SBA policies and procedures pertaining to guaranteed loans and management assistance; and to discuss Vietnam Veterans Employment Assistance and Outreach Programs.

TOPICS WILL INCLUDE:

SBA Business Loans
 VA Home Loans
 SBA Procurement Assistance
 Creative Home and Business Financing
 SBA Surety Bond Program
 Equity and Down Payment Requirement
 Eligibility Criteria
 Loan Packaging Assistance
 Employment Assistance for Vietnam Veterans
 Business Acquisition and Franchising

REGISTRATION:

There is a \$5.00 registration fee. To register please fill out the attached form and return with check to the

VVLP

50 Staniford Street, Suite 800

Boston, MA 02114

Please make checks payable to VVLP.

FURTHER INFORMATION:

Vietnam Veterans Leadership Program,
 Boston 523-0524

Bill Littlefield, SBA
 Boston 223-7991

SPEAKERS WILL INCLUDE:

James H. Angevine, Regional Administrator
U.S. Small Business Administration

Carl A. Laster, Senior Underwriter
Loan Guarantee Division, VA

Richard J. Hennessey, Jr.
Chief Finance Division
SBA

John J. Mazzone
Procurement Representative
SBA

William F. Littlefield
Veterans Affairs Officer
SBA

Steven Zabierick
Loan Officer, Essex Bank

Camille Guay
Manager, Fidelity Mortgage Guarantee Corp.

Dr. Daniel E. Diamond, Ph.D.
Director, New England Small Business
Development Center

Richard J. Ducey, Director
Vietnam Veterans Leadership Program

The Seminar is a half-day workshop supported by:

Vietnam Combat Veterans

Greater Lynn Chapter

Butch Mara, President

Congressman Edward Markey

Congressman Nicholas Mavroules

Congressman Thomas (Tip) O'Neill
(Speaker)

Congressman James Shannon

Senator Francis Doris

Rep. Thomas McGee (Speaker)

LOCATION:

St. Mary's is located in City Hall Square, Lynn Center. The Cardinal Cushing Center is behind the Church on the corner of Tremont and Pleasant.

AGENDA:

- Time**
8:30-
9:30 **Registration** **Coffee & Donuts**
- 9:00 **Welcome**
 James H. Angevine
 Regional Administrator
 U.S. Small Business Administration
- 9:15 **Financial Assistance Available**
 through the SBA
 Richard J. Hennessey, Jr.
 Chief Finance Division, SBA
 Steven Zabierick
 Loan Officer, Essex Bank
- 10:00 **How To 'Do Business**
 With The Federal Government
 John J. Mazzone
 Procurement Representative
 SBA
- 10:30 **Preparing Your Business Plan**
 Dr. Daniel E. Diamond, Ph.D
 Director, New England Small Business
 Development Center
- 10:45 **Break**
- 10:55 **SBA Management Assistance Program**
 & Resources
 SBA Surety Bond Program,
 Franchising, Business Acquisition
 William F., Littlefield, SBA Veterans
 Affairs Officer
- 11:30 **VA Home Mortgages, Loan Guarantees and**
 Creative Financing
 Carl B. Laster
 Senior Underwriter,
 Loan Guarantee Division
 U.S. Veterans Administration
 Camille Guay
 Manager, Fidelity Mortgage
 Guarantee Corp.
- 12:30 **Employment Assistance for Vietnam Veterans**
 Richard J. Ducey, Director
 Vietnam Veterans Leadership Program

*Participants will be available for one-on-one
problem solving throughout the program*

**U.S. Small Business Administration
Office of Veterans Affairs**



**SEMINAR
SBA Small Business Loans
VA Home Loans
Veteran Employment Assistance
Other SBA & VA Services**

**SPONSORED BY:
VIETNAM VETERANS LEADERSHIP
PROGRAM OF MASSACHUSETTS, INC.**

**HOSTED BY:
Nam Veterans Association
of Cape Cod and the Islands
Third World Vietnam Veterans
of New Bedford**

23 JUNE 1984

**VFW Dennis F. Thomas Post #2578
Iyanough Road
Hyannis**

Saturday 8:45 AM

WHAT IS IT?

This seminar is to inform Massachusetts Veterans of the VA/SBA policies and procedures pertaining to guaranteed loans and management assistance; and to discuss Vietnam Veterans Employment Assistance and Outreach Programs.

TOPICS WILL INCLUDE:

SBA Business Loans
 VA Home Loans
 SBA Procurement Assistance
 Creative Home and Business Financing
 SBA Surety Bond Program
 Equity and Down Payment Requirement
 Eligibility Criteria
 Loan Packaging Assistance
 Employment Assistance for Vietnam Veterans
 Business Acquisition and Franchising

REGISTRATION:

There is a \$5.00 registration fee. To register please fill out the attached form and return with check to the

VVLP

50 Staniford Street, Suite 800

Boston, MA 02114

or bring and register at the door. Please make checks payable to VVLP.

FURTHER INFORMATION:

Nam Vets Association of Cape Cod and the Islands	778-1590
Third World Veterans of New Bedford	997-1704
Vietnam Veterans Leadership Program of Mass., Inc. Boston	523-0524
Bill Littlefield Small Business Administration Boston	223-7991

SPEAKERS WILL INCLUDE:

William F. Littefield, Veterans Affairs Officer
U.S. Small Business Administration

Carl. B. Laster, Senior Underwriter
Loan Guarantee Division, VA

Richard J. Hennessey, Jr.
Chief Finance Division
SBA

John J. Mazzone
Procurement Representative
SBA

James McEvoy
Regional Vice-President
Cape Cod Bank and Trust Co.

Tom Cravens
Loan Officer
Fleet Mortgage Co.

Clyde Mitchell
Director, Fall River
Small Business Development Center

Richard J. Ducey, Director
Vietnam Veterans Leadership Program

The Seminar is a half-day workshop supported by:

Nam Vets Association of
Cape Cod and the Islands
Mike Trainor, President
Third World Vietnam Veterans
of New Bedford
John Andrade, President

U.S. Congressmen:
Brian Donnelly
Barney Frank
Joseph Moakley
Gerry Studds

LOCATION:

The Dennis F. Thomas Post is located just off
the Hyannis Airport Rotary on Iyanough Rd. in
Hyannis.

AGENDA:**Time**

- 8:30-
9:30 Registration Coffee & Donuts
- 9:00 Welcome
William F. Littlefield
Veterans Affairs officer
U.S. Small Business Administration
- 9:15 Financial Assistance Available
through the SBA
Richard J. Hennessey, Jr.
Chief Finance Division, SBA
James McEvoy
Regional Vice President
Cape Cod Bank and Trust Co.
- 10:00 How To Do Business
With The Federal Government
John J. Mazzone
Procurement Representative,
SBA
- 10:30 Preparing Your Business Plan
Clyde Mitchell
Director, Fall River
Small Business Development Center
- 10:45 Break
- 10:55 SBA Management Assistance Program
& Resources
SBA Surety Bond Program,
Franchising, Business Acquisition
William F. Littlefield, SBA Veterans
Affairs Officer
- 11:30 VA Home Mortgages, Loan Guarantees and
Creative Financing
Carl B. Laster
Senior Underwriter,
Loan Guarantee Division
U.S. Veterans Administration
Tom Cravens
Loan officer
Fleet Mortgage Co.
- 12:30 Employment Assistance for Vietnam Veterans
Richard J. Ducey, Director
Vietnam Veterans Leadership Program

*Participants will be available for one on one
problem solving throughout the program.*

Vietnam Veterans Leadership Program

Of Massachusetts Inc.



50 Staniford Street
Suite 800 Government Center
Boston, MA 02114

Cover Photos

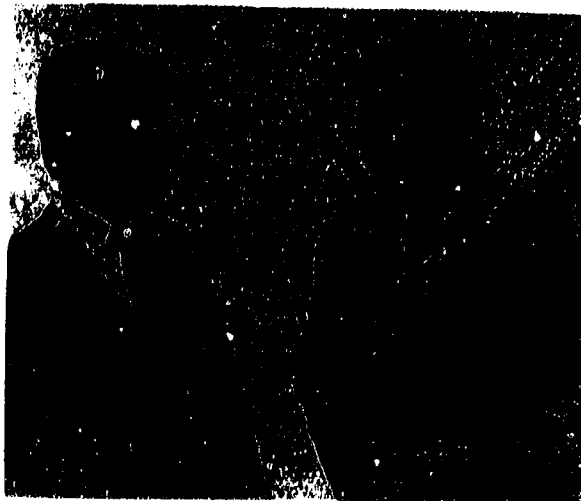
WLP board member William Joy, Jr. pictured (left) as a platoon leader w/101st Airborne Division, and today (right) as a partner in a Boston Law Firm.

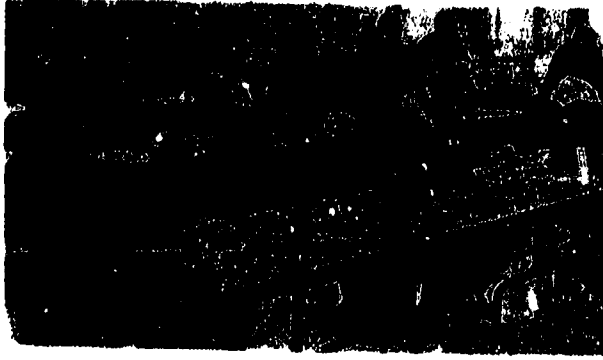
What is WLP?

The Vietnam Veterans Leadership Program of Massachusetts (WLP) is a non-profit, federally initiated program. In the best tradition of America and American Veterans, we are a volunteer group endeavoring to coordinate and assist Vietnam era veterans to help other Vietnam era veterans.

The goals of the WLP of Massachusetts are to:

- Increase the receptivity of employers in each community to hiring Vietnam veterans, through contacts with veterans occupying key positions in business and industry.
- Persuade local institutions to make more resources available to the solution of Vietnam veterans problems.
- Encourage and help Vietnam veterans to make full use of all federal, state and community government activities that support them (for example; programs of VA, DOL and SBA).
- Change the unjust negative media stereotype of the Vietnam veteran.
- Complement services provided by the VA and it's Outreach Center and work to make the entire range of available services as cohesive and expctive as possible.
- Encourage membership in veteran volunteer programs (such as Veterans Administration Volunteer Services).





Why a VVLP?

Approximately nine million Americans served in the armed forces from 1964-73 (the Vietnam War years). About 2.7 million (nearly one in three) served in Vietnam itself. During the war, 57,698 gave their lives and 270,000 were wounded. More than 21,000 were disabled and about 5,000 lost one or more limbs. Although 80 percent of Vietnam veterans (most now in their thirties) have integrated responsibly and successfully back into civilian life. Significant problems remain to be solved. Problems such as unemployment, under-employment and a negative stereotype that saps the veteran's of self-worth.

Our all-volunteer Board of Directors includes officer and enlisted ranks, minorities, women and disabled veterans, white and blue collar workers and veteran representation of four branches of the U.S. Military and every area of the state. The common thread which binds this diverse group together is the recognition that Vietnam veterans are a leadership resource, not a group to be pitied or treated as victims. Rick Ducey, Executive Director (a combat wounded veteran) directs the program of one hundred program volunteers from all walks of life.



Rick Ducey
Executive
Director VVLP
Henry Webb
US Small
Business
Administration
Don Jernigan
VA Outreach
Center
Springfield

WLP Sponsored SBA/VA Seminar

We are not a membership organization or a placement agency. We have no partisan affiliations. We seek only to mobilize and identify successful Vietnam era veterans as volunteers to assist their fellow Vietnam era veterans who are still experiencing readjustment problems.

The program was initially seeded funds by Action, but to continue and expand must become self supporting through contributions.

The Bottom Line is: GET INVOLVED!

I would like to help!

- Please accept my tax deductible contribution of \$ _____
- I would like to develop employment opportunities for Vietnam Veterans
- I can volunteer time and experience in the following areas _____

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Job Title: _____

Area of Interest: _____

Mr. MITCHELL. I thank all of you. This is why we have to come out for hearings. Certainly, the testimony of everyone who has preceded you has been meaningful, but we have learned that it is best to go to talk one-on-one with the guys—and that is a generic term that includes women—out there battling the agencies trying to get them to do the right thing.

Let me just point out one thing to you, and I am going to cry on your shoulder a little bit. The House of Representatives overwhelmingly passed our omnibus small business bill, H.R. 3020. Included in there for the first time in an authorization bill, based on testimony we have received from veterans before our committee, was \$30 million earmarked for veterans. Nobody else, just the veterans, for fiscal year 1985.

For fiscal 1986, it was \$31.2 million targeted for veterans, that is through the SBA operation.

The House passed it overwhelmingly. The Senate has not acted on it. We have not even gone to conference because the Reagan administration has said it bitterly opposes that kind of spending. So that is the frustration that we face.

We are going to fight to try to get that through somehow, but there is a kind of closed mind attitude when it comes to spending on behalf of those who really not necessarily just need it, but can take that money and turn it into thriving businesses for the good of the entire country.

Just a couple of comments from me, and I will turn it over to my colleagues for questions.

I disagreed with you just a little, Mr. Klein, when you talked about the SBIC and MESBIC programs, that if they are able to get a million dollars from the private sector, they don't need SBA help to leverage. That has not been our experience. It has not been. We just find that a million dollars, depending on the kind of investment company, is just totally inadequate; and the whole intent of that program was to get leveraged funds. So that may have been your experience, but it has not been our experience, that if you get the original million dollars from the private sector, it is smooth sailing from that point on. It has not been, based on our experience, that way.

Just one other comment I wanted to make. Again, to Mr. Klein, I suppose it depends on the kind of veteran you are working with, but you pointed out that you don't need up-front money but lines of credit. You have to weigh your statement against the experience of many, many people—I am talking particularly about the minorities, those who are black and Hispanic—who, with all the guarantees in the world, still can't get a bank loan. Some banks just will not lend under the SBA Guaranteed Loan Program. So it is not easy for those who are black or Hispanic or others to access to a line of credit.

Therefore, in my opinion, you have to have some up-front money.

Mr. KLEIN. Just to clarify, sir, what I didn't say clearly, or maybe I—

Mr. MITCHELL. Use the mike, will you, Mr. Klein?

Mr. KLEIN. Either I didn't say it clearly or I misstated my point. It was that what is required is the fact that you need lines of credit. I didn't imply you didn't need cash up front. What I meant

was the fact that the cash requirement up front is the minority portion of that particular business.

Now, "minority portion" is definable depending on the marketplace that you are in. Some particular businesses require a larger amount of cash up front, and therefore that will be the majority of their total cash or financial package requirements.

Mr. MITCHELL. Thank you. I am glad you clarified that because the way it came out, it flew right in the face of our experience. I have a number of other questions, but why don't we turn to Congressman Moakley.

Mr. JOE MOAKLEY. Thank you. Mr. Chairman.

Actually, I am very pleased to have this kind of attendance, and actually very pleased with this type of panel meeting. I just wish that some of the people that had been dealing under some real misapprehensions about Vietnam veterans could be in this room today to hear the presentations you gentlemen make. I think you would make them proud. You are on the right track. I know Chairman Mitchell is very impressed with the testimony these hearings bring forth this morning.

It is 10:55, and I know you were kind enough to come here to hear this testimony, on my invitation, and I will not take any more time. I would just like to get to as many people as we can before we have to leave.

Mr. MITCHELL. Congressman Skelton.

Mr. SKELTON. Let me followup on my previous question regarding the disabled Vietnam veterans. I will address this to any and all of you, briefly.

Can you name any instances where you see disabled veterans singled out and being refused or being given additional problems to those that other veterans or other people seeking these loans might have?

Mr. DUCEY. Yes. I hesitate to go into specifics other than the example of a double-amputee in this State, attempting to secure a small business loan, and our understanding of the case is that because of his treatment and refusal, that—he may initiate a lawsuit and have an attorney represent his interests.

There have in fact, been specific instances where again we find ourselves in a catch-22. For instance, with a handicapped assistance loan, the disability has to keep you out of the marketplace in order to qualify you for the loan. Once in the process, the disability can keep you from succeeding in attaining the loan because of the disability.

Now, you can't have it both ways. Either the disability keeps you out of the marketplace and puts you in the SBA, or it disqualifies you from the SBA and puts you in the marketplace. But you can't have it both ways.

What we are finding, in fact, is there are a number of these kinds of catch-22 situations, so that it is purely a judgment call. And the whole definition of "special consideration" is something that is very disturbing to Vietnam vets because we find, in fact, that it has not been defined in such a way that it is anything other than a judgment call. We feel it should be defined so that there are specific guidelines so the veteran applicant goes into the loan appli-

cation process with some degree of understanding as to whether or not he in fact is qualified.

One of the most common complaints that I hear is that you don't get the answer to your question until you have gone through the SCORE meetings, been included in the body count for statistical purposes, and been turned down, when in fact the questions could have been answered the day you came in and saved you a lot of trouble and expense.

Mr. SKELTON. Without prolonging this, what I am getting at is this whole area of disabled vets, whether Vietnam era or otherwise. Probably in and of itself this could be the subject of a hearing.

Thank you.

Mr. DUCEY. I would agree.

Mr. CAMACHO. I would like to make a comment on that.

I was talking on several occasions to paralyzed Veterans Association members, and one of the things many of them told me was that they would not even think about getting into a small business. But, from another angle, their benefits under Social Security would be immediately subject to cuts. If a business fails, then it is hell and high water to get back on to those Social Security benefits.

You talk about those kinds of problems especially for paraplegics or quadriplegics; that is murder. They are out if those benefits are cut and their business fails or they have trouble with their business. They talked about some way to merge, or having benefits go down as their small business succeeded—then you could decrease their Social Security benefits, so that there was always a level of survivability for them.

It is a lot different from them than it is for us who are—whether we have been Purple-Hearted or not—are a lot healthier. The medical bills are enormous for the care they need, as you know.

Mr. SKELTON. Thank you.

Mr. MITCHELL. I am glad you brought that up.

I will take just 3 more minutes. You raised a series of questions and I want our legal counsel to try—and I use the word deliberately—to answer some of your questions, because some of them have not been. The drill has not been worked out in response to some of your questions.

Let's make it clear that for the veteran who is receiving benefits because of disability, there is nothing to suggest that the minute he gets a loan and starts his business that the benefits are cut. That is simply not true.

Mr. CAMACHO. I mean Social Security benefits.

Mr. MITCHELL. Even Social Security, not the minute he starts. It is my understanding that after he starts and after he starts to derive a certain amount of income from his business, if it gets beyond a certain level, then adjustments are made.

Maybe Mr. Powers, our counsel, can address that more specifically.

Tom?

Mr. POWERS. Thank you, Mr. Chairman.

Start going off on the question on the allocation of loan funds, historically the pattern that the agency has followed has been a quarterly allocation on a national basis for the entire year. The distri-

bution to each district is based primarily on historical usage of funds in that district subject to a reallocation at the end of a quarter or end of calendar or fiscal year, depending on the amount of usage and leftover funds in other areas of the country.

Up until about 1981, there usually weren't many leftover funds available. But recently there have been funds left over each year which be shifted back and forth between districts, depending on usage.

The primary problem on giving you a direct answer as to what the entitlement is per district is that we don't have a good census of small businesses in any State or district. It just doesn't exist. Therefore, we cannot use a precise allocation formula.

Mr. CAMACHO. So there are no statistics, as it were? There are no statistics on that?

Mr. POWERS. There are statistics as to usage in the past. There are no statistics—no predictability—as to what will be made in any one given district in the upcoming year aside from starting with the historical usage basis as a percentage and saying, well, that is a starting point. But that is a general benchmark that the agency would attempt to follow.

Mr. MITCHELL. Gentlemen, thank you. If you have additional questions, do not hesitate to write to me and we will get the staff to respond to the questions.

I want to see a copy of your program, too.

Thank you very much. This is very, very helpful.

Mr. CAMACHO. May I stay, just to be sure of the summary, after they have spoken?

Mr. MITCHELL. Sure.

We will move to our next panel of Mr. William Henning, Mr. Al Hallenbrook, Ms. Karol Alexander, and Mr. Ralph Cooper.

Let me give you the timetable that we follow with the strict precision that the military does. They advise us if we leave here at quarter of 12, we can make our plane. So, I would request that you limit yourselves to just 5 minutes, take about 20 minutes total. Not more than 5 minutes, please.

TESTIMONY OF WILLIAM HENNING, STAFF COORDINATOR, NAM VETS ASSOCIATION OF THE CAPE AND ISLANDS

Mr. HENNING. I am Bill Henning, representing the Nam Vets Association of Cape Cod and the islands. I am very pleased to be here. I want to thank you distinguished gentlemen for coming down. I will speak very briefly. I think many of the previous speakers have covered some of the items I wanted to discuss, which are some of the traditional problems that Vietnam vets have faced in entering the mainstream of society.

Our organization is a grassroots group, a private nonprofit group of Vietnam veterans and their families. We have 220 dues-paying members, about 1,100 people on the mailing list, which gives us contact with maybe 800 veteran households.

Since the group was formed in October 1982, which gives us a span of roughly 20 months, we have probably had direct face-to-face contact in our office, which is primarily staffed by volunteers,

with about 500 vets or veteran households, family members who may call up, or have questions, or have some problems.

Usually, they deal with counseling and referrals to the VA. In this period of 20 months, from figures I could get from our files, which have not been updated in about 6 weeks, we find that only about 15 inquiries have been made for SBA assistance. To my knowledge, at this point none of the people who have inquired have a business or are in the process of starting a business.

Furthermore, our organization has not been equipped to provide anything in the nature of career counseling or anything like that. I think the problem is that Vietnam veterans on Cape Cod—and I think we are typical of many of the other outlying areas in the State of Massachusetts—many of the veterans—

Mr. MITCHELL. Excuse me just a moment.

I am sorry. Go ahead. I didn't mean to interrupt. Please go ahead. The last note I made was on the inquiries, 15 to SBA, to the best of your knowledge, none has been acted on either negatively or positively?

Mr. HENNING. Right. Beyond that, the problem with the 15 people is that we have had to refer these people to the Boston SBA office or the local SCORE office. We are not equipped to aid them in the process.

Our limited resources prevent even close follow-up. We don't feel that any of them have had quality service. I don't think that is necessarily a comment on Mr. Littlefield, for instance, in the SBA.

I think it is more veterans' traditional fear of Government institutions similar to the VA, as well as problems with capital. What we have seen in Cape Cod and in the islands, Martha's Vineyard and Nantucket, is no real connection between the veteran and SBA.

We are having a seminar in 2 weeks at the Vietnam Veterans Leadership Program, which they sponsor.

We hope that starts to address the problem, but it has been a vacuum in the 20 months that our organization has been in existence.

Mr. MITCHELL. Thank you.

[Mr. Henning's prepared statement follows:]

PREPARED STATEMENT OF WILLIAM HENNING, STAFF COORDINATOR, NAM VETS
ASSOCIATION OF THE CAPE AND ISLANDS

My name is Bill Henning, and I work as the Staff/Coordinator for the Nam Vets Association of the Cape and Islands, a service and advocacy group for Vietnam-era veterans and their families. The organization has existed since October, 1982, when it was founded by ten veterans, and its present dues-paying membership numbers just under 225 while its mailing list exceeds 1100, of which approximately 800 are veterans. In the 20 months the Nam Vets Association has existed, it has served approximately 450 veteran households. The services provided mainly include (1) making referrals to local agencies and to programs such as the Veterans Administration, the DAV, and the SBA; and (2) providing informal counseling and peer support to veterans on a regular basis. Beyond this the group has worked closely with Congressman Gerry E. Studds to see a V.A. Vietnam Vet Center established in Southeastern Massachusetts; and with state legislators and the statewide coalition Vietnam Veterans of Massachusetts to acquire state funding to expand our programs for veterans.

The need to reach out to Vietnam vets is considerable. Vietnam was a guerilla battle, was an unpopular war in the United States, and was fought by men whose average age was 19 years old. These facts all combined to cause many Vietnam vet-

erans to fall out of mainstream society, with many enduring the problems of Post Traumatic Stress Disorder. Many Vietnam vets have fallen behind their peers, those who, for whatever reason, avoided the draft or enlistment. In 1984, when most vets are approaching 40 years of age—the age when many Americans are earning their biggest dollars—a struggle still exists for Vietnam veterans to reenter or stay in mainstream society. Now is a crucial time for vets to make it as their friends have made it; now is the time to make concerted efforts to reach out to vets, to inform them of what's available to them, to let them pursue the careers of their choice. Naturally aid for vets should include help in setting up their own businesses, or at least getting them involved in the process if such an interest exists.

The Nam Vets Association is an all-volunteer group except for the one Staff/Coordinator position, which is only a 3/4 time position, yet we nonetheless have probably been one of the more effective means in the state for assisting Vietnam-era vets in need. This is not to say, though, that we have been at all satisfied with the service we provide. We want and need to provide more, but limited resources prevent this. If a vet expresses interest in beginning a business, the best we can do is refer him/her to Boston. This is a cold and often unsuccessful process, but we haven't the experience or ability necessary to do otherwise. Furthermore, we do not have the ability to diagnose every vet's situation to see if pursuit of a self-run business is a legitimate option for the vet; unfortunately we have not been able to make referrals to the SBA a top priority. Our responses have only been to direct inquiries, which total perhaps 15 in 20 months. The Nam Vets Association probably has not been perceived as a place for business information, yet, if it has been one of the few institutions that vets have identified with, then it can be surmised that veteran contact with the SBA has been minimal. To the Vietnam-era veteran, the SBA might be seen like the V.A., an insensitive bureaucracy to avoid, even though in reality it is supposed to be an important place for aid.

If Cape Cod Vietnam-era vets have only made approximately 15 inquiries to the Nam Vets Association for information on the SBA, then we have to really wonder how real the prospect of operating their own business is to vets in other parts of Southeastern Massachusetts and in other areas of the state where no government or grassroots Vietnam vet centers or organizations exist. Getting SBA aid is not something Cape Cod vets seem to have considered much—most likely it is something even more remote for thousands of other veterans in the state. This problem is partly being addressed by a seminar our organization is hosting later this month and which is run by the Boston Small Business Administration office and the Vietnam Veterans Leadership Program, but more will have to be done. To my knowledge, none of those who have inquired about the SBA through us are now in business for themselves. For Vietnam vets, starting a business is not considered often; going to the SBA is considered less; and carrying through with the process, with or without SBA aid, happens least of all. One means for Vietnam veterans to catch up with their peers who did not serve during the war is the combination of the SBA and the desire to run their own business—unfortunately, at present this is only a theoretical option, not a real one for many.

Nam Vets Association of the Cape and Islands

P.O. Box 954 • 583 Main Street • Hyannis, MA 02601

Telephone: (617) 778-1590

"CARING FOR EACH OTHER"

The Nam Vets Association (NVA) is a private, non-profit organization of Vietnam and Vietnam-era veterans, their families, and those who support the organization's goals and objectives. Formed in October, 1982 by ten area veterans, the NVA has approximately 200 dues-paying members and a mailing list of over 1,200. In the short time of its existence, the NVA has provided assistance to more than 400 Vietnam-era veterans and their families. With its strong outreach component, membership grows weekly and shows no signs of abating.

SERVICES PROVIDED

The organization provides important services, including the following:

- Operating peer support groups for vets, their significant women, and vets with drug and alcohol problems;
- Referring vets (with close follow-up) to employment and training opportunities; medical assistance for physical and psychological problems pertaining to military service; professional counseling; and aid for problems related to Agent Orange exposure.
- Maintaining a walk-in center for assistance (an average 20 visits daily);
- Providing informal counseling and support; and
- Visiting incarcerated and institutionalized veterans.

ADVOCACY EFFORTS

Important issues affecting veterans have been actively worked on by the Nam Vets Association. Our efforts include:

- Working with Massachusetts Congressmen to establish expanded Vietnam veteran programs at local Veterans Administration Medical Centers;
- Joining the national campaign to see that the approximately 2,500 Americans still Missing in Action or Prisoners of War (MIA/POW) in Southeast Asia are accounted for;
- Supporting programs and legislation to treat veterans exposed to Agent Orange; and
- Working closely with the Vietnam Veterans of Massachusetts, a statewide coalition of Vietnam vet groups working out of the State House in Boston.

COMMUNITY WORK

The Nam Vets Association is a community group that has devoted time to the following projects:

- Sponsoring three Red Cross Blood Drives;
- Gathering "Toys for Tots;"
- Providing Thanksgiving Day Dinner for persons without families;
- Making monthly visits to Brockton VA Hospital patients; and
- Staffing the March of Dimes Telethon.

