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# Analysis of the G. I. Bill of Rights

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## AN ANALYSIS OF THE "G. I. BILL OF RIGHTS"

The Servicemen's Readjustment Act of 1944<sup>1</sup> signed by the President on June 22 was designed to effect a speedy and generous return to civilian life and civilian economy for the men and women who are fighting the war. The final draft of this bill represented months of study and discussion on the part of the Congress, and especially of the members of the Senate Committee on Finance and the House Committee on World War Veterans' Legislation. Literally hundreds of bills were submitted and many others proposed without ever reaching the stage of a final draft.

In the Senate the discussions and hearings began on January 14 and continued without interruption until March 10th.<sup>2</sup> The deliberations were on the general subject of post-war readjustment of veterans and the methods which would bring about the most satisfactory results to everyone concerned.

In the House the hearings began on January 11 and ended March 31.<sup>3</sup> After complete examination of all propositions, a final bill to include the best parts of all of them was drafted in the Senate and was introduced on March 13 by Senator Clark of Missouri, carrying his name and the names of 78 other Senators. On March 18th this bill, Senate Bill 1767, was reported out with some changes by the Committee on Finance<sup>4</sup> and was passed, with the amendments, by the Senate on the 24th of March.

The House, not quite happy about the bill as drafted and passed, referred it to their own committee and after much argument, a great deal of revision, and a general revamping, reported the bill to the House on the 5th of May.

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<sup>1</sup> Public, No. 346, 78th Congress.

<sup>2</sup> Veterans' Omnibus Bill, Hearings on S. 1617, 78th Cong., Second Session.

<sup>3</sup> World War Veterans' Legislation, Hearings on H. R. 3917 and S. 1767, 78th Congress.

<sup>4</sup> S. Rept. 755.

Obviously some reconciliation between the widely divergent views of the House and the Senate would have to be arranged, and the specific points of disagreement were submitted to a Committee of Conference which spent more than a month ironing out the difficulties but were successful in their undertaking and turned in their report <sup>5</sup> on the 12th of June. That same day the Senate agreed to the report, the House followed the next day and the President signed it on June 22.

In the report of the Senate committee the bill is described as "a fundamental bill of rights to facilitate the return of service men and women to civilian life. The committee does not contend that it is or can be the last word on the subject. We do assert that it is a comprehensive statement of the measures presently necessary and that it represents the very least that should be done at this time both in justice to the veterans and in enlightened self interest for the remainder of the country.

"Your committee recognizes that this bill authorizes a program which will be costly to the Nation. Yet we view it as true economy. None can deny that it is part of the bare-bones necessary cost of the war. We regard it as the best money that can be spent for the future welfare of the Nation."

The committee emphasized the fact that the legislation was more extensive and more generous to the veterans than any other bill ever introduced for veterans of this war or of any other. They stated, "We believe that this is entirely justifiable in view of the character of service in this war. It is the view of the committee that the enactment of this bill will render unnecessary any consideration of adjusted compensation; and that the benefits provided by this bill, if enacted into law, will be of greater advantage to veterans, at a lesser expense to the Government, than could possibly

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<sup>5</sup> H. Rept. 1624.

be accomplished by an Adjusted Compensation Act, at least under factors known or readily foreseeable at this time."

The House Committee on World War Veterans' Legislation, were in complete agreement with the sentiment expressed by the Senate committee.

#### GENERAL PROVISIONS.

For the most part, eligibility for all benefits under the act is based on service in the active military or naval service of the United States at any time on or after September 16, 1940, the date of the taking effect of the Selective Service Act, and before the end of the present war. The serviceman or woman must have served for at least 90 days, unless discharged earlier for disability incurred in service and the final discharge must be other than dishonorable.

Two of the Act's six Titles are designed to be extended to all veterans and not exclusively to veterans of this war. They are Title I and Title IV.

Title I sets out the jurisdiction of the Veterans' Administration as a war agency as well as a post-war agency, and gives it the necessary authority to carry out the complete functions of hospitalization, rehabilitation and other activities for the veterans, both of this war and others. This includes priority for constructing facilities, and provides for the exchange of hospital facilities and personnel, by agreement between the Veterans' Administrator and the Secretaries of the War and Navy.

