The Myth of the GI Bill

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This month Americans celebrate the sixty-fifth anniversary of the signing of the Servicemen’s Readjustment Act of 1944—the GI Bill—the mother of all stimulus packages. An omnibus bill, the measure made it possible for World War II veterans to get a college education, buy their first home, or in other ways to make a successful transition from war to civilian life. Within a generation it had become iconic among Americans, not only for the opportunities it provided to veterans and their families, but also for the boost it gave to the post-war economy, and, in the longer term, for its influence in opening up colleges and universities to a much wider proportion of America’s youth. In his new book, Bold Endeavors, Felix Rohatyn, goes even further. “The G.I. Bill was a landmark law,” he writes, not only for measurable gains in jobs, new homes, and enhanced tax proceeds, but for the ways it “changed the fabric and spirit of American life. The G.I. Bill made the country better educated, more egalitarian, and more optimistic, a land where the prospect of opportunity lifted and energized the citizenry.”

These powerful effects, tangible and intangible, are foremost in praise of the bill—indeed, they are frequently exaggerated—but for many the bill also represents the American political process at its best. It is the product of a rare and happy moment of political consensus, when legislators joined together to pass a law that was necessary, timely, and wise. The GI Bill bears the stamp of neither political party. It is neither liberal nor conservative. Originally hailed as the Bill of Rights for GI Joe and GI Jane, it remains a quintessentially American document, at once of and above politics.

The GI Bill did pass in both the Senate and the House without a dissenting vote, but the unanimity that Americans so admire actually masked a continuing ideological and political conflict. To be sure, there was broad agreement among Congressmen of all stripes on the need to avoid the errors of the post-World War I era in the demobilization of more than 15 million men and women into a highly uncertain economy, and the bill was shaped in response to fears that the conversion from military to peacetime production would trigger a depression. But as they looked toward the end of the war, liberals yearned for, and conservatives feared, a resurgence of the New Deal, and the GI Bill was a focal point of these hopes and fears. Each bloc in Congress (liberal Democrats on one side, a larger combination of Republicans and conservative Democrats on the other) perceived the GI Bill in terms of its own agenda for post-war government. Their motives were as different as their votes were similar.

Conservatives found in the bill an opportunity to restrict domestic policy in both scope and duration. They insisted that the GI Bill be limited to veterans—and not, for example, workers in defense plants or even widows of soldiers killed in battle. And they demanded that benefits expire after a relatively short period of time. Originally,
the GI Bill required veterans to begin educational programs within two years of their discharge, and to complete them within seven years. Time limits were similarly restrictive for unemployment benefits (tellingly entitled “readjustment allowances”) and loan guarantees for the purchase of homes, businesses, and farms. Other provisions, moreover, assured conservatives that this legislation would be limited in scope even among the veterans themselves. A $2,000 limit on realty loan guarantees was really a guarantee that few veterans would actually be able to finance a home purchase through the GI Bill, especially in the context of the severe and inflationary housing shortage that everyone knew would last at least through the two year qualification period for most former GIs. All of these time and dollar limits were eased by amendments passed at the end of 1945, which conservatives in Congress supported only because too few veterans were utilizing benefits. The amended GI Bill did attract millions of former GIs, who enjoyed more substantial benefits for longer periods than conservatives had originally intended. But if the GI Bill became a New Deal for veterans, it was no more than that. Conservatives succeeded, in the short run at least, in preventing the extension of any of the bill’s programs, or anything like them, to the non-veteran population.

Liberals hoped and worked for just the opposite goal. The old New Dealer Samuel Rosenman was sure that FDR himself saw the educational provisions of the GI Bill as an “entering wedge” for a Federal role in the financing of education in America. Many liberals, inside and outside of Congress, agreed. Their attitude was best expressed by a young, not-yet-eminent historian, John Higham. “Will the infantryman make a better teacher than a 4F?” Higham asked. “Will the airman make a better doctor than his younger brother who never got beyond the Boy Scouts? A democracy hungry for leadership,” he continued, “will not find its hunger appeased once the last veteran has secured his college degree.” Using the same metaphor as Rosenman, Higham saw the GI bill as an opportunity to “exploit the wedge to open new opportunities for social welfare. With will and vision,” he concluded, “we can transform a temporary windfall into a permanent triumph.”

Whether the GI Bill really was a “wedge” leading to later Federal initiatives in education, housing, and other domestic affairs can be debated. What seems clear, however, is that the ideological differences and struggles that these initiatives provoked were by no means absent in the early months of 1944, when the GI Bill took shape. Beneath the apparent consensus were the same differences that would manifest themselves so clearly when the issue of veterans’ readjustment gave way to still larger concerns—and when, in 2009, politicians, pundits, and the American people debated the stimulus package presented by President Obama.