PLEASE CONTACT THE OFFICE FOR MORE INFORMATION OR TO BECOME A MEMBER OR VOLUNTEER. YOUR SUPPORT IS APPRECIATED. YOUR PARTICIPATION IS ENCOURAGED.

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Mr. MITCHELL. Mr. Hallenbrook.

**TESTIMONY OF AL HALLENBROOK, PRESIDENT,
MASSACHUSETTS VIETNAM ERA VETERANS ASSOCIATION**

Mr. HALLENBROOK. Thank you, Mr. Mitchell. I am Al Hallenbrook, president of the Massachusetts Vietnam Era Veterans Association.

I am professionally the director of the Veterans Services for Brookline, MA. I would like to start with two points in my testimony. First, a story. In 1980, I wanted to purchase a small business, an ongoing business that was a sub shop grossing just over \$50,000 a year. As someone who worked with veterans affairs, I was aware money was available from the SBA for loans. I called the SBA office here in Boston and asked to speak with a veterans affairs officer. I was informed there was no veterans affairs officer.

Mr. MITCHELL. This was 1980?

Mr. HALLENBROOK. Yes. I then asked what I had to do to apply for a veterans loan. The answer is, no, there is no veterans loan. I asked about the money set aside. I was told there was no program, no set aside, never had been, never would be.

I was able to purchase my business with \$1,500 of my own capital, and the previous owner taking a buy-back note. However, because I was undercapitalized and not able to take myself through the dry period, I failed in a year. There was no way for me to carry from one busy season to the next.

With northern New England business we rely heavily on the tourist business. At no time did I ever get back who answered the phone the first time. I never spoke to Mr. Littlefield. I have since. I believe him to be a most dedicated individual who is concerned with veterans and wants to help.

But my experience with the SBA was totally negative from the beginning. I never even had an opportunity, even though I was familiar with veterans affairs, to find out about technical assistance available to veterans through the SBA. I didn't know about SCORE until well into the first year of my business and by then it was too late, nobody could save me.

Most Vietnam veterans, as you know, are 36 years of age on the average, in the prime time of our lives to start our own businesses—maybe we are a little late—but we are prime candidates to be successful.

For the most part we are well educated, have talent and ability, dedication, and a certain amount of inner strength that comes from our past experiences, especially those of us from the Vietnam era.

Small business for us is a very viable option. However, my association believes there is a great need for more outreach to the Vietnam veteran community. On one hand, we have a need for full-time veterans affairs officer in the SBA district who could operate an outreach program. However, there are a lot of problems with that.

I believe that right now the part time VAO wears many, many hats. There is nothing to prevent the SBA from forcing the full-time VAO to continue to wear those hats and hence, in effect, be only part time. Another problem is the career bureaucrat working

from an industrial location or the VAO who would not be familiar with the local community.

Finally, we realize funding for full-time VAO's in each district office is not practical or available. We would like to propose a pilot program that \$100,000 to \$150,000 be spent by SBA to set up a special outreach program to be run through the office of the Vietnam Veterans Leadership Program of Massachusetts.

Why VVLP? Because we trust them with a great deal more trust than any of the traditional bureaucratic structures now in place.

VVLP would provide oversight for five full-time outreach workers and would be located in major regions of Massachusetts: North Shore; Northeast; metropolitan Boston; southeast region down toward the Cape and the islands; central Massachusetts and Worcester County; and the four western counties.

This decentralized approach would provide people who know their community and they can hook up with local community based organizations, chambers of commerce, banks, the local private industry councils of the Joint Training Partnership Act located in each service delivery area, local industry, local small business groups, SCORE, et cetera.

This local networking will provide positive results instead of body counts. The SBA will receive 10 times the outreach of the centralized VAO for only twice the money. Roughly 1,000 percent increase in outreach would result.

We feel this is the best suited organization for this because of their ties to the private sector, their excellent track record and the trust that the Vietnam veterans places in VVLP. We live in a time of rising expectations, yet the veteran continually finds himself unable to participate in the good times.

Denial of rising expectations leads to frustrations, aggression, anger, and distrust of the system.

Thank you.

Mr. MITCHELL. Thank you, sir.

Ms. Alexander.

TESTIMONY OF KAROL ALEXANDER, ASSISTANT DIRECTOR, VIETNAM VETERANS LEADERSHIP PROGRAM IN MASSACHUSETTS

Ms. ALEXANDER. Thank you, Mr. Chairman.

I am Karol Alexander, assistant director of the Vietnam Veterans Leadership Program in Massachusetts. In 2 weeks I will become the first woman executive director of the program nationally. I would like to thank you, Mr. Mitchell, for coming to Massachusetts and I would like to thank you for your wonderful comments you made recently on behalf of minority veterans across the country.

I am a Vietnam era veteran, 30-percent disabled. Obviously, I am considered to be one of the minorities in this country. I would like to indicate that the Massachusetts VVLP has only existed for 18 months. Through the efforts of Rick Ducey, the program has become a very well trusted and respected organization.

Most of the people in this room today we consider to be volunteers and, as for our program, there are four members of our board

here today. Within the scope of my workweek, approximately one-third of my time is spent now on SBA projects, for which obviously we are not paid.

I have some concerns in this so I will emphasize that we are, as you know, under a Federal funding sunset legislation that will come to an end September 30. Whether the program here in Massachusetts continues or not, I don't foresee at this immediate time being able to put that much time and effort into something that right now has been the creation of Bill Littlefield with whom I have enormously enjoyed working.

We have run a seminar program across the State with five separate communities. Bill and I are in the process of planning to run another one next year. One of the reasons it has been successful is that we have worked with community based organizations. The first we did was with Don Jernigan's group.

The second was with the combat veterans of Lynn. The next we are doing is with Nam Vets, and Third World Vets of New Bedford. We have had to regionalize because of limited funds. We will do one in August with Ralph Cooper and the veterans benefits clearinghouse in Roxbury and a third one with Worcester in the fall in October.

Again, I am predicating it on the fact we are going to be in existence. Out of that, we have paid for all the outreach. We have done all the public relations, we have done all the publicity, we have done all of everything that was involved in reaching out to the Vietnam veterans.

I might add that the figures so far have not included the handful of Korean and World War II vets that attended. We are not discriminating against them by any stretch of the imagination. To outreach to Vietnam veterans through the traditional organizations such as the DAV and VFW is somewhat difficult because most of us do not belong to those groups. I personally have had some bitter memories of membership within the Disabled American Vets that goes back 10 or 12 years, and it is through both Mr. Moakleys that I am now a member of the DAV, again.

I tend to distrust more of the traditional groups, such as I distrust the VA, Department of Labor, SBA. We have not been treated well and obviously because I am a woman veteran, even less well. The VVLP in Massachusetts has formed the core and nucleus of the Veterans Business Resource Council. I would like to point out that last week Mr. Littlefield was on vacation, that a number of inquiries were made of me of my office concerning testimony here today which I find somewhat ironic.

When Mr. Littlefield is gone, even the SBA has to call us. We have become the source of information in the State. We don't resent it.

What I have a problem with is the fact that we have received no funds from SBA. I understand they do have public funding available for outreach.

I would like to know where the possibilities lie in us obtaining some of that funding and, as Mr. Hallenbrook mentioned, it would be very advantageous to the Vietnam veterans, were we to be able to continue in this advocacy role.

We have worked with other departments throughout the State, too. There is obviously a need for it.

What I am asking for is the continuation of the advocacy we have been able to perform. I might add we have done direct advocacy. I would like to note, also, that I certainly would like to see continuation of the money earmarked for veterans, especially for disabled veterans, although my only business experience is in running a household as a single parent.

I would like to see a definition of the term "special consideration" included in that legislation. That clause, I think, could be tightened more advantageously for us and provide some impetus or incentives for SJA.

I am a little bit leery here, so if you hit me with questions, you have to be gentle, but we recommend authorization for direct equity injections so you can form a tandem loan. For a liberal arts major, that is a mouthful.

Because Mr. Ducey is leaving the program to form VVLP in New Hampshire, we are working to form a regional VVLP with other New England States, through which, since many of the Federal departments are regional, we will have a higher rate of accessibility both to vets and to the Federal agencies.

Thank you very much for your time today.

Mr. MITCHELL. Thank you. I don't think we need to be gentle with you.

Ms. ALEXANDER. Thank you.

Mr. MITCHELL. Mr. Cooper.

TESTIMONY OF RALPH COOPER, DIRECTOR, VETERANS BENEFITS CLEARINGHOUSE

Mr. COOPER. I am Ralph Cooper I am the director of the Veterans Benefits Clearinghouse, and I am also readjustment counselor at the Roxbury Multiservice Center in Roxbury.

Mr. MITCHELL. Is the clearinghouse in Roxbury also?

Mr. COOPER. Yes, it is.

Before I begin my testimony, I would like to express my sincere gratitude to this committee for coming to Boston to hear these Vietnam veterans and issues concerning SBA. I also have witnessed, Mr. Chairman, your renowned minority enterprises at Boston College Institute, and I must say, I benefited extremely from these seminars and I wanted to thank you.

Mr. MITCHELL. Thank you.

Mr. COOPER. I work with black Vietnam veterans in the black community. We have unique problems.

It is one thing to be a Vietnam veteran, "baby killer," "maniac," who can't get hired by private industry or anyone else, but it is another thing to be a black, maniac baby killer.

They are not going to hire you. A lot of the vets I have talked to, and the few that agreed to come and testify today, expressed to me their problems with trying to obtain small business loans.

They have gone from a phone call to SBA inquiring of what loans they have for Vietnam veterans to find out on the phone, that there is no such loan, there is no such program.

Mr. MITCHELL. They advised there was no such program?

Mr. COOPER. Right.

Mr. MITCHELL. What date was that?

Mr. COOPER. I have the exact dates in my files, but I don't have them with me.

Mr. MCKALEY. Would it be on the same timeframe as Al's? 1980?

Mr. COOPER. Yes, about 1½ to 2 years ago.

Mr. MITCHELL. Thank you.

I think in some of the testimony that is forthcoming, these dates may become relevant.

All right.

Mr. COOPER. From that type of thing, from a telephone call, to an individual who was actually in the 8(a) program at one time, Mr. Everett, who I hope will be here, but he was not here a few minutes ago. This was a black Vietnam veteran businessman who has a plumbing and heating supply company, who has some real problems with that 8(a) program.

I also have a big problem with the requirement that if a Vietnam veteran wants to borrow \$100,000, he has to have \$30,000 in cash. It is obvious to me and it is obvious to you folks now—after hearing the testimony—that Vietnam veterans are poor, they don't have \$30,000.

They don't have \$20,000. But they do have a GI bill that gives them \$27,500 where they can borrow from the bank to buy a house. I don't know what houses cost in Washington DC, and I don't know what houses cost in Baltimore, Maryland, but in Massachusetts, \$27,500 will get you a matchbox.

I want to make a recommendation that the Vietnam veteran be able to use that \$27,500 as some sort of equity in lieu of cash if he wants to borrow \$100,000, so he can take that GI bill eligibility of \$27,500 and put it toward his \$100,000 loan and open up a business where he can earn enough money to purchase the \$80,000 to \$100,000 home, a house at today's market price.

Thank you.

Mr. MITCHELL. I thank all of you very much. I will ask Congressman Skelton to lead off with the questions.

Mr. SKELTON. Ms. Alexander, I have a question and a comment. You heard my inquiry regarding Disabled Vietnam Veterans. Do you have any remarks you would like to make in that regard?

Ms. ALEXANDER. Yes, I am not trying to step on Mr. McNiff's toes, but quite frankly I would very rarely admit to the fact I am disabled. I certainly would not to the Government if I went and borrowed money from SBA.

Contrary to what the law says, I don't want the VA to come near me for another 3 years when I hit my 10-year mark. I don't want any inquiries into it. I want it left alone.

I have had enough trouble obtaining disability. Of the two veterans I have been involved with working on SBA loans, one of them suffers from posttraumatic stress. What are you supposed to do with conflicting psychiatric reports?

I certainly will not walk into SBA and say "I am a disabled vet; I would like to apply under that loan." Because to me that means that is more trouble causing more grief in the long run than it would be to walk in and say I am a veteran.

Mr. SKELTON. And contrary to what we intended in the law.

Ms. ALEXANDER. That is right.

Mr. SKELTON. You mentioned a few moments ago you wished there were a special definition of special consideration. There is a kind of a definition, it is, "special consideration will include the following." Then it gives the laundry list of various things which include--ready?

Ms. ALEXANDER. Yes.

Mr. SKELTON. No. 6, "prompt processing of loan applications of any type."

Now, what this really means upon inquiry is that that day they will put the special consideration veterans types at the top of the list, that day.

Ms. ALEXANDER. I understand.

Mr. SKELTON. OK. I think there is something to what you say because, looking at this, it really is a recapitulation of what common-sense dictates, of what should apply to every SBA applicant.

So I think that your comments in tightening up the special consideration definition are well taken. Thank you.

Ms. ALEXANDER. Thank you.

Mr. MITCHELL. You wanted to wrap it up, Mr. Camacho?

Mr. CAMACHO. Yes, Mr. Chairman. Part of the problem again here is, in the area of small business, what we have is underemployment and unemployment that the special commission's report gives you a good backdrop of what is happening.

You are getting too old for civil service positions, especially at the State level. This increases the value of the opportunity for self-employment. We have a lot of fellows that are in the porch and sidewalk construction business and the pipefitting stores. They know a lot about their trade, but they don't know enough about business. When they go to courses and educational programs, often they are too geared to academics. We had Bobby Devlin who did doors and windows. They had him diagramming sentences.

The guy doesn't want anything to do with that. He wants to know something about his business, how it can immediately apply to his business. That is where the SBDC's come in and any seminars come in, but they don't get out there. All that special consideration is supposed to be is in the operational definition which is from the Peacham Report or National Task Force's 29 recommendations.

The only one we have seen here in Massachusetts, and I would venture to say in the country, is the SBA seminars that have been set up and they have been set up with VVLP getting the people.

That is why we ask for a full-time VAO; and you need one in each district, or, if you want to get around that, I would rather see a pilot program, initiative outreach, through the VVLP. So we would like to ask you to ask Mr. Sanders to shake loose \$100,000, run it through this VVLP for 1 year and by April 1985, the next conference of Speaker O'Neill's that we invited you to, we will have a report for you by then of what the bottom line will be, names, people, who we ran through.

We can do that in all five sectors of this State easily, VVLP can do it. The local initiative groups have done a lot of this work on a shoestring. So in 95-507, call contracting, there is a phrase in there that says, "and other related matters."

In "other related matters," that could be "outreach." That could be called contracting, and VVLP could run this experimental program. I wager for a \$100,000 we can get 1,000 percent return on the outreach and really, really give an accurate picture of the microcosm of Massachusetts which could apply nationally.

So I suppose with that we should close. I know there are some things we have slipped up on, but we are sure the other guys will get to them.

But I think Karol pointed out or somebody else pointed out rising expectations, all we have heard in the last 2 years is the money is coming. Right? Really, the bottom line phrase, the money is coming. Where is it?

How do you get it? You are going to have serious discouragement and disenchantment without this followthrough. That is why we are really requesting that you ask Mr. Sanders to shake some money loose. We can put a real good pilot together without a lot of finagling along, run it through the VVLP, and in April 1985, at the Annual Speaker's Conference on the Concerns of Vietnam Veterans, we will be able to give you a report and it will surprise you, I guarantee that.

Mr. MITCHELL. Very quickly, I made a note on your \$150,000 pilot program, and I made a note on yours.

Mr. CAMACHO. This is the same program, sir.

Mr. MITCHELL. Ladies and gentlemen, we are with you, but I think it would be cruel of us to sit here today and try to make that kind of commitment to you when the harsh political reality flies in the face of what you want and what we want.

In addition to that, I am advised by staff that as of 1983, \$3 million was made available nationally to the SBA for outreach. We made it available through the Congress. The SBA nationally—not your local office—said, cut that just about in half. We don't need that much for outreach.

Obviously, if that is the executive branch saying that, SBA has some credibility. Obviously even though we might tell them, "Look, you need more than 1.8, you need the full \$3 million that we recommended," you then go to the executive branch where impediment after impediment can be placed in terms of actually getting that money out.

I just wanted to make that note to you because there is no point in us trying to deceive you; you have been deceived enough. The commitment is here to try to do it.

Our desire is to try to do it. But there is absolutely no guarantee that we can. We will try. Thank you all very much.

We will take the next panel, and I might as well announce that maybe we will not be able to hear the following panel, but our staff will remain to take notes.

The record will be sent to us, and forgive us for having to leave you, but this is a very unusual circumstance. Is Mr. Averette here, Mr. Allen Curry, Mr. Ronald Armstead, Mr. Rodriguez and Mr. Molina?

Gentlemen, thank you for coming. I hate to tell you, we have just about 17 minutes to hear from all four of you.

Why don't we start off with Mr. Curry?

TESTIMONY OF MICHAEL LONG

Mr. LONG. Thank you. I am Michael Long. I am not, in fact, Allen Curry. Mr. Curry was unable to be here, unfortunately.

However, I would like to perhaps speak in his behalf.

Mr. MITCHELL. Your name again?

Mr. LONG. Michael Long.

What I would like to do is just say that I am a black businessman in the community.

Mr. MITCHELL. Let me interrupt just a moment. There is one other witness I neglected, Mr. Basque. I promise not to do that to you again, Mr. Long.

Mr. LONG. I am a black businessman in the community. I am in the auditing and accounting field. My business has been ongoing for well over 14 years or so. I still seem to be fumbling about, and the reason is lack of funds and perhaps need of an SBA loan. I was wondering how possibly would that be done. I have been to the SBA previously.

I have had a slight difficulty in obtaining a loan. I have sort of been discouraged in getting involved.

Mr. MITCHELL. When did you apply for a loan?

Mr. LONG. This was back in 1980 or 1981, something like that, in the Boston office. I really never got past the front door so my application was never really received by them.

In any case, I wanted to know how I could go about once again going through the process of perhaps getting that loan. Further, I want to state that with respect to the Veterans Benefit Clearinghouse, we are now doing broadcasting, doing TV things on Vietnam veterans, putting on productions actually.

In doing so, we would like to perhaps get more involved in going a lot further than what we have been. We have access through cablevision of Boston. We have been airing programs throughout the Boston area.

I would just like to know if there, in fact, are some funds available, if we would like to continue on, break off and get to our own production thing and breaking apart from cablevision somewhat and doing our own production.

We have to set up a studio and carry forward. I want to know of the possibilities.

Thank you very much.

Mr. MITCHELL. Mr. McNally, it so happens you are here. Could you spend a little time with this gentleman?

Mr. McNALLY. Yes, sir.

Mr. MITCHELL. These are discrete questions addressed to you. It is good that you are here to get locked in with him. So why don't you two get hooked up immediately after this hearing.

TESTIMONY OF TONIO MOLINA

Mr. MOLINA. Mr. Chairman, hombres, I am Tonio Molina. I am not going to put you through Spanish. I just want to make a point.

Mr. MITCHELL. That is most gracious of you.

Mr. MOLINA. That is one of the reasons why Hispanic Vietnam veterans have such a problem in obtaining SBA loans. I will be

very brief because I think most of the things I wanted to say have been said better than I can say them.

I just want to relay the experience I have had with SBA, my latest experience after many years of negative experiences with SBA. I am proud to be the first Puerto Rican veteran to be wounded back on Easter Sunday, 1965. I was wounded as a Puerto Rican.

Since then I have had some negative experiences with VA and SBA. As a Hispanic, I have two problems. One, being a Vietnam vet; second, being Hispanic.

In the later part of March 1984 I went to SBA with a friend, Mr. Robert Polk, to apply for a loan. After 2½ hours of waiting in the room I was taken into one of the SCORE representatives and I might say that there, again, my hopes of becoming a minority businessman went right down the drain. I am not 36 anymore like most Vietnam vets. I am 42 years old, so I am on the downhill of my years. I was told that I had to have \$24,000.

Mr. SKELTON. If the gentleman would pause there, actually things get better as you get a little older.

Mr. MOLINA. Like the wine, yes, I hope so. I went in asking for an SBA loan to purchase an \$80,000 booming business.

The gentleman at the SCORE desk told me I needed \$24,000 or 30 percent of the total value or else I wouldn't qualify for any type of loan at a bank or SBA.

I asked the gentleman—I can't remember his name now, an elderly gentleman, very nice—where my benefits that people were telling me at all the vet centers, all this \$25 million set aside. He said that is a bunch of B.S.

That kind of hit me between the eyes. I say, you mean there are no benefits. He said, your benefits start where everybody else's end.

I would like to know where that is because if that is the case for Vietnam vets, then I feel as a Hispanic Vietnam veteran, if our benefits start where everybody else's ends, Hispanic benefits have no beginning at all then.

I really would like to say that in my case, as in the case of many Hispanics, we have had no help from SBA. I don't even know if they have any Hispanic employees that can take me.

If I didn't speak English at all, would I be able to go to SBA and apply for a loan? That is my question to you, Mr. Chairman, to the SBA, and to everyone else who seems to be concerned from what I have heard here about SBA saying that how well they have done with Vietnam vets.

We shouldn't have any problems. But I would ask to see the specifics in terms of how many Vietnam Hispanic vets have gotten loans in the city of Boston.

Thank you.

Mr. MITCHELL. Let me say briefly two things. One, it was absolutely unconscionable for any public servant to make that statement to you, that is disgusting and it is totally wrong. If you can find out who made that statement to you, please let me know. I don't think we need to countenance that kind of statement from anyone.

Second, I do know there are Hispanics employed in various SBA offices. The number I don't know, but there are certainly Hispanic

employees, but I am infuriated to hear someone else telling you that your benefits begin after everybody else's end.

Mr. MOLINA. I have a witness to that effect, sir.

Mr. MITCHELL. If you can get me a name and the specifics, I want to follow through. That is the kind of thing that destroys credibility in Government.

Mr. MOLINA. Thank you, Mr. Chairman.

Mr. MITCHELL. Mr. Rodriguez.

TESTIMONY OF JAIMIE RODRIGUEZ, DIRECTOR, OPERATION OUTREACH

Mr. RODRIGUEZ. First, I am Jaimie Rodriguez, director of Operation Outreach, a federally funded program. We are the only program in the city of Boston dealing with readjustment for Vietnam veterans. You have Puerto Ricans that speak English like Tony Molina, you have Puerto Ricans that speak English like me and you have Puerto Ricans who don't know any English, but to kill you don't need any language.

I don't know how many Puerto Ricans that I deal with, but many of them have gone to SBA and the first thing they tell me is they don't have anybody who speaks the language. I don't know if that is true or false. They don't have anybody who speaks Spanish. We feel that we are veterans just like any other veteran. We suffered just like any white or black and we feel that we need a good participation in this business.

I just want to make some recommendations because I know it is late. I believe that SBA should be decentralized.

I believe that SBA should be sensible to a Vietnam veteran and the community.

I believe that SBA should have an outreach program in each of the vet centers that are already in place in Massachusetts. In Massachusetts, we have four vet centers, and it is a Federal program and I don't see now—I don't know why SBA should not appoint a representative to work from the community base, to work from the Operation Outreach.

We work from the community. We don't work from downtown. We see the masses and thousands of Vietnam veterans every year. I see more than 300 every month, so we are the people who see veterans, Vietnam veterans every day. SBA should work with us in the same way that the Department of Employment is dealing with us. We have a representative from the DES, and they are working from our office, and I do believe that SBA should do the same.

The SBA should be more visible in the community. They should be where the Vietnam veterans live and eat and sleep. The Vietnam veterans are in the community.

Our generation is different from the veteran of Korea or from 1940. We don't go frequently downtown. The SBA should have bilingual literature. The SBA should have an advisory committee of Vietnam veterans to work very close with the director of SBA.

How will he know how the Vietnam veteran feels if he doesn't have feedback from the Vietnam veteran community.

So I propose that we, the SBA, have an advisory committee with Vietnam veterans. I believe the SBA should have a staff who repre-

sents what we are. We are a rainbow. The Vietnam veterans are the first veterans who belong to the real rainbow.

We are for the first time in the history of this Nation the black, white, Spanish and Indian who fought together.

Why the SBA doesn't have a staff who represents this rainbow of all colors of people, and all cultures—— We don't have that.

So those six recommendations I do believe should be the ones that will be most effective to deal with this bureaucracy.

I don't know the SBA. I know the SBA only through my clients, and as a veteran employee that I am, I am willing to work with them. We are in the community touching base every day with the Vietnam veterans and we are willing to work very closely with them.

Mr. MITCHELL. Thank you. Somebody told you when you applied that they did not speak your language, they told you that directly?

Mr. RODRIGUEZ. Many of them——

Mr. MITCHELL. Was this told to you directly?

Mr. RODRIGUEZ. Yes.

Mr. MITCHELL. I want his name. We didn't have any trouble understanding you. It simply meant that somebody didn't have the patience to sit down and try to listen to you.

If you can get me his name, I want to know it.

Mr. RODRIGUEZ. They are here.

Mr. MOAKLEY. Was it told to you by Vietnam veterans coming into you?

Mr. RODRIGUEZ. Yes.

Mr. MOAKLEY. It wasn't told by anyone directly to you?

Mr. RODRIGUEZ. No.

Mr. MOAKLEY. No. OK.

Mr. MITCHELL. Sorry, I thought somebody in the SBA told you that.

Mr. RODRIGUEZ. No, no. I say I don't know the SBA, I know the SBA through my clients.

Mr. MITCHELL. All right.

Mr. RODRIGUEZ. I say if I see those again, I will send their name to you.

Mr. MITCHELL. Please.

You are next.

TESTIMONY OF RONALD ARMSTEAD, BOSTON VIETNAM VETERANS CENTER

Mr. ARMSTEAD. I am Ron Armstead. I work with Mr. Rodriguez down at the Boston Vietnam Veterans Center. I am also on the board of the Veterans Benefits Clearinghouse, a program located within the Roxbury area.

I want to thank you for taking the time out of your busy schedules to come into the Boston area to discuss with the Vietnam veteran community some of their concerns about the SBA program.

I think that first of all the Boston area has a kind of significance. I am sure you heard pro and con about Boston over the last 10 years, but Boston has a regional significance in New England and it has the largest black community within New England, outside of New York and for that it has a kind of precedent-setting mandate

as it relates to the workings with minority veterans and minorities collectively throughout the region.

I think that one of the areas that if time permitted I would like you to view is a corridor known as Blue Hill Ave., which stands as a kind of legacy of the 1960's to the black returning veteran, much like the South Bronx in New York.

This was an area devastated during the riots. It is approximately a 5-mile strip that has been continuously promised to be refurbished with new economic developments, new business packaging, et cetera. For the last 15 years it has stood very dormant. It is a highly burned out area.

In understanding the plight of the minority veteran in not only Boston but in all the country, what we have to be aware of is some of the background.

One, the literature states that 70 percent of those minorities that served in Vietnam, black and Hispanic, suffer higher degrees of stress than their white counterparts. If you compare this also with the unemployment and underemployment statistics, you would find minority vets have the second highest unemployment in this country, second to minority youth.

So the whole scenario of joining the service as a way of escaping your immediate problems and coming back with more skills and higher status has been negated through the experience of Vietnam. No longer is that cycle true, no longer does that pattern hold sway for upward mobility.

So if we look at the demographic information available concerning minority Vietnam veterans, we will find that they are the least likely to meet the minimum eligibility requirements for business applications. It has been said before, one, they don't have the initial deposit which is the same in trying to purchase homes.

Second, they do not have the sound credit history which is only derived through permanent or long-term employment, because of having to deal with underemployment and unemployment for a long period of time which put us in a vulnerable position as far as accessing Federal benefits which have been lately mandated to us.

A number of things have come out in this hearing that I find to be kind of spelling a new day for Vietnam veterans. I think Jamie's comments or recommendations about increasing the visibility of the SBA on the community level is a viable option.

I think Ralph Cooper's comments of using the housing loan guarantee as a way to put up collateral for business opportunities is also a viable solution.

There are two things that we must look at in terms of the Boston area, and this holds sway for many minorities throughout the country.

One, we live in the minority community within this country in what is predominantly--when we talk about business--a service community. I have heard a few people talk to the notion of the mom and pop variety store and that that is somehow the expectation as a Vietnam veteran I should hold if I want to entertain the notion of business.

I find this bewildering. I find it bewildering in the sense that I find that the corner store cannot compete with the Stop and Shop or A&P and we are at a disadvantage when we talk about those

kinds of business ventures which are going to turn over within 2 years, that we are not going to be able to compete with the larger volume selling businesses. I do not hear of us talking about high tech as an avenue that minorities can move into. I find I am somewhat alarmed by that.