This title further provides that the Veterans' Administration may station its representatives in Army and Navy training centers and other installations to aid and counsel discharged servicemen and women in any matter in which the Veterans' Administration has an interest. Remembering the difficulties many men of the last war encountered because of their eagerness to get out of uniform, only to find later that through a technicality of some kind, they were pre-

cluded from filing claims for compensation for disability or for pensions, the V. A. this time sees to it that no man is released until his papers are all in order, including any claim for compensation, pension or hospitalization or until he has filed a statement that he has been completely informed of his rights under the "G. I. Bill."

Although conscientious objectors, or persons convicted by a courtmartial and dismissed as a result, and a few other specific types are barred from the benefits of the bill, this title provides that if it can be proved that the person was insane, he will be entitled to the benefits as any other.

The title also sets up for both the Army and Navy, boards of review of five members each to review cases of irregular or questionable discharges. The review can be initiated on their own motion, at the request of the next of kin or the legal representative in the case of deceased veterans. The boards are empowered to change a discharge and issue a new one if the facts justify such change. Their finding is subject to review only by the Secretary of War or of the Navy.

Title Four, the other title applying generally to all veterans, provides for employment. This title has been interpreted in three ways according to the interests of the interpreting agency, but they all state one principle aim: the provision of capable employment services for veterans. The differences lie mainly in the means to be used, and the disputes are over the question of veterans' preferences and the organization of the Veterans' Employment Service.

The first question is to be answered in the way that will best serve the purpose of assuring the veterans of the best counseling and placement in the matter of employment. The House Bill and the Senate Bill agree on this point with different wording. The House Bill was more specific in that it expressly stated it to be the duty of the employment service in each State to "see that any laws pertaining to veterans' preferences are enforced, and where possible, persuade em-

employers to give the preference to any veteran who has qualifications equal to those of a non-veteran applicant for employment." Whether these are empty words or whether in the final analysis they really mean anything to a veteran applicant or not will be decided when the employment service undertakes to enforce that provision. The decision of equal qualifications will be loophole through which non-cooperative employers may easily escape in the event they prefer not to employ the veteran.

The Senate Bill did not mention preference in its statement of the function of the employment representative but merely threatened those employment services in any State that failed to give preference to qualified veterans on assignments. The bill in its final draft and as enacted, makes no reference to veterans' preference on job assignments.

The second controversial point, centered around the organization of the Veterans' Employment Service, was finally included in the Act as it was set out in the Senate bill. It provides that a Veterans' Placement Service Board is to operate as the single agency to administer this part of the Act, and it is to be directed by the Administrator of Veterans' Affairs as chairman and the Director of the Selective Service System and the Administrator of the Federal Security Agency (acting as head of the United States Employment Service), as members. Under the original Senate Bill the Board was to be a part of the United States Employment Service but this was not specified in the Act, and again in the original Bill the members of the Board could be represented by alternates, but the final Act as passed does not make this provision.

The Act, and this follows the Senate draft, provides for direct responsibility for carrying out the policies of the Board through the representatives of the Board in the several States. In the original Senate bill an executive secretary to serve as head of the Veterans' Employment Service of the United States Employment Service was provided. Under the

act as passed, the chairman *may* delegate his authority to an executive secretary "who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service."

In both bills, and in the Act there is to be a State agency for the administration of the act. While the House bill provided for the appointment of a representative directly responsible to the Administrator of Veterans' Affairs, who appoints him, this was stricken out in the final bill which follows the Senate bill in providing that the representative in each State shall be assigned by the United States Employment Service and the representatives are responsible to the Veterans' Placement Service Board.

All three bills provide for cooperation of the state employment services with the veterans' placement service.

