

should have ample opportunities to recruit to normal peacetime strength with well-qualified, competent people. Meanwhile we have reason to believe that even under adverse conditions the positive aspects of good personnel administration are gaining acceptance. This makes it increasingly possible for us to spend less time in the activities that are designed to safeguard the possibilities of abuse. We cannot, however, abrogate our responsibility of making findings in strict accordance with the facts; for the Board's role in merit systems includes what might be called a policing function. That is, in this as in other aspects of the program, the Board carries statutory responsibility for seeing that Federal funds are expended only in accordance with the conditions which Congress laid down in authorizing Federal grants to States. When these conditions are not met, the Board has no alternative but to withhold Federal funds for a particular purpose or even to stop all Federal grants for a State program. That drastic step has had to be taken only rarely in the Board's history.

While I am sure that none of us in the Board feels wholly satisfied with our record of Federal administration of the act—in my dictionary self-satisfaction and dry rot mean the same thing—I believe that the basic standpoint from which the Board has viewed these responsibilities has helped us to avoid many “bureau-

cratic” blunders which would have held back the development of the State-Federal programs. In our “policing” functions as in all other functions of the Board, we must be guided by the objectives and purposes of the programs which are served by the joint efforts of Federal and State personnel. We—the personnel—are, of course, only a means to an end.

Unemployment compensation, which insures against wage loss due to involuntary unemployment, and public assistance, which provides money for certain groups of people who are in need, serve both individuals and the society in which they live. They help to secure society by ameliorating the results that follow from the lack of money in the hands of people who live in an economy where the possession or lack of money spells the difference almost between life and death. The social purposes of the programs are served by using the money effectively, not by saving it; by putting money into the hands of people when they need it, not by depriving them of the benefits or assistance which the program is intended to supply.

Certainly we, as public officials, should see to it that the money is spent only for the purposes for which it was appropriated. Certainly we should take exceptions to payments which are made contrary to the requirements of the Federal act as interpreted by the Board (and in the personnel field, to payments resulting

from violation of State law), but equally as certainly, we should be guided in our actions in this respect, as in all others, by an understanding and appreciation of the objectives of the legislation under which we operate. We should realize that these purposes are served only incidentally through our policing functions, and that our chief aim and major responsibility should be to see to it that people get aid when they need it and are entitled to it, and that exceptions in themselves are a means and not an end.

In a government such as ours, where the lawmakers, the devisers of high policy, are selected periodically by the people, and where likewise the top executive positions are filled periodically through the electoral process, there is a need for a continuing corps of qualified permanent civil servants who can do, and do well, the tasks that have to be done within the policy framework established by legislative and executive action. There has been too great waste in this country of time, money, and effectiveness in the public service through inefficient selection and political turn-over. Despite its inadequacies and the difficulties in its application, the merit principle has made one of the most valuable and lasting contributions to our political economy. Despite its shortcomings, I have heard no suggestion of a substitute that would seem to serve as well.

State Aid to Veterans

By Franklin Aaronson and Hilda Rosenbloom*

IN THIS COUNTRY, responsibility for aid and relief to persons injured in the defense of the community was first assumed by the several colonial governments. With the formation of the Nation in 1789, these colonial functions were largely transferred to the Federal Government. As the years passed, however, a series of State laws was enacted, largely supplementing the Federal legislation and granting services and aid to veterans and their survivors. These State laws followed no predetermined pattern but grew as needs and pressures demanded. The result has been uneven—comprehensive protection for veterans in some States and an almost complete

lack of State veterans' legislation in others.

State benefits have included both payments in cash or kind and non-monetary privileges, such as certain tax exemptions and employment preferences. Pensions in a few States, small bonuses or bounties in isolated instances, care in State soldiers' homes for indigent or disabled veterans, veterans' relief payments, and burial benefits for indigent veterans and their dependents have comprised the benefits in cash or kind. The State laws have been similar but not identical with the broader Federal program.

State expenditures for veterans and their dependents or survivors are small, however, in comparison with those under the Federal laws. While

no statistics are available on the costs of the services or privileges provided for veterans under State laws, information on the amounts spent in the States for veterans' cash benefits is available from the Bureau of the Census reports of State finances. In 1943 such benefits amounted to about \$20 million, in contrast to the \$450 million expended by the Federal Government for aid to veterans. It would seem unlikely that State expenditures will increase substantially in view of the comprehensive Federal program already in operation.¹ The States' laws in effect for World War II veterans make considerable provision for services, rather than benefits in cash or in kind, and a large portion of any increase will probably represent the cost of services.

Until the first World War, indigent

¹For an outline of the “G. I. Bill of Rights,” see the *Bulletin*, July 1944, pp. 3-13.

*Bureau of Research and Statistics, Division of Coordination Studies.

and disabled veterans were the two groups usually cared for under State laws. Eligibility for benefits under State laws, as for Federal benefits, was related to service in specified wars, although in a few States benefits were made available to "veterans of any war in which the United States was engaged." Wives and widows married prior to a certain date or living with the veteran for a specified period of time were also often included as eligible for benefits. In general, State legislation in effect before that war served as a basis for formulating State programs for veterans of World War I.

Indiana and Kansas extended existing benefits to World War I veterans by means of a general extension clause for all State benefits; Minne-

sota extended the benefits to disabled veterans only. Other States passed legislation extending specific benefits. Indigent or disabled veterans and their dependents were thus entitled to certain tax and license exemptions in 41 States, relief in their own homes in 26 States, and expenses for burial in 32 States. In 22 of the 26 States in which relief was provided, and in 3 States without special veterans' relief legislation, care in a State soldiers' home was also obtainable. States which provided relief to veterans generally provided payment or reimbursement of burial expenses.