I think the notion that minorities can only entertain ideas about mom and pop businesses are something that we have to explore and start to expand on. The business community can entertain and sustain other kinds of business ventures.

Second, on the housing situation, I don't know how it is in the District of Columbia or Baltimore, but I believe it is pretty much the same as the Boston scenario. There is a big problem and it is lack of housing.

Lack of housing comes from two things. One, arson for development is the new catch phrase in the Boston area. Arson for development. People burn down property to go in and redevelop. It creates a lot of displacement.

If we talk about the traditional things such as red-lining where banks refuse to give money in specific areas, we also should take a look at that.

So my big concern—one, as a Vietnam vet; two, as a black person; and three, as an American, is that I think the needs of the many outweigh the needs of the few. One of the primary concerns I have in the minority community is developing some economic development strategy using SBA and other combinations of Federal assistance that can address the two main plights, that are housing, and employment.

As you know, the employment forces in our area are very much migrant. They leave the minority community to go to work. There is not enough employment to sustain people in the neighborhoods. I think that these things have to be taken into consideration as the plans are laid for further implementation of any sort of funds that are earmarked for Vietnam vets.

Lastly, I would like to take a slice out of your own chapter, and say, I would like to think that on good intentions we can go ahead with this program and that Vietnam veterans would be served.

My gut reaction is that your famous byline of set-asides, I think, might be more appropriate to the task at hand. Minorities need to have some sort of assurances that go beyond good intentions about receiving moneys that are earmarked for Vietnam veterans and future mainstreaming.

Mr. MITCHELL. Thank you very much. That was very excellent testimony. Three quick observations. One, I just commented to Congressman Skelton the simplicity of the idea of using the \$27,000 guarantee for homes to shift over to a business loan is so simple it won't work. You know I am serious.

We will explore it, but this is a really innovative, creative idea. Somebody will come up with 10,000 reasons why that can't be done. We will dig into that a little.

No. 2, I will continue the set-aside program. I think it has been enormously beneficial for minorities, and we will continue it.

No. 3, I know that all of us are concerned about high tech, et cetera, and we are beginning to see some breakthroughs. I will just comment on this and then keep moving because we are going to

end up with this panel as our last witnesses. Last week or the week before last, a subsidiary of Martin Marietta—a big defense firm—invested money in a minority high tech company. It bought 14 percent of the stock. That is the way we need to be going. I think it was a \$1 million investment. That is the way you break through. I just wanted to make those comments.

It is not enough, not nearly enough, but we are focusing with you in the direction we are moving.

Mr. Basque.

Mr. MOAKLEY. Mr. Chairman, Senator Doris has a presentation to make, if we can do this now.

Mr. DORIS. Mr. Chairman, we are pleased that you came to Boston for this hearing on the request of Congressman Joe Moakley and Congressman Nick Mavroules. I didn't run out because I wasn't interested, but to bring back to you before you left the following:

The Commonwealth of Massachusetts State Senate official citation. Be it known that the Massachusetts Senate hereby extends its congratulations to Congressman Parren Mitchell in recognition of his concerns for the Vietnam Veterans of America, and be it further known that the Massachusetts Senate extends best wishes for continued success, that this citation be duly signed by the President of the Senate, and attested to and a copy thereof transmitted by the Clerk of the Senate by William M. Bolger, President of the Senate; attest, Edward B. O'Neill, Clerk of the Senate, and authorized by me on behalf of all the Vietnam veterans here given this date, June 11, 1984.

God bless you, and thanks for your interest.

[Applause.]

Mr. MITCHELL. Thank you very much. That is very kind of you.

I accept this for the entire Small Business Committee because I think almost 99 percent of them are committed, those members are committed to helping veterans, particularly Vietnam veterans. When you come down, it will be framed.

I will hang it in my office. You guys can come look at it.

Mr. Basque, are we set to proceed?

TESTIMONY OF WILL BASQUE

Mr. BASQUE. Yes, sir.

I am the "other." I am different from my Hispanic brothers and my white brothers. I am the "other." I represent the "smoganies," the Creek Mac word for veteran or warrior of the Mikmak Grand Council.

Mr. MITCHELL. You represent the American Indian Council?

Mr. BASQUE. That is the Mikmak Grand Council. We have observer status in the United Nations.

The majority of our land is in the maritime provinces and northern New England.

My reservation is in Nova Scotia. I was educated in Roxbury and in Boston English High School. I am a former staff sergeant, U.S. Marine Corps. I live now between South Boston and in my reservation in "Escazone."

I was asked by the Indian groups of Passamaquade, Mikmak, and Pennobscott to address their problems and needs as far as not getting the word. The reason I make an analogy about not getting the word is because of the locations of our reservations in northern

New England, the casualty rate is extremely high as far as anything in regard to poverty, economics, high school education.

Literally everything that you have heard today from my brothers here is probably 10 times that—as you know, being a Congressman in the United States—in the reservation situations, especially now during the cutbacks in programs.

The analogies I can make as far as not getting the word would be as a staff sergeant in the Marine Corps who spent 19 months in Vietnam where the word was the most important part of our survival as far as staying alive.

If we did not get the word patched down from headquarters to the last man, that mission was going to fail, that discipline would break down, casualties would result.

That analogy is what I am making about getting the word to the reservations, to northern New England, to the outer communities outside of the center of Boston, or outside of Augusta or any of the areas.

The important need of having outreach workers, as Jaimie has pointed out, as the rest have said, is extremely important simply because of our unique situation of being a Vietnam veteran.

I am very, very glad to see that you are recognized by Senator Bolger and Congressman Moakley and the Commonwealth of Massachusetts because you have done already, without even knowing, you don't know how much you have helped us in northern New England—in particular, the program on SBA and on the defense.

I would like to inform the rest of the committee members, and my brothers and sisters here, how this committee came about. It all started in South Boston on September 13, 1981, when the first community in the whole United States stood up and welcomed home all Vietnam veterans. If it wasn't for that attitude, for that spirit, for that spark of a handful of people, in particular, a man named Tommy Lyors, and just five guys who wanted to make sure that none of the deaths were in vain. That spark, that spirit, continued on across the country.

It was a whole year before it reached the National Vietnam Veterans Memorial in Washington.

The one in South Boston was the first federally recognized, first Presidential recognition. So, your honor has come full circle because now you are in the city of Boston.

What my point is, is that as a native American, as a Mikmak, who were your first allies—we were the ones who taught you how to fight guerrilla warfare at Concord and Lexington. We have in the archives statements by Col. John Allen, the first superintendent of Indian affairs for the Commonwealth of Massachusetts, when he was sent to Mikmak country, to my reservation, to find out where we stood in the planning of the American Revolution. When Col. John Allen reported back to George Washington, his report was that, "We have to make a peace and friendship treaty with the Mikmak for they alone could defeat us in war."

Had we decided to change or to take the British side—and here we are in Nova Scotia—there would be no United States.

That link, that ally that love and respect is nothing given the love and respect we have for our grand council. That is why that chain has never been broken, why we fought at Concord and Lex-

ington. We sunk over 80 ships off the coast of Nova Scotia that never reached Massachusetts.

Those 80 ships, those supplies never reached Boston to go against the Continental Army.

What I am saying as a Vietnam veteran and as an Indian is that these promises of a committee, promises from SBA, the money set-aside, as Indian people and making an analogy with the Vietnam veteran, that we hope this is not the same type of promise or same type of government bureaucracy that we have run up against as Indian people with the Bureau of Indian Affairs.

What Jaimie was talking about I can understand completely, and clearly. Without having Vietnam veterans on these panels, without having Vietnam veterans among these outreach workers, without having input of the Vietnam vets and on the other side of the panel, on your staff and other congressional staff, on city and State government staffs, it would be like having white Indian agents reporting back to Washington that everything is OK with the Indians.

That is exactly the same. Without Indian input into the Indian affairs—you understand what I am talking about.

Mr. MITCHELL. Mr. Basque, you are very eloquent and moving and I was briefed on your unique status and I will ask a special favor of you above and beyond the recommendations that have been made by these panelists and the others about outreach. For example, would you write me something in terms of approaches that would help your very, very unique circumstance?

Mr. BASQUE. Yes, sir. I will.

Mr. MITCHELL. You are a little spread between the two countries really, spread over several regions. I think, because of the uniqueness of your history and your culture and geography, we need a special approach from you.

So, if you could draft that for me, I think all the members would appreciate that.

Let me finish up by saying I feel guilty, but I have no choice. I have two other witnesses. I will ask the staff to hear those. We have to leave now, otherwise we might be in very, very serious difficulty with reference to a series of votes that will take place in Washington and in particular the vote on the immigration bill.

Let me just say quickly on the immigration bill, I will vote against the bill. I can't speak for anybody else, but any system that comes up with an identity card for people in this country, it would be, in my opinion, inimical to the best interests of America. [Applause.]

Mr. Skelton.

Mr. SKELTON. No. I have nothing to add.

Mr. MITCHELL. Forgive us.

We appreciate your cooperation. For the last two witnesses, if you are here, stay; our staff will hear from you.

Mr. MOAKLEY. This is the last plane we can take to get back to Washington before 2 o'clock. If we could take another plane, we would do it. But when Congressman Mitchell agreed to come up here, we were guaranteed that Monday would not be a working day. So we have had the tables turned on us and we have to run.

Mr. MITCHELL. Thank you all very much.

Mr. POWERS. We will take our last panel at this point. Mr. Andrade, if you are here, or is there anybody who didn't testify?

There is no one here that was scheduled to testify, than?

Is there anyone that was not scheduled to testify who wants to speak?

If that is the case, then thank you very much.

[Whereupon, at 12:10 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

APPENDIX

SENATE No. 2307

The Commonwealth of Massachusetts

**FINAL REPORT OF THE SPECIAL
COMMISSION ESTABLISHED (Under
Section 291 Of Chapter 351 of the Acts of 1981
and most recently revived and continued by
Section 81 of Chapter 289 of the Acts of 1983) FOR THE
PURPOSE OF MAKING AN INVESTIGATION AND STUDY
OF THE CONCERNS OF VIETNAM WAR VETERANS
(received in the office of the Clerk of the Senate on Friday,
December 30, 1983).**

DECEMBER 30, 1983.

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**SPECIAL COMMISSION ON THE CONCERNS
OF VIETNAM VETERANS**

**The Honorable William M. Bulger
President of the Senate**

**The Honorable Thomas W. McGee
Speaker of the House**

FINAL REPORT

**The Honorable Francis D. Doris
Chairman**

**The Honorable Thomas J. Vallely
Vice-Chairman**

MEMBERS

**Hon. Joseph B. Walsh
Hon. Angelo M. Scaccia
Charles N. Collatos
Dr. Louis Bartoshesky
Allan N. Breen
Hon. James M. Connolly
Dr. David A. Finkel**

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Richard M. Ryan
Walter Cotter**

**Paul R. Camacho
Executive Director**

**Carmen M. Colon
Executive Secretary**

1983.]

SENATE — No. 2307.

7

LETTER OF TRANSMITTAL

To the Honorable Senate and House of Representatives

We, the undersigned, having voted in the affirmative to accept this report, do hereby transmit this final report on the results of that investigation and study, as our 'final report' of the commission. The commission was established by Section 291 of Chapter 351 of the acts of 1981. We believe that this report is of tremendous significance to the Commonwealth of Massachusetts and its citizens and are proud to submit this to you at this time.

Respectfully submitted,

FRANCIS D. DORIS
Senate Chairman

THOMAS J. VALLELY
House Chairman

JOSEPH B. WALSH

ANGELO M. SCACCIA

WALTER COTTER

LOUIS BARTOSHESKY

ALLAN N. BREEN

JAMES M. CONNOLLY

RICHARD M. RYAN

DAVID A. FINKEL

JAMES FITZPATRICK

DONALD L. JERNIGAN

JOHN McCAHAN

MEMBERS EX-OFFICIO:
CHARLES N. COLLATOS
STEPHEN ZARDIS

**DEDICATED TO
ALL
GOLD STAR FAMILIES
AND
FAMILIES OF
POW'S/MIA'S**

1983.]

SENATE — No. 2307.

9

TO: All Members of the Massachusetts General Court

**FROM: Massachusetts Special Commission On The Concerns Of
The Vietnam Veteran**

In submitting our Final Report of the Special Commission On The Concerns of the Vietnam Veteran, I wish to, on behalf of all the Commission Members, express our sincere appreciation to all the Members of the General Court for their unqualified support of the Commission through funding, appropriations and legislation enacted into law.

A special debt of gratitude is extended to William M. Bulger, President of the Senate; Thomas W. McGee, Speaker of the House; Chester G. Atkins, Chairman, Senate Ways and Means and Michael C. Creedon, Chairman, House Ways and Means. Without their complete support the mandate of the Commission would not have been met.

At this time I would like to laud the efforts of all Vietnam Veterans of Massachusetts whose leadership resulted in the establishment of this Commission. It was their strong advocacy for themselves, their fellow veterans and their dependents that resulted in the establishment of the Commission. Without them, the accomplishments of the Commission would not have become a reality.

Our Executive Director, Paul Camacho, deserves the gratitude of everyone concerned. In my opinion, there has been no stronger advocate for the Vietnam Veterans in Massachusetts or in the United States than he. His loyalty, devotion, dedication and leadership should be an example for all. A special thanks to his wife Chris and to their children. Without their sacrifice in allowing their husband and father to dedicate so much of his time, above and beyond, that which was required of him in order to fulfill the goal of this Commission.

Our Executive Secretary, Carmen Colon, worked diligently under very adverse conditions with little or no assistance. To her we extend our heartfelt thanks and say "thank you for a job well done."

It is most appropriate, on behalf of the Commission, that we extend our sincere thanks to Master Sergeant Jon R. Cavalani, United States Army, Special Forces, Vietnam Veteran, Ex-

Prisoner of War and a recipient of the Congressional Medal of Honor, for his outstanding service and encouragement in thought, word and deed. And to his wife, Captain Martha Cavaiani, for allowing him to work with us during the past two years. We are deeply grateful, and "we thank you Jon".

We shall always remember the lives that we touched. We fondly reflect in this Final Report on the question of MIA-POW. We acknowledge the great bond of friendship and love that we established with Gordon and Inger Hardy and our work with them on this very sensitive issue. We walked, talked and paraded together throughout Massachusetts to bring to the forefront of our people the need for a resolution to the MIA-POW question. Many said it was a dead issue, however, we, as a Commission, did not and do not believe that to be the case. No greater evidence of this can be in the fact that Captain Arthur Hans Hardy's remains were returned to Massachusetts and were buried on a high and windy hill on a rainy day in Ipswich, Massachusetts in November of 1983. Until that time Captain Hardy was unaccounted for the last eleven (11) years. Our fight must continue.

Finally, to all the Vietnam Veterans of Massachusetts who have labored so long and so hard, we extend to you our sincere gratitude, — the accomplishments of this Commission are your accomplishments. The leadership that you have demonstrated during the past two years in advocating for your fellow veterans and their dependents, have developed you into the leaders of tomorrow as it relates to *all Veterans of all Wars*.

I feel confident, as the work of this Commission comes to a close, that the issue areas that remain will continue to be worked on to a successful conclusion.

To everyone who has worked in any way to assist this Commission, we say Thank You. God Bless America!

Respectfully,

Francis D. Doris
Chairman

COMMENTS OF THE EXECUTIVE DIRECTOR

I would like to thank the Chairman, Senator Francis D. Doris, for allowing me the opportunity to express some of my thoughts concerning this entire project. With his permission, I care to take some leeway to speak both specifically and generally, both subjectively and objectively as a Vietnam veteran and as a social scientist.

Those who are acquainted with me know I have been doing research on the Vietnam Decade and its aftermath in terms of consequences for the veterans for over the last twelve years. They also understand the conditions in milieu in which I was hired. That is, this Commission had a number of options or routes it could have traveled. When I was graciously extended an interview, I informed them that the issue area approach was in my mind the most important. Though less noticeable in the immediate sense, it would pave the way for the development of long range strategies and tactics necessary to achieve tangible gains for the Vietnam veteran community at large, and especially for that portion of the community most in need. Evidently, the majority of the Commission members were also of that mind for subsequently I was hired.

Given the task, priorities had to be established and in this I with the sanction of the Chairman, Senator Doris, opted for the practical and pragmatic. In short we (this Commission) expended resources where we could have effect and in areas where we could achieve consequence favorable to Vietnam veterans. Given the resources available and the life span accorded the Commission, I think the accomplishments were substantial. We developed and catalogued a large body of data on issue areas, both staple and particular with proposals for resolutions. Here I refer to all the data, i.e., eight public hearings, five special hearings, approximately three to four hundred pieces of incoming and outgoing correspondence, the more than three hundred letters pertaining to the POW/MIA campaign, miscellaneous items such as the most pertinent letters and documents on the Federal Jobs Training Partnership Act, advocacy for the Vet Centers, the Vietnam Veterans Leadership Program, and individuals, as well as the statistical survey summary, the Interim and this Final

Report. I firmly believe that the body of data in its entirety will stand the Vietnam veterans in this Commonwealth good for at least the next six years, provides information for the development of strategies and tactics necessary to achieve the compendium of goals as outlined in this Final Report.

Yet, as a social scientist, I am of the position that beyond this, these documents collectively provide an important points of insight into interesting/historical events, an insight which will be invaluable to historians and social scientists of the future. This is as a social and political phenomenon, the experience of the Vietnam decade and the impact its aftermath had for the Homecomers, the Vietnam veterans who accepted the horror of the responsibility, stands as unique in Modern American history.

The turmoil of the 1960's with its challenge to authority, followed by revelations of deceit and corruption, and culminating with the downfall of a Presidency and withdrawal from Vietnam is the social landscape against which the Vietnam veterans stand in profile or relief.

The number and impact of the situational and orientational themes here is almost incalculable. For example, there is the question of the "good people" and the "dirty workers". With the repeal of the Tonkin Gulf resolution, an entire country absolved itself of guilt and placed it squarely in the lap of the soldiers, now veterans. The bitterness of accusations and rebuffs were so severe that an entire generation of soldiers were on the verge of almost believing that responsibility for the entire affair was theirs and theirs alone. To look into the well is dangerous; yet it should be done, for all of this is of great symbolic and tangible importance for the future. America's war veterans have played a significant role in domestic politics, and have not been unaccounted for in connection with foreign policy. It comes to this as well, that certainly in the past the veterans of this nation have earned the mantel of legitimacy to control the definition of patriotism in American life.

Now, the question at hand is this — given the fact that the history of the Vietnam decade is now a matter of debate among academics and key administrative officials of the past and present vis-a-vis the new Vietnam Scholarship, what role will Vietnam veterans play. They have become a matter of intellectual capital, utilized by both conservatives and liberals to

legitimize their position — and yet have no input into the development of either position per se; they have become pawns utilized by and for the purpose of others. As a researcher, I have looked at this from different vantage points and there is no doubt in my mind that the vectors come together around this — the lessons of Vietnam, the meaning of patriotism as an orientation directing national action of the future, and inexorably connected to these two — the positions and relations the Vietnam veterans have in connection with all of this. And who has, or claims more of a right to a voice in all of this than Vietnam veterans?

During the week preceding Veterans' Day in the Commonwealth of Massachusetts, veterans from three conflicts were buried. Vietnam/Laos, Lebanon, and Grenada. The answer to the question posed above is obvious. It is my personal belief that Vietnam veterans are at the proverbial crossroads, they can slip into obscurity, make some gains of various impact along one or two directions, or move forward to take their rightful place as leaders in the community, state, and nation, and achieve in coalition with others — a community of vision in America — for the future.

It will require hard work, but to reiterate a point noted by many, Vietnam veterans represent *potentially* one of the largest bulge votes in the Commonwealth and in the nation. And noting this then, I care to return to the immediate. These documents in their entirety provide for everyone a picture of the situation as it existed in the Commonwealth of Massachusetts in 1982-1983.

It is with all of this in mind that as a social scientist and as the Executive Director, I strongly recommend that:

- THAT DATA OF THIS COMMISSION IN ITS ENTIRETY OF OVER 3000 PAGES OF DOCUMENTS BE PUBLISHED IN ONE VOLUME TO BE AVAILABLE FOR ALL THOSE INTERESTED.

INTRODUCTION

The concept to establish a commission to investigate the problems confronting Vietnam veterans originated with the work of Bradford Burns, late and past president of the Massachusetts Vietnam Era Veterans Association. A campaign to achieve this end was begun in mid 1978. Other Vietnam veterans and Vietnam veterans organizations joined in this effort. Working together this concern was brought to the attention of the legislative leadership and then to Governor Edward J. King. The Commission began to take shape in 1980 and early 1981; on November 11, 1981, Governor King allocated \$100,000 from his discretionary budget to fund the Commission. By the end of February 1982, the membership of the Commission was fully established and the Executive Director was hired.

As it became obvious that there were multiple issues to be addressed, the scope of this Commission expanded accordingly. In short the mandate of this Commission required that our investigation touch on all the pertinent issue areas. A report of our findings together with legislative and administrative recommendations was to be filed with the General Court and the Governor upon completion. In addition the spirit of this mandate implied a strong, even bold advocacy component be undertaken in behalf of both individual Vietnam veterans and related organizational entities — in the Commonwealth when requested and where ever possible. These efforts included calls and correspondence, appearances before state and federal legislative committees and the like. The number of issues, their complexity and interrelationships presented this Commission with a formidable task. We endeavored to strike a proper balance with regard to our focus of attention and efforts at amelioration; unfortunately, some disequilibrium was unavoidable.

With regard to this Commission report, some qualifications should be kept in mind by the reader. For example, though we realize many are familiar with the problems confronting Vietnam veterans, we designed this report assuming other readers may have little in the way of prior knowledge. Also, this report has been designed for a legislative audience. Further, with regard to this, it should be noted that the work load of the General Court of the Commonwealth of Massachusetts is perhaps the heaviest in

the nation. Thus, we realized that our ultimate priority was to present a clear and concise presentation as possible. Consequently, it was decided to capsule these concerns in digest form, to note the more established relationships among them, and tender resolutions where possible. This was the case for both the Interim and this Final Report.

**I. HISTORY AND MANDATE
OF THE COMMISSION**

TABLE OF CONTENTS

I.	HISTORY AND MANDATE OF THE COMMISSION 16	16
	Efforts of the Commission	18
	Public Hearings	21
	Special Informational Hearings	21
	Commission Survey	24
II.	THE ISSUES OF CONCERN 29	29
	The Range of Issues	30
	Negative Public Image.	30
	Agent Orange	34
	POW/MIA	40
	Post Traumatic Stress	44
	Governmental Services	50
	Minority Concerns: Blacks/Hispanics/Women	59
	Education	68
	Employment	74
	Housing	91
	Vietnam Veterans in the Criminal Justice system.	96
	Less Than Honorable Discharge	104
III.	CONCLUSION — SUMMARY OF COMMISSION FINDINGS WITH RECOMMENDATIONS 108	108
	Administrative	109
	Legislative	118
	Bibliography	123

EFFORTS OF THE COMMISSION

The Commission on the Concerns of Vietnam Veterans was established by Section 291 of Chapter 351 of the Acts of 1981, as amended by Chapter 191 of the Acts of 1982 for the purpose of making an investigation and study of the Concerns of the Vietnam War Veterans. This mandate required that a full report together with legislative and administrative recommendations be submitted, to the General Court of the Commonwealth of Massachusetts, and to its governor. The scope and range of this mandate has been necessarily far reaching, principally because of the extensive and interlocking nature of the problems. In addition to producing its study, this Commission attempted to perform as strong an advocacy function as possible where and when appropriate. This Commission believes it has been faithful to that mandate over the last twenty-two months.

The following constitutes a summation of the major efforts undertaken by this Commission between March 1982 and December 1983. The Commission:

- developed an initial brochure announcing the Commission's existence, purpose, and goals;
- held eight public hearings across the Commonwealth to gather testimony from Vietnam veterans;
- held five Special Informational hearings on particular issues areas; vital information was gathered from professionals and directed toward formulating workable solutions;
- conducted a needs assessment of Vietnam veterans incarcerated at Massachusetts Correctional Institutions; this was done with the cooperation of the Department of Corrections and with the invaluable assistance of a volunteer working group, the Advisory Committee on the Concerns of the Incarcerated Vietnam Veterans, and Operation Outreach;
- conducted a Statewide Vietnam Veterans Profile Study; this 52 point questionnaire was sent out to 158,909 Vietnam/Vietnam Era Veterans residing in the Commonwealth. There were over 21,000 responses. When tabulations began, there were 16,636 responses; this represented a ten percent return rate. Another 4,500 returns came in to give us ap-

1983.]

SENATE - No. 2307.

19

proximately 21,000 returns or 13%. This is a very significant figure in that the usual rate of return to large questionnaires is around 1.5% of sample size.

- obtain prioritization for Vietnam veterans:
 - a) with the Executive Office of Communities and Development Fuel Assistance program;
 - b) as an unserved population in the Mental Health portion Alcohol, Drug Abuse, and Mental Health Services Block Grant;
- through the Chairman obtained a line item appropriation of \$350,000 for an Agent Orange Study to be administered by the Office of the Commissioner of Veterans Services;
- through the Chairman obtained a line appropriation of \$80,000 for the establishment of two pilot project outreach centers in Fitchburg and Roxbury; with the disbursement and oversight of these monies to be handled by the Office of the Commissioner of Veterans Services.
- advocated in behalf of the University of Massachusetts/Boston Veterans Upward Bound Program along two fronts:
 - 1) for their re-funding from the Department of Education and (2) securing \$136,000 for that program in the University of Massachusetts/Boston budget. Also full funding has been recommended for the 1985 budget.
- secured along with others an \$18 million dollar portion of funds remaining in the Commonwealth's 1983 housing mortgage bond issue and have taken steps to secure 50 million dollars for 1984;
- initiated a Conference on the Concerns of Vietnam Veterans with our Congressional Delegation in April 1982 (and again in March 1983) which provided a face-to-face dialogue between the leadership of the Vietnam veteran community and the members of the Congressional Delegation. This Commission with the cooperation of the Speaker of the House of the United States Congress, the Honorable Thomas P. O'Neill, Jr., and under his auspices has established this conference as an annual event.
- Initiated meetings with members of the Delegation staff to express concerns of Vietnam veterans with regard to pending Federal legislation and the administration of federal programs.

- Presented testimony before the Subcommittee of Hospitals and Health Care of the Veterans Affairs Committee of the U.S. House of Representatives, August 9, 1983, in Boston (Honorable Bob Edgar, Chairman);
- Presented testimony before the Manpower and Housing Subcommittee (Representative Barney Frank, Chairman) Re: Federal Job Training Partnership Act;
- Presented a seminar on the concerns of Vietnam Veterans and their dependents for the staff of the Regional Office of Human Development Services, U.S. Department of Health and Human Services, Region I;
- Lobbied for numerous pieces of legislation at both the federal and state level (see conclusion and recommendations);
- Worked closely with the Vietnam Veterans of Massachusetts, Inc., with regard to the passage of H6731 which provided permanent space for the Vietnam Veterans in the Statehouse;
- Assisted the Vietnam Veterans of Massachusetts, Inc., with the planning and execution of their organization retreat of August 1982;
- Advocated in behalf of the Vietnam Veterans of Barnstable County who desire the establishment of an Outreach Program Center in the Cape Cod area;
- Advocated in behalf of the Vietnam Veterans before the Executive Council in connection with the special circumstances of incarcerated Vietnam veterans;
- Assisted numerous individual Vietnam veterans with specific problems by means of referral or intervention;
- Participated in the National Salute to Vietnam Veterans held in Washington, DC;
- Initiated on behalf of the National League of Families of Prisoner of War/Missing in Action a kick-off campaign ceremony held in the Statehouse — January 27, 1983;
- Advocated in behalf of Operation Outreach Program on several occasions;
- Has cooperated, advised, and advocated on several occasions for the Board of Directors of the Vietnam Veterans Leadership Program of Massachusetts — a federally action funded program.

PUBLIC HEARINGS

One of the first projects undertaken by the Commission was to conduct a series of public hearings. The purpose here was to ascertain the nature of the concerns of the Vietnam veterans. Eight general hearings were held by this Commission at the following locations:

Fall River, MA	March 10, 1982
Worcester, MA	April 7, 1982
Springfield, MA	April 15, 1982
Greenfield, MA	May 4, 1982
South End/Roxbury, MA	May 11, 1982
Lowell, MA	May-20, 1982
Gardner Auditorium	
Boston, MA	May 27, 1982
Hyannis, MA	September 23, 1982

At each of these general hearings, the testimony of those in attendance was directly recorded by a Certified Public Stenographer (or transcribed from tape recording as was the case with the Fall River Hearing).

