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PATRONAGE POLITICS AND THE DEVELOPMENT OF THE WELFARE STATE: CONFEDERATE PENSIONS IN THE AMERICAN SOUTH

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ABSTRACT

Beginning in the 1880s, southern states introduced pensions for Confederate veterans and widows. They continued to expand these programs through the 1920s, while states outside the region were introducing cash transfer programs for workers, poor mothers, and the elderly. Using legislative documents, application records for Confederate pensions, and county-level census and electoral data, we argue that political considerations guided the enactment and distribution of these pensions. We show that Confederate pensions programs were introduced and funded during years in which Democratic gubernatorial candidates were threatened at the ballot box. Moreover, we offer evidence that pensions were disbursed to counties in which these candidates had lost ground to candidates from alternative parties.

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1 Introduction

During the late 19th and early 20th centuries, U.S. states introduced cash transfer programs for the needy. Such programs included Mothers' Pensions for poor single parents, Workers' Compensation for men who became disabled on the job, and Old Age Pensions for the elderly. By the 1920s, most states had passed aid legislation and begun administering cash transfers. The notable exception was the South, which overwhelmingly failed to administer aid to mothers, workers, or the elderly, even in rare cases when aid programs were approved by state legislatures.[1] Instead, southern states widely enacted and funded Confederate pension programs, which were modest income support programs for Confederate veterans and widows. These programs were typically enacted during the late 1880s and early 1890s, but southern state legislatures continued to expand them through the 1920s. Using newly compiled data on pension legislation, expenditures, and applications, we explore the political factors that motivated southern states to introduce, fund, and disburse Confederate pensions. As such, we offer new information on the development of the welfare state in the South.

A major contribution of this paper is to provide the first cross-state accounting of the passage and distribution of Confederate pensions. More broadly, this study offers new insight into the economic history of income redistribution in the region. The leading explanation for southern states' reluctance to adopt the types of welfare programs typical to other parts of the county is that the political process in the South was captured by white rural elites. Alston and Ferrie (1993; 1999) write that paternalism – in which workers trade loyalty to their employer for nonmarket goods such as old-age assistance without an explicit contract – reduced turnover costs and increased work effort in cotton agriculture. They argue that rural elites in the South actively blocked the adoption of welfare programs because these programs would have disrupted the paternalistic employment contracts they had with their workers. Moreover, southern politicians did not need to cater to low income voters by enacting income redistribution programs because the Democratic party had effectively quashed all political opposition, through measures taken to disenfranchise poor and black voters [Kousser (1974), Margo (1990), Naidu (2012)].

We argue that Confederate pension programs provide a bridge between the standard view of the post-Reconstruction South and conventional economic models of income redistribution in a democracy. Typically, the economic literature on income redistribution argues that voter pref-

[1] Some southern states enacted legislation to provide Mothers' Pensions but never actually awarded cash transfers to poor mothers. For example, Arkansas passed a program in 1917 but never provided aid to the poor (source: http://individual.utoronto.ca/shari_eli/historymp.html).

erences matter in determining policy. The most basic model of redistributive policies is due to Meltzer and Richards (1981) who argue that policy is determined by the median voter: high taxes and redistributive programs emerge when the median voter becomes poorer relative to the mean. Related literature, surveyed in Alesina and Giuliano (2009), suggests additional determinants of popular preferences for redistribution, including expectations of future mobility, direct and indirect preferences for inequality, and notions of "fairness." Other work explores the use of public funds to cater to specific voting groups.[2] Cascio and Washington (2013) show that the Voting Rights Act of 1965 increased the quantity of public funds disbursed to black communities, arguing that this occurred because of politicians' desire to court black voters. They argue that newly enfranchised black voters were an attractive group to target because they were "both geographically identifiable and tended to vote cohesively" (p. 5). What these accounts have in common is the idea that redistributive policies are introduced specifically to cater to voters' preferences.[3]

We show that southern legislators did use a type of redistributive program – Confederate pensions – to appeal to voters. In support of this argument, we offer evidence that southern states introduced and funded these pensions during years when Democratic gubernatorial candidates were threatened, and they distributed pensions to politically expedient counties. The fact that southern states chose to redistribute income in the form of Confederate pensions, which were narrowly tailored to whites who were inclined to support the Democrats and unlikely to work as farm laborers, is highly consistent with the existing literature on southern politics during this period. However, by demonstrating that southern Democrats responded to electoral pressure through patronage of any kind (rather than solely through repressive measures), we offer a somewhat more nuanced perspective on politics and the development of the welfare state in the region.

In this paper, we compile new data on Confederate pension legislation, spending, and individual

[2]See Scott (2000), Cox and McCubbins (1986), and Dixit and Londregan (1996) for theoretical discussions of the use of income redistribution for political patronage.

[3]There is a large literature on the political economy of income support programs in the United States during the late 19th and early 20th centuries. Eli (2014) examines the distribution of Union Army pensions and finds that larger pensions were awarded to veterans in contested congressional districts. Eli argues that the Republican party used this program to buy veterans' votes. Skocpol (1992) argues that the passage of Mothers' Pensions, which were state welfare programs for women with dependent children prior to 1935, were the result of the increasing ability of women's clubs, who were united across social class, to press for aid. Fishback and Kantor (1998) explore the adoption of Workers' Compensation Laws across states and show that employers and insurance companies, as opposed to just employees, significantly gained from the law's passage because they were able to pass the costs of higher post-accident compensation on to workers by lowering wages. Workers benefitted because they had difficulty purchasing desired levels of accident insurance in the period [Fishback and Kantor (1998), p. 3]. While there is ample evidence that redistributive programs were used for political purposes during the 19th and early 20th centuries, this tendency seems to have declined by the mid to late 20th century. Bailey and Duquette (2014) show that the distribution of funds for War of Poverty programs during the Johnson administration was not politically motivated.

pension applications, which we combine with county-level census data and data on gubernatorial election returns. We use these data to measure the effect of recent voting behavior – the share of the gubernatorial vote going to Republican or third party candidates – on the probability of passing an initial pension law, the percentage of state expenditures allocated to pensions, and the distribution of pension funds within states. While other studies have discussed Confederate pension programs in individual states,[4] this is the first large, cross-state analysis of these programs. Moreover, it is the first study to use a large sample of individual pension applications to explore the geography of Confederate pension applications within states.

We use the number of Confederate pension applications filed at the county-year level as our primary measure of the allocation of pension funds within states. Because of the nature of the application records we are using, we view the number of applications filed from a county in a given year as a noisy measure of the number of applications from that county in that year that were approved. Moreover, we have reason to believe that county officials directly influenced the number of applications forwarded to state pension boards, which we will discuss in detail in a later section. As such, an increase in applications from a given county likely reflects the Democrats' desire to patronize that county. We take steps to rule out alternative explanations for a correlation between voting behavior and county-level application rates.

We find that the states were most likely to pass initial Confederate pension laws after a gubernatorial election in which there was a small spike in third party or Republican vote share. Similarly, the fraction of state expenditures on Confederate pensions significantly increased after third party or Republican gubernatorial candidates saw an increase in vote share. Within states, the number of applications from a county increased after that county experienced an increase in votes to third party or Republican candidates. Importantly, this finding is robust to controlling for county-level economic indicators, which suggests that political patronage drives this result. Finally, we show that, in Texas, pensions were less likely to be rejected in counties in which third party candidates had done well in the most recent election. Taken together, we feel this is strong evidence that southern Democrats used Confederate pensions to maintain power.

[4]See Blanck and Millender (2000) and Rogers (1999) for a discussion of the program in Virginia; Green (2006) for a discussion of Florida; Gorman (1999), Short (2006) and Young (1982) for a discussion of Georgia. Glasson (1918) surveys the legislation surrounding Confederate pension programs in the South up to 1918.

2 Historical Background

2.1 Civil War Military Pensions

During the Civil War, the federal government passed the General Law of 1862 that allowed Union Army veterans and their dependents to apply for pensions if their illnesses or injuries were shown to be the result of their war experience. Beginning in 1890, Union Army veterans could receive pensions for any illness or injury that left the veteran unable to undertake manual labor.[5] By 1900, 95% of Union Army veterans were collecting benefits of a little over $12 per month on average, an amount that is roughly equivalent to 50% of a farmer's monthly earnings in the period. The receipt of Union Army pensions has been shown to increase the likelihood of retirement [Costa (1995)], to facilitate the movement of veterans to less crowded living arrangements [Costa (1997)], and to decrease morbidity and mortality rates [Eli (2014)]. With regard to widows of Union Army soldiers, the pension has been shown to lower the rate of remarriage by 25% [Salisbury (2014)]. Therefore, the Union Army pension system – America's first wide-scale entitlement program – had profound demographic effects.

Confederate veterans, however, were never allowed access to pensions from the federal government. Instead, individual southern states enacted their own pension systems. While the Democrats had largely regained control of state legislatures by 1876, they did not start passing pension legislation in earnest until the mid 1880s. Most existing work explains the emergence of Confederate pension laws by the fact that Confederate veterans and widows could not access Union Army pensions, taking for granted that southern states would step in to fill this gap. Other work points to the elevated social position of Confederate veterans and widows in the South to explain why these states were willing to fund these programs.

Details of the passage of Confederate pension legislation are summarized in table 1. States differed in terms of precise eligibility requirements; however, features common to all state programs are apparent. Pension programs typically included a means test, a residency restriction, and a remarriage prohibition for widows, although there is considerable cross-state variation in the nature of these restrictions. For example, the original pension law passed in Texas in 1899 required applicants to have been Texas residents since 1880, while North Carolina, Mississippi and Virginia merely required applicants to be state residents at the time of application. Pension amounts different substantially by state, ranging from a low of $15 per year in Georgia to a high of $300

[5] For a review of Union Army Pension legislation, see Glasson (1916).

per year in Tennessee. While many states initially required applicants to have been injured or widowed during the war, by the turn of the century most pension programs functioned essentially as welfare for Confederate veterans and widows. Much like the Union Army pension, southern pension programs had evolved to cover all veterans and widows in need.

Although Confederate pensions were substantially less generous than the Union Army pension, expenditure on these programs comprised a significant fraction of state budgets [Gorman (1999); Short (2006); Ratchford and Heise (1938)]. Appendix figures (1) and (2) report the number of pension applications filed in each year, as well as the percentage of state expenditures allocated to pensions, separately by state. These figures indicate that these programs were widely taken up, with thousands of new applications filed form each state in most years. Data on fractions of state budgets allocated to pensions comes from southern state treasurers' annual reports.[6] Again, these figures indicate that states spent significant quantities of money on these programs, typically peaking at between 10 and 20 percent of the budget during the first two decades of the 20th century. It is notable that spending on Confederate programs peaked while northern states were introducing other cash transfer programs.