New types of benefits were also provided for World War I veterans in all States which had previous veterans' programs. Some of the 34 States with employment-preference provisions en-

acted them for the first time after the war and applied them retroactively to veterans of earlier wars. Bonus payments, previously paid only in isolated instances, were made available in 20 States. Educational benefits for veterans (16 States) and for their orphans (34 States) were an innovation, as were several other types of benefits, e. g., land settlement privileges (14 States), loans for specified purposes (6 States), and State hospital care for certain ailments (11 States). Thirty States made provision for the establishment of a veterans' service office to give information and assistance to veterans with regard to their benefit rights.

Although the majority of State legislatures met in only one regular and at the most two special sessions be-

Table 1.—Types of services and benefits available to veterans of World War II, under State laws, by State, as of January 1, 1945¹

State	Veterans' service office	Employment preference	Tax exemptions	Loans	Educational benefits		Bonus	Care in State institutions		Relief	Burial
					Veterans	Children of veterans		Homes	Hospitals		
Total.....	19(X) 17(XX)	20(X) 12(XX)	16(X) 20(XX)	4(X)	10(X)	17(X)	(2X)	10(X) 10(XX)	4(X) 3(XX)	17(X) 7(XX)	13(X) 13(XX)
1 Alabama.....	X	XX	X								
2 Arizona.....	XX	XX	XX							X	XX
3 Arkansas.....	XX	XX									
4 California.....	X	X	XX	X	X	X		XX	XX	XX	XX
5 Colorado.....	X	X						XX			
6 Connecticut.....		X	X					X	X	X	X
7 Delaware.....	XX		XX							XX	XX
8 Florida.....	X		X								
9 Georgia.....	XX		X								
10 Idaho.....		XX	X							X	
11 Illinois.....		X			X	X		X	XX	X	X
12 Indiana.....	X	XX	XX			X		XX		X	X
13 Iowa.....			XX					XX		X	XX
14 Kansas.....		X	X							X	X
15 Kentucky.....	XX		XX								
16 Louisiana.....	XX	XX									
17 Maine.....			X			X				X	XX
18 Maryland.....	XX									XX	XX
19 Massachusetts.....		X	XX		X			X		X	
20 Michigan.....	X	X	X		X	X		XX	X	X	X
21 Minnesota.....	X	X	X			X		X		X	X
22 Mississippi.....	X		XX								
23 Missouri.....	X										
24 Montana.....		X			X				XX		XX
25 Nebraska.....			X					X			XX
26 Nevada.....	X	XX								XX	X
27 New Hampshire.....	X	X	X			X	X	XX		XX	XX
28 New Jersey.....	X	X	X	X						XX	XX
29 New Mexico.....	XX		XX								XX
30 New York.....	X	XX	XX		X	X				X	XX
31 North Carolina.....		X				X					
32 North Dakota.....	X	XX						XX		X	XX
33 Ohio.....	XX	X	XX					X		X	X
34 Oklahoma.....			X		X				X	X	X
35 Oregon.....	X	XX	X	X	X					X	X
36 Pennsylvania.....	XX	X	XX					X		XX	X
37 Rhode Island.....	X	X	X			X		X		X	X
38 South Carolina.....	XX	X	XX								
39 South Dakota.....	X	X	XX	X	X			X			X
40 Tennessee.....	X	XX	XX								
41 Texas.....	X		XX		X	X					
42 Utah.....	XX		XX								
43 Vermont.....	XX	X					X	XX		XX	X
44 Virginia.....	XX		XX								
45 Washington.....	XX	X						XX			
46 West Virginia.....	XX		XX			X				X	
47 Wisconsin.....	XX	XX	XX					XX	X	X	XX
48 Wyoming.....											

¹ X indicates that recent legislation has been enacted to provide the particular type of benefit; XX indicates that the legislation on the statutes prior to World War II has been extended to cover veterans of that war or that the laws can be interpreted to include such veterans.

tween the declaration of the present war and the end of 1944, it is already clear that the States intend to extend their legislation for World War I veterans to World War II veterans. In addition to the many State legislative committees which have been established to study State aid to returning veterans, all but 7 States have taken specific action, either extending coverage of present provisions or enacting new laws to serve a similar purpose (table 1).

Six States² have enacted general extension clauses; the Rhode Island clause went into effect only a few months after Pearl Harbor. Minnesota and Kansas provide a limited extension only; the Minnesota law extends benefits to disabled World War II veterans, and the Kansas law specifies that the extension applies only to tax exemptions, employment preference, burial benefits, and relief.

Veterans' Service Offices

Veterans' service offices were developed as an integral part of the State government to meet the needs of returning World War I veterans seeking information on the Federal or State benefits to which they were entitled or assistance in filing claims for these benefits. Before World War I, such assistance had been given through veterans' organizations which operated with or without State financial aid or had been included as one of the many functions of the State adjutant general's office. The office serving veterans and their dependents was set up in some States as an independent department and in others was included as a part of the State welfare agency.

At the outbreak of the present war, 30 States had some statutory provision for advice and special service to veterans. Illinois and Oklahoma provided an appropriation to maintain a service officer, but his duties were not spelled out in the statutes. Washington and Utah continued to make an annual appropriation to a designated veterans' organization, subsidizing its function of assisting veterans in proper filing of claims.

Inclusion of World War II veterans under provisions of the laws establishing the service offices is implied in 25 of the 30 State laws which relate to veterans of any war. Since Pearl

Harbor, however, 9 of these States and 10 others have enacted legislation either extending (2 States), modifying (5 States), or creating (12 States) veterans' service offices.

Of the 12 States which enacted new legislation, 5 had never provided such a service. California added this function to the many other duties of the Veterans Welfare Board. Colorado, Michigan, and Nevada set up independent offices. The Michigan law, unlike any other, specifically states that "the Office of Veterans Affairs shall not be empowered to file application for or to prosecute the claim of any individual for any benefit accruing to such individual under the laws administered by the U. S. Veterans' Administration" but is to serve as an information and coordination agency. New York authorized the appointment of county service officers in 1942, and a temporary commission has recently been authorized to study the feasibility of establishing a service agency in conjunction with the division of military affairs in the State government.