As noted in the Interim Report, at each of the eight general hearings, several themes or concerns were repeatedly brought to the attention of the Commission.

Assisting the Vietnam Veterans to overcome these problems by way of its investigations and recommendations to the General Court and the Governor and the administrative agencies under his authority was the principal purpose of this Commission.

SPECIAL INFORMATIONAL HEARINGS

The Commission also conducted a series of five Special Informational Hearings on particular issue areas. The purpose here was to gather testimony from experts in particular fields of endeavor all in connection with the problems most immediately at hand. Two staple and two particular issues were targeted because of their importance. In addition a hearing was conducted to secure input from the major veterans service organizations.

SPECIAL INFORMATIONAL HEARINGS

On Agent Orange	November 17, 1982
On Employment	March 25, 1983
With Veterans Organizations	June 9, 1983
On the Vietnam Veterans and the Criminal Justice System	June 23, 1983
On Housing	June 30, 1983

Agent Orange Hearing

At this hearing:

- 1) The complicated nature of the problem of sufficient medical evidence for a definitive statement on dioxin was addressed. It was noted that a principal factor here is the research protocol or methodology.
- 2) Mention was made of the failure of the Veterans Administration to follow up on the fatty tissue biopsy pilot study for which they commissioned chemist Michael Gross, University of Nebraska to conduct on thirty servicemen, despite the fact that there were definitive results.
- 3) The fetotoxic or teratogenic (causing malformation) effects of dioxin on animals was noted.
- 4) It was noted that a Vietnam Veterans' Children Study Questionnaire (a formal research protocol) has been developed; this instrument is being utilized in an attempt to assist concerned families. However, necessary monies are (at that time) lacking for a formal and significant study.

Employment Hearing

At the Special Hearing on Employment, four major themes were addressed: (1) state civil service/affirmative action; (2) federal civil service; (3) Employment Needs Programs, and (4) Federal Jobs Training Partnership Program.

- 1) The discussion pertaining to the State Civil Service focused on: (a) clarification of the misnomer of "absolute" veterans preference; (b) a comparison of the state and federal system; (c) the violation, abuse, and lack of enforcement of the existing laws; (d) recommendations to facilitate a monitoring system throughout the various state agencies and departments, (e) discussion concerning conflicting sections of the present Civil Service Reform Act (of Massachusetts).

- 2) The section on Federal Civil Service included: (a) discussion of federal employment opportunity for veterans; (b) pros, cons, and general lack of understanding vis-a-vis the Vietnam Veterans Readjustment Act and consequent outreach methods, (c) problems concerning employment within and affirmative action for veterans in connection with the U.S. Postal Service.
- 3) The employment needs program section addressed: (a) the need for extensive employment/career outreach to the minority veteran community; (b) the recent efforts of the Small Business Administration to prioritize Vietnam veterans, and (c) a discussion of the networking employment efforts of the Vietnam Veterans Leadership Program.
- 4) Discussion concerning the Federal Jobs Training Partnership Act involved: (a) a summary of the congressional interest; (b) comments on the need for Vietnam veterans participation on the Statewide Planning Council and the PIC's; (c) discussion of how the entire Federal Jobs Bill package will affect the Vietnam veterans, and (d) comments on pending legislation.

Veterans Organization Hearing

At the Special Hearing with the Veterans Organizations, this Commission received testimony on the efforts the major traditional veterans organizations have made assisting the Vietnam veterans.

Post Traumatic Stress/The Vietnam Veteran and The Criminal Justice System Hearing

The Special Hearing on Post Traumatic Stress/the Vietnam Veterans and the Criminal Justice System featured four main topics, (1) the phenomenon of P.T.S.D. (2) the legal issues involved, (3) sentencing and treatment, and (4) a view from other states.

- 1) Opening remarks on the Phenomenon of Post Traumatic Stress involved (a) a history of the work and projects attempted and accomplished over the last eight years; (b) a presentation on the relation of P.T.S.D. to criminal behavior, (c) comments and concerns from a spokesperson for the Vietnam veterans currently serving sentence at MCI Norfolk.
- 2) Discussion of the legal issues involved included (a) the pro

- and cons of P.T.S.D. as a defense and (b) the discussion of the Special court diversion program for Vietnam veterans at the Lynn, Massachusetts district court.
- 3) the sentencing and treatment portion of this special hearing involved (a) additional discussion of initiating the District Court programs throughout Massachusetts; (b) discussion of P.T.S.D. -- problems in treatment in MCI's; (c) special needs of those in high security facilities, (d) comments on all these efforts from the viewpoint of the Department of Corrections.
 - 4) A view from other states was also provided in connection with the program being instituted by the Texas Department of Corrections.

Housing Hearing

The Special Informational Hearing on Housing included a discussion of viewpoints from the city, state, federal, and private sectors, as well as input from the Vietnam veteran community.

- 1) From local and state officials, testimony was gathered concerning (a) public housing for veterans in the City of Boston; (b) a past and present outline of state housing development programs affecting Vietnam veterans vis-a-vis E.O.C.D., and (c) a discussion of opportunities for veterans vis-a-vis M.F.H.A.
- 2) At the federal level two lines of inquiries were pursued (a) discussion of programs from HUD and (b) discussion of the V.A. Home Loan Guarantee Program.

COMMISSION SURVEY

One of the major efforts which this Commission decided to undertake was a survey questionnaire project. Massachusetts was one of several states to have provided its Vietnam/Vietnam Era servicemen and service women with a financial bonus upon their return to civilian life. The names, addresses, and so forth were as a matter of record kept on computer file; 235,409 records existed.

The Commission endeavored to obtain this computer tape and match it against the Registry of Motor Vehicles main frame

computer files so as to produce a current list of names and addresses of Vietnam/Vietnam Era veterans in the Commonwealth. To facilitate this the Commission engaged in a series of formal and lengthy procedures in both the public, i.e., within various agencies of the Commonwealth bureaucracy, and private sectors, i.e., engaging in a bidding process to secure an appropriate vendor. In addition, there was the question of the scope of the survey. There was no majority consensus as to what the Commission could expect in the way of returns, or indeed knowledge as to the characteristics of the bonus population; in addition, there was a cost factor. With these reservations in mind, it was decided to limit the questionnaire format to a "four sider" with a maximum of fifty questions (there were actually fifty-two).

The categories of questions concerned (1) Agent Orange/health, (2) employment problems, (3) education levels, (4) housing factors, all were measured against (5) standard socio-economic status.

The questionnaire was mailed out in June 1983; the vendor began tabulation in July. The tabulations were based on 16,500 returns; though additional returns came in over the coming months. The project was closed in September 1983 with just over 19,500 returns in. The returns may be considered statistically significant, and viewed as an accurate picture of the population *provided that certain reservations/qualifications are acknowledged.*

For example, it should be noted that *only individuals discharged under honorable or medical conditions could have received a bonus and therefore be contacted.* Secondly, many notes and/or letters (at least 3 to 4 thousand according to the vendor) were enclosed with returning questionnaires. These reveal other concerns, problems, etc., which did not lend themselves to tabulations. Alienation and distrust of the "system" (particularly the Veterans Administration) and the notion of the stress were the most frequently mentioned topics. Third, *only 1% of the returning sample was Black; this low response is thought to reveal the alienation and distrust of the "system" felt by that population.* Consequently, it is believed that *this report favors the population best able to cope with conditions in the military and at home.*

The following represents only a brief summary of the twenty-six page report of survey results provided by the vendor.

Health Issues Agent Orange

21.4% of the respondents claimed to have been sprayed with Agent Orange. 3200 or 87% of the respondents sprayed with Agent Orange were in Vietnam between the period of 1966 to 1971.

26.8% of those who claimed to have been sprayed with Agent Orange and tried to have children indicated that one or more children born after their return from Vietnam suffered from some birth defect, 52.5% were children of veterans who had been in an area sprayed by Agent Orange.

Agent Orange — Employment

39.6% of those respondents in areas sprayed with Agent Orange have had difficulty in obtaining employment. 57.2% have had 1-3 full time jobs since discharge, 24.2% have held 4-6 full time jobs, 8.1% have had 7-9 jobs and 8.8% have held 10 or more full time jobs. Since discharge, 52.2% of the veterans in areas sprayed with Agent Orange were unemployed for periods longer than 6 months between 1 and 3 times, 9.4% between 4 and 6 times and 4.7% for 7 or more times.

Agent Orange — Conclusion

Veterans who claim exposure to Agent Orange also report far greater risks in having children born with birth defects and greater difficulty in finding employment or housing. They earn less money, hold less skilled jobs and receive less education. In comparison to non-sprayed victims, there is only one area where victims of Agent Orange fare better and, that is Government or Civil Service Jobs which they hold in higher proportion than other groups. Although the information received from veterans was *uncontrolled*, the association that veterans make between exposure to Agent Orange and health problems is impressive and warrants greater investigation.

Health Issues

Of those respondents who served in Vietnam from 1966 to 1971, 70.1% have had or tried to have children. 17.5% of those serving in Vietnam from 1966 to 1971 who had children after returning had children with birth defects. Of the total respondents including Vietnam veterans and those sprayed with Agent

Orange, 72.7% have had or tried to have children since Vietnam and 16.2% of these respondents have had children with birth defects. Although there is no difference in the rate of various defects, the incidence of birth defects increases with exposure to Agent Orange.

Employment Issues

26.6% of all respondents indicated difficulty in obtaining a full time job. This difficulty is dispersed throughout the veteran population as one expects it to be in the general population. Age, race, education, marital status, and other demographic characteristics show no surprising deviation. There is very little deviation between the characteristics common to the entire sample and those peculiar to Vietnam veterans.

Employment — How Many Full Time Jobs

Stability in employment does not vary significantly between any single group of veteran. Expected differences do show up when groups are compared by marital status, education, or occupation. As with job procurement and stability of employment, periods of unemployment run similar patterns. Increasing difficulty in obtaining employment is exhibited among young, single, and transient. Education continues to correlate positively with difficulty in securing and holding a job. These groups tend to be unemployed more often and longer than the rest of the survey population.

Current Employment

11.8% of the respondents indicated that they presently do not hold a full time job. The Bureau of Labor Statistics (C.P.S.) Current Population Survey for the 2nd Quarter of 1983 indicates that the national average was 10.4%; for Massachusetts, it was 6.8%. Education and race play significant roles in determining employment, but there is no indication that Vietnam veterans are more adversely affected than Vietnam Era veterans.

Civil Service

44.0% of the respondents have taken a Civil Service exam. 36.2% of the respondents have had their names placed on a civil service list and 23.1% have been hired to a civil service job.

58.1% of those who were hired served in Vietnam between 1965

and 1971, 31.9% of those hired to civil service jobs currently work for the federal government, 29.4% for state government, and 11.2% for local government; others are assumed to have left. (See employment issue area.)

Federal Job Programs

12.0% of the respondents have enrolled in a Federal Job Program, 8.6% have enrolled in the CETA Program, 1.6% in the Federal Readjustment Program, 1.8% in a Federal Career Program.

SBA Assistance

5.2% of all respondents have applied to the Small Business Administration for assistance. 35.6% to all applicants received the assistance that was sought.

11.0% of all Black respondents have applied for assistance, 33.3% of all Black applicants received the aid sought. 5.0% of all White respondents have applied for assistance, 35.8% of these respondents received the aid sought.

Assistance Awareness

Aside from V.A. mortgages or educational benefits, the majority of respondents did not indicate a substantial knowledge of programs available to them. 12.4% were aware of Chapter 707 and only .5% received it. 11.4% were aware of Chapter 705 and .8% received benefits from it. 12.5% were aware of Section 8 Housing and .5% received assistance. 14.5% are aware of the Federal 234FHA Program, .8% were recipients. 11.1% knew of 236FHA and .4% were recipients. 20.8% were aware of Farmers Home Chapter Loan and .8% were recipients. Finally, 40.6% were aware of the GI Home Loan Guarantees and 16.7% were recipients.

Housing

71.1% of all respondents own their home, 21.0% rent, while 6.8% live with their family. 96.5% of those who own their home have sought some type of mortgage. 96.3% of those who sought a mortgage obtained one.

7.9% of all recipients felt discriminated against when applying for a mortgage simply because they were veterans.

**PART II.
THE
ISSUES
OF
CONCERN**

THE RANGE OF ISSUES:

The issues of concern to Vietnam veterans in the Commonwealth of Massachusetts may be said to range from those particular to the fact of military service and the unique nature of the war, to those more staple interests negatively affected as a result of the hostile Homecoming experience, and its most significant consequence — the unwarranted and unique negative status of Vietnam veterans.

The particular issues include such concerns as the problem of Post-Vietnam Delayed Stress, the difficulties faced by those with less than honorable discharges, the special problems of Vietnam veterans involved with the Criminal Justice system, and of course, the question of exposure to toxins such as Agent Orange, dapsone, and the like, as well as concern for our POWs and MIAs still in Southeast Asia.

The staple concerns, all of which are affected by combinations of the particular problems mentioned above, include such items as general health care, education, employment, housing, and access to the entire scope of governmental services.

Both an examination of the growing volume of literature pertaining to the problems faced by Vietnam veterans, as well as the testimony provided by the Vietnam veterans from the Commonwealth, indicate a strong set of linkages between and among the particular and staple issues of concern. In short there is no lynch pin problem which, if solved, will eliminate or resolve the others. Each of these difficulties has to be squarely faced and at least partially surmounted in order for a general improvement in the social condition of the Vietnam veteran to take place.

Negative Public Image

Obviously, it is fairly impossible to pinpoint a root cause for all the difficulties encountered by the Vietnam veterans since their return, now quite long ago. Ostensibly, it would seem that the shattering effects of war should be similar for any veteran of any war. Yet the veterans of Vietnam have encountered far more in the way of readjustment problems than those veterans from previous conflicts.

This Commission is of the opinion that two important differences mark this generation of veterans from others, the fact of guerrilla war and the fact of the negative Homecoming. There are obviously threads of connection from the former to the latter. Our purpose here is to make several facts pertaining to the latter. With this reservation understood, this Commission takes the position and cares to remind all (by way of the following brief synopsis) that one of the principal and general base factors negatively impacting the Vietnam veteran was the hostile Homecoming phenomenon.

As the public attitude toward the war reversed itself after the TET 1968 offensive, so also did the reception accorded to the returning veterans. To be very frank, tens of thousands of Vietnam veterans returning to America from mid 1968 on were verbally and even physically harassed; Vietnam veterans as a group became stigmatized. Further, such stigma came from both segments of a (then) very politically polarized society. At one end of the spectrum, "hawks" chided and rebuked the Vietnam veteran for "losing the war", and for being poor soldiers and harbingers of the permissive society. As for the "Doves," Vietnam veterans were damned as "killers of women and children", the representatives of the old ethnocentric, misdirected, even "criminal" patriotic ideology. Thus, it is no exaggeration at all to say that Vietnam veterans became the all-duty scape-goats for virtually every sector of American society, each seeking a way to absolve themselves from responsibility for the war, its outcome, and aftermath. That this was the case is irrefutable; any honest reflection and certainly even the most basic bibliographic research would substantiate that this was the case — part of the inheritance of the Vietnam Decade.

Furthermore, all this was exacerbated by the media in general. In the film industry, in the newspapers, and magazine publications, and especially in television programming, Vietnam veterans at large were (and to a lesser degree still are) portrayed as dangerous pathological figures — menaces to society.

For example, even a cursory glance through any of the old "T.V. Guides" of the early and mid 1970's would show at least one or two shows per month featuring a "drug crazed Vietnam veteran killer" as the principal villain. As several writers pointed out, Vietnam veterans suffered from the "Kojack syndrome",

i.e., if a crime has been committed, why then check out all recently discharged Vietnam veterans. In fact Tom Wicker of the New York Times noted in an editorial in 1975 that this new generation of veterans suffered from the "Vietnam disease".

As noted in Senate Committee reports and elsewhere, many Vietnam veterans "hid" their identity to control the information of their negative status and thus avoid stigma. Residuals of this entire phenomenon (the stigma and the veterans' reaction to it) continue into the present. Many of the veterans who testified before this Commission in its Public Hearing sessions noted that they found it necessary to remove veteran status from their resume in order to secure employment. Further, this Commission in its advocacy role had to intercede in behalf of one veteran where the employment problem (a state civil service position) was directly a result of this stereotypical media image.

It may do to summarize these past ten years by noting that this negative public image created a veritable mountain of negative privilege, heaping one stigma label upon another, so that by the late 1970's, there existed all the makings for a quasi-caste group. That so many, perhaps up to 75 percent, survived by general standard, i.e., they (the Vietnam veterans) gained some acceptable level of socio-economic status (some have done very well) is a tribute to their survival skills. However, that many collapsed under the pressure at home is a fact as well; as suicide is a fact; as Post Traumatic Stress is a fact; just as the bitter Homecoming and the antecedent guerrilla war were facts.

Obviously, this Commission is as pleased as is the entire Vietnam veteran community that this negative social condition is now reversing direction. Interestingly enough, the turning point occurred with the Homecoming of the Iranian hostages in 1981. Several of the embassy staff made comments with regard to the conditions endured by Vietnam veterans. The Vietnam veteran community is grateful; in their opinion these statements embarrassed an entire nation; we believe the atmosphere is changing — for the better.

Of course, Vietnam veterans organizations have been working to that end for years. This Commission has been proud to take its small part in this effort as well. Further, we care to inform all that among those working to change this negative image, none deserve more credit than the Vietnam Veterans Leadership Program. This is certainly the case in the Commonwealth of Massachusetts.

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Agent Orange

Agent Orange is the most common term given to several types of herbicides utilized during the war. All of these types and various batches of the same type (even if produced by the same corporation) contained various levels of the inevitable by-product of production -- the contaminant dioxin. Dioxin, it is fairly well agreed, is one of the most vicious carcinogenic compounds known. As noted in our Interim Report:

- 1) The United States military used herbicide agents in Southeast Asia in a campaign to deny the enemy cover.
- 2) In consequence crops and waterways were destroyed or contaminated with dioxin, a carcinogenic.
- 3) During the 1970's, a number of veterans began to inquire about possible connection between numerous ailments and exposure to Agent Orange (one of several code names for the herbicide compounds used).
- 4) By early 1980 this concern became one of the foremost issues on the Vietnam veteran agenda.
- 5) As a result of this Commission's Special Informational Hearing on this matter (November 17, 1982), two avenues of approach were suggested (1) to do a pilot biopsy study on a sample of Vietnam veterans and (2) to catalogue the incidents of birth defects among children of Vietnam veterans in the Commonwealth. This Commission made such recommendations in its Interim Report.
- 6) The immediate bottom line for the Vietnam veterans is a two fold proposition. (1) The amount of exposure necessary to cause debilitating effects in humans in the short, medium, and long range has yet to be determined (only studies orientated to this end are of importance here) (2) the problem of service connection has become a complicated matter, for years have passed since Vietnam.

1983.]

SENATE — No. 2307.

35

Profile Survey Results

A series of questions concerning Agent Orange were included in our profile survey questionnaire. Included in the summary of that survey is the following:

Health Issues Agent Orange

21.4% of the respondents claimed to have been sprayed with Agent Orange. 3200 or 87% of the respondents sprayed with Agent Orange were in Vietnam between the period of 1966 to 1971.

26.8% of those who claimed exposure to Agent Orange and tried to have children indicated that one or more children born after their return from Vietnam suffered from some birth defect. Of the total respondents whose children had birth defects, 52.5% were children of veterans who had been in an area sprayed by Agent Orange.

Veterans who claim exposure to Agent Orange also report far greater problems in having children born with birth defects, and greater difficulty in finding employment or housing. They earn less money, hold less skilled jobs, and receive less education. In comparison to non-sprayed victims, there is only one area where victims of Agent Orange fare better and that is Government or Civil Service Jobs which they hold in higher proportion than other groups. Although the information received from veterans was uncontrolled, the association that the veterans make between exposure to Agent Orange and health problems is impressive and warrants greater investigation.

It is important to note that this suggests a rate which is almost four times higher. That is 26.8% of those who claimed to have been sprayed absorbed 52.5% of all the birth defects. This is in contrast with 7% for the respondents who claimed *not* to be sprayed.

Commonwealth of Massachusetts Agent Orange Study

As a result of the work of this Commission and, of course, that of the Vietnam veterans groups in Massachusetts, \$350,000 was secured for an Agent Orange study. The responsibility for implementation of this has been delegated to the Office of the Commissioner of Veterans Service (O.C.V.S.). Given the superb nature of the medical community existing in Massachusetts, it is presently anticipated that the O.C.V.S. will be seeking proposals for Agent Orange study grants in early 1974.

Other Developments

As the issue of Agent Orange has gained visibility, the number of state Commissions established to look into this matter has increased. Currently, there are nineteen commissions in existence. Each of these commissions has pursued its own course. Several have produced booklets for consumption by the veterans community in general and reports of their work are generally available for those interested. Further, the V.A. has established a Veterans Administration Advisory Committee on Health-Related Effects on Herbicides. Finally, over fourteen major national studies have been designed and one to be initiated in the immediate future. Yet it is the opinion of this Commission that alone these studies will have only a muted effect at best. It should be noted that the medical literature is already so voluminous as to be unmanageable, and as yet, there is still no consensus in the medical/scientific community.

In terms of legislation, there are three important pieces currently being considered within the Veterans Affairs Committee of the 98th Congress, HR209, S374-S786, HR1961. The first would require another independent study to be conducted by the Health and Human Services bureaucracy; the Senate companion bills call for presumption of service connection for illnesses; HR1961 (the Daschle Bill) provides for presumption and treatment for soft tissue sarcoma, chloracne, and liver cancer. The Daschle Bill is now scheduled for mark up out of the subcommittee and is to be considered by the full committee on Veterans Affairs in the immediate future.

At the judicial level, there are several law suits pending. Perhaps the most important is being handled by the firm Yannacone & Yannacone of New York. Dow Chemical has taken the lead for the defense among the several corporations and is literally tracking down every piece of legislation and every study across the Union. There can be no doubt that this is perhaps the most important issue in terms of impact and scope. The whole concept of liability is at play. Billions of dollars are at stake. In a sense free enterprise is at stake. Finally, the issue here has tremendous spill over effect into the entire chemical waste/environmental concerns field. Quite frankly, it is the opinion of this Commission that the entire phenomenon of Agent Orange constitutes one of the most important political questions of the 1980's.

Testimony before the Subcommittee on Hospitals and Health Care of the Veterans Affairs Committee

This Commission through the Executive Director had the privilege of presenting testimony to the Subcommittee on Hospitals and Health Care (Representative Bob Edgar, Chairman) on August 9, 1988. At that hearing and for this Final Report, this Commission presses the following viewpoints and recommendations:

- ultimately Agent Orange must be viewed and addressed as a comprehensive political question;
- that the Agent Orange screening program is not only inadequate but not standardized;
- that the V.A. design an accurate screening program for Vietnam veterans which is truly relevant to determining facts about Agent Orange;
- that Congressional legislation of HR1961 or S374/786 be passed as a door opener;
- that Congressional legislation HR209 be passed authorizing an independent study by the Department of Health and Human Services.
- that the Veterans Administration gear its services for cancer care and presume service connection for the purposes of treatment;
- that a more comprehensive health care bill be developed in connection with the issue of Agent Orange;
- that the state legislature again appropriate sufficient monies for the Agent Orange study to be implemented by the Office of the Commissioner of Veterans Services.

The Commission cares to thank the following for their assistance on this issue:

Dr. Louis Bartoshesky, Dr. David A. Finkel, Phillip Girard of the Agent Orange Victims International, Dr. Francesca LaVecchio, Dr. John McCahan, Dr. Matthew Messelson, Dr. Richard, Mr. Ryan, and Warren G. McCrillis.

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SENATE — No. 2307.

39

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POW/MIA

As noted in the Interim Report, over ten years have lapsed since the Paris peace Accords were signed. Despite the return of a number of POWs in 1973, it has been the position of the National League of Families of POWs and MIAs that the Communist forces in Southeast Asia have been less than cooperative in connection with the repatriation of United States servicemen. The League has contended for years that several hundred of the 2500 POW/MIAs are perhaps alive and being held as hostages. This stance was given additional corroboration by Vietnamese refugees; many of the "boat people" claimed to have sighted Americans in Southeast Asia; many of these "live sightings" are believed to be reliable. Naturally, all this has stirred up a great deal of hope and anxiety among the families.

As in the Interim, this Commission cares to note that this very sensitive issue has been virtually ignored over the past two administrations. Further, the problem has been compounded by a lack of accurate information due to (1) the existing situation of hostile relations between the United States and Vietnam, the position of the major powers to those regional client states and the fractions within client states. The Commission recognized that these factors obviously prohibited direct involvement on its part. However, we did engage in an awareness campaign in behalf of the League during 1983.

On January 27, 1983, this Commission initiated its awareness campaign with a ceremony in the Hall of Flags at the Statehouse. This included (1) remarks by the Senate President, and Speaker of the House of the General Court, (2) statements of the position of this Commission, and statement of support by the Vietnam Veterans of Massachusetts, Inc., (3) a roll call of the sixty Massachusetts' servicemen still missing, and (4) distinguished guest speakers Don Levesque, of the Blinded Veterans Association, Irving Rittenberg of the X-POW Association, Mrs. Maureen Dunn spouse of Commander Joseph P. Dunn, U.S.N./MIA-February 14, 1968, and M.S.G. Jon R. Cavalani of 10th S.F.G., recipient of the Congressional Medal of Honor and former POW/1971-1973.

Over several weeks following the ceremony at the Hall of Flags, this Commission sent a letter to all the Congressional Delegation,

every member of the General court, and the Key administrative officials. We requested that each write a letter of inquiry and support to President Reagan with regard to the POW/MIAs; also we requested a letter of inquiry and protest be sent to the Vietnamese Ambassador to the United Nations, Mr. Hoang Bich Son. Further, we sent similar letters to every city and town in the Commonwealth asking the same of each, i.e., (a) letter of inquiry and support (b) a letter of inquiry and protest and (c) a request that a resolution be passed supporting the Commission's awareness campaign efforts. We are pleased to note that thirty-six legislators and one hundred thirty-three cities and towns responded to our request. We strongly believe that this campaign and others have had a direct effect on the State Department and particularly on the Vietnamese.

This Commission notes that on November 1, 1983, the remains of Captain Arthur Hans Hardy, United States Air Force-MIA February 14, 1972, were returned to Massachusetts. This Commission, and through this Commission every Vietnam/Vietnam Era veterans, all veterans, and the citizens of the Commonwealth extend the deepest sympathies to the parents Gordon and Inge Hardy of Ipswich, Massachusetts.

This Commission finds it significant that after years of denial, that the remains of one American serviceman was returned in late October — early November 1983, and that it was Arthur H. Hardy. We are only left to conclude that the Vietnamese, the Laotians, and Cambodian communist governments have and have had knowledge of the whereabouts and/or possession of the remains of many United States servicemen. We are also of the opinion that there are indeed perhaps several hundred men held alive in Southeast Asia. If nothing else, loyalty to the National League of Families of POWs and MIAs would demand that the Commission take this position. Yet, this has been the stance of the membership of this Commission. The return of Captain Hardy has only strengthened our belief and resolve. The entire veteran community is united on this issue. This Commission cares to make the following recommendations:

- that the awareness campaign initiated by this Commission in 1983 continue in 1984;
- that the Governor of the Commonwealth proclaim July 20, 1984 as POW/MIA Recognition Day;

- that during 1984, under the auspices of all the veterans organizations in the Commonwealth, each city and town do whatever feasible to encourage a letter writing campaign by its residents;
- that the appropriate cities and towns in this Commonwealth follow the example of the City of Lynn (acting for the town of Ipswich) and adopt their respective POW/MIA servicemen from Massachusetts;
- that the United States Postal Service strike a POW/MIA stamp so as to remind the American public at large that our men, after a decade, are as yet unaccounted for.

The Commission would like to thank the following for their letters of support for our Prisoners of War/Missing in Action campaign:

Governor Michael S. Dukakis; Senator Peter C. Weber; Senator John W. Oliver; Senator Paul V. Doane; Senator Chester G. Atkins; Senator Frederick E. Berry; Senator Richard A. Kraus; Senator William Q. MacLean, Jr.; Senator George Bachrach; Representative Argeo P. Cellucci; Representative William Constantino, Jr.; Representative Howard C. Cahoon; Representative John A. Businger; Representative Kenneth M. Lemanski; Representative Chester A. Suhoski; Representative Timothy A. Bassett; Representative William B. Vernon; Representative Joseph M. Connolly; Representative Henry R. Grenier; Representative William R. Keating; Representative Marie-Louise Kehoe; Representative Richard J. Rouse; Representative Mary Jeanette Murray; Representative Frank N. Costa; Representative Eleanor Myerson; Representative Walter A. DeFilippi; Representative Angelo Picucci; Representative Marie E. Howe; Representative Elizabeth N. Metayer; Representative Michael W. Morrissey; Representative Marie J. Parente; Representative Peter A. Vellucci; Representative Philip Travis; Representative Barney Frank; Representative Nicholas Mavroules, Mr. James R. McIntyre.