The administration of Confederate pension programs was fairly uniform across states. Claims were evaluated first at the county level, by designated county pension boards. After being reviewed locally, claims were submitted to a state pension board which reviewed them a second time and rendered a final judgement on the merit of each case. After approval by the state board, the state treasurer would issue a warrant for each claim on the treasury. So, while initial adjudication of pension claims was done at the county level, pensions were paid out of a central pension fund. Pension legislation typically introduced a new property tax to fund pension programs.

Consider, as an example, the pension law in Alabama. From 1899 onward, claims were assessed by a county board of examiners, appointed by the governor, and consisting of one "practicing physician of good standing in his profession" and one Confederate veteran "of good moral character" [Alabama (1907), S1998]. The Alabama pension law states the following rules for the operation of these county boards of examiners:

> Upon the first Monday in July in each year, the county board of examiners shall meet at the county seat of their respective counties and open an office for the examination of applicants for pensions under this chapter. They shall give due notice by publication in some newspaper in the county or by posting at the courthouse door of the county and

[6] See data appendix for detailed list of sources and years for which data are available.

> five other public places for three weeks, ahead of the time and place of their meeting. They shall keep their office open for the examination of applicants from nine o'clock a.m. until four o'clock p.m. on week days for the first ten days after the first Monday in July, after which they may keep open for such a time as may be necessary to examine the applications filed with them (SS2003-2005).

During these office hours, county boards would "subject [applicants] to an oral and physical examination" (S2010), and render a decision about the merit of each claim. Then, the county board would submit all claims to the state pension board for additional review (SS2011-2013). The state board of examiners consisted of a physician and two ex-Confederate soldiers appointed by the governor (S2000), and they met to review claims in Montgomery beginning on the second Monday in August every year (S2006). Application materials for approved claims were retained by the state auditor, which he would use to create a detailed record of pensioners (S2018); however, "all applications rejected by the board shall be returned to the county board of examiners, who shall file them with the judge of probate of the county, to be kept for future reference" (S2019). The pension was funded by "a special tax of one mill on each dollar of the taxable property of the state" (S2031).

There is some evidence of corruption among county pension boards from the historical record. The 1897 state auditor's report from Alabama complains about local adjudication practices:

> This effort of the State to aid these worthy men is being sadly abused. Applications are allowed in a great many instances that should be rejected. The Boards of Examiners, in some counties, do not appreciate their trust. They grant applications that they know are based upon false statements, thereby diverting this sacred fund from its proper course. They should feel that every cent improperly allowed is taken from a pittance that is intended for a worthy Confederate soldier *who is not able to make* a living for himself [White (1897), p. 23].

Blanck and Millender (2000) also discuss the arbitrary power that elected county judges wielded in distributing pensions in Virginia. This behavior is consistent with historical accounts of the actions of county officials during southern elections. Kousser (1974) discusses the tendency for local officials to exert influence over voter registration by altering dates during which registration took place and selectively informing constituents of this fact. He writes that "the county machine could always remind its followers of the closing date for registration, but it neglected those voters

outside the dominant political structure, or even prevented them from registering" (p. 49).

2.2 Post-Civil War Politics in the South

By the mid 1870s, the Democratic party had largely regained control of southern politics. Voting in the South during the later 19th century cut primarily along racial lines, with white voters supporting Democrats and black voters supporting Republicans (Ayers 1992). The Democratic party was dominated by rural elites from the Black Belt – the portion of the South in which plantation style agriculture was common. Alston and Ferrie (1993; 1999) argue that Democratic congressmen viewed these elites as their core constituency, and acted explicitly in the best interests of this group. Legislative efforts to disenfranchise black voters in the South during this period, including poll taxes and literacy tests, are well documented [Kousser (1974), Naidu (2012), Margo (1990)]. These policies began to be enacted in the region during the 1890s but did not become ubiquitous until around 1910. Prior to adopting these policies aimed at disenfranchisement, Democrats employed measures like gerrymandering, fraud, and voter intimidation to maintain power in the region, subject to some federal oversight up to the mid 1890s [Naidu (2012)]. While these measures significantly decreased turnout among black voters, southern elections were at least somewhat competitive before legal disenfranchisement [Naidu (2012)]. Importantly, Confederate veterans were often exempt from poll taxes. For example, the Georgia state legislature passed a law in 1882 "to relieve crippled and disabled Confederate soldiers from poll tax" [Georgia (1882), p. 120].

While the the Democratic party claimed a majority of the southern white vote during this period, they were at risk of losing vote share to third party candidates. Populist agrarian movements were a significant presence in the South during the years following the Civil War. Beginning in Texas during the 1870s, the Farmer's Alliance had become an important political force in state legislatures by the late 1880s and early 1890s (Woodward 1951). This movement gained popularity among farmers in the face of falling agricultural prices and a perceived lack of power in their dealings with the banks and railroads [Ayers (1992)].[7] As Woodward (1951) notes, with exception of Virginia, the majority of the populist vote came from small, poor, white farmers. He quotes one account of the movement in Alabama that characterizes it as "an effort of the masses of the white to free themselves from the rule of the black-belt Democratic party of the old slave-owning type" (p 247). Moreover, populist movements in the South during this period seemed to directly threaten

[7]For a discussion of economic conditions in the South during this period, see Wright (1986). See Goldin and Lewis (1975) and Ransom and Sutch (1875) for a discussion of the direct effects of the Civil War on the southern economy.

Democratic votes: "The leading conservative paper of Texas described the Populists of that state as solid, native white stock 'sober and earnest from first to last' and estimated that 90 per cent of them were 'ex-democrats whose standing in the party was formerly as undisputed' " (Woodward 1951, p 247). Maintaining vote share among smaller white farmers at risk of voting for populist candidates would have been an important political objective for southern Democrats.

3 Data

We combine state-level information on the passage of Confederate pension legislation, state balance sheet data, individual pension application records, and county-level census and election returns data. Data on the passage of Confederate pension laws by state legislatures is compiled from primary and secondary sources,[8] and is summarized in table 1. We obtain state balance sheet data from published annual reports to state treasurers, which are accessed from Hathi Trust.[9] This allow us to observe annual expenditures on pensions relative to total annual expenditures.

Individual pension data consists of indexes to Confederate pension applications, which are available online from southern state archives.[10] In recent years, complete collections of Confederate pension files have been made publicly available through genealogical websites such as ancestry.com and familysearch.org. These files are indexed, either in hard copy or at state archive websites. We have obtained these indexes for nine states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Texas, Tennessee, and Virginia. Mississippi and the Carolinas have existing records, but they are not indexed in machine readable form. Information that can be gathered from these indexes varies by state. In general, the index will indicate the name of the applicant, the type of application (veteran or widow), and the county of application. In some cases, the indexes contain additional information, such as year of application, details of the soldier's military service, and the outcome of the pension application. Appendix table 2 lists the number of pension applications indexed, separately by type as well as decade. All indexes that we have collected report whether the applicant is a soldier or a widow except for Florida; all indexes report the year of application except Louisiana and Tennessee.

We combine data on Confederate pension laws and applications with county-level census data

[8] See data appendix for a detailed list of sources.

[9] See data appendix for a complete list of sources and years for which these data are available.

[10] Pension applications from Arkansas, Florida, Kentucky, Louisiana, and Tennessee are collected from the website of each state's archives. Pension applications from Alabama, Virginia, and Georgia are collected from ancestry.com. Pension applications from Texas are collected from both the Texas state archive and from ancestry.com. See data appendix for further details.

from Haines and ICPSR (2010) and county-level data on gubernatorial election returns from the ICPSR (1999). We use the county-level census data to determine characteristics of counties from which Confederate veterans and widows applied for pensions, i.e. population, race composition, prevalence of farming, farm ownership structure, and value of agricultural output.[11] We use the election returns data from 1876-1930 to determine the fraction of the gubernatorial vote that went to Democratic, Republican, and third party candidates. The "third party" designation is assigned to any party that is not classified as Democrat/Democrat equivalent or Republican/Republican equivalent. These were generally left-leaning and appealed to lower income farmers and laborers. Specific parties that appear frequently include the Communists, the Greenbacks, the People's Party, the Populists, Progressives, the Prohibition Party, Socialists, and Socialist-Labor. We use gubernatorial elections as our baseline measure of voting behavior for two reasons: these data are available at the county level, and they pertain to state elections rather than federal elections. Having county-level data on vote shares is important because it allows us to observe counties in which Democrats were losing ground to other parties. Having data on state elections is important because these pensions were state-level programs, so we should expect them to be responsive to state rather than federal voting patterns (although these are highly correlated).

4 Empirical Approach

We are interested in exploring the effect of voting patterns on the enactment of Confederate pension programs, expenditure on these programs, and the distribution of pension funds within states. Because the Democrats were almost always in control of state legislatures, we view the Democratic party as the sole decision-maker with respect to pensions. Our hypothesis is that the Democrats used Confederate pensions to respond to political threats from other parties. Specifically, we expect them to have enacted pension programs and increased funding for pension programs when alternative parties gained popularity. Within states, we expect pension boards (controlled by Democrats) to have funnelled pensions to counties in which alternative parties were gaining popularity as well. This may have occurred for two reasons: first, Democrats may have been seeking to increase turnout among likely Democratic voters in the face of opposition; alternatively, they may have used pensions to discourage Confederate veterans from supporting Republican or populist third party candidates. One confounding factor is that these other parties, particularly populist third parties,

[11] See data appendix for details on the construction of key variables.

gained popularity during times of economic hardship. As such, it may be that Democrats enacted and funded pension programs when populists gained vote share because they were responding to economic hardship rather than a perceived political threat. We will address this concern directly.

We will look at the effect of voting in gubernatorial elections on two classes of outcomes: (1) state-level outcomes, which include the passage of Confederate pension legislation and spending on Confederate pensions, and (2) county-level outcomes, namely the distribution of pension applications within states.

4.1 Passage of pension legislation and expenditure on pensions at the state level

Were are interested in establishing how voting patterns in gubernatorial elections affected program passage and spending on pensions at the state level. To determine how voting patterns affected program passage, we construct a panel of southern states, beginning in 1876 and ending in 1912,[12] which we use to estimate the following:

$$L_{s,t} = \alpha + \beta_1 O_{s,t} + \beta_2 R_{s,t} + \delta_t + \theta_s + e_{s,t} \tag{1}$$

Here, $L_{s,t}$ is equal to one if state s passed an original piece of pension legislation in year t, and $O_{s,t}$ and $R_{s,t}$ are measures of vote shares from the gubernatorial election prior to year t in state s going to third party and Republican candidates, respectively. The parameter δ_t is a year fixed effect, and θ_s is a state fixed effect. We measure voting shares in a variety of ways: vote share from the most recent election, average of vote share over the last two elections, and average of vote share over the last and next elections. We do this to capture the possibility that state legislatures responded to election results with a lag, or that legislatures responded to current public sentiment reflected in future election outcomes.[13] In addition, we allow $O_{s,t}$ and $R_{s,t}$ to affect the probability of passing a pension law linearly or quadratically. States exit the sample after they have passed an initial piece of pension legislation.