Half of the 12 States repealed existing legislation and enacted laws which more clearly defined the duties and powers of the service office. Separate veterans' departments were established in Minnesota and South Dakota. In New Jersey the functions and powers of the State service officer were transferred from the adjutant general's office to the newly created post-war department of economic development, while an attempt to authorize the creation of county administrative agencies was vetoed.

In addition to these newly created offices, Indiana, following the precedents of Washington and Utah, appropriated \$5,000 to be expended by the Disabled American Veterans, Inc., in assisting returning disabled service personnel in matters connected with the various services and benefits available to them.

There are still 10 States³ in which veterans and their dependents have no recourse to a separate State agency, directly or indirectly, to obtain advice or assistance in filing claims for benefits to which they may be entitled. Returning veterans of these States may appeal for such assistance to representatives of the Vet-

erans Administration or to private veterans' organizations.⁴

Employment Services for Veterans

The U. S. Employment Service maintains in each State a central office and several local offices, each of which has one or more staff members assigned especially to the placement of veterans. While no State operates an employment service as such for veterans, most State vocational rehabilitation agencies do refer to prospective employers veterans for whom they have provided training. A few of the larger cities also include placement among their social services for veterans.

Freezing Provisions in the State Unemployment Compensation Laws

Prior to the effective date of the G. I. Bill all but 2 States had legislation which provided that rights of workers covered under the respective State unemployment compensation laws be frozen if they were inducted into the armed forces. These freezing provisions were designed to make available to workers whose military service has terminated benefit rights equivalent to those which they had prior to such service. When the G. I. Bill was passed, these provisions became inoperative in 5 States, and the provisions of 14 more States will expire in 1945 unless legislative action is taken. The G. I. Bill has removed much of the States' former liability for benefit payments. It is possible that many of the State provisions will be amended or repealed before the end of the war.

Employment Preference

Federal, State, and local provisions for preference in public employment are similar. The most recent Federal measure is the Veterans Preference Act of 1944 (Public Law No. 359) approved June 27, 1944. Under this act preferential treatment in the classified or unclassified Federal civil service or on Federal public works is

⁴The G. I. Bill authorized assignment of Veterans Administration personnel to Army and Navy installations to adjudicate claims of, and give aid and advice to, members of the military and naval forces about to be discharged or released from active service. Such advice and assistance before discharge may go far toward lightening the prospective demands on Federal and State service offices for veterans.

²Connecticut, Indiana, Kansas, Minnesota, Oregon, Rhode Island.

³Connecticut, Idaho, Iowa, Kansas, Maine, Massachusetts, Montana, Nebraska, North Carolina, Wyoming.

granted to veterans of any war, campaign, or expedition, to widows or widowers of disabled veterans, and to wives of disabled veterans who themselves are not qualified for civil-service appointment by reason of their disability.

Like the Federal system, State civil-service systems, although inaugurated many years after the termination of the early wars, phrased their preferential clauses to make them applicable to honorably discharged veterans of any war. By 1942, 34 States had laws granting preference in State civil-service employment or, more generally, favoring veterans for all public employment or on any public works project. In addition, most States gave veterans preference in the appointment of persons engaged in the State veterans' programs.

Most States, like the Federal Government, add 5 or 10 points additional credit to the veteran's score in civil-service examinations; a few States award an additional bonus ranging from 10 to 20 points.

Unlike the Federal law, at least 4 States⁵ require that the veteran have a passing grade before he receives the additional credits. Moreover, only a few States allow experience in the armed forces to be listed as "experience" for a particular position. New Jersey grants additional points for such military experience.

In the States, as in the Federal service, preferential treatment is not limited to appointment but is extended to include transfers, retention, and reinstatement rights. States often grant preference in promotional examinations as well. The Texas statutes contain an unusual provision requiring at least 10 percent of the personnel of every State department to be veterans with preference.

State legislation with regard to employment preference for World War II veterans has been confined almost exclusively to an extension of existing laws. Within the past 2 years 10 States have extended civil-service preference,⁶ 8 States⁷ have extended such preference in public departments

and on public works, and 12 States probably will extend preference by interpretation of existing law. Four States⁸ have yet to extend these benefits to World War II veterans. Two States granted or extended preferences for specific types of employment—New Jersey in school-district examinations and Pennsylvania for police-force employment. Vermont, for the first time, provided for veterans' preference in all branches of the State government.

The Colorado Legislature passed a joint resolution requesting the State civil-service commission and the merit-system council for county departments of public welfare agencies to promulgate such rules and regulations as may be necessary to grant returning veterans preference similar to that in the Federal civil service.

Tax Exemptions

The Federal Government grants veterans an income-tax exemption on all payments made under Federal veterans' legislation, including insurance payments. All but 5 States⁹ have at some time enacted legislation granting rather substantial personal tax exemptions to veterans of 1 or more of the major wars and to their survivors. Of the 43 States which have enacted legislation granting personal tax exemptions, only 2 do not provide exemptions in one form or another to World War I veterans; Louisiana specifically limits the exemptions to Confederate veterans, and in Arkansas the exemption was declared unconstitutional in 1937 as granting "to a class of citizens privileges or immunities, which on the same terms do not equally belong to all . . ."¹⁰ Of the 7 States which give no exemptions to World War I veterans, 3—Arkansas, North Dakota, and Maryland—now exempt servicemen's pay and allowances. In 36 States—all but 5 of the States which grant tax exemptions to veterans of the first World War—World War II veterans are at present eligible for tax exemption either by reason of interpretation of existing law or through specific legislative enactment. Tax exemptions vary among the States with respect to time limits. In some cases, notably property taxes, the exemptions are

usually permanent; in other cases, particularly for personal income taxes, the exemption is usually limited to the war period and a short time thereafter. This article is concerned primarily with the provisions for veterans and only incidentally with the temporary arrangements for servicemen.