For their participation within the POW/MIA Ceremony, January 27, 1988, we would like to thank:

Reverend Frederick D. McCormick, Kevin Roach, Irvin

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For the letters of support and letters of resolution, the Commission would like to thank the following cities and towns:

Cities of: Springfield, Fall River, Gardner, Haverhill, Peabody, North Adams, Northampton, Revere, and Beverly.

Towns of: Abington, Acton, Andover, Arlington, Athol, Avon, Ayer, Barnstable, Barre, Becket, Berlin, Blackstone, Bourne, Boxborough, Boxford, Braintree, Brewster, Buckland, Canton, Carver, Charlton, Dighton, Dover, Easthampton, East Bridgewater, Easton, Foxborough, Franklin, Freetown, Gay Head, Gill, Grafton, Granby, Halifax, Hampden, Hanover, Hanson, Harwich, Hingham, Hinsdale, Hopedale, Hull, Huntington, Ipswich, Kingston, Lakeville, Lancaster, Leicester, Lexington, Longmeadow, Ludlow, Lunenburg, Lunenburg, Lynnfield, Mansfield, Mashpee, Mattapoisett, Maynard, Medfield, Middleborough, Middleton, Milford, Millbury, Millis, Monterey, Needham, New Braintree, North Andover, North Attleborough, Northbridge, North Brookfield, Northfield, North Reading, Norton, Norwood, Oxford, Palmer, Pelham, Plainville, Plympton, Randolph, Rochester, Rockport, Rowe, Sandisfield, Sandwich, Saugus, Seekonk, Sharon, Sherborn, Sheffield, Shrewsbury, Shirley, Somerset, Southampton, Southbridge, Southborough, Spencer, Stoughton, Stow, Sudbury, Sunderland, Swampscott, Sutton, Templeton, Tewksbury, Tisbury, Tyngsborough, Uxbridge, Walpole, Ware, Warren, Wayland, Wenham, West Boylston, West Bridgewater, Westford, Westminster, Westport, Westwood, Weymouth, Wilbraham, Worthington, and Yarmouth.

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Post Traumatic Stress

As this Commission pointed out in its Interim Report:

- 1) The issue of Post Traumatic Stress first gained attention in the general social/psychological literature in 1973. The most significant research emanated from the consortium on Veterans Studies and especially the Disabled American Veterans Forgotten Warrior Project.
- 2) Continued research coupled with the activism of Vietnam veterans from across the nation had several consequences. Those included the establishment of the DAV Outreach program in the late 1970's and proposals for the establishment of coordinated storefront outreach centers by the

National League of Cities/U.S. Conference of Mayors Vets Program.

- 3) In early 1980, the American Psychiatric Association officially recognized the phenomenon of stress and included the relevant symptomatic guidelines for the medical community in its official publication, the Diagnostic and Statistical Manual of Mental Disorders (DSMS).
- 4) Finally, the Veterans Administration responded to all this by establishing the VA Outreach Program a counseling program at 100 "storefront" locations across the nation; in October 1980 they officially recognized PTSD as a legitimate service connected condition for compensation purposes.

Since the Interim Report, a number of developments have occurred in this Commonwealth in connection with the issue of Post Traumatic Stress. These include: (1) the establishment of state funded (pilot project) Outreach Centers, (2) the developments within the Commonwealth of Massachusetts Criminal Justice Systems, (3) the establishment of the pilot PTSD ward at the Northampton Veterans Administration Medical Centers, and (4) the testimony of this Commission provided to the Subcommittee on Hospital and Health Care, Representative Bob Edgar (Pennsylvania), Chairman, of the House Committee on Veterans Affairs.

Pilot Project Outreach Centers

As the public hearings session proceeded during 1982, this Commission became clearly cognizant of the need for an expansion of this program. In our letters of advocacy and in our Interim Report recommendations, we strongly recommend expansion of that program. One avenue which later developed involved amending the budget for the present Fiscal year to provide \$80,000 for community based project. Through the Commission Chairman, Senator Francis D. Doris, this was done for the present fiscal year. The prospect sites selected were in Fitchburg and Roxbury. Oversight authority was appropriately deferred to the Office of the Commissioner of Veterans Services. This Commission is pleased to note that the Governor of the Commonwealth personally signed the contract awards on November 10, 1983.

It is hoped that the Fitchburg and Roxbury centers will receive continued funding with the next fiscal year and that at least one new center receive start-up monies.

Developments Within the Criminal Justice System

This Commission, as already noted in its Interim Report, (and by way of its Special Information Hearing) is greatly concerned with regard to the correlation between P.T.S.D. and criminal behavior. Yet, we are pleased to note that in this Commonwealth some significant progress has been achieved as a result of the collective efforts of several individuals, committees, and agencies. In particular, we are referring to the development of the sentencing diversion program in Lynn District Court, and the recent implementation of the Mutual Agreement Program for one third consideration developed under the auspices of the Department of Corrections. In addition we care to announce our support of HR762 which would provide stress treatment for Vietnam veterans incarcerated at various Massachusetts Correctional Institutions. (See Criminal Justice Issue.)

P.T.S.D. Ward/Northampton

The establishment of pilot program Post Traumatic Stress Disorder wards has been one of the most exciting developments to take place at Veterans Administration Medical Centers in the last few years. Currently, ten (10) of 171 V.A.M.C.s have initiated a stress ward program. Virtually all of these pilot P.T.S.D. programs were established by interested professionals at the respective medical centers. The Commission is pleased that one of these sites is in New England at the Northampton, Massachusetts V.A.M.C. and was honored to advocate for this program. Currently, the Northampton V.A.M.C. stress ward has a nine month waiting list. We understand that this is the case at other stress wards as well. Obviously, there is indication of a need for expansion of this program across the V.A.M.C. system. We made such a recommendation at Congressional Hearings on August 9, 1983.

Commission Testimony before the Subcommittee on Hospitals and Health Care

On August 9, 1983, this Commission provided testimony to the Subcommittee on Hospitals and Health Care of the Committee on Veterans Affairs (House). At that hearing a variety of questions and comments were provided. The following represents this Commission's attitude toward P.T.S.D., which we expressed to the Subcommittee. That is, we recognized that combat stress is a

phenomenon common to all of America's veterans of WWII, Korea, and Vietnam. However, this Commission cares to point out that we consider the phenomenon of P.T.S.D. to also include two other factors which differ markedly with the experience of other generations of veterans. First, we must note the fact of guerrilla war. The Vietnam conflict is the first modern war in which our soldiers were confronted with the phenomenon of guerrilla war, the problem of civilian status, and all the other problems well known with regard to our nation's efforts to support the GVN/ARVN. Second, and just as important is the negative Homecoming experience. This Commission cares to note that the negative reception accorded to Vietnam veterans constitutes one of the most bitter and shameful legacies of the entire war. These two additional facts, i.e., guerrilla war and the negative Homecoming experience are considered by this Commission to be (as much as combat stress) intimately involved in the overall P.T.S.D. phenomenon.

With regard to P.T.S.D., this Commission made the following recommendations at these subcommittee hearings:

- 1) the Veterans Administration should do all that it can to encourage the initiation of P.T.S.D. wards at all V.A.M.C. locations, especially where the population warrants.
- 2) The Veterans Administration should recognize the strength of the Operation Outreach Program as an outreach mechanism and expand that program three-fold.

Drug and Alcohol Abuse

As originally conceived in our Interim Report, the problem of drug and alcohol abuse, though closely connected to stress, constituted a separate issue area. Upon gathering more information, particularly from our special hearing on the relation between stress and criminal justice involvement, it has become the position of this Commission that the fact of substance abuse is a symptomatic condition of stress in general and P.T.S.D. in particular. As such, it is more appropriate to consider it as a subtopic of P.T.S.D. in this Final Report. As in the Interim Report, we care to note that:

Many Vietnam veterans have unfortunately resorted to drug and/or alcohol as an escape from the bitter alienation

directly related to the negative Homecoming experience with all of its societal rejection and negative stigma. There is considerable documentation for this; it was brought to our attention directly or indirectly at all hearings. The most tragic problem, albeit rarely discussed (and hardly mentioned during the hearings) is that of suicide. There are no statistics, but since December 14, 1980, at least a dozen Vietnam veterans from the Commonwealth have taken their own life. While the debilitating effect of stress was no doubt the primary factor, the symptom of substance abuse must be seen as a contributing cause.

The Commission:

- has secured prioritization for Vietnam veterans in the Mental Health portion of Alcohol, Drug Abuse, and Mental Health Service Block Grant; we strongly urge that such priority be continued.
- recommends that mental health specialists from state, local, and private agencies and institutions (local hospitals, community health plan clinics, neighborhood services agencies, community based organizations, CAP programs, etc.) contact the Vietnam Veterans Outreach Program and together develop and conduct a symposium series which will help intake specialists, staff case workers, and clinicians to recognize and understand P.T.S.D. and deliver the appropriate services or referrals.

The Commission cares to thank the following for their assistance on this issue of P.T.S.D.:

Ashaq Asim, Dexter Bishop, Steven Blesofsky, Dr. William Boutelle, Pamela Brighton, David Butler, Patrick Guarneri, Dennis Humphrey, Randal LePore, Leslie Pool, Karen Saunders, Dr. Richard Sette, Dr. Sheldon Zigelbaum, the staff members of the four Operation Outreach Programs in Massachusetts.

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SENATE — No. 2307.

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Governmental Services

One of the most pressing sets of problems that Vietnam veterans confront are constituted in the poor allocation of values, the meager distribution of services afforded them by virtually all the various agencies and sectors of government, whether local, state, or federal. There can be no doubt that the history of the past decade is in part a bitter legacy of broken promises and official neglect for the Vietnam veterans of this nation — and that neglect in itself has generated a series of negative consequences for the population in question.

Yet, with the Homecoming of the Iranian Hostages in 1981, the social and political climate in America has started to change. It is important that this spirit of the time be seized by all those concerned, and that their actions be directed to a redistribution of values as concerns the Vietnam veteran as a client population of various government services.

One method to initiate this is for all local, state, and federal agencies to not only prioritize but provide outreach services to Vietnam veterans for all programs. With all of these efforts, it appears obvious that the Office of the Commissioner of Veterans Services, with its linkages to over 250 cities and towns in the Commonwealth, be taken as the focal point for all these coordination efforts.

We make this point for good reason. The result of our profile study indicated that excepting knowledge of the GI Bill and Home Loan Guarantee program the vast majority of Vietnam veterans in this Commonwealth were unaware of existing governmental services available to them. Consider these survey results.

12.4% were aware of Chapter 707 and only .5% received it. 11.4% were aware of Chapter 705 and .8% received benefits from it. 12.5% were aware of Section 8 Housing and .5% received assistance. 14.5% are aware of the Federal 234FHA Program, 8% were recipients. 11.1% knew of 286FHA and .4% were recipients. 20.8% were aware of Farmers Home Chapter Loan and .8% were recipients. Finally, 40.6% were aware of GI Home Loan Guarantee and 16.7% were recipients.

In some sectors change has begun to take place. Here in the Commonwealth Vietnam veterans have been afforded Affirmative Action. On December 7, 1983, the Office of Affirmative

Action sponsored a training seminar for Affirmative Action officers/all secretariats. *THIS COMMISSION RECOMMENDS THAT EACH OF THESE SECRETARIATS MUST DEVELOP AND IMPLEMENT AN OUTREACH EFFORT FOR VIETNAM VETERANS.* In addition, for this Final Report, we care to highlight some of the most important areas in the following outline. That is, the Commission recommends that:

State

- EOOD continue to coordinate the fuel assistance prioritization outreach effort initiated last year through all the various CAP entities.
- DOC continue to explore all possible avenues as to develop a comprehensive rehabilitative corrections program for Vietnam veterans currently incarcerated at Massachusetts Correctional Institutions.
- M.F.H.A. provide a percentage allocation to Vietnam veterans with respect to existing housing packages and programs and to prioritize Vietnam veterans in all new bonding issues.
- Office of Affirmative Action develop a brochure in conjunction with the Office of the Commissioner of Veterans Services which informs the veterans of their rights under affirmative action status.
- Office of Personnel Administration initiate the monitoring system proposed (see employment issue area).
- Office of Economic Affairs insure that Vietnam veterans have access to all F.J.T.P.A. titles and that all SDA PICs include Vietnam veterans in their composition.
- The Department of Commerce and Development initiate an outreach program to Vietnam veterans with regard to small business opportunities.

Federal

- That the Secretary of Labor insure to the fullest extent possible that pressure is brought to bear through all possible channels across all 50 states to insure that Vietnam veterans are not stonewalled from any F.J.T.P.A. titles as was the case with CETA.

As this point it may do to offer remarks concerning the two state and federal entities of most importance for the Vietnam veterans. First we will consider the Office of the Commissioner of Veterans Services and then the Veterans Administration.

Office of the Commissioner of Veterans Services

This Commission cares to compliment the newly appointed Commissioner of Veterans Services John Halachis for his commitment to the Vietnam veterans. We applaud his initiative in connection with developing a new programs/services division in the central office which is orientated toward the needs of Vietnam veterans. This Commission supports these efforts and recommends that the legislature and the present (and future) administration do so as well.

This Commission recommends that sufficient funding and manpower be provided to O.C.V.S. so as to initiate, maintain, and expand the following studies and programs. In order to truly implement all that is required over the next decade and beyond for Vietnam veterans and the new veterans to come the Commission is of the opinion and strongly recommends that:

**THE OFFICE OF THE COMMISSIONER OF VETERANS
SERVICES BE RAISED TO SECRETARIATE
STATUS BY THE PRESENT ADMINISTRATION**

As mentioned throughout this report, we had only 1% response from minority veterans and those with severe problems were unable to be reached. Thus, we recommend:

- that funding be provided through an RFP/grants procedure for a profile study on minority and "hard to reach" Vietnam veterans.
- We care to add that the only feasible method is to seek the involvement of the local Vietnam veterans organization across the Commonwealth.

This Commission recommends:

- that the Fitchburg Outreach Program receive continued funding, that the Roxbury minority program receive full funding, and that outreach programs be initiated in the Cape Cod, the Merrimack Valley area, and in Berkshire County.

The importance of the Federal Jobs Training Partnership Act for Vietnam veterans could never be over emphasized. Certainly, it was the intent of Congress to include Vietnam veterans in *all* titles. In addition, they provided a special section for Vietnam veterans in Title IV Part C. With regard to that title, this Commission recommends:

- THAT THE O.C.V.S. BE THE ADMINISTRATIVE ARM WITH OVERSIGHT POWERS FOR ALL TITLE IV PART C

**PROGRAMS TO BE INITIATED AND MAINTAINED
OVER THE F.J.T.P.A. LIFETIME IN COOPERATION
WITH THE PARTICIPATING SERVICE DELIVERY AREA
VENDORS AND SUBGRANTEES.**

The Agent Orange study to be implemented by O.C.V.S. will require careful review *before* implementation; this will demand considerable time. We recommend:

- that funding appropriations be continued through the next fiscal year and until completion.

The Veterans Administration

This Commission received numerous complaints concerning the treatment afforded to Vietnam veterans at various Veterans Administration facilities during all of its eight public hearings and on numerous occasions throughout its lifespan.

Very often these complaints were framed in the familiar format of generational conflict. That is, the "bad treatment" given to Vietnam veterans was contrasted to the "good treatment" accorded to the WWII veterans. Certainly a generation gap was operative and influenced subsequent actions which resulted in poor treatment for Vietnam veterans. *However, we care to note that the situation is changing and seriously doubt that such discrimination is now very much operative.*

This Commission is clearly aware of ~~the~~ bitterness of the Vietnam veteran community and given the history of the last decade, obviously, it was justified. However, commenting about the cruel and bitter Homecoming of our past will not help. Further, all the negative comments and complaints notwithstanding, this Commission cares to remind all, especially Vietnam veterans, that the centerpiece, the most essential priority, for all the veterans of this nation is the *continued maintenance of the Veterans Administration system*. This Commission fears that a zero sum game situation could be set up whereby the needs of the Vietnam veterans generation are pitted against those of our fathers and uncles—the WWII and Korea generation—to the disadvantage of both and to the detriment of the structure of the Veterans Administration system.

Certainly, the Veterans Administration needs to gear itself to the different needs of the Vietnam veterans. This will require considerable innovation not a strength of any large established bureaucracy. Yet changes have and are taking place. The

Outreach Program is in place and will be maintained in its autonomous storefront mode until 1987. In the last year, the pilot stress ward program was initiated at seven locations across the nation; the Northampton V.A.M.C. here in Massachusetts is the only one in New England. Change will continue to occur at a rate roughly equal to the level of Vietnam veterans organizations, activism, and constructive criticism.

One such reasonable change which has been proposed is the federal legislation HR2936 which would affect VA judicial procedures by expanding the Board of Veterans Appeal from 55 to 65 members. This Commission supports passage of this legislation.

VETERANS ADMINISTRATION SERVICES AND PROGRAMS

At this point we care to comment on the following in a positive light with regard to Veterans Administration services and programs for the Vietnam veterans.

Veterans' Outpatient Clinic/Court Street

It is the understanding of this Commission that the status of the Veterans' Outpatient Clinic at 17 Court Street, Boston is in jeopardy. It may do to point out that the V.A.O.C. at Court Street is the largest independent outpatient clinic in the nation (currently providing \$900,000 per year in rental fees to the G.S.A.).

This Commission cares to remind the entire membership of the Subcommittee on Hospitals and Health Care and its full parent committee on Veterans Affairs that the necessity of maintaining a V.A. Outpatient Clinic in Downtown Boston is absolutely imperative. This Commission informed Chairman Representative Edgar of our support for this at the hearing his subcommittee held here in Boston on August 9, 1988.

Now it is our understanding that when the new federal building currently under construction is completed, several agencies now at the John F. Kennedy Building will relocate. This Commission supports the suggestion of Court Street Director Wilson J. Schuerholz and strongly recommends that:

- the Division of Veterans Benefits (now at J.F.K.) and the V.A.O.C./Court Street be provided the low rise portion of the J.F.K. while maintaining accommodations for the National Service organizations — above all that an Outpatient Clinic facility remain operational in Downtown Boston.

Stress Ward Program

With regard to V.A.M.C. services, the pilot program (7-Upper) stress ward at Northampton, Massachusetts ranks second only to Operation Outreach. This program enjoys the support of the entire Vietnam veteran community of this Commonwealth and has the full support of this Commission. We were pleased to testify to this effect before the Subcommittee for Health and Hospitals (Representative Bob Edgar-Chairman) of the Committee on Veterans Affairs of the 98th Congress. In our opinion there is no question that such a program is warranted. This Commission recommends:

- that the pilot stress ward program be expanded to all V.A.M.C. facilities in Massachusetts and across the nation.

V.A.M.C. - Jamaica Plain

The Veterans Administration Medical Center at Jamaica Plain has provided services to the veterans of this Commonwealth for well over thirty years. Currently, the facility is desperately in need of renovation or replacement. This Commission agrees with others that the facility should be replaced; this avenue would be much less expensive and can be completed in less than half the time that renovations would require. Our understanding is that the Office of Construction initially approved the concept of a replacement facility and that a site location team will be activated in the near future. The Commission fully supports this decision.

We would be remiss if we did not mention a second and much more generic concern in connection with all Veterans Administration Medical Centers. This is more programmatic in nature and touches very real quality of life issue -- geriatric care. The Veterans Administration has proposed a fourfold treatment program attack here -- geriatric day care, respite care, a hospital and home based care program, and an improved mental health services program with regard to access and after care. Now the immediate point is that there exist some fears that these programs will be blessed by Congress in the press but denied the *additional funds* necessary to bring them into full effect.

Now this Commission in its role as a voice for the Vietnam veterans notes that the Vietnam veterans of the Commonwealth of Massachusetts desire that everyone clearly understand -- that the *Vietnam veterans support their older generation -- their fathers and their*

uncles of WWII and Korea. The Vietnam veterans of this Commonwealth and (speaking for them) this Commission desires to see additional funding for all Veterans Administration programs. This Commission recommends:

- that the funds for the replacement of the Jamaica Plain V.A.M.C. be appropriated and that the plans go forward over the next year.
- that the Veterans Administration initiatives having to do with geriatric programs such as Adult Day Care, Respite Care, and Mental Hygiene receive the appropriate emphasis and funding.

Operation Outreach

No program is of more crucial importance to the Vietnam veterans in this commonwealth or in this nation than the V.A. Outreach Program. This is the only federal program that has successfully serviced the "hard to reach" Vietnam veteran. We attribute its success to the autonomous community based, storefront mode of operation, with its informal one on one and small peer group methods of counseling, and to the delivery concept operationalized — i.e., that the large majority of staff are professional and/or highly trained Vietnam veterans who, in short, know the score.

This Commission cares to inform the Chief Administrator of the Veterans Administration, the entire Veterans Affairs Committee, and all others that the *performance of the four V.A. Outreach teams here in Massachusetts has been nothing less than outstanding.* All of these men and women have been a credit to that program, this Commonwealth, and to all the Vietnam veterans.

This Commission takes pride in the small role we played here in Massachusetts through our Congressional Delegation with regard to the passage of federal legislation *HR2920*, which incorporated provisions of *HR2323(1443)* and *HR1137* and 1) extended the life of the Operation Outreach program three additional years and provided that the Veterans Administration form an advisory committee on women veterans.

We are thankful for the extension of Operation Outreach, but must note that expansion is also necessary. This Commission has been proud to advocate on behalf of this program on several occasions and recommends:

- that this program be *expanded threefold* across the nation and

that the outreach teams be provided with more *autonomy* to work in the area of criminal justice and discharge upgrade.

VETERANS SERVICES — CITY OF BOSTON

Two points should be briefly made with regard to the city's Veterans Services. First and most obviously, it should be noted that as a consequence of the passage of proposition 2½ the cut-backs in the Veterans Services in the City of Boston have been particularly severe. They have lost approximately 75% of their personnel and this has made it virtually impossible to maintain the necessary level of services. Secondly, the characteristics of the population are changing. There are two distinct populations, i.e., that of the World War II veterans with their increasing geriatric health care needs and the "hard to reach" Vietnam veteran population for which an extensive outreach and assistance program must be developed. The Commission strongly recommends:

- that the incoming administration of Mayor Elect Flynn allocate sufficient resources for the Commissioner of Veterans Services of Boston to initiate and maintain these new programs.

The Abrams School Project

This Commission cares to commend the Vietnam Veterans Association of Boston and the City of Boston for their exceptionally cooperative efforts in this project.

Through the cooperation of the Boston City Council, the Boston Office of Veterans Services, and the Neighborhood Development Association of Roslindale, the Vietnam Veterans Association of Boston was enabled to obtain the abandoned facility of the Abrams School, 100 Maylar Road, Roslindale, for the purpose of opening and maintaining a multi-service center serving Vietnam veterans and the community at large.

One hundred twenty thousand dollars from Community Block Grant Funds has been set aside for renovation of the facility which will house offices for the Paralyzed Veterans of America, National Spinal Cord Injury Foundation, the Blinded Veterans of America, Home, Inc., and other groups. Still, with projected costs of \$350,000 much work remains to be done, and it is hoped that both public and private foundations will continue to support this effort.

This Commission would like to make special notice of certain individuals whose names have become synonymous with the

project, particularly John Kelly, George Driscoll, Michael King, and Thomas Materazzo, Commissioner of Veterans Services for the City of Boston, and of course, John Halachis, State Commissioner of Veterans Services.

The Commission recommends that:

- **THE INCOMING ADMINISTRATION GIVE SERIOUS CONSIDERATION TO EXPLORING ANY AND EVERY POSSIBILITY FOR FUNDING THIS PROJECT.**

VIETNAM VETERANS LEADERSHIP PROGRAM

One of the most important special programs developed in the last two years at the federal level has been the Vietnam Veterans Leadership Program. The principal focus of this program has been to develop employment opportunities for Vietnam veterans and improve the distorted public image.

Here in Massachusetts the V.V.L.P. has played an integral role in developing awareness and in resolving problems. The program currently has over 120 volunteers from across the Commonwealth. Thus far the V.V.L.P. in Massachusetts:

- 1) performed seventeen *direct career placements* for Vietnam veterans;
- 2) has advocated and developed over 300 employment opportunities in the public and private sector;
- 3) has established linkages with all existing public and private programs providing assistance for veterans;
- 4) is working closely with the O.C.V.S. to develop a successful F.J.T.P.A. Title IV program;
- 5) is sponsoring a series of five information seminars for Vietnam veterans across the Commonwealth in connection with S.B.A. business loans, VA home loans, and other SBA and VA services;
- 6) has designed and begun implementing a media awareness seminar for public consumption concerning the past, present, and *future* contributions of Vietnam veterans.

This Commission has been pleased to work with and advocate for the V.V.L.P. here in Massachusetts. It is the belief of the entire Commission that in the immediate sense it is performing a vital "second state" to the initial readjustment work of the Outreach Program in terms of providing career placement for Vietnam veterans motivated to re-enter society. Secondly, it is performing

1983.]

SENATE.— No. 2307.

50

a crucial leadership function for the Vietnam veteran community in this Commonwealth. Finally, it is the opinion of the majority of this Commission, including the Chairman, Senator Francis D. Doris, and the Executive Director, that the V.V.L.P. efforts are working to help Vietnam veterans take their rightful leadership role in society. This Commission strongly recommends that:

- the Vietnam Veterans Leadership Program receive continued funding by the federal government for at least an additional two years. Should this not be forthcoming, that the Commonwealth design, fund, and implement a similar program or find a mechanism to match federal funding.

Minority Concerns: Blacks/Hispanics/Women

In January 1983 a large number of the leadership of the minority veteran community met with the Commission Chairman, Senator Francis Doris, to discuss the needs of the Vietnam veteran community of color. This Commission agreed with their position and collectively it was determined that the text of the Interim Report adequately expressed the history of the Vietnam soldier and veteran of color. Therefore, it was decided that the Interim Report text would remain intact. Other points of interest and recommendations follow its reintroduction here in this Final Report.

At the outset it should be noted that the overall character of race relations within the United States Military in Southeast Asia followed those racial experiences which unfolded in American society. The time lag (approximately two years) can be explained by reference to the "closed society" or isolated nature universal to any military structure. It is suggested here, that in this framework the racial experience of the American soldier in Vietnam constituted an intensified microcosm of the Homecoming experience. It is felt this parallel holds in terms of both structure and process — from Homefront to Battlefield to Homefront.

While never utopian, race relations between Black and White soldiers had developed to at least tolerable levels in the early 1960's. This held through the early war years; then Vietnam was viewed as an adventure rather than the quagmire it became.

Youth, bravado, and the inevitable comradeship which develops under fire worked to counter or at least defuse most of the existing racial tension. Yet, as with virtually every issue or factor pertaining to our engagement in Vietnam, race relations within our military deteriorated as the war wore on. By the early 1970's, the hostility became even lethal, and spread throughout our military. There were a multitude of causes for all this, and no listing of specific factors would suffice as explanation. The overall cumulative external military and political situation exerted such crushing pressure on the American soldiers toward the end that it is quite surprising that racial conflict was not worse than it was. Further, it has been remarked that it was a credit to soldiers of Vietnam and the United States Military that they could withdraw under such pressing external circumstances and remain intact as a military force.

The factors immediately impacting upon the Black soldier of Vietnam and the consequent "Homecoming" are briefly outlined for this Final Report in terms of the induction phenomenon, the military experience, the discharge process, and the "Homecoming" paradox.

In terms of the induction process, project 100,000 is of particular importance here. It constituted a policy of the United States government whereby the military test entrance score requirements were relaxed. The ostensible operating rationale was that such a policy would move the proportionate armed services Black/minority population up from 8% to 11% and thus reflect the overall composition of our society. Further, it was advanced that such a draft formula would work to allow nominally deprived inner city youth to enter service, acquire positive social skills, earn veteran status, obtain the appropriate benefits, and advance in terms of upward social mobility. Of course, all this should be placed in relief against the landscape of the "Great Society" urban programs with their remedial accent on the minority family structure.

Yet this benevolent test score discrimination failed to operate beyond induction. Consequently, when in service, virtually all were assigned combat military occupational specialties. Few translatable skills were to be found. As military men of color, generally faced more obstacles to promotion, those identified as project 100,000 participants were routinely by-passed unless

amazingly exceptional. Also, the "100,000" soldier was generally barred from re-enlistment; for all practical purposes they were coded to fail.