[12] This is the last year in which a state in our panel passed a pension law.

[13] While accurately forecasting election results during the late 19th and early 20th centuries was difficult, attempts were made at polling. Some newspapers conducted straw polls in which thousands of questionnaires were sent out and the responses tallied, although these polls were often biased. Rhode and Strumpf (2004) show that presidential betting markets during this period did a surprisingly good job of forecasting election outcomes prior to 1940. Future election results may also important because of the widespread use of primaries in the South, which Kousser (1974) argues were used to restrict political competition to competition *within* the Democratic party. These would have allowed candidates to gauge popular sentiment immediately in advance of an election.

In addition to exploring the relationship between gubernatorial voting patterns and initial program passage, we examine the effect of voting patterns on spending on Confederate pension programs at the state level. State legislatures frequently amended their original pieces of pension legislation, usually expanding access or pension amounts; this continued into the 1920s. The simplest way of summarizing changes in state legislatures' behaviour regarding pensions is to look at changes in the percentage of a state's budget that is spent on pensions. Specifically, we estimate the following:

$$E_{s,t} = \alpha + \beta_1 O_{s,t} + \beta_2 R_{s,t} + \delta_t + \theta_s + e_{s,t} \tag{2}$$

Here, $E_{s,t}$ is the fraction of state s's total expenditures in year t allocated to Confederate pensions.

Because these regressions are done at the state level, we have very few observations, which makes it difficult to pin down the Democratic party's precise motives for enacting and funding Confederate pensions. As discussed earlier, the Democrats may have enacted and expanded access to pensions in order to buy votes of Confederate veterans and their families. At the same time, they may have been responding to poor economic conditions, which may generate a similar relationship between pension outcomes and political variables. As such, we view these state-level regressions as descriptive. We will address concerns about causality directly in the next section.

4.2 Distribution of pension applications within states

Our second aim is to characterize the way voting patters affected the distribution of pensions across counties within states. Because we view the Democrats as the decision-maker with respect to pensions, we hypothesize that the Democrats funnelled pension funds to counties in which their gubernatorial candidate was threatened.[14] They may have approved more applications from these counties, processed claims from these counties more quickly, or actively solicited applications from these counties. Our data allows us to observe the number of applications filed from each county in our data in each calendar year. We use this as our primary measure of the distribution of pensions within states.

We believe that the number of applications filed from a county in a given year reflects effort on the part of local authorities to distribute pensions to that county. This is due to the nature of the pension application and review process, described in section (2). Claims were heard at fixed times during the year by county pension boards, who exercised tremendous influence on the outcome

[14] Another plausible explanation is that pensions were used to bolster support for Democratic representatives in state legislatures. This mechanism will yield similar results, as splitting tickets was not common.

of an application [Blanck and Millender (2000)]. After initial review, applications were forwarded to the state pension board for further evaluation. In many cases, pension applications were only forwarded to the state board if the county board approved them. For example, the Arkansas pension law indicates that application materials were forwarded to state boards "when said board is satisfied with the justness of the claim made by the applicant" [Arkansas (1891), Act XCI S3]. Thus, county boards could influence the number of applications in two ways: (i) by restricting or expanding access to the board itself during the designated time for hearing pension applications; (ii) by being more or less conservative in the decision to forward an application to the state pension board. Because our pension application records are comprised of collections at state archives, they can be presumed to be comprised primarily of records forwarded to or retained by state pension boards.[15] As such, we view our count of applications at the county level as a noisy measure of the number of approved applications at the county level.

More formally, the number of applications from a given county in a given year depends on two factors. First, local economic conditions – such as falling agricultural prices or output – would have affected the number of people who qualify for the pension, as these pensions were means tested. Second, political patronage would have affected the number of applications though the channels discussed above. So, we can write the number of applications as follows:

$$N = f(X) + g(P) + u$$

The number of applications (N) is a function of the current economic conditions ($f(X)$), political patronage ($g(P)$), and a random component (u). In principle, a correlation between N and gubernatorial voting patterns may work through a correlation between voting patterns and $g(P)$ or voting patterns and $f(X)$. Our hypothesis is that the former channel is most important, and we will offer evidence to support this hypothesis.

To examine the political determinants of pension allocation, we construct a panel of counties, beginning in the election year immediately prior to initial program passage, and ending in 1930. We use this to estimate the following:

$$N_{c,s,t} = \alpha + \beta_1 R_{c,s,t} + \beta_2 O_{c,s,t} + \phi_{s,t} + \chi_c + e_{c,s,t} \tag{3}$$

[15] Even in states in which all applications (whether approved by the county board or not) were forwarded to the state board for secondary review, only accepted pension claims were ultimately retained. If the county board's decision had a substantial bearing on the ultimate outcome of a pension application, we are still less likely to observe the record of an applicant rejected at the county level in these state collections.

Here, $N_{c,s,t}$ is the number of pension applications filed in county c of state s between election years t and $t+2$.[16] We construct this variable from our pension index data. The variable $R_{c,s,t}$ is a function of Republican gubernatorial vote share in county c of state s in election year t; $O_{c,s,t}$ is a function of third party vote share in the same election; $\phi_{s,t}$ is a state-year fixed effect; and χ_c is a county fixed effect. We include state-year fixed effects to control for any state-level factor, such as a change in the law expanding access to pensions, that might affect pension applications for all counties in that state. As such, we are identifying effects of political factors on the *within-state* distribution of these applications. As in the previous section, we look at the effect of gubernatorial vote share from the last election as well as average vote share over the last two elections and the last and next elections.

Of course, this does not pin down the channel through which political variables affect the number of pension applications to come from a particular county. The challenge is that we do not have data on local economic conditions that vary at the same high frequency as our electoral data, so we cannot explicitly control for economic indicators in our primary specification. To argue that patronage rather than local economic conditions drives our results, we construct a smaller panel, taking a series of snapshots of application rates and voting behavior around 1880, 1890, 1900, 1910, and 1920. We match this panel to county-level census data from Haines and ICPSR (2010) to allow us to control for county-level economic indicators that may be jointly correlated with application rates and gubernatorial voting patterns. These include measures of agricultural output, the ownership structure in agriculture, and agricultural land inequality. To use the notation from above, if the correlation between N and electoral variables is primarily working through a correlation between electoral variables and $f(X)$, then controlling for salient local economic characteristics should dramatically alter the estimated effect of electoral variables on applications.

4.3 Determinants of pension outcomes: Texas

The only pension outcome variable that is broadly available at the county level is the number of pension applications filed; however, we have additional information about the outcome of pension applications from Texas. This is because we have merged two sources of data on pension applications from Texas: (i) an index available from the Texas state archives, which contains a list of pension applications and indicates whether these applications were rejected or not; (ii) an index to the

[16] Gubernatorial elections typically occur every 2 years. In the few states in which they occur every 4 years, $N_{c,s,t}$ is defined as the number of applications filed between election years t and $t+4$.

collection of Texas pension files available at ancestry.com, which contains pension application dates. The key difference between these two indexes is that the first index is based on a list of applications kept by Texas pension authorities, while the second index is a list of application records that were physically present in the archives at the time these records were digitized. We are able to locate records in the ancestry.com index that match close to 90 percent of the records in the Texas archive index.

Having access to these two data sources allows us to do two important things. First, it allows us to directly test our conjecture that our data on pension applications is disproportionately composed of accepted pension applications. Recall that it was standard practice for state pension boards to return rejected pension application files to county pension offices after reviewing them. So, rejected pension application records should be less likely to be found in surviving archival collections today. This is one of our reasons for interpreting the number of pension applications from a given county as a noisy measure of the number of accepted applications from that county. So, it should be the case that applications recorded as "rejected" in the state archive index should be less likely to be linked to the ancestry index. In fact, we find this to be the case. Rejected pension records are 5 percentage points less likely to be located in the ancestry pension data, a difference that is highly statistically significant and robust to including county of application fixed effects.

Another benefit from observing whether pensions were rejected is that it allows us to test whether political variables impacted this outcome. We estimate the following equation:

$$J_{i,c,t} = \alpha + \beta_1 O_{c,t} + \beta_2 R_{c,t} + \delta_t + \chi_c + e_{i,c,t} \tag{4}$$

The variable $J_{i,c,t}$ is an indicator equal to one if a claim by person i from county c who applied in year t was rejected; $O_{c,t}$ and $R_{c,t}$ are functions of third party and Republican vote share in the most recent gubernatorial election; δ_t is an application year fixed effect; and χ_c is a county fixed effect. We cluster standard errors at the county-year level.

5 Results

5.1 Pension legislation and spending

Table (2) contains estimates of equations (1) and (2). In the top panel, we investigate the effect of a state's share of the most recent gubernatorial vote going to non-Democrats on the probability

of passing a new pension law.[17] We do this using a panel in which states exit the sample after they have introduced new legislation. Because these regressions are run at the state-year level, we have a small number of observations to work with. Still, these results give the impression that new pension legislation did respond to increases in popularity of alternative party candidates, up to a point. When third party and republican vote shares enter into the regression linearly, there is no evidence of a significant effect, as seen in columns (1), (3) and (5). However, when these vote shares enter quadratically, the picture changes somewhat. In column (2), we can see that the probability of passing new legislation decreases as the most recent vote share to third party candidates deviates from about one quarter.[18] When we measure vote shares as averages across consecutive elections, the coefficients on Republican vote share and squared Republican vote share are more significant, although vote shares to both parties have a qualitatively similar effect.

While the findings in the top panel of table (2) are somewhat imprecise, they broadly suggest that state legislatures passed initial pieces of pension legislation following a small spike in the vote share to parties other than the Democrats. In figure (1), we plot a time series of gubernatorial vote shares to third party candidates (panel A) and Republican candidates (panel B) relative to the date of initial program passage. In general, this picture supports our findings from table (2); however, it also indicates substantial heterogeneity across states in the incidence and timing of these spikes relative to the passage of new pension laws. In panel A, it is clear that the passage of initial legislation either follows or coincides with an increase in third party vote share in Texas, Alabama, Arkansas, Tennessee, and Louisiana; it follows with a greater lag in South Carolina. However, there is no evidence for this in Florida, North Carolina, Mississippi, or Kentucky.[19] In panel B, initial legislation follows or coincides with spikes in Republican vote share in Louisiana, Alabama, Arkansas, and, to a lesser degree, Kentucky; Mississippi and Texas follow with a lag.