The Senate Bill in imposing a sanction against any state employment service failing to give preference to veteran applicants takes the form of withholding funds under the Wagner-Peyser Act.<sup>6</sup>

Both bills and the act specify that the person to represent the veterans in the employment service shall be a qualified veteran and shall be subject to civil service laws. The House bill had a further requirement that they be residents of the State to which they are appointed for at least six months. Under the final writing of the act this requirement is raised to two years. The Senate bill had no residence requirement at all. The word "veteran" means a veteran of any war, and while the House bill stated that the qualified veteran must have been discharged "honorably," the act finally said he must have been discharged "under conditions other than dishonorable. There is a distinction between "honorably" discharges and others such as "medical" discharges which has caused much discrimination against veterans discharged because of physical reasons, sometimes from injury in combat

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<sup>6</sup> Wagner-Peyser Act, 48 Stat. 113 (1933) (U. S. C. A.) T. 29 Sec. 49.

and whose discharges are "other than honorable" in that they are "medical."

All three versions require Federal agencies to cooperate with the state agencies to administer the title.

The other four titles of the Act are intended to benefit veterans of this war only. Title II is the one that will undoubtedly have the most permanent and far-reaching effects. It is the title offering educational advantages to returning veterans. Until it has been in operation for some time, many of its provisions will be impossible of accurate interpretation, but in the light of the official interpretation released by the Veterans' Administration, it may be assumed that the general benefits to be offered are fairly definite.

The educational benefits of Title II spring from the original vocational and rehabilitation provisions of the Veterans' Regulations. It amends Part VII of those regulations and adds a new Part VIII. The old act under Part VII offered vocational training to disabled veterans. The new act offers education and training to all veterans eligible under the Act. It is based on the presumption that the war has prevented, interrupted or interfered with the education of service men and women and that if the government makes it possible for these people to continue their education after the war the Nation will benefit in a direct ratio that the number of such students bears to the total number of veterans.

Briefly, the act provides a year of education for a year of service, up to four years of schooling. He must have been in service for at least 90 days unless he is discharged for disability incurred in line of duty prior to the expiration of the 90 days. He must start his training within two years after discharge or within two years after the war ends, whichever is later and it must be completed before the end of the seventh year. He may select his own school and may enroll for any subjects for which he is fitted. If he was under the age of twenty-five at the time of enlistment he will be *presumed*



to have had his education interrupted, and no proof need be furnished. If he was over twenty-five, it may be necessary to submit evidence of the interruption. This will be necessary in the case of professional students for the most part whose period of study is longer than the usual college course of four years. The 90-day service requirement will not include study in a military program in a college or university where civilian courses were followed, such as the Navy V-12 program or the Army E.R.C. or A.S.T.P. programs.

All tuition, fees, books, supplies, equipment, etc. up to \$500 a school year are paid by the Veterans' Affairs Administrator to the institution in which the veteran enrolls. In addition he will receive an allowance of \$50 a month or \$75 if he has a dependent.

Instead of the continuous full-time course, the veteran may elect an equivalent period of continuous part-time study. In that case, the subsistence allowance may be reduced or omitted entirely.

On completion of the first year of school, the student may continue his regular courses for an additional period not to exceed three more years. Students who have finished their training but due to war service will need refresher courses to prepare them for entering their field of work, will be allowed a year of refresher training in the school of their choice. It is believed that most schools will furnish special courses for the retraining of the veterans who had their original education in that institution. There is no restriction on the type of school and either public or private institutions will be approved. No supervision or control of the institution is to be exercised by any Federal or State agency other than that already authorized by existing law.

When the original bills were reported out of both the Senate and the House Committees it was stressed that no intention to set up the Veterans' Administration as an educational agency or to establish any new educational organization was to be read into the law.

Title III provides for loans for the purchase or construction of homes, farms, and business property. Under this title the government does not make the loan but insures up to 50% of the loan, not to exceed a guarantee of \$2,000 and the loans may be made by any individual or lending institution. Interest is not to exceed 4% and the loan is to be repaid within twenty years. The Federal government pays the interest for the first year on the amount guaranteed. The same eligibility requirements prevail as for Title II and application must be made within two years after discharge or after the end of the war whichever is later, but in any event within five years after the end of the war. No security is required for the guaranty but the Government reserves the right of subrogation to the extent of the guaranty paid. In the event the borrower defaults, the government may bid on foreclosure proceedings or to refinance.