It is generally agreed that all the disparities and problems of Vietnam became readily apparent after TET 1968. Racial conflict within our military was no exception. The military response was severe. In 1971 the Congressional Black Caucus noted that half of all soldiers in military stockade were Black.

In 1970 the change in draft laws left the college student unprotected; this condition superimposed upon a national loss of purpose, and anxiety over the cumulative casualty toll. The administrative response was the program of Vietnamization and a step-up in the air war; ground troops became "obsolete". As troop withdrawal began, the "rear areas" in Vietnam became extremely tense. Facing an explosive and exploding personnel situation the military employed a streamlined administrative discharge procedure, which left many soldiers with "bad papers".

The paradox and tragedy of the Homecoming for the veteran of color consisted in this — the most racially integrated community they ever experienced was filled with violence and despair. Like all veterans they returned to a negative economic situation, without skills; further, those with "bad papers," were denied benefits altogether. The positive privilege and benefits of veterans status was not forthcoming; more shocking, they returned to the segregated community they left, now in ashes, unorganized — a Vietnam at Home.

Several studies reflect the consequences of this on the minority veteran. Seventy percent of Black Vietnam veterans returned home with one or more adjustment problems such as alcohol/substance abuse, nervous/psychological problems and the like. Eighty-three percent who did so still suffer. According to the same source, the figures are 59% for Caucasians.

With an unemployment rate in the high twenty percentile and no opportunities, reliance on other than legal opportunities was inevitable as the criminal justice system intervention which followed in turn. The cycle of disenfranchisement from benefits, alienation, and rejection has hit all veterans to be sure; yet, it would be remiss not to acknowledge the intensity and extent to which these negative effects have hit the minority veteran.

This Commission held a public hearing in the minority community, at the Harriet Tubman House/Boston on May 11, 1982. At that hearing, all the minority veterans who testified were very outspoken with regard to the lack of services. In their opinion, services to the minority community are characterized by a delivery system both insensitive and unresponsive to their problems and needs. Several examples of racial discrimination in employment within the essential service sector, i.e., city worker, fire, and police were presented to this Commission. One case of severe racial violence within the Boston Police Department was cited.

Since the Interim Report, two significant gains have occurred. First, the Roxbury Vietnam Veterans Outreach Center is on its way to becoming a reality. This year through the Office of the Commissioner of Veterans Services, by way of the advocacy of this Commission, \$20,000 "seed" monies were made available to the minority veteran community in order to help facilitate the development of a Vietnam Veterans Outreach Center specifically geared to minority veterans. It is the consensus of this Commission that such a center is essential to even begin assistance programs for the "hard to reach" Vietnam veterans. It is our hope that this center, only in the planning stages now, will be able to become a reality and growing concern in the next year and beyond. It is estimated that a nothing less than a fully operational community based treatment center is necessary to successfully attack the problems of the minority veteran community.

Secondly, the Commission is proud to convey to everyone that many efforts to create positive change in the minority Vietnam veteran community are coming from that community at large. In the Commonwealth of Massachusetts three minority Vietnam veteran organizations have emerged and have started working together. It is encouraging to note that they have developed strong lines of communication with each other, and are developing collective strategies and tactics among themselves (and with other Vietnam community based organizations) for the resolution of the issue areas at hand.

One of the most exciting developments coming out of the minority Vietnam veteran coalition has been the formation of a working ad hoc committee to facilitate the organization of a non-profit minority Vietnam Veteran Economic Development Cor-

poration. As a non-profit, they would be eligible to receive technical assistance from state, federal, and private entities. As a grant recipient, they could focus on the networking of opportunities and services for the minority communities of Boston, Springfield, and New Bedford areas. This Commission applauds these efforts.

Based on input from the minority community, the Commission notes the following problems and makes the following recommendations:

- That the minority Vietnam Veterans Outreach Program receive full funding (\$60,000) from the Office of the Commissioner of Veterans Services for the coming Fiscal Year and that additional funding be made available through various mechanisms in order to firmly establish the Roxbury Vietnam Veterans Center which goes beyond the full funding intentions of the O.C.V.S.
- That access to the system be provided through special outreach efforts. These should include the mandatory prioritizing and recruiting of minority veteran community service agencies as vendors to administer the delivery of various community services, as established in the Federal Block Grant programs. *Such* Vietnam veteran groups should be directly involved in veterans program design, implementation, and administration under the F.J.T.P.A. in their service delivery area. Further, funding mechanisms for Vietnam Veterans Outreach Services should be developed to assist with problems of stress, discharge, trade, skills development, etc.
- That funding be made available through O.C.V.S. and the cities and towns with significant minority population for a special study on the status of minority Vietnam veterans. Further, it is the strong suggestion of this Commission that such a study be complimented by the minority Vietnam Veterans Community based organizations themselves vis-a-vis a grant allocation process. Only this method will insure significant participation.
- It should be noted that problems exist as to the accuracy of information potential clients receive when applying for benefits from local veterans service agents. Also administrative or legislative action should be taken to clarify

or repeal the "indebtedness provision" -- VS20A -- agreement to reimburse in the case of retroactive payment from another source. As is, too much arbitrary discretion is left to the local veterans service agent.

- That the Office of Personnel Administration assemble a statistical profile on minority veterans so as to provide comparative analysis of hiring patterns among state agencies for all segments of the population in both civil service and non-civil service employment. This should include a comparison of minority Vietnam veteran hiring accomplished under affirmative action as against veterans preference.
- That the incoming Mayor of the City of Boston develop a funding mechanism and target monies for the development of an adult occupational training program for minority veterans. As a designated community school, the Hubert Humphrey Occupational Center of Roxbury is both ideally located and superbly tailored to implement such a project.
- That special programs for minority veterans be implemented within the university, state, and community college system of the Commonwealth. Upward Bound style programs should be established at Roxbury Community College, U-Mass, and Springfield Technical Institute.

The Hispanic veterans community is certainly larger elsewhere than in Massachusetts. To our knowledge no accurate data as to the actual number of Hispanic Vietnam veterans residing in Massachusetts exists. They comprised only .2% of our profile study. Obviously, extraordinary outreach measures are needed as with other members of the minority veteran community. This Commission was aware of the existence of cultural and specifically potential or real linguistic problems and fortunately through our Executive Secretary Mrs. Carmen Colon was able to handle these situations on the few occasions that they occurred.

Obviously, other veteran organizations in Massachusetts and other states could better address the needs of the Hispanic community. Unfortunately, we are only able, and are pleased to offer a word of encouragement for that community in passing -- may it successfully organize and pursue its agenda. This Commission makes the following recommendations with this regard:

- That an information brochure be developed which identifies the existing benefits available and clearly outlines the necessary procedures the veteran is to follow. Such brochure(s) should be culturally orientated, i.e., targeted for the particular community at hand — Black, Hispanic, Cape Verdean, and Women.
- That the Veterans Administration and other state administrations increase their bilingual staff.

It was unfortunate that in connection with the issues of concern to the women veteran community, this Commission could gather very little information. None of the women who testified before this Commission at the public or special informational hearing sessions identified themselves as a veteran. The one piece of correspondence we received came from the Women Veterans Information Network (WVIN) one link of which is located at Northampton, Massachusetts.

It is the position of W.V.I.N. network that women have been totally ignored by the mainstream veteran community and certainly this has been the case. They, like all other veterans, are concerned about the same issue areas, and in the sense that they constitute a minority population among veterans, they, like the racial/ethnic and cultural minorities have suffered a "double" neglect. First, they have been forgotten and secondly, if and when remembered, discriminated against.

By far the greatest specific area of concern involves the issue area of governmental services. On one hand, there is the problem of awareness and discrimination and on the other, there is a dire lack of service delivery capability. This has been specifically the case with the Veterans Administration. As noted elsewhere, this situation of poor service to the Vietnam veterans is changing across the board. The passage of HR2920 (which included the essentials of HR1137) provides that the Veterans Administration form an advocacy committee on women veterans within the VA. This Commission assumes that the Veterans Administration will pay serious attention to their recommendations. As for our position, this Commission takes cognizance of the concerns of the women veterans as expressed by the Women Veterans Information Network and cares to make the following recommendations:

- that the Veterans Administration hire more women veterans as veteran counselors;
- construct an awareness campaign for all current employees as to situation and needs of women veterans.
- **"PTSD"**: Women are not included in PTSD studies to date. It must be emphasized that combat is not the only cause of PTSD among military members. State and local agencies who may be faced with a client population that include PTSD victims should screen women for veterans status. An effort should be made by Vet Centers to have operational hours and daycare referrals that will enable working women, single parents, and women veterans with children to utilize these facilities.
- **"Government Services"**: The Veterans Administration does not maintain sufficient data on women veterans who use its services. V.A. Health Care does not address the needs of the growing female veteran population: Lack of OB/GYN facilities; PTSD wards closed to women; lack of information on access to V.A. paid civilian doctors; lack of sensitivity on part of V.A. personnel in regards to women veterans.
- Veterans' service officers, employment, and educational counselors are generally ignorant of the needs of women veterans and frequently alienate women from the pursuit of their entitled benefits.

The Commission cares to thank the following for their assistance on this issue:

Ron Armstead, Ralph Cooper, Donald L. Jernigan, David S. Peters.

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SENATE -- No. 2307.

67

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Education

In the Commission Interim Report, this Commission noted several facts. First, it was pointed out that the question of educational attainment for the Vietnam veteran was a controversial topic. That is, on one hand, the Veterans Administration feels that it has met its obligation to the Vietnam veteran in a most satisfactory manner. On the other hand, others contend that this is not the case at all; the argument of the critics has usually taken two forms. One tack involves a critique of the funding allocations and nuts and bolts procedural methods, while the other adapts a conceptual critique, i.e., that the Veterans Administration is behind the times (as are other institutions) in terms of the changing educational needs of the population.

The first line of argument plays on the theme of Veterans Administration inefficiency; the critics here work in references to VA bureaucratic insensitivity. In response the Veterans Administration points to their statistical data which indicate that Vietnam veterans have higher rates of GI Bill use and real educational level attainment than their WWII counterparts. This line of attack and form of response constituted the vortex of the Vietnam veterans educational issue during the early to mid 1970's. In fact it was the basis of rationale for the old HEW/Veterans Cost of Instruction Program.

The second line of argument is much more generic in nature. Here the principal theme is that of changing educational needs for the future. The argument is directly tied to questions of the cost effectiveness, the increasing specialization of professional knowledge, and the needs of growth industries and the roles they should play in the field of higher education. Accordingly, the Veterans Administration is just another institution, in fact "less guilty" than others since it merely dispenses benefits and for the most part readily adapts the prevalent national attitude toward higher education. The Veterans Administration program then is dismissed as being archaic in scope. The thrust of the argument is that the monies would be better utilized elsewhere, i.e., that the province of veterans education would presumably be better handled by another agency.

It is the opinion of this Commission that the first line of argument is not now relevant if in fact accurate to begin with. That is, ob-

vously, the history of the Veterans Administration's response to the Vietnam veterans with regard to the disbursal of educational benefits is rife with horror stories. Yet, by and long, the Veterans Administration more or less successfully delivered hundreds of millions of dollars in benefits to certainly more than several million Vietnam/Vietnam Era veterans, over the last fifteen years. As for the second line of thought, it, too, is viewed by this Commission basically unwarranted. The fact is that any veteran (presuming eligibility) wishing to enroll in any state approved program or institution of learning can receive Veterans Administration educational benefits. Procedures for VA benefits approval are basically straightforward. Frankly, this Commission questions the backstage motive of all those blue ribbon panels, task forces, commissions, and the like which recommend the shifting of Veterans Administration program proprieties over the other bureaucratic jurisdictions.

The focus of this Commission with regard to the issue of education was to examine the needs of the Vietnam veterans in the Commonwealth. The members of the Commission felt that these needs were articulated quite well at the eight public hearings and that the problem was not so complicated as to require special informational testimony from a panel of experts. However, as the Commission progressed in its research, other more general educational themes became apparent which, though separate from the needs of individual veterans, were directly related to the interests of Vietnam veterans. It may do to proceed by discussing the educational needs of Vietnam veterans, then to move to these other related matters, and finally close with our recommendations.

As mentioned in our Interim Report, educational (academic, technical, vocational) needs have substantially changed in our society, especially during the last decade. Naturally, these needs are inextricably related to the changing employment picture. For example, even ten years ago advanced degrees in the liberal arts almost guaranteed employment in the teaching and other related fields; obviously, this is no longer so. The educational/training skills required for technical professions were acquired in a "hands on as developed" atmosphere, though as those fields expanded, appropriate courses of training were established to meet demands. Finally, over the last decade, it has become in-

creasingly difficult to enter the vocational trades. This trend is increasing with the advancing deindustrialization of America. Massachusetts has been spared compared to other states, but this is little consolation to those veterans or others affected by plant and shipyard layoffs and closings.

To point out the obvious, an informational based society requires its citizens to possess multiple skills which require more technical and specialized formal training. Thus the educational needs, especially for those not economically established in an employment sector, increased accordingly. Transferable multiple skills are important to survive cutbacks and layoffs in the blue collar world; in the technical fields formal training and constant skills improvement is necessary to adapt to innovation; while advanced specialized degrees are ever more necessary to enter the white collar professions. The response totals to the question ... "Last grade of school completed"... reveal the following.

Last Grade of School Completed

Grade School	1.4
Some High School	3.4
High School	18.3
Tech/Voc School	6.5
GED	5.4
Some College	18.7
2 Yr. College	16.3
College	18.1
Grad. School	11.0

Receive Educational Benefits from the V.A.

Yes	66.7
No	33.3

It must be kept in mind that those Vietnam/Vietnam Era veterans most in need — the hard to reach veteran — in all probability did not respond or perhaps have even the opportunity to respond to this questionnaire. Yet, from among those who did respond, the figures (low percentage with technical/vocational training and the high percentage for those with some but less than two years of college) are revealing.

Problems of Delimiting Dates

Again, as noted in our Interim Report, thousands of Vietnam veterans experienced a long period of disenchantment and

1988.]

SENATE -- No. 2307.

71

alienation upon arriving home. Ten and fifteen years later they have lost federal eligibility because of delimiting dates. We care to note that there are several pieces of federal legislation currently pending to address this problem. HR1326 and HR328 would abolish the delimiting date requirements altogether, while HR2204 would provide for extension, moving the delimiting date up to 20 years. In view of the changing educational and training needs of the present and future, this Commission sees no clear rationale justifying continuation of delimiting dates. If not one of the former bills (HR1326 or HR328) then certainly the latter (HR2204) should be passed.

This problem of delimiting dates was recognized by the General Court of Massachusetts some time ago. It is hoped that the brief overview presented here will provide encouragement for other states and the Congress.

In 1966 Chapter 601 was enacted which provided an original 10 years for Vietnam veterans at the state institutions of higher education. In 1977 this was amended to fifteen years in Chapter 842; in 1981 Chapter 804 the delimiting date was pushed to twenty years. Yet, in our hearings we discovered that many Vietnam veterans married and working who were attending evening and part time classes were not provided for. A board of regents memo of 1977 and later enactments of 1980 to provide for the part time and/or evening student have had a history of neglect.

This Commission received testimony (with appropriate documentation) to this effect in March of 1982; further, the numerous calls from Vietnam/Vietnam Era veterans during our year and half of operation reinforced this testimony.

To rectify all of this, pertinent legislation was proposed by our Chairman Senator Francis D. Doris of Revere. This came out of committee as S2156 and passed; it provides that Vietnam veterans may attend part time and/or evening classes at state post secondary institutions without charge. Further, the Chairman of this Commission will be proposing an extension to twenty-five years during the next legislative year.

It may now do to turn to another, much broader aspect of "education" which is of vital concern to many Vietnam veterans, particularly in a collective sense. That is, this Commission has been informed and is obviously aware and very concerned about the recent phenomenon of the last few years nominally described

as the new Vietnam scholarship. In fact this Commission notes that nothing less than the control of the history of the Vietnam Decade is at stake. We acknowledge everyone's right to their view in this debate and care not to take sides, especially where there exists weighty ideological assumptions and positions. However, what we are very concerned with is the very limited access Vietnam veterans have to this debate. Other than chronicles documenting this or that event, there is in fact little input. In short the Vietnam Decade, and more immediately the Vietnam veterans, have become a source of intellectual capital for others serving as voiceless pawns justifying academic and social policy positions. This is a very complex problem broad in scope, long in range, heavy with implications.

This Commission is proud to note that now opportunity exists in the Commonwealth of Massachusetts to provide a balance and countervailing force to all this. We are referring here to two programs currently in existence at the University of Massachusetts/Harbor Campus — the Veterans Upward Bound program and the William Joiner Center. Both deserve special mention.

The Upward Bound program has had an excellent track record for over ten years. Many of its students have matriculated into the undergraduate program while others joined the work force. Approximately 150 veterans per year are served by this program. In fact from October 1, 1982 to September 30, 1983, 150 students were involved; of this, 133 were deemed low income, and nearly 30% were of the minority community. Of all of these, 73% were placed in post secondary training. This exemplary record was possible in part because of the support services provided which have included reading clinics, tutorial support, and counseling. Altogether, the average student experiences 19 class hours and up to 6 counseling hours per week. A figure which surpasses that provided the average college student.

This Commission compliments all those involved with the recent establishment of the William Joiner Center at the Harbor Campus of the University of Massachusetts. This is the first institution established to specifically examine the Vietnam Decade and its aftermath from all points of view and with regard to all possible implications. Most importantly, and especially with regard to the aftermath of the war and impact of the Homecoming as it relates to the Vietnam veterans, it not only is providing for, but also seek-

ing out the input of Vietnam veterans from various and appropriate professional fields.

Given all these considerations, this Commission makes the following recommendations:

- That an emulation of the Upward Bound Program be undertaken by the Commonwealth with the establishment of pilot programs regionally across the Commonwealth. Again, the emphasis here is G.E.D. preparation, developmental skill courses, remedial/fundamental, reading, mathematics, social studies. Further, this basic skills program be fortified with intensive counseling educational advocacy.
- That in the University of Massachusetts/Boston budget request for the next fiscal year include a line item for the William Joiner Center and that the appropriation (if not already) be at least \$250,000. Sufficient seed monies are required for the Center to establish itself as a national forum.
- That the General Court be supportive of the delimiting date extension for educational benefits at state institutions, and that they be extended to twenty-five years.
- That our Congressional Delegation and the Vietnam veterans caucus in the Congress all work to pass HR1326 or HR328 or HR2204 (the former two eliminate the time period, the latter extends benefits to 20 years) or insure that an adequate amendment accomplishing this retroactively is added to the current GI Bill before the Congress HR1400.

The Commission cares to thank the following for their assistance on this issue:

Paul Atwood, Kay Shea, Richard Stahl, Daniel Whitcher.

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Employment

No staple issue area is of more importance to Vietnam veterans than that of employment. As this Commission has intimated or directly pointed out in its Interim Report, and in the numerous pieces of outgoing correspondence, the employment situation for Vietnam veterans has never been adequately addressed. A wide range of circumstances have contributed to this. The most relevant of these included a declining economic situation, a hostile and discriminatory social climate, an indifferent political/administrative system, and an abuse of the requisite skill levels on the part of the veteran. In spite of all these adverse factors, a large majority of the Vietnam veterans survived and some have done exceedingly well.

As the Public Hearing sessions proceeded, it was noticed that all the veterans testifying before the Commission, when addressing the topic of employment, not only cast the issue in various shades of light but also made threads of connection to other issue areas. It became apparent that a Special Informational Hearing would be required to even begin sorting out the numerous problems impacting the issue area of employment. As noted elsewhere in this report, the hearing was held on March 25, 1983. Discussion focused on state and federal civil service and problems relevant to access and outreach needs; also particular attention was given to the Federal Job Training Partnership Act. As a result of this hearing and subsequent and continued research and investigation, it became obvious that there existed a number of sub-topics all of which required con-

sideration. These include the question of statistics, the implementation problems of the Federal Job Training Partnership Act, and the Veterans Emergency Employment Act, the difficulties surrounding state and federal civil service employment, with special attention focused on the postal service, small business and small business programs at state and federal level, and, of course, the need for private sector involvement. It may be best to proceed with discussion of each of these topics and conclude with the Commission recommendations.

STATISTICS

The lack of accurate statistical data constitutes one of the principal difficulties in assessing the position Vietnam veterans occupy with respect to any issue area. This is particularly the case in the area of employment. The fact is that there really exist no accurate statistics at the state and local level for applicant groups.

The national unemployment statistics are gathered through the Household Survey conducted by the Bureau of Labor Statistics and this is fine for assessing national percentages. However, these statistics are not translated geographically. The Labor Market Information pertaining to unemployment rates for standard Metropolitan Statistical Areas is not broken down to applicant groups. Further, it should be understood that unemployment rates for SMSAs are different from what is the case in any city or town — because the population mix is so different. All this has *very real implications* here for all applicant groups including veterans. The effect on the F.J.T.P.A. is just one example — it would be the case for all block grant funding disbursement. Thus, assessments of the universal need could be way off target; all this data is based on various extrapolations from 1980 census.

Again, with respect to the F.J.T.P.A., unemployment rates differ from labor force participation. That is, looking at the Planning Data for Massachusetts and Associated SDA's 1984 (and the publications for the geographic areas in the state — recently published by DES/DMD — job market research) we notice that the sources are used in an eclectic fashion, and interestingly enough the ratios are *consistently skewed* in one direction yet we venture that if one looked at numbers and rates according to the SMSA, the picture would turn 180°. The point is that there are a number of applicant groups and *all* are hurt by this statistical vacuum — because

an accurate demographic picture for applicant groups which would assist them in proposals/grants, etc., is unavailable. All these groups need to develop or work up the proportions, percentages, and ratios for their geographic area for any particular month. Given this situation, the Commission offers the following recommendations:

- that the Bureau of Labor Statistics develop a standard method for determining the unemployment rates for all applicant groups, including veterans, which can be easily applied to any geographic area — region, state, SMSAs, city, or town;
- that the Massachusetts Division of Employment Security and the Massachusetts Department of Manpower and Development update and improve the 1970 Massachusetts Labor Market Information on Veterans Report.

CIVIL SERVICE

In connection to *federal civil service*, there are two most important points to note. First, is simply to acknowledge the need to keep the important factor of veteran preference, and secondly, to point out the significance of the Vietnam Veterans Readjustment Act.

1) It should be recognized that at the federal level, civil service as such, has been reorganized under the Office of Personnel Management; that entity sets the policy and has oversight in hiring and personnel practices in all federal agencies. There exists such a number of applicants and so many agencies, departments, etc., that it has become virtually impossible to maintain any effective and current job or applicant bank.

At the federal level perhaps the most important item to mention here is the importance of the Standard Form SF171. For all practical purposes, this form serves as an application, examination, and resume. One cannot be hired without it. It behooves all to have several copies on file to submit when and where appropriate.

2) All should recognize the importance of the Vietnam Veteran Readjustment Act. Passed in the mid 1970's, the act provides considerable advantage for Vietnam veterans at the entry levels of federal service. For those over 30% disabled, examination is not necessary. Also it provides for training at these entry levels so that the veteran in question may become well qualified, secure permanent status, and advance. Now the principal problem here is one of visibility. It is the opinion of this Commission that few Vietnam

veterans are aware of this program and an even lesser number grasp all the implications and avenues it provides.

3) Further, it has come to our attention that the Office of Personnel Management desires to dilute or even eliminate veterans preference by implementing new procedures. This Commission recognizes veterans preference as a cornerstone of our nation's commitment to its veterans. Fortunately, two bills have been introduced in Congress to prevent this. We understand that HR2449 would specifically prohibit O.P.M. from implementing procedures detrimental to veterans; HR828/829 are similar though apparently more specific in that they would prohibit the contracting out of jobs held by veterans.

Given this situation, this Commission recommends that:

- our Congressional delegation do all it can to insure passage of HR 2249 and/or the companion bills HR828/829;
- that the Office of Personnel Management be more cognizant of the patriotic sacrifices veterans have made, reverse their position, and finally, provide the Veterans Readjustment Act program with higher visibility, especially in connection with job announcements.

At the *state level*, the problem of Civil Service in the Commonwealth of Massachusetts was perhaps best described by one Vietnam veteran pundit as a legislative version of a massive topiary garden. When members of this Commission met with the Personnel Administrator last year to discuss problems with the new Civil Service Reform Act of 1981, he then indicated that the law as written was basically unadministrable. Indeed Section 28 is in direct conflict with that of Section 29, and has been used to circumvent veteran preference.

Yet this is nothing new; veteran preference has been neglected in some sectors of state employment for a number of years. The problem of the lack of veteran awareness as to the procedures and pitfalls of filing for civil service employment is only surpassed by this misinformation and lack of follow through on the part of various hiring administrators.

In short there are too many holes or gaps in the civil service policy implementation; these must be closed. This was the consensus of those experts who testified before this Commission in our Special Information Hearing on Employment with regard to Civil Service Problems. According to expert testimony at the hearing, there are six major problems — we list them here with solutions deemed appropriate

PROBLEMS

- 1) The veteran interest card must be filled out with specific job title to be at all valid. Even when veterans know this, exact job titles have not always been made available.
- 2) Chapter 31, Section 26 of the Commonwealth Civil Service Law, requires agencies to contact the Veterans' Coordinators (who manage the veterans register) and obtain from them a list of veterans and then mail to their house opportunities that they have in their agency. Frequently, a number of agencies do not recall names, or if they do, they do not follow through.
- 3) There exists no monitoring procedure with regard to Civil Service Laws; for the most part appointments are routinely approved.
- 4) We have found that Vietnam veterans who apply for positions in state agencies are

SOLUTIONS

- 1) The Personnel Administration must make the list of authorized position titles available to Veterans' Services Officers, DES personnel, and veterans in general in order to assist veterans to properly file for vacant positions.
- 2) That the Civil Service Commission urge the Commonwealth and Personnel Administrator to issue a directive instructing all personnel officers, not authorities, but personnel officers, as the person accountable within the state agency to see that there is procedural follow through and that they be required to submit a statement under oath concerning compliance with Chapter 31, Section 26 of the Civil Service Law, and this statement be attached to all recommendations for appointment.
- 3) Before approving appointments, the Department of Personnel Administration should verify with the appropriate veterans coordinator that the agency in question has called for names and that a compliance certification statement be attached to the application.
- 4) The Department of Personnel Administration in conjunction with the Affirmative Action

often not welcome and in fact given less than adequate information.

officer develop a recruitment and assistance program for Vietnam Era veterans in all agencies and that sign off procedures be instituted which insure that the law has been complied with. Also that the Affirmative Action officers in state agencies be charged with the responsibility to inform Vietnam/Vietnam Era veterans of their rights under the law, as they would with any group designated by law as deserving of Affirmative Action.

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| <p>5) The Department of Personnel Administration frequently exempts positions from compliance Civil Service Law, for expediency or efficiency in government; these exemptions are frequently given with no expiration date.</p> <p>6) Civil Service Enforcement Rights for Vietnam veterans in this Commonwealth are virtually non-existent.</p> | <p>5) It should be established that a list of all these exempt positions with expiration dates be provided and that these positions return to Chapter 31 unless specifically extended; and that Vietnam/Vietnam Era veterans continue to be given priority.</p> <p>6) The veterans coordinator must be given authority to collect data on the status of Vietnam/Vietnam Era veterans in public civil service.</p> |
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Vietnam Veterans Readjustment Act of 1979 allowed Vietnam veterans to take the police services civil service test (state and municipal) up to the age of 35. The Act has expired and Vietnam veterans between the age of 32 and 35 are now excluded. The Registry of Police qualifications allows applicants to take the civil service examination up to age 35. If a veteran is on a current police services list, he can be appointed to a full position up to age 35.

The Commission would like to make the following recommendations:

- that the legislature reinstate the Vietnam Veterans Readjust-

- ment Act (1979) and raise the age limit upward;
- that modification to the Police Services Promotional Examination which currently gives two point bonus to their scores be more equitable by developing a system which differentiates between disabled veterans and non-veterans.