The most frequent exemptions for veterans of either World War are exemption of pension and war-risk insurance from State income tax and of the latter from inheritance tax, and exemption of veterans from the property tax (subject to an over-all property ownership limitation of about \$5,000), from personal, road, or educational poll taxes (often only on condition that the veteran have a disability rating of 10 percent), and from certain occupational and business licenses, including peddlers' and hawkers' licenses in many States. Illinois, Maryland, and Washington have also extended the time for payment of taxes, and Nevada and North Carolina have waived all occupational license fees for servicemen of World War II.

Of the 16 States which have enacted tax-exemption legislation for veterans of the present war, 6 have extended exemption from various license taxes;¹¹ 3 States¹² have exempted World War II veterans from payment of certain property taxes, and New Hampshire raised the exemption from \$1,000 to \$3,000 if the veteran is totally disabled from a service-connected injury. Some States have granted poll-tax exemptions. Maine and New Hampshire limited such exemptions to the duration; New Hampshire exempted widows of servicemen, and Vermont, wives and widows; and Nebraska limited such exemption to persons with service-connected disabilities. Kentucky has provided lifetime exemption from poll taxes for all persons who have served for 90 days in the present war and were residents of the State at the time of induction. Alabama, by means of a constitutional amendment, has abolished the poll tax for all war veterans.

Land Settlement and Loans

Land-settlement benefits and farm and home loans were important features of the State programs for veterans of World War I. After that war,

¹¹ Alabama, Florida, Georgia, New Jersey, Oklahoma, Oregon.

¹² Idaho, Michigan, Oklahoma.

⁵ Arizona, California, Indiana, New Jersey.

⁶ California, Connecticut, Illinois, Kansas, Massachusetts, Minnesota, North Carolina, Ohio, Rhode Island, South Carolina.

⁷ Illinois, Michigan, Minnesota, Montana, New Hampshire, North Carolina, South Dakota, Washington.

⁸ Iowa, Maryland, Texas, West Virginia.

⁹ North Dakota, Missouri, Maryland, Illinois, Colorado.

¹⁰ *Edelmann v. City of Fort Sumter*, 105 SW (2) (528).

14 States, a majority of them in the West, passed land-settlement laws. The general legislative intent was to provide rural homes and useful employment, sometimes to World War I veterans only, sometimes to veterans of earlier wars as well, and sometimes to any loyal State citizen, with preference to veterans in both employment on and purchase of the land. The program was carried on in conjunction with the Federal Government; the States acquired additional land grants under provisions of the Carey act and often received Federal financial assistance in irrigating, reclaiming, and developing the property. Loans to prospective settlers for essential farm improvements were authorized in most States.

Mississippi and 3 of the 14 States with land-settlement provisions¹² granted loans for the purchase of homes and farms. Maximum amounts and the period of time over which the loan could be repaid were stipulated in the law. In Oregon the loan, ranging in amount from \$500-3,000, could be elected by the veteran in lieu of a straight cash bonus based on length of service and totaling no more than \$500.

Other loans to World War I veterans, without relationship to land-settlement or home-purchase benefits, were general assistance loans in the State of Washington and educational loans in Colorado.

None of this legislation automatically applies to veterans of the present war. California and Oregon, however, took steps during 1943 to extend to them the existing farm and home-loan benefits. California created a revolving, self-liquidating fund for loans to World War II veterans at 4-percent interest, to be amortized over 40 years. No veteran may receive benefits under this act if in purchasing a farm he would thereby become the holder of real estate exceeding \$15,000 in value, or, in purchasing a home, of real estate exceeding \$10,000.

In Oregon the legislature passed a joint resolution recommending amendment of the State constitution to allow the levy of an additional tax of 2 mills on every dollar of assessed value of property in the State, the money so raised to become the basis for an Oregon war veterans' fund from which loans could be made to

veterans for acquisition of farms and homes. This constitutional amendment was adopted in the November 1944 general elections.

During 1944, 2 States enacted legislation granting loans for purposes other than farm or home purchase. Like the general assistance loan in the State of Washington after the first World War but more specifically worded, a law in South Dakota authorizes an appropriation of \$50,000 to the war veterans' fund to be used for loans to veterans, their dependents or survivors, to tide them over while Government claims are being processed and adjudicated. The loan, not to exceed \$50 a month for 12 months, is payable to residents, and also to nonresidents if a reciprocal arrangement exists with the home State; it is to be repaid from benefits received under the Federal program for veterans.

Before the passage of the G. I. Bill, New Jersey passed a law which provides resident veterans, if they had 90 days' service and were not dishonorably discharged, with venture capital not to exceed \$3,000 at low rates of interest to assist them in establishing themselves in business or a profession. Although loans guaranteed under the G. I. Bill are broader in scope, covering purchase and construction of farms and homes as well as business property, the total amount guaranteed by the Federal Government is limited to \$2,000. The State loan, however, must be reduced within 3 years while the loan under the Federal act may run for 20 years.

Educational Benefits

After the first World War, many States established educational benefits providing free tuition or cash grants or both for persons desiring to attend a secondary school or a business or technical school or college. Two specific groups were entitled to such aid—honorably discharged resident veterans and resident children of deceased veterans who died from service-connected causes. A few States also included children of severely disabled veterans. All but 9 States enacted legislation affecting either one (28 States) or both (11 States) of these groups. One-third of the State laws (16 States) contained veterans' educational provisions, and 34 State laws contained provisions for orphans. A

few of the laws expired about 1942, but most are still in effect.

Veterans' educational benefits in most instances consist of free tuition in any State-supported school. A few States provide an annual allowance designed to cover tuition and also maintenance expenses, books, supplies, and fees. At least 3 States relate the benefit to the State bonus payment: the North Dakota law specifically earmarks the bonus for either farm or home purchase, medical treatment, or educational use; Oregon requires a refund of an equivalent amount of the bonus for any benefit from the educational fund; and Wisconsin makes the educational bonus alternative to the regular bonus. Colorado is unique in providing only an educational loan up to a maximum of \$200, to be repaid within 5 years. The loan is interest-free for the first 3 years.