In the bottom panel of table (2), we examine the effect of state voting patterns on expenditures on Confederate pension programs. State legislatures exercised discretion over spending on pensions by passing amendments to pension laws that expanded access, or by increasing pension amounts. Moreover, state pension boards would have directly affected spending on pensions by raising or lowering approval standards. Our results clearly indicate that the rate of spending on Confederate pensions increased following spikes in either third party or Republican vote shares. From column

[17] Observations are weighted by the fraction of the state's counties that report electoral data for that year.

[18] Using notation from equation (1), we can write $\partial L_{s,t}/\partial O_{s,t_e} = \beta_{11} + 2\beta 12 O_{s,t_e}$. Given our estimates, the probability of passing an initial piece of pension legislation is maximized with respect to $O_{s,t}$ when $O_{s,t} = 0.25$.

[19] Georgia and Virginia are omitted from this figure because they are missing gubernatorial election data in the years surrounding the passage of program legislation.

(1), a 10 percentage point increase in vote share to either third party or Republican candidates increased fraction of budget spent on pensions by almost 1 percentage point. Since this expenditure was typically in the 10-15% range, this translates into a 5-10% increase in the fraction of state expenditures allocated to Confederate pensions, which quite a large number. We find no evidence that this effect is non-linear.

These results suggest that state legislatures were responding to increases in the popularity of Republican or third party candidates when they passed and funded Confederate pension programs. It is important to point out that, because we do not have annual data on other potentially important state-level characteristics, we are unable to pin down the precise mechanism driving these results. It may be that democratic state legislatures felt threatened by the popularity of alternative candidates. However, it is also true that non-Democrats tended to gain popularity in times of economic distress, particularly on the farm. As mentioned above, these were typically populist parties. State legislatures may have been responding to this economic distress, or a desire among voters for redistributive policies, rather than a perceived political threat. As such, we view our state-level results as descriptive, and we attempt to deal more thoroughly with causality when we look at pension outcomes at the county level.

5.2 Distribution of pension applications

Table (3) contains estimates of equation (2). Here, we are looking at the effect of voting patterns on the number of applications at the county-year level. Because we have county fixed effects, we are effectively controlling for any permanent county characteristic that may jointly affect both application rates and voting behavior. So, we are looking at whether a deviation in voting behaviour from a county's norm induces a deviation in pension application rates from that county's norm. Moreover, because we are including state-year fixed effects, our results will not be driven by statewide trends in application rates (such as the introduction of an expansionary amendment to a pension law). Here, we are focusing on the effect of local voting behavior on the within-state allocation of pension resources.

Our results clearly indicate that pension application rates increased in counties that had experienced an increase in third party or Republican vote share in the most recent gubernatorial election. From column (1), 10% increase in third party vote share relative to Democrats increases expected applications by more than 1. Given that the mean number of applications to be filed in one county-year is less than 20, this is a sizeable effect. The coefficient on Republican vote share

is roughly half this size, which is still fairly substantial. Figure (2) plots the predicted number of applications against gubernatorial vote share to both third party and Republican candidates, along with the density of these vote shares in our sample. These figures allow for a more flexible relationship between applications and vote shares: they include a quartic in vote shares instead of a linear or quadratic function.[20] These pictures suggest that the relationship between vote share to third party and Republican candidates is non-monotonic, increasing at low levels and then decreasing when it exceeds a majority. However, applications generally increase monotonically in vote share to both parties over the range of vote shares that appear most commonly in our data.

In table (4), we explore this finding in more depth by estimating equation (3) under different specifications, focusing on linear effects of voting shares, using only the most recent election. Column (1) of panel A repeats our baseline estimate, and columns (2)-(4) should be thought of as robustness checks. Specifically, we estimate our regression using congressional election returns data instead of gubernatorial data; we estimate the effect using log applications instead of levels; and we disaggregate our third party category into populist parties, named non-populist parties, and unnamed parties.[21] In columns (4) and (5), we disaggregate by time period, looking before and after 1910. By 1910, all southern states had adopted measures disenfranchising black and poor voters, so we are interested in seeing whether electoral variables matter differently in these two periods. Finally, in panel B, we estimate equation (3) separately by state.

The overall impression we get from this table is that populist candidates have a larger and more robust effect on application rates than Republican candidates. The coefficient on Republican vote share is not robust to using log applications instead of levels (column 3). And, the significant effect of third party candidates is entirely driven by populist parties (column 4). Interestingly, Republican vote shares only matter before 1910, while populist vote shares matter during both period. This makes a lot of sense. As Republican voters were mostly black during this period, the relationship between Republican vote shares and application rates is likely driven by the following: a spike in Republican vote share likely indicates an increase in turnout among black voters, and Democrats wanted to encourage whites to vote in response. By 1910, these states had effectively disenfranchised black voters, so this would have been less of a concern for southern Democrats. However, populist third party candidates likely appealed to poor Confederate veterans directly, which means that pensions may have been used explicitly to buy the veteran vote away from these

[20] P-values from a test of joint significance of these quartics are included in these figures. Predicted values are calculated at the mean for all other variables included in these regressions.

[21] See appendix table 3 for a list of parties that fall into each of these categories.

candidates. As Confederate veterans were typically exempt from poll taxes, this would have been an important consideration for Democrats during our entire sample period. Panel B shows that the effect of voting patterns on application rates is not uniform across states. Third party candidates matter significantly (or almost significantly) in Alabama, Georgia, and Texas, but not in Virginia, Arkansas, or Florida. Republican candidates matter significantly in Virginia but nowhere else.

In tables (5) and (6), we try to rule out shocks to county economic conditions as an omitted variable driving the relationship between voting patterns and pension application rates. The challenge is that we do not have rich, time-varying data on county-level economic indicators; we only have such data available from decadal censuses. In table (5), we characterize the effect of county-level economic indicators on the number of applications filed per decade, controlling for county population. Specifically, we regress the number of applications filed from county c between years t and $t + 10$ on county c's characteristics in the census of year t. We always include state-decade fixed effects, so we continue to focus on the distribution of applications within states. In columns (1)-(7), we do not include county fixed effects, but we cluster standard errors at the county level; in columns (8)-(14), we do include county fixed effects. So, in the first 7 columns we are simply characterizing the types of counties that receive the most applications (conditional on population), while in the last 7 columns we are examining whether shocks to a county's economic conditions generate changes in the county's pension application rate.

We find that county characteristics matter greatly for pension applications. The economic indicators we use are: percent in agriculture, farm ownership rate, farm output per acre, and a gini coefficient for farm land inequality (Nunn 2008). We also look at percent black and percent urban, although we consider the mechanism through which these variables should affect application rates to be entirely consistent with our patronage story, since black and urban populations were a likely political threat to southern Democrats. Consistent with this, we find that counties with large black and urban minorities generated the most pension applications, whether we include county fixed effects or not. We find that application rates are maximized in predominantly agricultural counties, although application rates do not respond significantly to changes in agriculture concentration – this variable does not enter significantly when county fixed effects are included. However, the remaining economic indicators matter significantly under both specifications. Applications increase when agricultural output per acre falls, and they are maximized when counties approach an intermediate farm ownership rate and degree of farm land inequality.

In table (6), we combine this county-level data with our electoral data, taking a series of snap-

shots of county electoral and pension outcomes in 1880, 1890, 1900, 1910, and 1920. Specifically, we regress number of applications between years t and $t+2$ on vote shares in year t and economic indicators from year t. One thing to notice is that, when we re-estimate equation (3) using this limited sample, the effect of vote shares on application rates becomes much less precisely estimated. This is not surprising, as our sample size has fallen by 80% relative to table (3): we now have an average of 2.5 observations per county, compared with 12 observations per county in our baseline specification. Here, what we are interested in is whether or not controlling for county economic indicators significantly alters the estimated effect of vote shares on application rates. If so, this suggests that the correlation between vote shares and application rates is driven by a joint correlation between these two variables and local economic conditions. If not, this would support our claim that political patronage is driving this correlation. It clear from table (6) that controlling for county-level economic indicators – which do have an important effect on pension application rates – does not meaningfully alter the estimated coefficients on vote shares.

5.3 Pension outcomes: Texas

Table 7 contains estimates of equation (4), where we examine the effects of electoral variables on the probability of a pension claim being rejected in Texas. In panel A, we include all years of Texas data, including 1899, which is the year in which the pension program was first introduced. In panel B, we exclude applications filed in 1899. The idea is that there may be a learning curve associated with using a pension system for political patronage, so any effect may not have been present at the beginning of the program's life. Given the large number of applications filed during the first year the program was enacted, the outcome of these applications will have a large effect on our findings. In panel A, we find that a county's third party and Republican vote share typically have a negative effect on the probability of an application from that county begin rejected; however, this effect is not quite significant under most specifications. In panel B, we omit applications from 1899, which causes the estimated effect of third party vote share to double in size and to become significant. Specifically, based on column (1) from panel B, a 10% increase in third party vote share reduces the probability of having a claim rejected by 0.7 percentage points. Because the rejection probability was only 10%, this translates into a 7% reduction in the probability of rejection. This is a large effect.

In figure (3), we plot the overall rejection probability in Texas against vote share to the Republican or third party candidate. While this is much more pronounced for third party candidates, these

lines seem to inversely track one another. Especially notable is the large dip in rejection probability in 1912 that coincides with a large spike in third party vote share. There is also a smaller dip in rejection probability during the mid 1920s that coincides with a large spike in Republican vote share. It appears that Texas pension boards were more relaxed about awarding pensions in years in which Democratic gubernatorial candidates were threatened in that state.

6 Conclusion

This paper offers the first large, multi-state analysis of the introduction and dissemination of Confederate pensions in the southern United States. We show that these pensions were widely taken up and funded while states outside the region were passing and funding other types of welfare legislation. We show that the passage of Confederate pension legislation and the expansion of funding for pensions are significantly related to increases in the popularity of third party and Republican candidates. We also show that pensions were distributed to counties in which Democrats had lost ground to alternative parties, and we show that this cannot be explained by changing underlying economic conditions. We believe that these results indicate that southern Democrats used Confederate pensions to court the vote of Confederate veterans.

These findings offer a new perspective on the welfare state in the American South. The current literature on this subject posits that rural elites stopped southern legislatures from adopting welfare programs during the early 20th century, and that they were able to get away with this because electoral competition had been effectively stifled. Our results suggest a more qualified version of this story, in which southern states did deploy income redistribution to curry favor with voters, albeit a very narrowly defined subset of all potential voters. We believe this study offers new insight into the way in which voters and elites interact in order to shape public policy.