Where a principal loan is made or insured by a Federal lending agency and the veteran needs a second loan to cover all or part of the balance of the purchase price or cost, the Administrator may guarantee the second loan provided it does not exceed 20 per cent of the cost or the \$2,000 limitation. Interest on the second loan may not exceed the rate on the principal loan by more than one per cent. The act provides that the second loan shall not make a first mortgage loan on the same property ineligible for insurance.

Several things are to be considered in approving loans. First of all the proceeds are to be used only for the purpose specified. The terms of payment must bear a proper relation to the present and expected income of the veteran, and the property must be suitable for dwelling purposes. The price must be reasonable. Loans may be had for repairing, altering, or improving property, or for paying delinquent taxes or other indebtedness on property already owned by the veteran and used as his home.

Funds for the purchase of farms or farm equipment and business property will be provided by guaranteeing payment

if the veteran can show that the property is to be used in the pursuit of his usual occupation and that he has sufficient experience or training to assure success of a farming venture. This title further provides that if a person qualifies under this part of the act that he may be eligible under the Bankhead-Jones Farm Tenant Act, as if he were a farm tenant.

Title V is the title which provides for unemployment compensation for unemployed veterans. As of September 4, 1944 and ending five years later, unemployment compensation is to be paid to qualified veterans, and the qualifying service is the same as that required for eligibility under Title II.

Briefly, the veteran to qualify must show that he has lived in the United States at the time the claim is filed, is completely unemployed, or partially unemployed by reason of having worked for less than a full workweek and earned wages of less than the allowance plus \$3, that he has registered with and continues to report to a public employment office and is able to work and available unless incapacitated by an illness occurring after the commencement of a period of continuous unemployment.

A uniform allowance of \$20 a week for total unemployment. For partial unemployment, the allowance is \$20 minus any wages in excess of \$3 a week. Duration of allowances depends upon the length of the claimant's military service. Eligible veterans are allowed four weeks of allowances for a month of service, up to fifty-two weeks. For the first 90 days, the qualifying period, the ratio is two months of service for a month of allowance. All claimants whose service is for more than nine and one-half months will be entitled to the maximum of fifty-two weeks. No provision is made for those veterans who are discharged for injury incurred in line of duty before they have completed 90 days of service.

Any benefits paid by any Federal or State unemployment compensation law other than a pension or other amount paid by the Veterans' Administration, is to be deducted from the allowance payable under this Act.

There is also a provision for the benefit of those veterans who are self-employed. If he can show that he has been fully engaged in self-employment and that his net earnings for the previous calendar month has been less than \$100, he is eligible for allowance. None of the other eligibility or disqualification provisions are applicable to the self-employed veteran.

The three versions of this title differed principally in the coverage requirements, the benefit formula, and the administrative provisions.

The Senate Bill required that a veteran to qualify must have served in the armed forces after September 16, 1940 and prior to the termination of the war, he must have been released after the effective date of the act or within a year preceding that date, and have been discharged "other than dishonorably." The House bill changed the requirement as to the year preceding the date of the act, and specified that the discharge must have been "honorable." The act adopted the house bill in the matter of the time of service but included the wording "other than dishonorably" of the Senate bill.

The Senate Bill proposed weekly allowances from \$15 a week for a veteran without dependents to \$25 for one with dependents. The House bill eliminated that difference, making a flat \$20 for week of unemployment the basis. The law followed the House bill.

With reference to the duration of the payments, the House bill set it at twenty-six weeks, and the Senate Bill at fifty-two weeks. The act as passed is a compromise.

Some standard of "suitable employment" will have to be set. The Act says that if the veteran fails to accept suitable work he is disqualified from further consideration. Work is not deemed to be "suitable" if the position is open as a result of a labor dispute, if the standards are lower than those prevailing for the same work in the locality, or as a condi-

tion of employment the worker is required to join a company union or to resign from or refrain from joining any bona fide labor organization. What will happen if the veteran refuses to join a "bona fide" labor organization remains to be seen.

Other provisions relate to mustering-out pay, and provides that the veteran may be eligible for unemployment benefits immediately and without the waiting period after he has drawn the mustering-out pay. The waiting period was included in the Senate bill, and held that no unemployment payments could be made for four weeks after the last payment of the mustering-out pay had been made.

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