Educational benefits to orphans of World War I veterans are not only more numerous but also more liberal than those granted the veterans themselves. General eligibility requirements are minimal. Benefits usually apply to orphans between 16 and 22 but often extend beyond the maximum age until the course is completed. State residence requirements are usually either 12 months or 5 years. The privileges usually apply, as for veterans, only to State-supported schools.

The usual cash benefit is a payment of about \$150 a year to cover maintenance and school expenses. A few States allow only \$100; Massachusetts, Montana, Wisconsin, and Florida award between \$250 and \$300 a year. Louisiana, which allowed as high as \$350 to a student under certain conditions, repealed its law in 1942 and substituted a system of loans. The States with low cash awards often arrange for free tuition as an additional benefit; those with high grants expect tuition to be paid from the cash benefit.

Almost none of the educational benefits automatically apply to World War II veterans or their survivors. Before July 1944, when Federal educational benefits became available under the G. I. Bill, 12 States had already passed laws either extending World War I benefits to veterans of the present war or establishing such benefits for them. Four States extended benefits previously in effect; in Mas-

¹² California, North Carolina, Oregon.

sachusetts the definition of veteran was expanded, California appropriated \$300,000 to be used for veterans who desire to continue their education, Illinois extended scholarships at the normal school and the University of Illinois, and Texas authorized exemption of tuition and fees to Texas residents attending State institutions. In New York existing legislation was repealed, and a law was enacted authorizing the establishment of 1,200 war-service scholarships of \$350 a year for veterans of either World War; no maintenance allowance is provided.

Four States have established educational benefits for the first time. Oklahoma and South Dakota extended free public school privileges to veterans over age 21 up through the twelfth grade. The Oklahoma law, however, restricts free schooling to a period equivalent to the amount of time the veteran spends in the armed forces and makes it available only if the veteran otherwise would have completed his schooling by age 21. Montana has provided that all bona fide residents of the State at the time of entry into the armed forces shall have free fees and tuition in any and all units of the University of Montana, including the law and medical departments. Michigan provides moneys from a relief fund during the war period only, for use by returning veterans for educational purposes.

It is still too early to predict the effect of the comprehensive educational provisions of the G. I. Bill on present and future State legislation for veterans of the present war. Educational provisions of 2 States¹⁴ which deny State benefits to any person entitled to assistance under a Federal law have been thus rendered inoperative.

Educational privileges for orphans of World War II veterans remain wholly a State responsibility. Of the 15 or so laws which related to World War I orphans and which expired during 1942 or 1943, 2 have been reenacted; the New Hampshire law retained the same coverage provisions, and the Maine law specifically extended the benefits to World War II orphans. Two other States have enacted new legislation in place of that no longer in effect. The West Virginia law, which is to be administered by the department of public assistance,

¹⁴ Minnesota and Kentucky.

extends the benefits to orphans of the present war, increases the amount per child, exclusive of the free tuition, from \$150 to \$300, and increases the total annual appropriation from \$1,800 to \$5,000. In Minnesota, where orphans' benefits have been incorporated in a general law containing provisions for relief as well as for education, \$250 has been authorized for tuition of World War II orphans at certain specified colleges or trade schools.

In 11 States where original laws have not expired, an extension to World War II orphans has been effected. This was accomplished in 9 States¹⁵ by specific legislation and in Rhode Island and Indiana by means of a general extension clause. In New York, where the original law was phrased so that it could be interpreted to apply automatically to World War II orphans without amendatory legislation, benefits have been extended to orphans of honorably discharged veterans who did not die from service-connected injuries, if there are insufficient eligible applicants from among children of servicemen who died in service or as a result thereof. For the first time, Texas granted tuition and fee exemptions in State institutions to children of persons who were killed in action or died while in service.

More than half of the 19 States which enacted legislation benefiting orphans of the last war have as yet done nothing to protect orphans of the present war. Thirteen States provide no benefits for orphans of either war.

Bonus Payments

Although State bonus payments were known as far back as the days of the Indian and Civil Wars, when they were termed bounties, such payments did not become general until the first World War. During a few years following that war, some 20 States enacted legislation providing veterans with a cash payment, supplementing any Federal sum received, the amount to be directly proportionate to the length of service.

Most bonuses were payable to any person in the armed forces with an honorable discharge who had been a resident of the State prior to enlistment or induction. The usual bonus payable was \$10 or \$15 a month for

each month of service, with specified maximum payments ranging from \$100-500. The laws of Minnesota and Wisconsin specified a minimum payment of \$50. These, and 4 other State laws,¹⁶ contained no specified maximums but were limited only by the period of service in the armed forces or the length of the war. Since Kansas paid \$1 for each day of service and North Dakota allowed \$25 for each month, bonus payments of these States approached \$800 in a few cases.

A majority of the bonus provisions for World War I veterans have either expired or been repealed. Whether or not States will enact legislation granting bonuses to World War II veterans on a similar scale is not yet clear. Under the Federal Mustering-Out Payment Act of 1944 (Public, No. 225, approved Feb. 3, 1944), discharged veterans receive \$100 to \$300, the exact amount depending on length and place of service in the armed forces. This act will probably affect future State bonus legislation in some degree. In 1943, before its passage, 3 States had already taken steps to provide bonus payments. In Rhode Island a committee was appointed by the Governor to study the feasibility of making bonus payments and the possible means of financing them. New Hampshire and Vermont went further and passed bonus laws. New Hampshire allows \$10 a month for each month of service up to a maximum of \$100 payable to the veteran or his heirs, the payments to be financed from a poll tax of \$3 per person. Vermont provides a similar payment with a \$120 maximum.