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Tables and Figures

Table 1: Timeline of Confederate Pension Legislation

State	First Law - Veterans	First Law - Widows	First welfare-type pension law[1]	Eligibility - Veterans	Eligibility - Widows	Income/Property restrictions	Residency restrictions	Amounts
Alabama	1899 [2]	1899 [2]	1899 [2]	Unable to work due to permanent disability, illness or age. Not a deserter.	Not remarried. Husband not a deserter.	Income < $300 per year; Property < $400	Alabama Resident prior to January 1, 1899	$50-$100 per year[3]
Arkansas	1891	1891	1901	Unable to work due to disease or injury sustained in service. Not a deserter.	Husband did not desert and died during the war. Not remarried,	Indigent	Resident of Arkansas for 1 year	$25-$100 per year
Florida	1885	1885	1899	Injured during military service	Husband killed as direct result of military service. Not remarried.[4]	Property < $1000[4]	Resident of Florida prior to January 1, 1875. [4]	$30-$150 per year[4]
Georgia	1887 [5]	1890	1893	Permanently injured in the service	Married during husband's service. Husband died as result of service. Not remarried.	-	Resident of Georgia prior to October 26, 1886.	$15-$100 per year
Louisiana	1898 [6]	1898	1898	Honorably discharged. Unable to earn a living.	Married to soldier who died before June 1, 1865. Husband died from wounds contracted in the service.	Indigent	Resident of Louisiana for 5 years prior to filing if soldier served in Louisiana regiments; otherwise, resident for 15 years.	Up to $96 per year
Mississippi	1888	1888	1890	Unable to work due to war wound. Enlisted in Mississippi regiment.	Husband died as a result of the war. Husband enlisted in Mississippi. Not remarried.	Indigent (1890 ammendmnet)	Resident of Mississippi	$75-$125 per year for specific injuries; remaining fund distributed evenly to pensioners.[7]
North Carolina	1885	1885	1901	Incapacitated by wound received in service.	Husband died as a result of the war. Not remarried.	Income < $300 per year; property < $500	Resident of North Carolina.	$25-$100 per year
South Carolina	1887	1887	1896	Disabled as a result of service.	Husband died in service. Not remarried.	Financially needy	-	-
Tennessee	1891	1905	1905	Honorable character; unable to work due to war wound	-	-	Resident of Tennessee for 1 year	$100 - $300 per year
Texas	1899	1899	1899	Over 60 years of age or disabled as a result of service	Married prior to 1866; not remarried	Indgent	Resident in Texas since 1880	up to $96 per year
Virginia	1888	1888	1902	Unable to work due to injury; Not in receipt of other state or federal aid; not resident in soldier's home	Not remarried	Income < $300 per year; Property < $1000 per year	Resident of Virginia	$30-$60

1 Refers to a pension law that does not require recipient to have been wounded or killed during the war.

2 Date of first annuity offered to Confederate veterans and widows. The Alabama legislature offered one time payments to wounded soldiers and widows as early as 1881 (with welfare-type eligibility requiremets in 1891)

3 Amounts as of 1901

4 From text of law ammended in 1889.

5 First cash transfer program. A program for providing veterans with artificial limbs existed from 1877.

6 First cash trasfer program. Serveral programs providing artificial limbs or land grants to veterans existed from the 1880s.

7 Amounts from code of 1906

Table 2: Effect of Gubernatorial Vote Shares on Passage of Confederate Pension Legislation and Spending at the State Level

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:			*=1 if passed pension law*			
Third party vote share	0.514	1.867**	-0.269	1.029	-0.136	1.089
	(0.425)	(0.828)	(1.199)	(2.120)	(0.761)	(1.511)
Third party vote share^2		-3.787*		-3.601		-5.424
		(1.935)		(4.463)		(3.878)
Republican vote share	0.280	-0.492	-0.523	4.065	0.056	3.226***
	(0.291)	(0.800)	(0.869)	(2.519)	(0.599)	(1.052)
Rebpublican vote share^2		1.384		-9.779*		-7.631***
		(1.545)		(5.449)		(2.365)
Constant	0.351	0.472	-0.853	-2.379**	0.574	0.456
	(0.405)	(0.405)	(0.941)	(1.169)	(0.499)	(0.468)
Observations	154	154	110	110	141	141
R-squared	0.518	0.539	0.574	0.610	0.525	0.607
Election	Previous	Previous	Mean, previous 2	Mean, previous two	Mean, previous and next	Mean, previous and next
Dependent variable:			*Fraction of state budget allocated to pensions*			
Third party vote share	0.173***	0.035	0.157*	0.120	0.194***	0.359**
	(0.048)	(0.136)	(0.081)	(0.120)	(0.071)	(0.161)
Third party vote share^2		0.401		-0.051		-0.627
		(0.377)		(0.299)		(0.599)
Republican vote share	0.196***	0.180	0.292***	0.052	0.264***	0.264
	(0.049)	(0.114)	(0.064)	(0.134)	(0.070)	(0.164)
Rebpublican vote share^2		0.005		0.424**		0.000
		(0.196)		(0.211)		(0.260)
Constant	-0.070*	-0.069*	-0.126***	-0.101**	-0.105***	-0.103**
	(0.036)	(0.037)	(0.038)	(0.039)	(0.037)	(0.040)
Observations	205	205	204	204	202	202
R-squared	0.886	0.887	0.897	0.901	0.899	0.900
Election	Previous	Previous	Mean, previous 2	Mean, previous two	Mean, previous and next	Mean, previous and next

Note: Sample period is 1876-1912 in panel A, and 1876-1922 in panel B. In panel A, all states exit the sample after passing initial pension legislation (last law is passed in Kentucky in 1912). All regressions include state and year fixed effects. Regressions are weighted by the fraction of counties with non-missing election returns data.

Table 3: Effect of Gubernatorial Vote Shares on the Distribution of Pension Applications at the County Level

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	*Number of applications filed (election year)*					
Third party vote share	11.006***	17.480***	14.306***	4.101	15.731***	25.012***
	(2.683)	(5.881)	(3.485)	(6.575)	(3.811)	(6.809)
Third party vote share^2		-12.928		22.450*		-23.164*
		(10.108)		(12.410)		(13.330)
Republican vote share	4.744**	-0.621	2.208	-4.167	7.885***	-14.490**
	(2.102)	(5.054)	(2.868)	(6.384)	(3.009)	(6.450)
Rebpublican vote share^2		9.190		11.435		42.281***
		(7.729)		(10.524)		(10.745)
Constant	20.616***	20.627***	27.057***	17.323***	13.338***	11.210***
	(0.860)	(0.907)	(0.961)	(1.123)	(1.010)	(1.080)
Observations	10,239	10,239	9,223	9,223	8,979	8,979
R-squared	0.502	0.503	0.503	0.503	0.503	0.504
Number of unique counties	858	858	837	837	838	838
Election	Previous	Previous	Mean, previous 2	Mean, previous two	Mean, previous and next	Mean, previous and next

Note: Sample period is 1876-1930. States included in sample are those with both application year and county data available: Alabama, Arkansas, Florida, Georgia, Kentucky, Texas, Virginia. States do not enter sample until they have passed an initial piece of pension legislation. All regressions contain county and state-year fixed effects.

Table 4: Effect of Vote Shares on the Distribution of Pension Applications at the County Level: Sensitivity Analysis

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	*Number of applications filed (election year)*					
			Panel A. Alternate Specifications			
Third party vote share	11.006***	3.564**	0.280***		7.796**	12.776***
	(2.683)	(1.650)	(0.083)		(3.856)	(3.761)
Republican vote share	4.744**	3.657***	-0.026	4.509**	12.022***	-2.911
	(2.102)	(1.019)	(0.065)	(2.106)	(3.606)	(2.240)
Third party vote share, disaggregated						
Populist, named				11.939***		
				(2.724)		
Other, named				-11.636		
				(13.053)		
Other, not named				-61.142		
				(67.097)		
Constant	20.616***	12.289***	2.333***	20.576***	4.261***	22.196***
	(0.860)	(1.015)	(0.026)	(0.860)	-1.214	(0.678)
Observations	10,239	12,766	10,239	10,239	5125	5,114
R-squared	0.502	0.512	0.723	0.503	0.536	0.425
Number of unique counties	858	868	858	858	685	853
Specification	Baseline	Congress	Log dependent variable	Disaggregated third party	Pre-1910	Post-1910
			Panel B. Individual States			
Third party vote share	-12.63	20.12***	-5.146	8.041	7.343	14.91***
	(17.35)	(6.158)	(5.584)	(21.69)	(5.144)	(3.365)
Republican vote share	22.98**	-2.331	-2.865	8.045	-	1.502
	(9.074)	(5.420)	(4.047)	(11.32)	-	(2.345)
Constant	18.35***	-3.334	13.61***	1.832	5.484***	25.08***
	(5.215)	(2.619)	(2.125)	(5.859)	(2.110)	(1.206)
Observations	1,303	1,184	1,575	548	966	4,064
R-squared	0.386	0.704	0.682	0.602	0.351	0.325
Number of unique counties	123	67	75	67	152	254
State	Virginia	Alabama	Arkansas	Florida	Georgia	Texas

Note: Sample period is 1876-1930. States included in sample are those with both application year and county data available: Alabama, Arkansas, Florida, Georgia, Kentucky, Texas, Virginia. States do not enter sample until they have passed an initial piece of pension legislation. All regressions contain county and state-year fixed effects.