With regard to civil service, the profile survey conducted by this Commission indicated that:

- 1) 44.0% of the respondents have taken a Civil Service exam, 36.2% of the respondents have had their names placed on a civil service list and 23.1% have been hired to a civil service job.
- 2) 58.1% of those who were hired served in Vietnam between 1965 and 1971; 81.9% of those hired to civil service jobs currently work for the federal government; 29.4% for state government; and 11.2% for local government.
- 3) 33.8% of those respondents over 49 have or had been employed in a civil service job. All other age groups were within a statistical margin of error.
- 4) In terms of race 60.4% Blacks took the exam, 49.4% were placed on a list and 32.9% were hired but again, only 1% of the survey respondents were Black and the percentage was even smaller for Hispanic. For White the corresponding percentages are 43.8/36.1/22.9%.
- 5) Thus 3811 equals N or the total number of respondents who at one time held a civil service position, out of that 2,786 still hold a civil service position at the federal, state, or local level out of 16,636 respondents.

POST OFFICE

It is unfortunate that this Commission finds it necessary to single out any particular agency. However, as we pointed out in our Interim Report, under the issue area of employment and with regard to federal civil service employment, by far the most complaints and/or inquiries made to this Commission involved the Postal Service.

This Commission has advocated in behalf of Vietnam veterans with regard to the Postal Service on several occasions and in fact met with Postmaster Mr. Phillip Sullivan of the Boston General Mail Facility in connection with all of this. It had been hoped by all that a more comprehensive meeting could have been arranged during the lifetime of this Commission; unfortunately, with no party at fault, this was not possible.

The Commission is fully aware that there exists a problem here which necessarily eludes a simple solution. On one hand, (especially with regard to the G.M.F.) there are millions of pieces to move; while in rural areas the situation is obviously different. Automation represents another problem, the method of management another. Frankly, we were unable to find any one particular factor to be resolved. For example, it is our understanding that:

- 1) there is a very real problem with ordinary sick leave and that which has service connection;
- 2) further, postal authorities have rejected Vietnam veterans certified as employable by the Veterans Administration;
- 3) there exists an absence of veterans on the Equal Employment Opportunity board despite the large veteran population;
- 4) also a problem exists with regard to casual labor — apparently, few veterans are hired — also casual labor is used for entry level career positions in the L.S.M. (letter-sorting machine) area;
- 5) there is no real counseling program for P.T.S.D., no liaison position to coordinate with the V.A.;
- 6) the affirmative action guidelines for Vietnam veterans are not operative, also an obviously slow promotion rate exists;
- 7) above all there is certainly a problem of *attitude and awareness*.

We are, of course, sure that it is not one-sided, but hasten to add that this Commission advocates for Vietnam veterans. Our original intention was to list a series of recommendations point by point; however, we felt that our level of information was inadequate. Therefore, it was realized that given the very problematic situation here, that this Commission had no choice but to *strongly recommend that:*

- THE SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION (REP. MICKEY LELAND, CHAIRMAN) OF THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE HOLD HEARINGS HERE IN MASSACHUSETTS ON THIS ENTIRE MATTER.

SMALL BUSINESS CONCERNS

In both the Public Hearings and the Special Informational Hearings on Employment concern was expressed with regard to Small Business opportunities. Only 5.2% or 823 of the respondents of the Commission survey applied to the Small Business Administration for assistance; 35.6% or 293 of these applicants had received the assistance sought. A further breakdown shows that 11.0% of Black

respondents applied with 30.3% receiving the aid. (It should be mentioned that the relationship of these percentages and figures to any definite time span is *unknown*.)

It may do to discuss the situation by commenting on the initial and base level difficulty — that of definition, and following this note the situation at the federal and state level.

That there exists an unwieldy definition for what constitutes small business is beyond doubt. For example, this has been commented on a number of times, most recently at the White House Conference on Small Business (1980) and in the report, *The State of Small Business* (March 1982, in accordance with Public Law 96-302). For the purpose at hand, it is particularly noteworthy to mention the 7 fold typology of small business ranging from a family enterprise employing 0-4 people through various categories employing 5-19/20-49, etc., up to that enterprise employing 500 or fewer (the formal SBA definition). This wide scope of definition has given rise to the problem of access to capital.

The cost of entry small business is easily in the vicinity of 100-200 thousand dollars and higher. Currently, the standard rule of thumb is that the applicant secure 20% of the start up costs, i.e., \$20,000-\$40,000. For Vietnam veterans, this represents an almost insurmountable barrier.

Yet, federal and state programs are not tooled to size; often only the large-small firms are kept in mind. An ancillary problem here is level of expertise. That is, there exists no lack of ambition or good ideas; rather the problem is one of scope and level of professional knowledge. On one hand, there is simply little incentive for the banking industry to bother. On the other, those same institutions are wary of lending to the uneducated; that is the applicant is unknowledgeable about the system and unaware of the need to develop a comprehensive plan or business package.

Federal Level

It should be known to all that the "Special Consideration for Veterans" amendment (PL93-237/1971) of the Small Business Act lay dormant for virtually seven years. As a result of a Congressional Hearing on this matter in the spring of 1981, a special task force was organized by the Chief Council for Advocacy of the S.B.A.; one year later twenty-nine recommendations constituted an extensive outreach program to facilitate the entry of Vietnam veterans in small business. This Commission compliments the S.B.A. on this

effort in general and cares to note the extra efforts taken in this district by the S.B.A. Veterans Representative—William Littlefield.

State Level

At the state level, certainly the Department of Commerce and Development is the principal state agency charged with the role of advocacy for small business in the Commonwealth. In addition, there exists a number of quasi state agencies; such as the Massachusetts Industrial Finance Agency, Massachusetts Technical Development Corporation, the Community Development Finance Corporation, etc., all part of the state incentive package to business. However, the focus of these entities is a healthy, mature, expanding business. In terms of providing capital stimulus the minimum loan would be \$250,000, and are now virtually unheard of. Thus, the bottom line here again is the most small businesses are too small to qualify. The Commission recognizes the need for a Commission to study the state of Small Business in Massachusetts and recommends that:

- the provisions of H884 which would establish an interagency committee on veterans in business be kept intact in committee bill H3212 and passed.

SOMBA

The Massachusetts State Office of Minority Business Assistance (SOMBA) is one of twenty-one state and federally funded agencies in the country. In a general sense, SOMBA along with the Office of Affirmative Action and the Massachusetts Commission Against Discrimination represents the governmental services arm for the minority community. SOMBA provides an outreach service seeking small business opportunities in accordance with the spirit of Chapter 521 of the Acts of 1975, and Chapter 579 of the Acts of 1980 and to a degree reflect federal efforts mandated in legislation such as PL9550. Also, SOMBA does follow through with respect to compliance. In short SOMBA tries to insure that the legislated 5% set aside of expenditures from the Division of Capital Planning go to minority owned businesses.

With regard to all of this several independent vectors have come into play. (1) With the imminent implementation of Executive Order 227 as amended on November 10, 1983, Vietnam veterans came under the affirmative action umbrella as a prioritized group. As mentioned elsewhere, implementation research is now taking shape. (2) With regard to effective implementation, there may be

problems with regard to SOMBA due to the fact that the federal funding sector allocation will be terminated at the end of the calendar year; thus, there is anticipated a staff services short fall. (3) Finally, another systematic governmental services problem exists in that like the SBA and at the state level with Commerce and Development, the focus on small business is almost exclusively placed on firms already solidly established. In effect those fledgling businesses in need of the most assistance are often frozen out; it was from this sector of the small business community that Vietnam veterans in general and minority Vietnam veterans in particular voiced their concern to this Commission.

With regard to this matter, the Commission cares to point out and recommend that:

- to insure Vietnam veterans and especially minority Vietnam veterans are serviced; Chapters 521 of the Acts of 1975 and Chapter 579 of the Acts of 1980 be amended to: (1) formally add Vietnam veterans to the SOMBA legislation including Vietnam veterans as an applicant group, and (2) that the Vietnam veterans category be added to insure at least 20% of the 5% set aside for small business is provided for businesses owned by Vietnam veterans;
- the Massachusetts Small Business Development Centers assign one individual at each of these centers with a liaison task for the Vietnam veteran community.

This Commission noted throughout its existence that the overall problem for Vietnam veterans has been one of lack of participation in the system. (This has been in part a problem of self alienation but no less also a consequence of societal rejection.) The fact that it has taken seven, almost eight years for the S.B.A. to begin to address the problem substantiates this latter statement. Further, we care to note that this is not to single out the S.B.A., but rather represents the situation with regard to governmental services in general at both the federal and state levels.

It comes to this: while the veteran possesses the experience, has the motivation, and is now viewed by others in a more favorable light, he lacks the resources. In effect Vietnam veterans, averaging thirty-five years of age, are just getting started.

The Commission cares to make the following recommendations:

- that the outreach efforts of the S.B.A. at the national and district levels continue in full force and that the veterans business

resource councils soon to organize immediately embark on an extensive awareness campaign of outreach efforts;

- that the S.B.A. revise its formula so as to lower the equity requirement for Vietnam veteran applicant. This Commission agrees with others that a "tandem loan program" should be developed. A formula which included 40% SBA direct loan, 50% bank involvement with SBA guarantee and first position and 10% from the Vietnam veteran applicant, would work to give the veteran a fighting chance.
- the Department of Commerce as the principal state agency responsible for the marketing of programs with the Small Business Development Centers develop a well advertised outreach package tailored to address the start-up problems associated with small business;
- some mechanism must be developed to provide for those in need of start-up capital. The legislature should reconsider the notion of a "small business bank" exclusively geared to produce the under \$200,000 loans.

AFFIRMATIVE ACTION

One of the efforts this Commission had undertaken to redress the employment problem among Vietnam veterans was to establish affirmative action status for Vietnam veterans in the Commonwealth of Massachusetts. This would provide coverage for Vietnam veterans in the non-civil service sector of state employment. In addition, it was assumed that this would provide a double coverage for minority veterans.

In the closing moments of the prior administration, Executive Order #224 was signed by Governor King. However, implementation became problematic; under the new administration that Executive Order was sent to the Office of the Attorney General for clarification.

Over the following months, the question of Affirmative Action was discussed by this Commission and by those in the Vietnam veteran community with the Office of Affirmative Action for the Commonwealth. We were all informed then that Governor Dukakis would be signing an affirmative action order around Veterans Day. He did so on November 10, 1983.

It was anticipated early on that the principal remaining difficulty would be the problem of implementation. To address this ques-

tion an Ad Hoc Coordinating group, and later a more formal advisory committee to the Office of Affirmative Action were developed during the late summer and early fall. Currently, it is the understanding of this Commission that the Office of Affirmative Action will be hiring a Vietnam veteran to research the question of implementation.

It may do to note that this individual faces a problem of statistical information; as mentioned above, there exists no accurate picture of the numbers involved. Here as well then, exists evidence of need for the Division of Employment Security to conduct a comprehensive statistical study on the employment picture for Vietnam veterans. The Commission recommends that:

- prior to filling any position in public service by promotion or appointment of a new employee, a vacancy announcement must be provided to Equal Employment Opportunity offices for monitoring of staffing and recruitment;
- all position vacancy announcements must be approved and signed off by organization EEO officer;
- all position announcements must contain name, title, and phone number of EEO officer to permit job applicants to contact them if they wish;
- all organization EEO officers must contact the Veterans Register at the Department of Personnel Administration as part of their affirmative action recruitment efforts.

FEDERAL JOB TRAINING PARTNERSHIP ACT

One of the most important federal programs of potential impact for Vietnam veterans of Massachusetts is the Federal Job Training Partnership Act. This Commission has spent considerable time following the implementation process of F.J.T.P.A. in the Commonwealth. Over 10 pertinent letters and documents have come to the attention of this Commission in connection with F.J.T.P.A., there are others as well. There have been a number of hearings and much discussion on this matter. With regard to all of this, the Commission cares to voice the following concerns:

- 1) That the F.J.T.P.A. has strong resemblances to CETA; the short falls of which should be already known. For example, a 1979 Job Market Research Service/Division of Employment Security publication noted that in Massachusetts under CETA Title VI only 4.4% of the participants were Vietnam Era veterans. The peridential mandate of that time was 35% Viet-

nam Era veterans participation under Title VI. Further, of all those employed, only 460 were actually "picked up" after the training period.

- 2) Statewide Council and SDA/PIC composition does not include sufficient Vietnam veterans or other non-veteran such as CAP agencies, SOMBA, or youth community based organizational input. Currently, only two of 15 Private Industry Councils include Vietnam veteran representation.
- 3) The legal/working relationships (line of authority and control) among the vendors, PIC, and the statewide council as outlined in the state plan are unclear.
- 4) That it is concerned over program accountability and evaluation. The Commission commends the Governor for establishing a Task Force for veterans in this area. Yet all those appointed are uncertain of the role of such a task force. Will it have access to all vital information; may it have monitoring function? This is essential if such a task force is to accurately assess quality of the delivery of F.J.T.P.A. and other block grant program services to Vietnam veterans.

As noted in our letters (1) to Representative Barney Frank of April 22, 1983, and (2) to the Commonwealth of Massachusetts Joint Legislative Committee on Federal Financial Aid of August 8, 1983 — this Commission cares to note:

- 1) The Joint Legislative Committee on Federal Financial Assistance has not approved the state plan as of this date because of lack of pertinent data.
- 2) Where there has been no Vietnam veteran input and questionable input by other community based organizations this quality of SDAs and the Statewide Council remains a question mark. And recommends that there be:

- careful monitoring of the administration of the F.J.T.P.A. by the DOL, the General Court, and the Joint Legislative Committee on Federal Financial Assistance;
- guaranteed increased representation on the State Planning Council and Private Industry Councils for Vietnam veterans community based organizations;
- guaranteed access to block grant information for the Governor's Task Force.

**THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983
(E.V.J.T.A.)**

This federal program was just recently approved by Congress; program implementation is imminent; one hundred and fifty million has been earmarked for the next two fiscal years. Assuming that each employer will seek the maximum \$10,000 "matching training wage" or subsidy, this leaves a ball park figure of 15,000 positions. It targets the Vietnam veteran who is among the hard core unemployed.

This Commission has some concern with regard to implementation and reservations in connection with some of the eligibility requirements.

- 1) There are apt to be double ended outreach problems. On one hand, a good educational effort may well be needed to bring employees on board; on the other, the target veteran has to be informed. This Commission agrees with others that the DOL/VES and the V.V.L.P. offices work together at the employer end while the Veterans Outreach Centers (those official VA and the private community based operations such as Fitchburg); Division of Employment Security officer, as well as local Veterans Services Agents, all be charged with the responsibility to outreach the unemployed veterans.
- 2) This Commission also is in full agreement with those who point to the eligibility requirements, i.e., that the veteran must be unemployed 15 weeks. This penalizes the underemployed veteran who has taken even the most menial job to make ends meet. In fact it penalizes one for having strong work ethic, and in effect rewards any who stayed out of the labor market or worked for "under the table" wages. This Commission strongly recommends that the Veterans Administration and the Department of Labor reconsider this entire line of thinking; perhaps reducing the number of weeks unemployed from half the projected jobs and eliminating their requirement altogether for the remaining number.

This Commission cares to thank the following individuals for their assistance on all topics pertaining to the issue area of Employment:

Kevin Bowen, Frank A. Cahill, Rep. William Constantino, Ralph Cooper, Thomas Dalley, Richard Ducey, James Ferguson, Richard Fowler, Charles B. Harris, Cleotha Jackson, Donald Levesque, William Littlefield, David Marchand, Robert Moakley,

Kenneth Rand, Scott Rine, Phillip Sullivan, and a special thanks to Paul Reade.

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Housing

The concern for adequate housing was repeatedly brought up in testimony during the Public Hearing series. As noted in the *Final Report*, such testimony took on three basic forms. First and foremost, the problem in housing was connected directly to unemployment/underemployment and inflation. The rising cost of rental housing has placed many units out of reach. Secondly, it was noted that Vietnam veterans never had the advantage of the old state Chapter 200 program, which was of tremendous benefit for the WWII and Korean veterans. Chapter 200 had fallen into disuse by the early 1960's and was merged with other programs. Third, it was pointed out that there existed problems with the GI Bill Home Loan Program. It was alleged that many lending institutions were not interested in participating.

In addition to the above, the Commission found that there existed no data as to the extent of home ownership among Vietnam/Vietnam Era veterans in the Commonwealth. Given the importance of this staple issue, a decision was made to include a section on housing in our profile survey study, and to hold a Special Informational Hearing as well, while simultaneously seeking the involvement of various state and federal agencies, in addition to obtaining input from the Vietnam veteran community.

The following highlights the profile survey data on housing:

71.1% of all respondents own their own home. However, the figure is only 48.8% for Black veterans as compared to 71.5% for their White counterparts. Further, as expected, ownership was directly correlated with income. 21.0% rent, while 8.8% live with their family. 96.5% of those who own their home have sought some type of mortgage. 96.3% of those who sought a mortgage obtained one.

7.9% of all respondents felt discriminated against when applying for a mortgage simply because they were veterans. 75.5% of all respondents were aware of their eligibility for a V.A. Mortgage Loan. 40.6% sought or applied for a G.I. Home Loan. 16.7% received that loan.

Tandem to this is assistance awareness. That is, while 40.6% were aware of a G.I. Home Loan Guarantee program (only 16.7% were recipients), only 20.8% were aware of the Farmers Home Loan. Further, the figure fell to under 15% for awareness of all other (state and federal) housing.

Again, this Commission cares to note that our survey was never received by the "hard to reach Vietnam veterans". Thus, the total percentage of those that own housing is in all probability lower, especially in connection with the minority community veteran.

Further, we have no knowledge nor could we find any hard data on the homeless veteran population in Massachusetts. The profile of the homeless in Massachusetts published April 23, 1983, by the Office of Human Resources cites no figures on veterans. It is estimated that perhaps as many as 10 to 15% of Operation Outreach Boston's clients may be homeless.

In more general terms and relative to this, the Commission is concerned about the number of foreclosures on GI Home Loans. Though this is not a particularly acute situation here in Massachusetts, it has come to our attention that in more economically distressed areas of the country, there have been a considerable number of foreclosures. We care about these veterans as well and bring to the attention of readers the pending federal legislation HR2948. This bill would authorize the Chief Administrator of Veterans Affairs to provide mortgage assistance to veterans with the GI Home Loan Guarantee so as to avoid foreclosure.

Most of the Commission information on the problems in housing come directly from information gathered at our Special Informational Hearing on June 30, 1983. Testimony included data from city, state, federal, and private sector. Naturally, we heard a good deal in terms of the available existing programs. However, for the purpose at hand, we care to outline a few of the most striking points.

- 1) While there are several interesting programs available through HUD, none of these target Vietnam veterans as a population. Yet, it was indicated that the allocation of funds are in part based on interest.
- 2) Only four cities in Massachusetts participated in the Urban Homesteading Program — Boston, Springfield, Haverhill and Lawrence. The total dollar figure for all four cities here is abysmally low. That is under Section 810 (to purchase vacant buildings) only \$80,000; for Section 312 (for rehabilitation) only \$500,000.
- 3) Chapter 200 (Massachusetts) originally enacted in 1948 was diluted over the years. This included the transfer of monies to other program accounts. Currently, preference exists but it had

become obsolete, skewed in favor of the older generation of veterans no longer in need. In addition, much of this housing stock is now thirty years old and some of this is inhabitable. Also, it can be said (given statutory changes) that the Vietnam veteran has been "bumped" from his inheritance of veterans preferential position. Given the low vacancy rates in the habitable public housing stock, he is virtually excluded.

- 4) It was noted at several points in the Hearing that few banks participate in the GI Home Loan Program. For example, only one institution provided for VA mortgages in all of Franklin County. Further, it was claimed that at the time (of the Hearing) no lending institutions were handling VA mortgages in Hampshire County.

Explanation here points to a few principal problems:

- 1) Awareness — most lending institutions are apparently uninformed of what is involved in participating in the VA Mortgage Program.
- 2) Lending rates — it was intimated that the variance between mortgage rates was such that there existed a "profitability" factor.
- 3) The point system — that is the VA permits a one percent loan origination fee for the mortgage company. As a result, the seller accrues the points outstanding. The two avenues to surmount this consist of raising the original purchase price or for the veteran to assume them personally and privately. In either case the veteran "eats" the points.

To summarize the overall situation, there appears to be three key problems facing Vietnam veterans with respect to the housing issue. First, there is obviously an information gap. On one hand, Vietnam veterans are little aware of existing programs in housing. On the other, lending institutions are misinformed about the VA Loan Guarantee program or totally unaware of it. Secondly, there is a problem of prioritization. Practically speaking, Vietnam veterans have lost their position in public housing over the years and were never included in new state housing programs of the 1970's. This is apparently also the situation at the federal level vis-a-vis HUD. Third, there is a problem of finance. The minimum entitlement for the VA (currently \$27,500 or 60 percent of the loan amount which ever is less) seems in fact to be becoming obsolete

given the dramatic changes taking place in housing values. In addition, new methods of financing the housing market have come into existence. The Veterans Administration understandably has a wait and see attitude. Nonetheless, the situation has changed and Vietnam veterans have come to disadvantage; they end up paying the points.

Since the Commission hearing on housing, one important development has taken place. That is; the advocacy and pressure exerted by this Commission, principally through the efforts of our Chairman, Senator Francis D. Doris, our Vice-Chairman Representative Thomas J. Valley, and other interested parties from the General Court, the administrative sector, and the Vietnam veteran community — resulted in successfully securing 18 million of the remaining 37 million in the Commonwealth's mortgage bonding issue. This Commission, the Office of the Commissioner of Veterans Services, and others held meetings with administrative officials of the Executive Office of Communities and Development and from the Massachusetts Housing Financing Agency. The upshot of this was the development and implementation of a housing lottery program during the week of Veterans' Day. Over four thousand Vietnam veterans applied. This provided low interest mortgages for approximately 300 Vietnam veterans in this Commonwealth. With the need clearly established, this Commission through its Chairman, has continued to work for a 50 million allocation out of next year's new bonding package.

This Commission supports the following recommendations:

- that the Veterans Administration Loan Guarantee officer work to develop a comprehensive educational and outreach program directed at the lending institutions;
- that a study be conducted to determine the extent to which Chapter 200 housing facilities can be salvaged (as opposed to being demolished under Chapter 881) and that a modernization fund be appropriated;
- that a preference for Vietnam veterans be established for 30% of all existing and planned units of Chapter 705 housing;
- that there be established a set aside for Vietnam veterans in Chapter 707 (rental assistance);
- develop a pilot congregate housing project for veterans in the vicinity of VAMCs.

- that a pilot program for congregate housing for Vietnam veterans near VAMCs be established with monies for Chapter 689 (handicapped housing);
- that a 50 million dollar housing bond package be developed for Vietnam veterans and administered by MHFA (Massachusetts Housing Financing Agency) in a lottery fashion as was done in November 1983.
- through our Congressional Delegation recommend the passage of federal legislation HR2948, which authorizes the Administration of Veterans Affairs to provide Mortgage assistance to veterans (with G.I. Home Loan) threatened with foreclosure.

FUEL ASSISTANCE

In 1982 the Commission testified before the Joint Legislative Committee on Federal Financial Aid of the Commonwealth of Massachusetts responsible for all block grant procedure. At that hearing we brought to their attention the plight of the Vietnam veteran community vis-a-vis the under and unemployment situation. There, also, we specifically mentioned the multiple problems experienced by the "hard to reach" Vietnam veterans.

Following this, and through the efforts of our Chairman, a conference meeting was arranged with administrators from the Executive Office of Communities and Development in connection with the Community Services and Fuel Assistance Block Grants. Consequently, this Commission addressed the Fuel Assistance Operators across the Commonwealth, and suggested methods with which they could outreach Vietnam veterans in the Commonwealth. It is our understanding that prioritization for Vietnam veterans is again part of the current state plan. We commend the Chief Executive and that office and all the local entities for their annual commitment to this program.

The Commission cares to thank the following for their assistance on this issue:

Vito Amor 'll, David Baker, John Blake, Joseph Flatley, Vincent E. Hayes, Jr., Michael McReaken, John Murphy, Marvin Siflinger, and a special thanks to Robert Carlsen and William Martin.

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Vietnam Veterans in the Criminal Justice System

This Commission is pleased to note that in the Commonwealth of Massachusetts a number of efforts to develop and initiate a well

constructed comprehensive criminal justice program for Vietnam veterans involved with the Commonwealth's criminal justice system have come to fruition. This has been possible only because of the involvement and dedication of so many individuals from the Vietnam veteran community and from within the Criminal Justice System. This Commission is proud to have been part of this comprehensive effort. For the purposes of this report, it is perhaps best to proceed by first presenting a brief history, to discuss the efforts of this Commission, and to comment upon the superb efforts of the Veterans Administration Operation Outreach/Boston and officials from the Department of Corrections.

Before proceeding, this Commission cares to let all readers be assured that this Commission is in no way interested in underestimating the seriousness of the offenses these men have committed. Obviously, the nature and scope of such criminal justice problems constitute a complicated and sensitive issue area which can be only carefully addressed. The Commission is interested in and supports only those programs developed from a careful, reasoned, and coordinated approach.

As this Commission noted in its Interim Report, the phenomenon of Vietnam veterans becoming involved as subjects of criminal justice systems across the United States is a tragic legacy that many would rather ignore. There exist several pieces of documentation which indicate that nationally, approximately 20% of the male population at state and federal institutions for the last 10-15 years is comprised of Vietnam veterans. The figures for Massachusetts have not been verified over all these years, but recent studies by the Department of Corrections put the total military veteran population at various MICs at 15%. This figure does not include those who may be at County facilities. There is no knowledge of how this may translate to total numbers, percentages, and the like, and perhaps little in the way of knowledge of types of crimes. The most important development over the last few years consists in the finding that the impact of Post Traumatic Stress Disorder may be closely related to the motivating factors of a majority of offenses committed by Vietnam veterans. This Commission is of the opinion that there is great validity in this research and in the contention of the linkage to criminal activity.

Beginning in 1976 an Ad Hoc Committee formed to discuss the phenomenon of the incarcerated Vietnam veteran. This little group

included a (then) parole board member, a Vietnam veteran, two professors from Boston College, and a half way house director. From that group, a study design was initiated and later reworked and implemented. This was the first study on incarcerated veterans in Massachusetts.

One of the principal consequences developed from this was that a new parole board policy of early review for special consideration was initiated. Also, the Vietnam veterans coming out were targeted for job-mart outreach.

Over the next few years, more efforts were developing. In 1980 -- the Massachusetts Trying Together Coalition of the Office of Commissioner of Veterans Services for the Commonwealth of Massachusetts addressed this topic on two occasions; the COERS (Comprehensive Offenders Employment Resource System) and others became involved. During 1982, Governor Edward J. King became aware of the efforts in this area. He held meetings on several occasions lasting several hours each to help all concerned develop a proper approach. From these meetings, the various Ad Hoc Committees came together as the Advisory Committee on the Concerns of Incarcerated Vietnam Veterans. They were charged with developing a comprehensive plan bringing in all the relevant state agencies. It was all this history of work that set the stage (and here has been represented only the briefest sketch) for the work of the Department of Corrections and the Veterans Administration Operation Outreach.

The Commission saw its role as that of providing support and advocacy for all these efforts. We pursued this in two ways. First, we initiated a study on incarcerated veterans which would serve as a needs assessment for the Department of Corrections. Overcoming the inmates' wariness was not totally successful, and we fell short of achieving statistical significance in terms of acquiring enough responses. Nevertheless, the fact that we did this helped to develop rapport with various MCI superintendents and assure them that all of these developments were careful, reasonable, and positive in their scope.

Second, the Commission held a Special Informational Hearing to gather expert testimony from all those involved, each in their own specific area, all oriented to developing a comprehensive treatment program for Vietnam veterans in the Criminal Justice System. This was very successful in that it enabled all those involved to grasp the overall picture.

Now this Commission is proud to inform all of the excellent progress being made toward developing a comprehensive treatment program for Vietnam veterans at all stages in the criminal justice process — from arrest through corrections.

This fall the VA Operation Outreach Team, with assistance from the Department of Corrections, ran a P.T.S.D. seminar for an entire police department (Medford, Massachusetts). The focus concerned developing awareness of (1) the Vietnam veteran "on the street", and (2) the "double stress" of the Vietnam veteran police officer. Currently, a weekly stress management program is being designed for them.

Currently, the Outreach Teams, along with others from the Vietnam veteran community, are interviewing in behalf of Vietnam veterans coming before the court. This has occurred within the district and municipal system and at the superior court as well — across the Commonwealth. At virtually every stage from arrest to sentencing (conference, probable cause, arraignment, pre-trial, trial, and sentencing) they have provided expert testimony in connection with individual military and psychological backgrounds and recommended treatment alternatives at trial and sentencing. In addition, a program is being instituted to educate judges and juries as to the nature and relevance of P.T.S.D.