Care in Domiciles and Hospitals

Domiciliary care has long been an important part of the State programs for aid to needy veterans. Thirty-five States maintain homes for needy veterans, and 26 of these admit World War I veterans. The remaining 9 States provide domiciliary care for veterans of the Confederate Army only. Of the 30 homes in the 26 States¹⁷ providing care for World War I veterans, more than half admit also veterans' wives and widows.

Eligibility requirements for entrance to State veterans' homes in-

¹⁶ Kansas, Michigan, North Dakota, Washington.

¹⁷ California, New Jersey, Ohio, and Washington each maintain 2 homes.

¹⁵ California, Connecticut, Florida, Illinois, Michigan, New Jersey, North Carolina, Vermont, Virginia.

clude residence in the State, usually from 1 to 5 years, prior to application for admission, and indigency combined with disability. One or two States permit any veteran to enter the home, providing he contributes toward his own support. A few States require the veteran to turn over to the home a portion of any pension money without regard to his total income. A wife or widow of an eligible veteran must meet additional requirements of a minimum age (about 50 years) and marriage for a specified period of time (10 years in most cases). A few women are admitted regardless of age if they are unable to support themselves or if their husbands require constant care. Seven States make special provision for caring for veterans' orphans, 6 in a separate home-school establishment¹⁸ and 1, Kansas, in the Soldiers' Home itself.

State soldiers' and sailors' homes are not supported solely from State funds. By an act of August 27, 1888, last amended by Public Law No. 202, December 17, 1943, Federal payments to State homes are authorized in an amount of \$300 (increased in 1943 from \$240) for each disabled soldier and sailor of the United States forces who served in any war and who is disabled by reason of age, disease, or otherwise and is thus unable to earn a living. This sum applies either to domiciliary or hospital care. Thirty homes in 26 States are eligible to receive this financial assistance.¹⁹

Approximately half the State homes admit World War II veterans and their dependents by interpretation of the existing law. Two of these States²⁰ and 4 others²¹ specifically extended admission privileges to this group in 1943.

However, even if the 6 States which now admit veterans of World War I but not World War II extend their facilities to the latter, veterans in 22 States will still be unable to receive care in any but Federal establishments. Nine of these 22 States maintain Confederate homes, and in 5 others Confederate homes were formerly operated. Oregon discontinued its veterans' home in 1931, and the conversion of the Rhode Island home

¹⁸ Illinois, Indiana, Iowa, Maine, Ohio, Pennsylvania.

¹⁹ Homes for Confederate Army veterans or their dependents are not eligible.

²⁰ Connecticut and Ohio.

²¹ Illinois, Minnesota, Nebraska, South Dakota.

into a Federal veterans' hospital was authorized in 1943. Seven other States²² have had no State veterans' homes for many years.

Although most State homes give some medical care on the premises, 11 States provide additional specialized treatment in State hospitals, either for inmates of State homes or for any veteran. Insanity and tuberculosis are the illnesses most frequently treated at State expense. For a period after World War I, a few States maintained rest camps and rehabilitation centers, which were partly supported from State funds. In general, however, war veterans requiring extensive hospital or medical treatment and unable to defray necessary expenses are referred to one of the 94 Federal Veterans Administration hospital facilities maintained exclusively for their care.

In 1943 Oklahoma extended the services of the tuberculosis hospital to World War II ex-service personnel and provided care for minor dependent children in a children's preventorium. Hospital benefits for all World War II veterans who have residence in Connecticut, though seemingly implied in the existing law, were assured with the passage of a general extension clause. Several States, among them North Dakota and Wisconsin, have set up veterans' post-war rehabilitation funds to help finance newly created rehabilitation programs or assist in coordinating those already in effect. In addition, Wisconsin has authorized an appropriation of \$300,000 to the Grand Army Home for the construction of a modern hospital unit. The Wisconsin General Hospital, which gives veterans admittance preference, in 1943 lowered the rates charged those admitted as private patients.

Relief and Burial

Although every indigent veteran is entitled to public assistance in one form or another on the same basis as his neighbors by reason of his being an indigent citizen, or through special earmarking of part of general relief funds for veterans, no Federal law and only about half the State laws (26) specifically provide relief payments to indigent World War I veterans and their dependents as such. Where there is such special provision, State

²² Arizona, Delaware, Maine, Nevada, New Mexico, Utah, West Virginia.

relief to veterans is often administered through a department of public welfare or a special State veterans' welfare commission. As an alternative a few States make an annual appropriation to a veterans' organization, which then has authority to determine how and to whom funds should be disbursed. In some States the board of trustees of the soldiers' home is the administrative agency disbursing cash relief to persons who are eligible for admission to the home but for one reason or another cannot become inmates.

County and local aid may be given in place of, or in addition to, State relief. Funds are usually raised from a tax on the assessed valuation of all property in the county or subdivision and are administered by a soldiers' relief commission, composed of representatives of the various veterans' organizations.

In about half the States with veterans' relief laws, World War II veterans and their dependents are automatically entitled to veterans' relief. Seventeen States have passed specific legislation relating to them during the past year or so. Eleven States extended present provisions to the new veteran group, 3 through the general extension clause²³ and 8 by means of regular legislative measures.²⁴ Four States made minor changes in existing laws. Six States enacted laws having to do with emergency relief measures. New York extended for 1 year, until 1945, a measure which provides relief for sick and disabled World War II veterans who are out of regular employment for 14 days or longer and in need of assistance. Five States²⁵ have made provision for temporary emergency relief for short periods following a veteran's return home. One of the 5, North Dakota, had not previously enacted special veterans' relief legislation.

Within specified limits, burial expenses of a veteran dying within a Federal or State home are paid by the home. For any war veteran not dishonorably discharged who dies outside a Federal facility, the Federal Government allows up to a maximum

²³ Indiana, Kansas, Rhode Island.

²⁴ Connecticut, Idaho, Illinois, Maine, Massachusetts, Michigan, Oklahoma, Oregon.