Table 5: Effect of County Characteristics on the Distribution of Pension Applications

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Number of applications filed (decade)													
% black	98.668***						95.072***	115.272**						113.373***
	(23.350)						(20.183)	(54.878)						(21.167)
% black ^2	-228.129***						-214.224***	-201.184***						-234.654***
	(27.283)						(26.684)	(61.427)						(28.648)
% urban		87.174**					88.007**		40.372*					95.034***
		(41.413)					(39.574)		(23.919)					(17.348)
% urban^2		-145.571***					-117.934**		-65.032*					-131.103***
		(51.136)					(56.076)		(38.405)					(24.441)
% engaged in agriculture			53.800***				25.945**			12.958				18.592
			(13.949)				(11.810)			(14.963)				(12.145)
% engaged in agriculture ^2			-22.268***				-12.589**			-11.558				-10.871
			(6.344)				(5.431)			(8.821)				(6.770)
% farm owners				333.709***			105.532***				73.956**			73.965**
				(34.698)			(35.435)				(36.737)			(34.686)
% farm owners^2				-278.080***			-114.006***				-59.644*			-83.456***
				(28.484)			(29.843)				(31.167)			(29.603)
farm output per acre					-0.647*		-0.531*					-0.792**		-0.590*
					(0.341)		(0.311)					(0.329)		(0.312)
farm output per acre ^2					0.001		-0.003					0.008**		0.002
					(0.003)		(0.003)					(0.004)		(0.004)
farm gini						319.281***	131.915***						29.008	117.282***
						(40.868)	(35.154)						(52.562)	(44.354)
farm gini^2						-449.380***	-203.159***						-27.877	-157.845***
						(45.590)	(41.774)						(59.940)	(50.963)
population	0.002***	0.002***	0.002***	0.002***	0.002***	0.002***	0.002***	0.001***	0.001***	0.001***	0.001***	0.001***	0.001***	0.002***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	7.837	-0.985	-27.702***	-92.930***	0.888	-47.706***	-36.996**	32.232***	35.466***	33.004***	15.654	18.211***	29.967**	-24.045
	(5.493)	(6.480)	(7.742)	(16.228)	(6.365)	(8.015)	(16.313)	(9.253)	(2.439)	(6.390)	(10.833)	(2.678)	(12.308)	(16.293)
Observations	3,194	3,194	3,165	3,188	3,181	3,181	3,156	3,194	3,194	3,165	3,188	3,181	3,181	3,156
R-squared	0.564	0.535	0.536	0.547	0.528	0.543	0.589	0.559	0.556	0.560	0.557	0.557	0.556	
County fixed effects	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Sample period is 1880-1920. Unit of observation is the county-decade. All regressions contain state-decade fixed effects. In columns (1)-(7), standard errors are clustered at the county level. Columns (8)-(14) contain county fixed effects.

Table 6: Effect of Gubernatorial Vote Shares and County Characteristics on Distribution of Pension Applications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Dependent variable:	*Number of applications filed (election year)*											
Third party vote share	5.773	7.306	27.048	20.621	19.553**	16.679	58.170**	50.720**	13.649	14.759	66.252*	68.901*
	(8.314)	(8.439)	(21.092)	(21.493)	(9.924)	(10.282)	(24.956)	(25.683)	(12.647)	(12.901)	(34.489)	(35.314)
Third party vote share^2			-49.725	-31.321			-107.687*	-94.023			-207.707	-212.146
			(46.081)	(46.711)			(64.680)	(65.868)			(128.028)	(130.299)
Republican vote share	9.203	8.793	20.471	12.253	5.953	6.148	33.504*	26.589	15.605*	16.077*	4.287	3.688
	(6.981)	(7.472)	(16.271)	(17.175)	(9.190)	(9.714)	(18.567)	(19.465)	(8.763)	(9.340)	(21.393)	(22.472)
Rebpublican vote share^2			-18.644	-6.024			-46.881*	-35.475			23.055	25.532
			(23.926)	(25.982)			(28.291)	(30.240)			(36.370)	(38.643)
% black		161.513***		160.752***		181.652***		176.920***		229.607***		229.395***
		(46.356)		(46.399)		(48.431)		(48.489)		(52.973)		(53.016)
% black ^2		-211.431***		-208.454***		-226.882***		-220.366***		-267.094***		-264.986***
		(55.309)		(55.502)		(56.596)		(56.732)		(60.696)		(60.849)
% urban		-5.353		-5.497		-5.765		-7.326		-2.190		-4.424
		(18.298)		(18.311)		(18.541)		(18.549)		(19.264)		(19.307)
% urban^2		16.420		16.651		17.132		18.598		11.673		15.762
		(31.633)		(31.658)		(32.133)		(32.126)		(33.875)		(33.954)
% engaged in agriculture		17.807		17.940		17.568		17.051		9.646		9.895
		(10.982)		(10.998)		(11.177)		(11.181)		(11.949)		(11.947)
% engaged in agriculture ^2		-6.682		-6.751		-6.420		-6.439		-3.284		-3.000
		(5.521)		(5.525)		(5.589)		(5.587)		(5.855)		(5.856)
% farm owners		-59.587		-59.020		-60.526		-58.270		-68.353*		-67.228*
		(38.852)		(38.915)		(39.529)		(39.576)		(40.608)		(40.655)
% farm owners^2		51.328		50.762		50.934		49.280		59.987*		59.398*
		(32.141)		(32.197)		(32.779)		(32.841)		(33.807)		(33.862)
farm output per acre		0.067		0.062		0.105		0.128		0.067		0.082
		(0.250)		(0.251)		(0.254)		(0.254)		(0.260)		(0.260)
farm output per acre ^2		0.002		0.002		0.001		0.001		0.002		0.002
		(0.002)		(0.002)		(0.002)		(0.002)		(0.003)		(0.003)
farm gini		-0.212		-1.067		0.233		-3.980		-3.784		-2.191
		(43.206)		(43.297)		(43.860)		(43.961)		(45.317)		(45.321)
farm gini^2		13.221		14.176		14.303		19.722		23.016		22.879
		(51.232)		(51.381)		(52.530)		(52.613)		(55.048)		(55.048)
population		0.000***		0.000***		0.000***		0.000***		0.000***		0.000***
		(0.000)		(0.000)		(0.000)		(0.000)		(0.000)		(0.000)
Constant	27.745***	-4.003	25.872***	-4.626	19.320***	2.202	24.038***	-9.666	13.255***	-12.587	22.189***	-14.684
	(2.044)	(16.641)	(2.624)	(16.675)	(1.821)	(16.981)	(2.665)	(17.032)	(2.071)	(17.056)	(2.741)	(17.377)
Observations	2,078	1,964	2,078	1,964	2,045	1,938	2,045	1,938	2,022	1,910	2,022	1,910
R-squared	0.492	0.531	0.493	0.531	0.494	0.532	0.497	0.534	0.488	0.528	0.489	0.529
Number of unique counties	824	784	824	784	817	778	817	778	824	784	824	784
Election	Previous	Previous	Previous	Previous	Mean, previous 2	Mean, previous two	Mean, previous 2	Mean, previous two	Mean, previous and next	Mean, previous and next	Mean, previous and next	Mean, previous and next

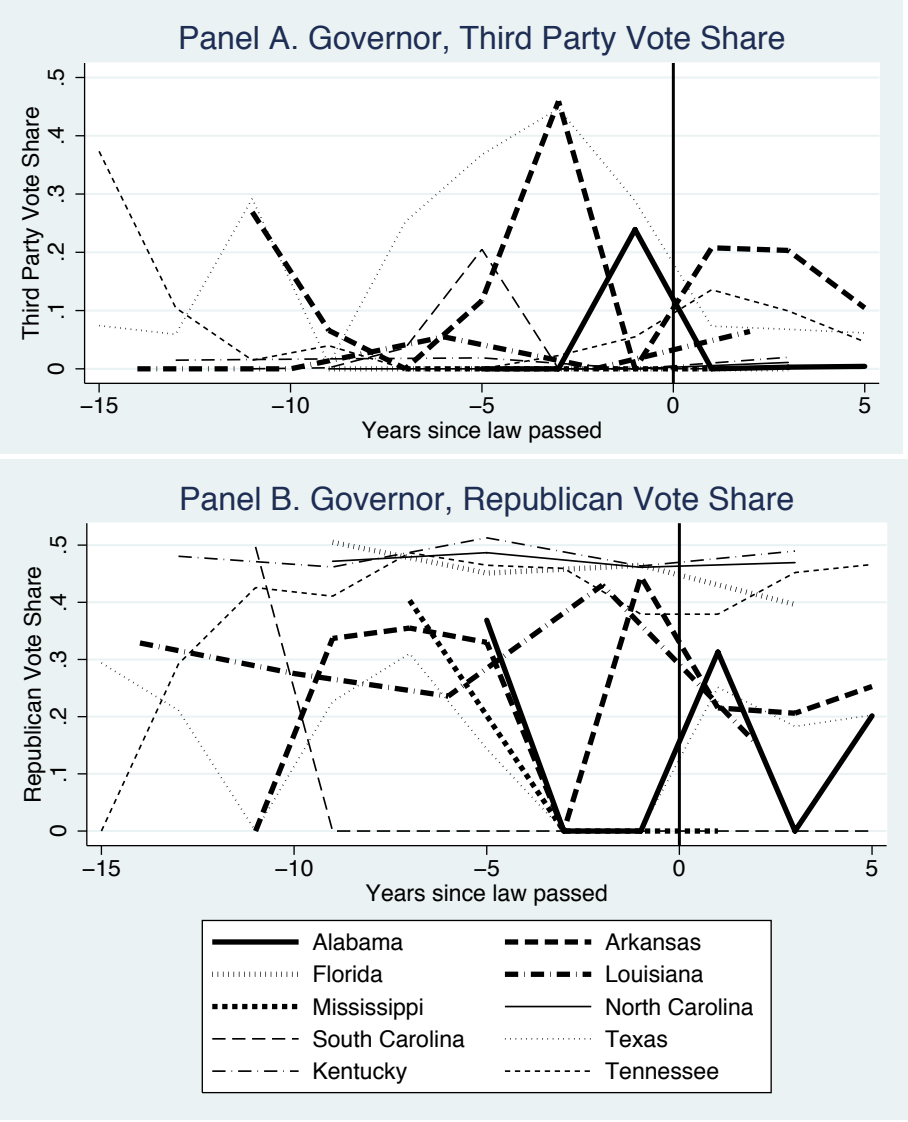
Note: Sample period is 1880-1920. Unit of observation is the county-decade. All regressions contain state-decade fixed effects and county fixed effects.