In fact, the first formalized alternative sentencing program for Vietnam veterans (where delayed stress was determined to be at play) was instituted in the Lynn District Court. The program inpatient/out-patient treatment as an alternative to incarceration. We understand that the Boston Municipal Court has endorsed the program and has developed plans for full implementation. Also the Outreach Centers and the Department of Legal Medicine have begun readjustment counseling for incarcerated veterans at state and county institutions on both an individual and peer group basis. Further, a training program for all corrections officers and staff is about to be implemented with respect to the area of P.T.S.D. and the special needs of incarcerated Vietnam veterans. Currently, the Commissioner of Corrections, the Commissioner of Veterans Services, and VA Outreach/Boston are negotiating with the Department of Mental Health to provide a *secure* hospital facility for exclusive treatment of incarcerated Vietnam veterans diagnosed with P.T.S.D.

Finally, the initial phase of a pilot project Mutual Agreement Pro-

gram about to be implemented. This will involve careful screening and selection for which 12-15 candidates for special consideration for a new treatment program, which among other things could provide for a possible early parole date eligibility. The Commission cares to make the following recommendations:

- that the police seminar program be expanded across the Commonwealth. The various chiefs of police should develop a seminar session for their departments; we further recommend that all major departments in the state consult with their local Outreach Center and develop a similar stress awareness program; as state mental health personnel become qualified in P.T.S.D. recognition on treatment, they can share the burden;
- that the Department of Mental Health together with the Department of Corrections reach an agreement in connection with providing a secure hospital setting for inmates diagnosed with P.T.S.D.;
- that the court diversion program be expanded to all courts in the Commonwealth and to other states and federal judicial bodies as well;
- the sanction of the Massachusetts Parole Board is crucial to the model prisoner program pilot project for Vietnam veterans vis-a-vis early parole consideration. The Commissioner of Corrections and the Governor should do all in their power to begin a dialogue with the Parole Board to insure their cooperation;
- that the booklets now being developed by the Vet Center/Boston and the Massachusetts Department of Corrections be distributed throughout the nation.
- that the Commonwealth require P.T.S.D. training for all mental health professionals involved in the Criminal Justice System, i.e., Corrections, Division of Legal Medicine, and Parole;
- that HR762 which would provide P.T.S.D. treatment for combat veterans referred by the court or incarcerated in state and county correctional facilities — be passed.
- that two bills currently to be proposed for the next legislative year concerning (1) an enabling act which provides for secure transfer of inmates to VA facilities, and (2) an act to provide for parole eligibility consideration for Vietnam veterans where P.T.S.D. was determined at play in the offense.

The Commission cares to thank the following for their assistance on this issue:

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Less Than Honorable Discharge

As noted in the Interim Report, the punishment and difficulty many veterans of the Vietnam conflict have suffered because of less than honorable discharges often far exceed the nature of their original infractions. Again, the Vietnam conflict was drastically different from that of nation's previous conflicts. It is still the impression of this Commission that the vast majority of these less than honorable discharges are held by those soldiers who fought late in the war, after 1969, when the entire war effort was beginning to collapse. For example, data on less than honorable discharge rates from the Department of Defense (DOD) indicates that up until 1969 the percentage of soldiers receiving less than honorable discharges from the Army was 5-7%, from the Navy was 6-8%, and from the Marines was 1-11%. Over the next four years, the percentage of soldiers receiving less than honorable increased — Army — 11%, Marines — 14%, (the Navy rate stayed around 7% but increased to 13% for 1975-1977).

There is literature which indicates that for many, the less than honorable discharge resulted from an inability to adjust to stateside reassignment for the few remaining months of service *after* their Vietnam service. The early release program employed by the Armed Forces was instituted because of this very problem, and therefore, automatically contained a built-in inequity.

The most recent *discharge upgrade rate* data from the Office of the Assistance Secretary of Defense indicates that there exists a significant difference among the various branches of service with respect to adjudication rates in favor of a discharge upgrade and that these percentages of discharge upgrades have dropped.

Branch	1981-82	
	Percentage of Application	
	Upgraded	1982-83
Navy/Marine Corps	21.3%	7.5%
Army	33.8%	16.5%
Air Force	28.5%	23.5%

Overall, we have the case where less than honorable discharge rates *shot up* in the late 1960s and 1970s and discharge upgrade rates *shot down* in the late 1970s and early 1980s.

For the edification of those members of the General Court and the administration totally unfamiliar with the military discharge

system and the discharge upgrade review process currently operative, the following outline may be instructive.

The United States military issues several types of discharges. Honorable, general under honorable conditions, and medical (for a host of reasons) contain no penalties; the recipient is entitled to the full range of benefits from the Veterans Administration. Of course, in some cases, medical conditions may inhibit employment; yet, even here there are a number of safeguards to insure against discrimination in employment, etc. The dishonorable discharge is the most severe negative sanction applicable; it requires a full Court Martial hearing procedures. The recipient is prohibited from acquiring any Veterans Administration benefits.

There exists a third category, the so called "grey area" discharges. These include the categories of "undesirable" and "bad conduct". These can require court martial or be administratively handled. The former procedure was/is time consuming, the latter much less so. In effect a kind of plea bargaining procedure operated whereby the soldier, young and uninformed as to the long term consequences, opted for the administrative avenue. Thus the vast majority of those veterans of the Vietnam Decade who hold less than honorable discharges, possess either the undesirable or the bad conduct type.

Currently, there exist two avenues which the veteran holding a less than honorable discharge, i.e., undesirable, bad conduct, or dishonorable, can pursue to secure a discharge upgrade. The veteran can apply to the Discharge Review Board (DRB) or the Board for Corrections of Military Records (BCMR). Each branch of the service has its own DRB and BCMR.

The DRB is authorized to upgrade the character of discharges and to change the reason for discharge. This procedure allows for record review only hearing, (2) personal appearance without counsel, or (3) personal appearance with counsel. The veteran can apply to the DRB if his/her discharge is less than fifteen years old or if the character of discharge is general, undesirable, or bad conduct from a *Special Courts Martial*.

The BCMR has broader authority; it can change the character of discharge or change the re-enlistment (spin) code. The BCMR hearings are usually based on a review of the existing military record and rarely grants requests for personal hearings. The veteran seeking a change in the quality of his discharge applies to the BCMR when the discharge is *older* than fifteen years or is a bad

conduct or dishonorable from the *General Courts Martial*. If a veteran has applied to a DRB but was denied, he/she can then apply to a BCMR. Further, there is a three year deadline from discharge or the last DRB decision in which one can file an application for an upgrade with BCMR, though this may be over looked if there is merit in the interests of justice.

The typical application for a discharge upgrade includes a statement of explanation as to the rationale for an upgrade. A brief or more detailed statement can be submitted with the application, or at a later time, but before the hearing. DRB hearings are held in the Washington, DC area. The DRB may and has scheduled traveling panels for a particular location where there are enough requests from that area for a traveling board. However, these have been few in number and are even less frequent now.

It must be recognized that the type of hearing the veteran has (records review, personal appearance, with or without counsel) is significantly correlated to the discharge upgrade rate. Data from the past two years demonstrates the marked advantage one has if he/she has a personal hearing. In 1981, 45.7% of applicants who appeared before the board for a personal hearing received an upgrade, while only 25.7% of those who had a records review or counsel only appearance were granted relief. Applicants who had a personal hearing in 1982-1983 again had a much better rate of receiving upgrades.

Obviously, the system of upgrading military discharges is governed by federal statutes and regulations; state legislators are limited in the ways they can affect the federal system. Yet, this Commission through the Congressional Delegation cares to make the following comments and recommendations:

- Since the cost of traveling to the Washington D.C. area precludes many veterans from exercising their right to have a personal appearance before the Discharge Review Board, and recognizing the fact that personal appearances by the applicant significantly affects the outcome of decision, this Commission recommends that the Discharge Review Board increase their frequency, the traveling panel schedules, and announce such appearances well in advance.
- That our Congressional Delegation (1) press the Department of Defense and (2) file legislation for an extension of the statute of limitations within which a veteran can apply to

both the Discharge Review Board and the Board for Corrections of Military Record.

- This Commission strongly recommends that here in Massachusetts the Office of the Commissioner of Veterans Services create a position for a military discharge specialist who will be responsible not only to handle individual cases, but also to form an advisory personnel, networking local veterans service agents, service officers from the established National and state organizations, and include personnel from Operation Outreach all in order to systematically approach this problem.
- That HR4254 be passed. This legislation would amend Title 10 U.S. code so as to eliminate the requirement that a request for correction of a military record be filed within 3 years after discovery of the error.
- This Commission implores the appropriate review boards and adjudication officers of the Veterans Administration to adopt a more lenient attitude in connection with approving application for benefits from those with bad conduct and undesirable discharges.

The Commission cares to thank the following for their assistance in this issue area:

Leslie Collins, Ed Dean, Edward Desimone, Paul Desmond, Phil Gavon, Richard Kimbell, Ron Lembo, Ed Peters, Ralf Woodward.

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**PART III.
CONCLUSION**

**SUMMARY OF
COMMISSION FINDINGS WITH
RECOMMENDATIONS**

ADMINISTRATIVE

As stated in the introduction, this Commission found it necessary to expand its scope so as to cover as many of the pertinent and interrelated issues of concern as possible. Again, there is no one lynch pin problem which if resolved would rectify the whole cluster of structural problems that face Vietnam veterans in the Commonwealth of Massachusetts or in this nation.

Rather than generalize, this Commission cares to summarize its findings and recommendations on an issue by issue basis. We do this with the explicit intention of again focusing attention on the full range of problems that remain to be resolved, and to provide a scorecard, or an agenda for action, against which the commitment of those who seek to implement the recommendations of this Commission may in the future be measured.

The following recommendations are presented in a compendium format. First, we will present our concerns with respect to the administrative steps to be pursued and secondly, address these same concerns in connection with pending legislation. In both instances we seek to separate those recommendations best handled at the state level from those which more obviously fall into the federal purview. Also for the sake of simplicity, this summary is additionally broken down by issue area as outlined in section two.

Agent Orange

Finding

VA screening exam inadequate and not standardized in VAMC system.

Recommendation

Accurate screening program designed and implemented throughout VAMC system.

Finding

VA not prepared for Cancer care.

Recommendation

VA start planning for increased cancer care capability.

Finding

Need exists for Agent Orange study in Commonwealth of Massachusetts.

Recommendation

That this study be carried out under the auspices of the Office of the Commissioner of Veterans Services.

POW/MIA**Finding**

Issue visibility is essential for the POW/MIA agenda.

Recommendation

That the POW/MIA awareness campaign continue and include:

- 1) proclamation by the Governor on July 20, 1984;
- 2) cities and towns "adopt" a Massachusetts POW/MIA servicemen;
- 3) veterans organizations encourage citizen letter writing campaign.

P.T.S.D. (State)**Finding**

Substance abuse directly related to P.T.S.D.

Recommendation

That prioritization for Vietnam veterans continue in mental health portion of the Alcohol, Drug Abuse, and Mental Health Service Block Grant.

Finding

There exists little awareness about P.T.S.D. among mental health specialists.

Recommendation

That all appropriate state, local, and community agencies develop and conduct a symposium series on P.T.S.D.

P.T.S.D. (Federal)**Finding**

P.T.S.D. cut across the entire Vietnam veteran population; Operation Outreach best mode of service delivery.

Recommendation

The VA expand Operation Outreach threefold.

Finding

P.T.S.D. stress ward program immensely needed.

Recommendation

That VA Division of Medicine and Surgery establish program implementation throughout the VAMC systems as rapidly as possible.

Governmental Services (State)**Finding**

Vietnam veterans are unaware of the governmental services available to them.

Recommendations

The Governor issue a directive for all the secretariats, agencies, and departments to develop an outreach program for Vietnam veterans in the Commonwealth.

Finding

The problems confronting the Vietnam veterans are immensely complicated and interrelated; any administrative effort will require considerable resources and coordination from one central focal point.

Recommendation

The Office of the Commissioner of Veterans Services be raised to secretariat status.

Finding

Several new projects of concern to Vietnam veterans must begin immediately

Recommendation

The Office of the Commissioner of Veterans Services:

- 1) fund a profile study specifically geared to the "hard to reach" Vietnam veteran population;
- 2) continue and fully fund the Fitchburg and Roxbury Outreach Programs and expand the state outreach center effort to Cape Cod, Merrimack Valley, and to Berkshire County;
- 3) that the O.C.V.S. be the administrative arm with oversight powers for all Title IV Part C to be initiated and maintained over the F.J.P.T.A. lifetime in cooperation with the participating service delivery area vendors and subgrantees;
- 4) conduct the Agent Orange Study.

Governmental Services (Federal)**Finding**

The VA Outpatient Clinic at Court Street is an absolutely essential service for all veterans in metropolitan Boston.

Recommendation

The Division of Veterans Benefits (now at J.F.K.) and the V.A.O.C./Court Street be provided the low rise portion of the J.F.K. while maintaining accommodations for the National Service organization — above all that an Outpatient Clinic facility remain operational in Downtown Boston.

Finding

The VAMC at Jamaica Plain, Massachusetts is in disrepair.

Recommendation

That the VA Office of Construction follow through as is currently understood.

Finding

There exists an immediate and growing need for geriatric care capabilities.

Recommendation

The Congress must approve the level of funding necessary to fully implement these programs **without cuts** in other sectors of the VA system.

Finding

Need exists to expand Operation Outreach programatically.

Recommendation

Vet Centers must keep storefront mode of operation and be given more autonomy for advocacy aid intervention in areas where there is need.

Finding

The need for a P.T.S.D. "stress ward" program is unquestionable.

Recommendation

VAMC implement this program as rapidly as possible.

Finding

The Vietnam Veterans Leadership Program represents an invaluable program for veterans and the nation. Given only one year of operation and such spare funding, its incredible potential has only minutely been recognized.

Recommendation

Another two years of federal funding will be required before VVLP is solidly self sufficient.

Minority Concerns**Finding**

Lack of awareness of benefits and programs exist in the Minority veteran community.

Recommendation

An informational booklet be developed by OCVS which targets all Vietnam veteran communities.

Finding

Veterans Administration needs to be more responsible to Minority veteran communities.

Recommendation

VA increase their bilingual staff, hire more minorities and women when possible, and construct an awareness campaign to sensitize all to the needs of Minority veterans.

Finding

Need for VA to address the health care needs of women veterans.

Recommendation

The VA employ the recommendation of its advisory committee.

Finding

A fully operational community treatment/outreach center is a *must* for the Minority veterans community.

Recommendation

That OCVS insure that *full funding* be made available.

Finding

Minority veterans also have little access to the network of governmental services state and local.

Recommendation

Various CAP agencies and the FJTPA/PIC in Boston should include Minority veterans in the board composition.

Finding

There exists no accurate knowledge about the Minority veteran community in the Commonwealth.

Recommendation

Through OCVS a Minority veteran profile field research study be conducted.

Finding

There exists a need for occupational training.

Recommendation

That an adult occupational training and educational program for Minority veterans be established at the Hubert Humphrey Occupational Center/Roxbury and special programs be implemented throughout the state post secondary educational system.

Edu tion**Finding**

Need exists to expand the upward bound program across the state.

Recommendation

That the Board of Regents see to it that such programs are developed.

Finding

Funding is required for the William Joiner Center at U-Mass/Boston.

Recommendation

That the Chancellor provide a line item appropriation for the program in the next and all following budgets.

Employment (State)**Finding**

There exists need to outreach Vietnam veteran community seeking to engage in small business.

Recommendation

- 1) that Chapter 521 of 1975 and Chapter 579 of 1980 (Massachusetts) be amended to formally include Vietnam veterans as an applicant group and provide 20% of the 5% set aside go to Vietnam veterans;
- 2) the Department of Commerce develop and employ an outreach package geared to the Vietnam veteran community;
- 3) that the administration and General Court reconsider the notion of a "small business bank" for the "start ups" and truly small firms.

Finding

Labor Market information on veterans is outdated.

Recommendation

That the Division of Employment Security Job Market Research update and improve the 1979 report.

Finding

Civil service for veterans has been circumvented for several years now.

Recommendation

The Office of Personnel Administration implement the steps recommended by this Commission. (See Affirmative Action section and Governmental Services Section)

Finding

Qualified Vietnam veterans are being ruled ineligible for civil service lists, i.e., fire and police because of current age requirements.

Recommendation

Reinstatement of Vietnam Veterans Readjustment Act of 1979

with modification of age requirement upward.

Finding

Lack of outreach effort to unemployed veterans and lack of awareness of problems among employers.

Recommendation

That DOL/VES, VVLP, initiate outreach efforts into employer community while Outreach Centers, private community based offices, e.g., Fitchburg, DES officers and local Veterans Services agents be charged with outreach responsibilities among unemployed veterans.

Finding

Requirements of FJTPA eligibility (15 weeks unemployed) may preclude participation of those veterans most in need of FJTPA services.

Recommendation

That requirement of 15 weeks continuous unemployment be dropped for a significant portion of program (up to 50%) so as to allow veterans underemployed and working in menial jobs to upgrade skills.

Employment (Federal)

Finding

Vietnam veterans desiring to start small businesses lack information and capital.

Recommendation

That the SBA redouble its commitment and outreach efforts to Vietnam veterans and revise its equity requirement formula and develop a tandem loan program.

Finding

No clear picture exists concerning Vietnam veterans in state employment.

Recommendation

The Office of Affirmative Action implement its study and secure the cooperation of all EEO offices so as to carry out and monitor the implementation of the Executive Order.

Finding

There are no clear statistics determining unemployment rates for applicant groups.

Recommendation

The Bureau of Labor Statistics develop a standard method for

determining the unemployment rates for all applicant groups including veterans — that is, applicable to any geographic area.

Finding

The Office of Personnel Management is considering making changes detrimental to the veterans.

Recommendation

That OPM notably reverse its position but also provide the Veterans Readjustment Act with higher visibility especially in connection with employment announcements.

Finding

There exists a number of labor relation problems in the United States Postal Service adversely affecting Vietnam veterans.

Recommendation

That the subcommittee on Postal Personnel and Modernization of the House Committee on Post Office and Civil Service hold hearings here in Massachusetts on this entire matter.

Housing (State)**Finding**

Lack of priority status for veterans under Chapter 705 housing program.

Recommendation

That 30% of all existing and planned units of Chapter 705 housing be targeted for veterans preference.

Finding

Lack of Chapter 707 rental assistance to veterans.

Recommendation

Establish a set aside for Vietnam veterans under Chapter 707.

Finding

Need for congregate housing for disabled Vietnam veterans.

Recommendation

Development of a pilot congregate housing project for veterans in vicinity of VAMCs with monies from Chapter 689 (handicapped housing).

Finding

Difficulty encountered by Vietnam veterans in entering housing market.

Recommendation

Creation of 50 million dollar housing bond package for Viet-

1983.]

SENATE -- No. 2307.

117

nam veterans administered by MHFA in the same lottery fashion as done in 1983.

Housing (Federal)

Finding

Lack of assistance awareness in banking community.

Recommendation

VA Loan Guarantee officers develop outreach effort aimed at lending institutions.

Finding

Deterioration of available Chapter 200 housing facilities.

Recommendation

Initiation of a survey to determine salvage ability of Chapter 200 housing, and if feasible, the establishment of a modernization fund.

Criminal Justice

Finding

There exists a lack of awareness of the relationship which can hold between PTSD and involvement in the Criminal Justice System.

Recommendations

PTSD seminars be developed through the cooperation of Outreach Centers and local and state police departments across the Commonwealth.

Establishment of a secure hospital settling for inmates diagnosed with PTSD.

Expansion of the Court Diversion program.

Implementation of the pilot project (MAP) program for incarcerated Vietnam veterans.

That informational booklets being developed are distributed throughout the system.

That all mental health professionals working in the Criminal Justice System be required to take PTSD training.

Discharge Upgrade (State)

Finding

There is a lack of personnel specialists within the Office of the Commissioner of Veterans Services to handle discharge upgrade services.

Recommendation

That the Commissioner of Veterans Services designate a

member of his staff or Discharge Upgrade Specialist to ensure all appropriate services are offered affected veterans.

Discharge Upgrade (Federal)

Finding

Cost of travel precludes many veterans from exercising right to personal appearance before Discharge Review Board.

Recommendation

Discharge Review Board increase frequency of traveling panel schedule and announce this schedule well in advance.

Finding

Existence of statute of limitations creates unwarranted impediment to the entire appeal process.

Recommendation

DRB increase their statute of limitation to 25 years.

Finding

Overly stringent application of rules by review boards of Veterans Administration vis-a-vis benefits awards for those with bad conduct and undesirable discharges.

Recommendation

That the Veterans Administration provide a survey to generate data as to decision on applications for benefits by those with less than honorable discharges and that such data be provided to the appropriate subcommittee within the Veterans Affairs Committee for Review of Policy.

LEGISLATIVE

In terms of fulfilling its advocacy role, this Commission was very aware of the importance of recommending legislative solutions to the problems at hand, and of supporting that legislation proposed by others designed to do the same.

However, our Chairman, Senator Francis D. Doris, noted that a much more fundamental effort was required. The Commission needed to develop a mechanism to directly involve the Vietnam veteran organizations themselves in the legislative process. Our effort was to help them start out and continue long after our Commission dissolved. Thanks to the entire Congressional Delegation of Massachusetts, and particularly the Speaker of the House, the Honorable Thomas P. O'Neill, Jr., and to the leadership of our General Court, particularly Senate President, the Honorable William M. Bulger and the Speaker of the House the Honorable

Thomas W. McGee — this Commission feels that together we all have succeeded.

As a first step, this Commission was proud to advocate, along with others, for the passage of HR6731 (1982 legislative session) which provided permanent office space for the Vietnam veterans through the V.V.M.I. in the Statehouse. The Vietnam Veterans of Massachusetts, Incorporated (an umbrella organization for over twenty-two community based Vietnam veteran organizations across the Commonwealth) was established in 1981. Its purpose is to track and follow legislation which benefits the Vietnam veteran community at large.

As a second step, this Commission began discussions with James Ferguson, the Executive Assistant to Speaker O'Neill — both long time supporters of the veterans cause — to co-sponsor with the Speaker, a Conference on the Concerns of the Vietnam Veterans in Washington for the entire Congressional Delegation of Massachusetts. We did this in April 1982 and again in March 1983. Both conferences were most successful in introducing the Delegation and the leadership of the Vietnam veteran community to each other and in beginning what we are sure will be a long standing tradition of open dialogue.

One of the developments of the second annual meeting in 1983 was the establishment of the bi-monthly meetings between the leadership of the Vietnam veterans community of Massachusetts and staff members here in Massachusetts. At these meetings pertinent legislation or public law enactment are thoroughly discussed. This constitutes a very important effort, and the Commission cares to thank all those staff members of the Delegation for their assistance and cooperation.

Finally, we are proud to note that plans are already under way for the third annual conference in 1984. Replacing the Commission as a co-sponsor with the Speaker will be the Vietnam Era Veterans Association of Massachusetts and the legislative umbrella organization Vietnam Veterans of Massachusetts, Inc.

By way of observation, it may be noted that much of the success Vietnam veterans have achieved on the national level may be attributed to two facts. First and most obvious is the existence of the Veteran Affairs Committee which provides a single coherent and consultant channel for review of legislation affecting veterans. Whatever the shortcomings of this committee may be, its very ex-

istence assumes a focal point for both lobbying and redress of grievances. Second, and perhaps less obvious, is the existence of the Vietnam Veterans Caucus in the Congress. The caucus is composed of 38 Vietnam Era Veterans who meet and advise on legislation affecting their peers.

In the Massachusetts General Court, we point out neither such a committee nor caucus currently exists. In fact only five members of the Court are Vietnam Era veterans.

THIS COMMISSION STRONGLY ADVOCATES THAT THE COURT AND ITS MEMBERS CONSIDER THE FORMATION OF SUCH A COMMITTEE AT THE STATE LEVEL.

In the meantime the importance of maintaining the V.V.M.I., format cannot be over emphasized. As the organization chiefly responsible for keeping track of legislation affecting veterans for the entire Vietnam veteran community in Massachusetts, that organization has come to consider the following legislation to be important to the Vietnam veteran community. The Massachusetts Special Commission on the Concerns of the Vietnam Veterans agrees and as such has advocated for and recommends passage of the following:

**State Legislation
Agent Orange**

H2138 -- Petition of Thomas M. Gallagher for the adoption of resolutions of the General Court memorializing the Congress of the United States to investigate the use and effects of Agent Orange, so-called.

H612 -- Amends and clarifies the Massachusetts Pesticides Act.

P.T.S.D.

H5347 -- Petition of Marie J. Parente that provision be made for psychiatric services for certain veterans.

S762 -- Petition of Jack H. Backman for legislation to provide treatment of delayed stress syndrome.

Governmental Services

S1611 -- Petition of Francis D. Doris for legislation to exempt inpatients of veterans' hospitals from payment of the meals tax while away from the hospital.

S1147 -- Petition of Daniel J. Foley, Sara J. Robertson, and Francis J. McGrath (with the approval of the Mayor and City Council)

c.1) for legislation to require the Commonwealth to fully reimburse municipalities for veterans' benefits paid to applicants therefore.

H1271 — Petition of Jonathan L. Healy for an investigation by a special commission (including members of the General Court) relative to the feasibility of securing federal financial assistance for payment of veterans benefits.

S1095 — Petition of Joseph B. Walsh for legislation to make Vietnam Veterans Day a legal holiday.

H323 — So much of the recommendations of the Office of Commissioner of Veterans Services as relates to providing that certain cities or towns shall join a veterans' services district which has a full time veterans' agent or director of veterans' services or appoint a full time veterans' agent or director of veterans' services.

S1390 — Petition of Francis D. Doris for legislation to provide that certain veterans, upon becoming members of certain contributory retirement systems, shall have prior service in the armed forces credited as creditable service.

S1824 — Report of the Special Commission established (under Section 291 of Chapter 351 of the Acts of 1981, as amended by Chapter 191 of the Acts of 1982) for the purpose of making an investigation and study of the Concerns of the Vietnam Veterans.

S1608 — Petition of Francis D. Doris for legislation to exempt former prisoners of war from payment of the automobile excise and to provide for the issuance of distinctive license plates without the payment of a fee.

H742 — Petition of William J. Flynn, Jr., Angelo M. Scaccia, and Thomas W. McGee relative to increasing reimbursement by the Commonwealth to cities and towns for veterans' services.

H934 — Petition of Timothy Reid, A. Joseph DeNucci, Jack Backman, and others for legislation to provide certain benefits for surviving children of deceased veterans of the Korean and Vietnam wars.

Education

S355 — Petition of Francis D. Doris and Thomas P. O'Neill, III, for legislation to provide certain educational benefits for Vietnam veterans.

Employment

H3742 — Petition of Mary Jeanette Murray for legislation to permit certain public employees who are veterans to continue working after reaching mandatory retirement age.

S1391 — Petition of Francis D. Doris for legislation to allow the attendance at funerals of war veterans by employees of the Commonwealth who are also veterans.

H884 — Which would establish an interagency committee on veterans in business in committee bill H3212.

Housing

H1599 — Petition of Joseph M. Navin and J. Michael Ruane for legislation to increase the exemptions for property held by certain elderly, infirmed, blind, surviving spouses, veterans, and other property owners.

H1203 — Petition of Roger R. Goyette relative to the property tax exemption for disabled veterans.

S799 — Petition of Patricia McGovern and Kevin P. Blanchette for legislation to establish the veterans' farm and home purchase act in the Commonwealth.

Criminal Justice

That two bills currently to be proposed for the next legislative year concerning: (1) an enabling act which provides for secure transfer of inmates to VA facilities, and (2) an act to provide $\frac{1}{3}$ parole eligibility consideration for Vietnam veterans where P.T.S.D. was determined at play in the offense.

Federal Legislation

Agent Orange

S374/S786 — Each would amend Title 38 of the U.S. Code to provide presumption of service connection for diseases related to exposure to Agent Orange.

HR1961 — Provides for presumption of service connection and treatment for soft tissue sarcoma, chloracne, and liver cancer.

HR209 — Would require the Secretary of Health and Human Services to arrange for an independent epidemiological study of persons exposed to dioxin.

Governmental Services

HR2936 — This would provide for the expansion of the Board of Veterans Appeals from 50 members to 65 members.

Education

HR2204 — This would extend the delimiting date for educational benefits from 10 to 20 years for Vietnam Theater veterans.

HR1326/HR328 — These would abolish all delimiting dates for educational benefits.

Employment

HR2449 — Prohibits the Office of Personnel Management from implementing new procedures detrimental to veterans.

HR828-829 — Similar to HR2449 — would prohibit the contracting out jobs held by veterans.

Housing

HR2948 — This would authorize the VA to provide mortgage assistance to veterans in order to avoid foreclosure.

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