²⁵ Massachusetts, Michigan, Minnesota, North Dakota, Wisconsin.

of \$100 for burial and funeral expenses and the cost of transporting the body to the place of burial. In general, the States will assume the burial costs of a veteran who dies outside the State home only if he is indigent. State burial expenses for such indigent veterans are provided in all States where veterans' relief is obtainable and in 5 additional States.²⁶ Indiana is unique in not requiring indigency as a prerequisite for payment of burial expenses. The amount of burial benefit ranges from \$25 to \$200 (\$100 in about half the States) and is usually paid from county or local funds. Many States also provide burial expenses for indigent wives, widows, and minor children. Funerals may be conducted by relatives when desired, in which case reimbursement for expenses is made. Under no condition may burial be in a potter's field or paupers' burial ground.

Half the State laws relating to burial benefits apply to veterans of any war. New Hampshire has extended the provisions to cover members of the Coast Guard. One other State in which World War II coverage is implied (Connecticut) and 3 where it is not (Kansas, Minnesota, Rhode Island) provided the extension by means of the general extension clause. In addition, 8 States²⁷ specifically extended benefits to deceased veterans whose estate is insufficient to cover burial expenses. While extending coverage, Oklahoma reduced the allowance from \$150 to \$100, and Pennsylvania specified that the county contribution can be made only if the total funeral expense does not exceed \$400.

Confederate Pensions

In most of the Southern States, honorably discharged Confederate veterans, indigent and unable to earn a living, who had been State residents for from 1 to 5 years, have been eligible for benefits, as have their wives or widows. Indigent mothers, daughters, or sisters of the veterans also have often received care in Confederate homes, while pensions, though generally not payable to dependents other than the widow, have

been granted in a few States to Negro servants or hospital matrons who served in the war. In 14 States, Confederate veterans and their dependents have been entitled to pension payments and 15 States have maintained Confederate homes.

Today the average monthly amount of Confederate pensions is at a peak, but not over-all disbursements, because of the small number of living pensioners (table 2). The payments range from \$10 a month in Arkansas to \$100 in Alabama, with a majority of States paying approximately \$50 a month. Widows receive from 40 to 80 percent of the amount paid the veteran, though in a few cases they are entitled to the amount received by their deceased husbands. Widow's pensions range from \$10 a month in Arkansas to a maximum of \$60 a month in Louisiana. The pension payments to Negro servants are lower, with yearly maximums of from \$25 in South Carolina to \$200 a year in North Carolina.

Although most Civil War veterans are well over 90 years of age, 2 States liberalized their pension laws during the past year. Alabama increased the allotment from \$65 to \$100 a month for veterans, almost double the maximum payment in any other State, and raised benefits for widows from \$30 to \$40 a month. Texas increased the payment to a couple from \$50 to \$80 a month and revised the widows' eligibility requirements so that a widow who had lived with a veteran for 9 (formerly 10) years preceding his death may receive a pension; the marriage must have

Table 2.—Pensions to Confederate veterans, 12 Southern States, by selected years, 1910-42¹

[In thousands \$]

State	1910	1929	1936	1942
Total.....	\$5,746	\$19,071	\$8,643	\$5,000
Alabama.....	857	1,983	719	399
Arkansas.....	540	3,694	108	25
Florida.....	645	1,298	705	471
Georgia.....	938	1,665	1,156	602
Kentucky.....	(²)	(³)	(⁴)	123
Louisiana.....	150	1,655	1,020	1,223
Mississippi.....	400	1,418	504	312
North Carolina.....	450	1,337	579	210
South Carolina.....	252	798	442	173
Tennessee.....	500	779	639	289
Texas.....	500	3,601	2,149	850
Virginia.....	515	944	622	247

¹ Figures for 1910, 1929, and 1936 from *Southern Economic Journal*, October 1938, p. 208; 1942 data from State reports. Comparable data not available for Missouri and Oklahoma.

² Totals are sums of unrounded figures; therefore may differ from sums of rounded figures.

³ Not available.

Table 3.—State expenditures for veterans' aid and for care of veterans in State institutions, by selected year, 1928-43

[In thousands]

Fiscal year	Veterans' aid—pensions and relief	Care of veterans in State institutions
1943.....	\$6,479	\$1,600
1942.....	8,480	7,279
1941.....	8,314	6,859
1940.....	9,208	6,553
1938.....	12,264	6,680
1937.....	12,352	5,781
1930.....	20,861	8,071
1929.....	19,558	8,128
1928.....	22,165	6,540

¹ Estimated.

Source: Bureau of the Census, reports of State finances. No reports were issued for the years 1932-36; the 1931 and 1939 reports contain no separate classification for veterans' aid or for care in State institutions.

taken place before 1921 (formerly 1910). A widow or a veteran who is a widower, formerly paid \$25, now may receive \$30 or \$50, respectively.

State and Local Expenditures for Benefits to Veterans

No detailed statistics are available on a national basis concerning the amounts spent in the States for benefits to veterans. The best available information is that in the Bureau of the Census reports of State finances, which give data on State veterans' aid and on care in State institutions. Under the latter heading are included all expenses of operating the State homes for veterans. Veterans' aid includes both pensions and relief payments and, for some States at least, burial expenses and educational benefits. Payments for Confederate veterans' pensions and homes are included in the census data.

Table 3 indicates, for the years for which data are available, expenditures of State governments for veterans' aid. Over the period covered by the figures such expenditures have decreased markedly, almost wholly because of the steady drop in Confederate pensions.

In 1929 such pensions accounted for \$19 million out of a total of \$19.6 million in veterans' aid; in 1942, for \$5.1 million of the \$8.5 million total. In 13 Southern States nearly all the State veterans' aid is in the form of Confederate pensions.

Expenditures for Confederate pensions are not available for all years since the Civil War. It has been estimated that the cumulative cost to the Southern States was between \$350 and

²⁶ Colorado, New Mexico, North Carolina, South Dakota, Wyoming.