Table 7: Effect Gubernatorial Vote Shares on Probability of Pension Rejection: Texas

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)
			=1 if pension claim rejected			
			Panel A. All years			
Third party vote share	-0.037	-0.066	-0.043	-0.139**	-0.078**	-0.040
	(0.027)	(0.069)	(0.032)	(0.065)	(0.033)	(0.080)
Third party vote share^2		0.061		0.206		-0.106
		(0.135)		(0.128)		(0.208)
Republican vote share	-0.041*	-0.076	-0.033	-0.048	0.013	0.063
	(0.025)	(0.062)	(0.032)	(0.078)	(0.038)	(0.082)
Rebpublican vote share^2		0.062		0.018		-0.110
		(0.103)		(0.155)		(0.174)
Constant	0.097***	0.100***	0.111***	0.116***	0.098***	0.091***
	(0.017)	(0.018)	(0.020)	(0.020)	(0.018)	(0.020)
Observations	43,419	43,419	46,097	46,097	43,849	43,849
R-squared	0.029	0.029	0.032	0.032	0.029	0.029
Election	Previous	Previous	Mean, previous 2	Mean, previous two	Mean, previous and next	Mean, previous and next
			Panel B. Excluding 1899			
Third party vote share	-0.072**	-0.126	-0.089**	-0.148*	-0.071*	-0.100
	(0.032)	(0.078)	(0.038)	(0.080)	(0.039)	(0.099)
Third party vote share^2		0.140		0.180		0.106
		(0.173)		(0.205)		(0.299)
Republican vote share	-0.040	-0.076	-0.026	-0.034	-0.017	0.052
	(0.026)	(0.064)	(0.035)	(0.083)	(0.039)	(0.089)
Rebpublican vote share^2		0.064		0.013		-0.154
		(0.107)		(0.166)		(0.186)
Constant	0.077***	0.079***	0.096***	0.092***	0.070***	0.064***
	(0.021)	(0.021)	(0.023)	(0.024)	(0.020)	(0.023)
Observations	37,654	37,654	40,189	40,189	37,941	37,941
R-squared	0.032	0.032	0.035	0.035	0.032	0.032
Election	Previous	Previous	Mean, previous 2	Mean, previous two	Mean, previous and next	Mean, previous and next

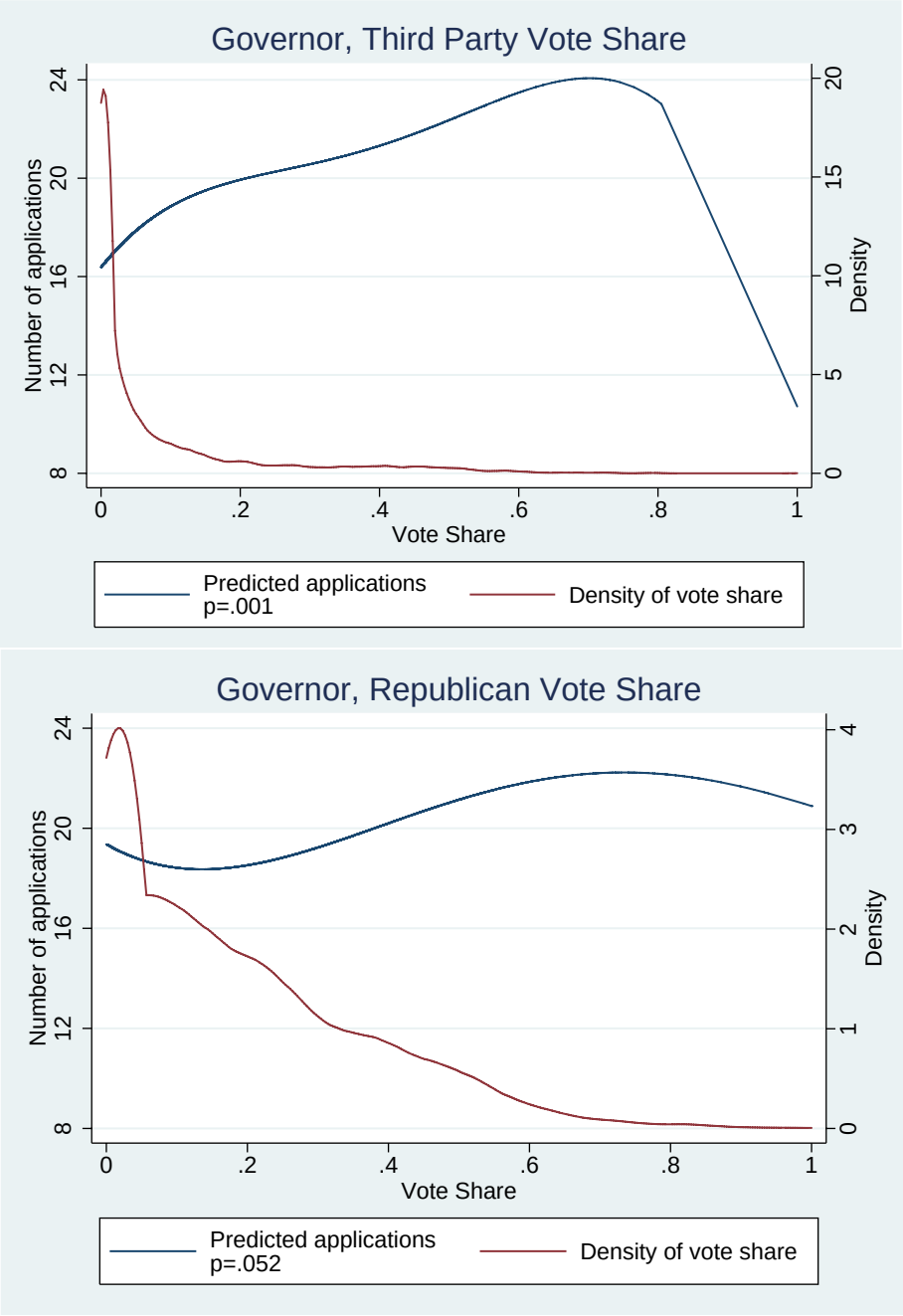
Note: Sample period is 1899-1930. All regressions contain county fixed effects. Standard errors are clustered at the county-year level.

Figure 1: Gubernatorial Voting Patterns and the Passage of New Pension Legislation



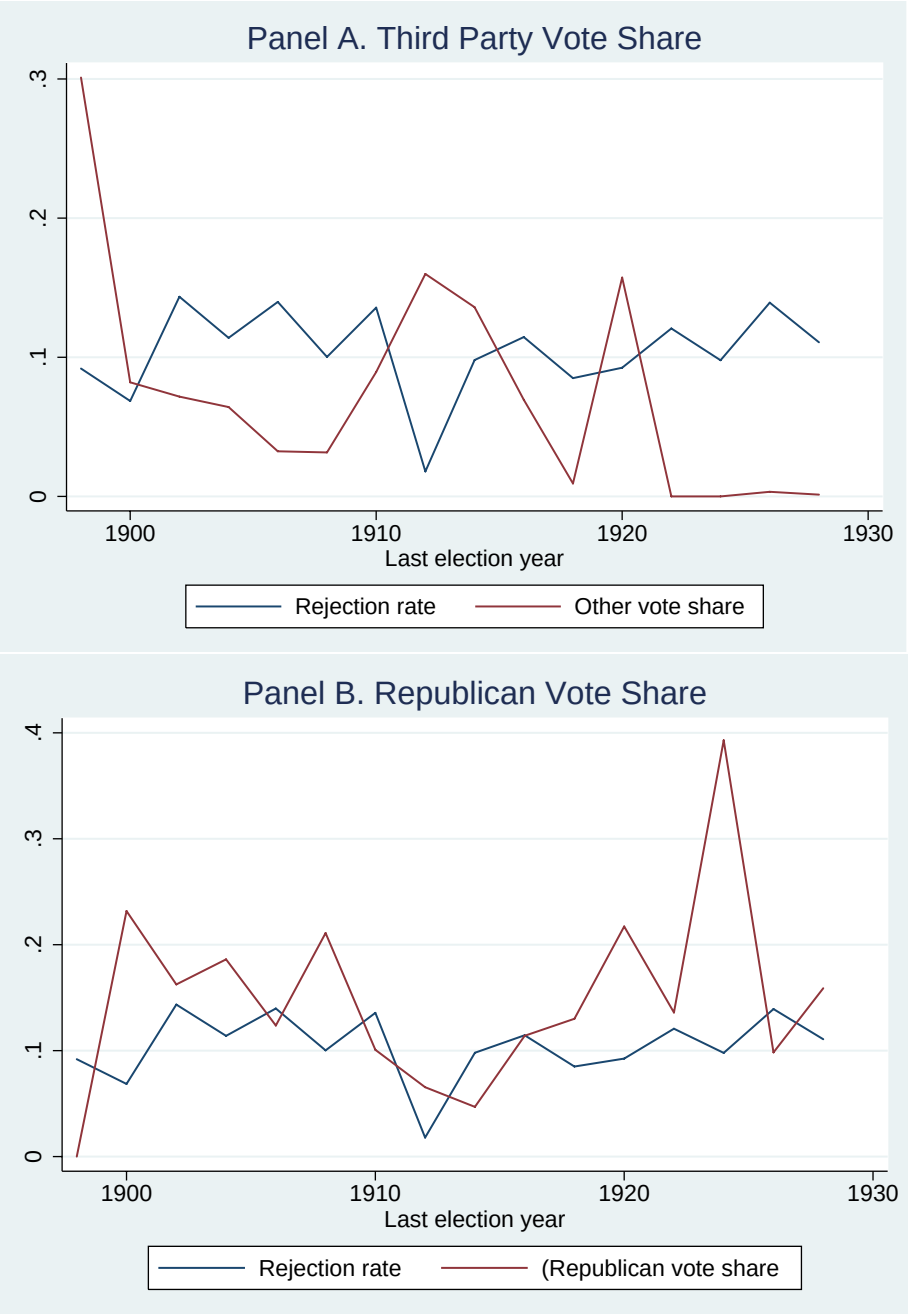
Note: The line $t = 0$ represents the year in which the first piece of pension legislation is passed. Virginia and Georgia are omitted from the picture because they are missing multiple years of electoral data around the time of pension legislation.

Figure 2: Relationship between Vote Share and Predicted Number of Pension Applications



Note: Based on regressions of total number of applications at the county-year level on a quartic in vote share to Republicans and Third parties. Regressions include county and state-year fixed effects. Predicted effects are at the mean year and state.

Figure 3: Voting Patterns and Pension Rejection Rate: Texas



A Data Appendix

Pension Variables: Sources

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- *State of Tennessee, Biennial Report of the Comptroller of the Treasury,* accessed at hathitrust.org. Years available: 1875-1878, 1883, 1884, 1893-1896, 1900-1922.

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Pension Legislation

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- Ancestry.com (2010) [cited above].

Pension Expenditures

- *Annual Report of the Treasurer of Virginia,* accessed at hathitrust.org. Years available: 1875-1880, 1888-1895, 1899, 1900, 1902, 1904-1908, 1910-1917, 1919-1922.

County Characteristics: Constructed Variable Definitions

Percent engaged in agriculture. Acres employed in agriculture, divided by 640 to convert to square miles, then divided by county area (1880, 1900, 1920, acres disaggregated by tenancy status in 1910); Number of families employed in agriculture divided by total number of families (1890).

Percent farm owner. Number of owned farms divided by total number of farms (1880, 1910, 1920, farms disaggregated by race in 1900); Number of farm owning families divided by total number of farm families (1890).

Farm output per acre. Value of farm output divided by acres employed in agriculture (1880, 1900); Value of farm output divided by sum of improved and unimproved acres in agriculture (1890); Value of crops divided by acres employed in agriculture (1910, acres disaggregated by tenancy stauts in 1920).