²⁷ Illinois, Indiana, Michigan, Oklahoma, Oregon, Pennsylvania, South Dakota, Vermont.

Table 4.—Veterans' aid, 1942 and 1943, and expenditures for care of veterans in State institutions, 1942, by State
[In thousands]

State	Veterans' aid		Care in State institutions
	1942	1943	1942
Total.....	\$8,480	\$6,479	\$7,279
Alabama.....	509	414	-----
Arizona.....	11	8	-----
Arkansas.....	39	38	50
California.....	45	50	796
Colorado.....	-----	-----	82
Connecticut.....	251	135	458
Delaware.....	4	3	-----
Florida.....	479	427	-----
Georgia.....	654	572	11
Idaho.....	42	13	30
Illinois.....	84	81	1,105
Indiana.....	10	10	612
Iowa.....	2	3	386
Kansas.....	20	20	182
Kentucky.....	141	120	-----
Louisiana.....	1,288	490	6
Maine.....	187	179	-----
Maryland.....	89	89	-----
Massachusetts.....	205	66	406
Michigan.....	117	124	229
Minnesota.....	934	620	277
Mississippi.....	343	198	-----
Missouri.....	11	7	120
Montana.....	6	8	45
Nebraska.....	25	20	100
Nevada.....	-----	-----	-----
New Hampshire.....	5	14	32
New Jersey.....	-----	-----	192
New Mexico.....	8	8	-----
New York.....	138	138	152
North Carolina.....	244	219	11
North Dakota.....	7	81	39
Ohio.....	98	98	742
Oklahoma.....	297	222	25
Oregon.....	-----	1	-----
Pennsylvania.....	375	362	317
Rhode Island.....	102	88	60
South Carolina.....	12	9	28
South Dakota.....	9	6	121
Tennessee.....	293	260	-----
Texas.....	999	854	73
Utah.....	6	6	-----
Vermont.....	22	21	43
Virginia.....	334	367	-----
Washington.....	5	-----	242
West Virginia.....	12	13	-----
Wisconsin.....	17	11	291
Wyoming.....	1	-----	16

Source: Bureau of the Census, reports of State finances, 1942 and 1943.

\$400 million through 1938; by the end of 1943 expenditures had probably reached at least the latter figure.²⁸ After reaching a peak in the late 1920's, benefits to Confederate veterans dropped to the level of \$5 million a year in 1942 (table 2). If the 1936-42 rate of decrease continues, expenditures for Confederate pensions will practically disappear within 10 years.

For the other types of State expenditure for aid to veterans, no comprehensive detailed data are available. An examination of the financial re-

²⁸ *Southern Economic Journal*, October 1938, p. 208.

ports of the individual States indicates that, for the 11 States where burial expenses were itemized, the total amount spent in 1942 was \$127,000. Since 22 States have no State law providing for burial benefits, total State expenditures for burial probably amounted to no more than \$300,000. In those 22 States, however, the county governments have made provisions for assuming responsibility for burial expenses where necessary. If the expenditures made in the 11 States with State laws providing for burial expenses are representative, it would appear that total county expenditures for burial expenses were about \$300,000. The combined total for State and county expenditures might thus be about \$600,000.

Bonus payments in the States in 1942 amounted to less than \$50,000. While these payments reached considerable amounts between World Wars I and II, they have now practically disappeared as a State expenditure for veterans.

State financial reports indicate that 13 States spent approximately \$95,000 in 1942 for the education of orphans of veterans of World War I. No data are available on State payments for the education of veterans, and it is probable that very little if anything was spent for such purposes in 1942.

No detailed distribution of census figures on veterans' aid is available, and it is not known how much of the money spent by the States for the three items discussed above is included in the total shown in table 3. For some States it is apparent that such expenditures are included in the total. It is probably safe to assume that the veterans' aid figures include practically all cash payments made to veterans by the States.

While all but 5 States made payments to veterans in 1943, no State paid as much as \$1 million, and only 3 States paid more than \$500,000 (table 4). The relatively high figures noted for the Southern States reflect the pension payments to Confederate veterans.

To get a total of all State and local expenditures for veterans, expenditures by city and county governments should be added to the \$6.5 million spent by State governments. The two items which would appreciably aug-

ment the census figures for expenditures made by State governments are (1) the burial expenses paid by the county governments and (2) relief expenditures made by city and county governments. The probable amount of burial expenses under county governments has already been noted. No data are available concerning expenditures made by the county governments for relief to veterans; for the 92 largest cities the Census Bureau reports veterans' aid expenditures of \$5.5 million. New York City accounts for \$3.8 million, and the remainder is spent in 18 of the 92 cities. Five of these 19 cities were in New York State and 7 in Massachusetts. The total amount of State and local expenditures for veterans' aid, exclusive of relief on a county basis, appears to be:

Veterans' aid:	Amount (in millions)
Total.....	\$12.3
State.....	6.5
City.....	5.5
County (exclusive of relief).....	.3

Expenditures for care for veterans in State institutions have decreased much less during the past 15 years than has State aid. The total spent for State institutional care has ranged from \$6 to \$8 million. State homes for Confederate veterans have represented a much smaller proportion of total expenditures for veterans' homes than Confederate pensions have of total veterans' aid. In 1942 the Southern States spent only \$258,882 for care in homes for Confederate veterans out of a total cost of \$7.3 million for care of veterans in State homes.

The \$6.9 million for 1943 (table 3) probably accounts for all expenditures in the States for care in institutions; there is no indication that homes for veterans are maintained by city or county governments. Included in the total is the amount reimbursed to the State by the Federal Government for care of veterans in State homes; in 1943 such payments to the States amounted to \$1.2 million.

No figures are available by States for veterans' care in State institutions in 1943. In 1942 all except 15 States made such expenditures (table 4). The largest expenditure—more than \$1 million—was made in Illinois; 3 other States expended more than \$500,000 and 14 States between \$100,000 and \$500,000.