Farm Land Inequality. Follows Nunn (2008). Calculated at gini coefficient for farm size, using the following formula:

$$1 + (1/n) - \frac{2\sum_{i=1}^{n}(n-i+1)a_i}{n\sum_{i=1}^{n}a_i}$$

Here, n is the total number of farms, i is the farm's rank (in ascending order), a_i is farm size. Because the data are reported as the number of farms that fall into discrete size "bins", a_i is calculated as the median value within a given bin. The bins are: 0-2 acres, 3-9 acres, 10-19 acres, 20-49 acres, 50-99 acres, 100-499 acres, 500-999 acres, 1000 or more acres in 1880; 0-9 acres, 10-19 acres, 20-49 acres, 50-99 acres, 100-499 acres, 500-999 acres, 1000 or more acres in 1890; 0-2 acres, 3-9 acres, 10-19 acres, 20-49 acres, 50-99 acres, 100-174 acres, 175-259 acres, 260-499 acres, 500-999 acres, 1000 or more acres in 1900, 1910 and 1920.

Appendix Tables and Figures

Table A1: Summary Statistics: Gubernatorial Election Returns, 1876-1930

	Mean Demcratic vote share	Mean Republican vote share	Mean Other vote share	% Counties < 50% Democrat	% States with Democratic governor
By state:					
Virginia	0.647	0.264	0.089	0.207	0.917
Alabama	0.766	0.134	0.100	0.098	1.000
Arkansas	0.677	0.242	0.081	0.093	1.000
Florida	0.701	0.267	0.032	0.079	0.923
Georgia	0.799	0.024	0.177	0.085	1.000
Louisiana	0.767	0.189	0.044	0.147	1.000
Mississippi	0.920	0.034	0.047	0.018	1.000
North Carolina	0.553	0.411	0.035	0.339	0.929
South Carolina	0.959	0.020	0.021	0.022	1.000
Texas	0.710	0.179	0.111	0.122	1.000
Kentucky	0.508	0.463	0.028	0.447	0.692
Tennessee	0.550	0.413	0.037	0.410	0.857
By time period:					
1876-1889	0.686	0.252	0.062	0.199	0.964
1890-1899	0.646	0.190	0.164	0.260	0.927
1900-1909	0.741	0.230	0.029	0.123	0.976
1910-1919	0.763	0.185	0.053	0.138	0.919
1920-1930	0.750	0.233	0.017	0.123	0.951

Table A2: Summary Statistics: Pension Application Indexes

State	Number of applications by type			Number of applications by decade				
	Total	Veteran	Widow	1880-89	1890-99	1900-09	1910-19	1920 and later
Alabama	40,324	20,294	20,030	2,571	12,495	11,656	6,848	6,715
Arkansas	27,012	12,889	13,696	348	2,147	11,521	8,441	4,457
Florida	12,856	-	-	0	1,042	7,118	1,116	1,214
Georgia	63,151	36,515	26,636	2,524	15,069	17,849	14,392	12,441
Kentucky	4,675	2,411	2,264	0	0	0	3,997	671
Lousiana	18,477	9,366	9,111	-	-	-	-	-
Tennessee	27,516	16,228	10,942	-	-	-	-	-
Texas	58,642	29,441	29,201	3	6,188	12,227	17,761	14,893
Virginia	47,229	28,513	18,716	3,579	2,106	23,724	7,907	9,913
Total	299,882	-	-	-	-	-	-	-

Table A3: Classification of Parties in Election Returns Data

Party Name	% elections on ballot
DEMOCRAT OR EQUIVALENT	
DEMOCRAT	99.2%
INDEPENDENT DEMOCRAT	5.3%
GOLD DEMOCRAT	1.3%
LOW TAX DEMOCRAT	0.8%
STATE CREDIT DEMOCRAT	0.8%
ANTI-SMITH	0.6%
GREENBACK DEMOCRAT	0.5%
BOLTING DEMOCRAT	0.3%
CONSERVATIVE	0.3%
ANTI-LOTTERY DEMOCRAT	0.3%
PEOPLE'S AND DEMOCRAT	0.3%
NATIONAL (GOLD) DEMOCRAT	0.2%
REPUBLICAN OR EQUIVALENT	
MODERN REPUBLICAN	88.8%
INDEPENDENT REPUBLICAN	3.9%
LILY-WHITE REPUBLICAN	1.3%
BLACK AND TAN REPUBLICAN	1.1%
REFORMING REPUBLICAN	1.1%
REPUBLICAN-GREENBACK-FUSION	1.1%
LIBERAL REPUBLICAN	0.9%
GREENBACK AND REPUBLICAN	0.8%
LILY BLACK REPUBLICAN	0.7%
HAMBRIGHT REPUBLICAN	0.6%
TOLBERT REPUBLICAN	0.6%
TAFT REPUBLICAN	0.5%
PEOPLES AND REPUBLICAN	0.3%
REPUBLICAN GREENBACK	0.3%
COLORED REPUBLICAN	0.3%
REPUBLICAN FUSION	0.3%
REPUBLICAN POPULIST FUSION	0.3%
WHITE REPUBLICAN	0.3%
UNIDENTIFIED	
UNIDENTIFIED	27.9%
NO NAME	7.6%

Party Name	% elections on ballot
POPULIST	
SOCIALIST	41.0%
PROHIBITION	37.4%
POPULIST	20.0%
PROGRESSIVE	13.5%
GREENBACK	11.1%
SOCIALIST LABOR	11.0%
PEOPLE'S	10.4%
COMMUNIST	5.2%
AMERICAN	1.6%
SOCIAL DEMOCRAT	1.5%
NATIONAL GREENBACK	1.1%
PROHIBITION AND FARMERS' ALLIANCE	1.1%
POPULITE	1.0%
FARMER-LABOR	1.0%
LABOR	0.9%
UNION LABOR	0.8%
READJUSTER	0.8%
AGRICULTURAL WHEELER	0.6%
INDEPENDENT PROGRESSIVE	0.6%
LIBERTY	0.6%
INSURGENT REFERENDUM	0.6%
COMMONWEALTH LAND PARTY	0.5%
TEMPERANCE	0.5%
RKERS (COMMUNIST) PARTY OF AMERICA	0.5%
PROGRESSIVE REPUBLICAN	0.4%
NATIONAL PARTY	0.3%
FLORIDA PEOPLE'S PARTY	0.3%
LA FOLLETTE WHEELER	0.3%
NATIONAL PROHIBITION	0.3%
OTHER	
SCATTERING	30.3%
INDEPENDENT	9.0%
NEGRO INDEPENDENT	2.2%
ELECTOR LIGON	0.7%
ELECTOR ROGERS	0.7%
NATIONS PICKETT	0.6%
STATE RIGHTS	0.5%
INDEPENDENT CONSERVATIVE	0.4%

Note: Percent of elections is calculated by dividing the number of times each party appears in the election returns data by the number of unique elections in our data.

Figure A1: Confederate Pensions by State: Spending and Applications

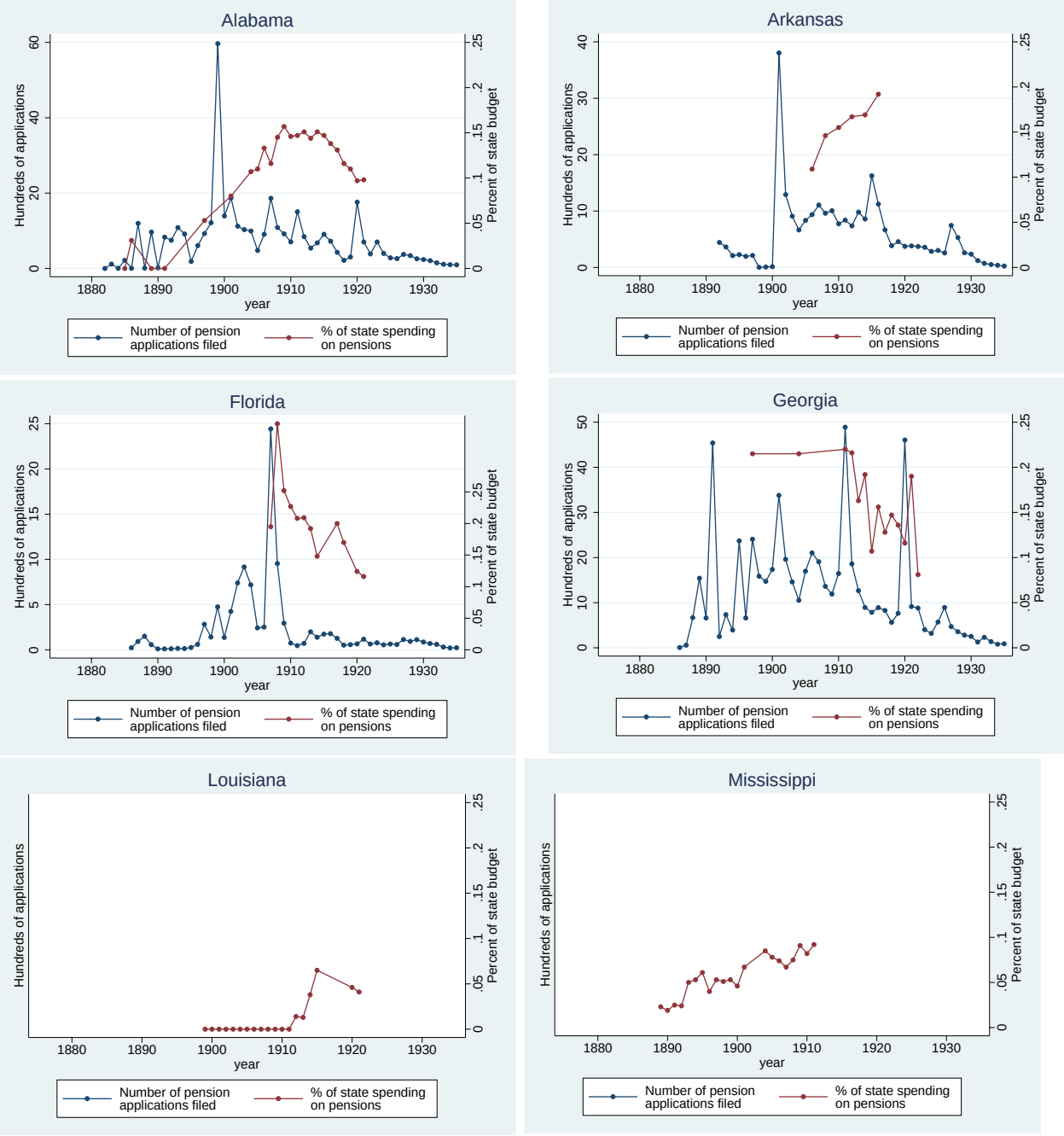

Figure A2: Confederate Pensions by State: Spending and Applications