on veterans' benefits are likely to prove as much of a burden on future generations as the Commission itself believes. The tendency on the whole is to underestimate the rise of future income in current dollars.

In this connection, note the following table:

TABLE 7-3.—*Public expenditures for income maintenance programs and the national income (selected years, 1940-85)*

Item	Actual			Projected		
	1940	1950	1955	1965	1975	1985
A. National income (billions of dollars) [1]	81.6	240.0	322.2	414.0	571.0	756.0
B. Expenditures for income maintenance programs (billions of dollars):						
1. Assuming no increase in benefit rates:[1]						
General programs	2.2	6.4	11.1	18.5	24.3	29.6
VA compensation and pensions	.4	1.9	2.7	6.6	7.6	11.1
Total	2.6	8.3	13.8	25.1	31.9	40.7
2. Assuming future increase in benefit rates at half the rate of increase in national productivity:						
General programs	2.2	6.4	11.1	21.1	32.1	45.9
VA compensation and pensions	.4	1.9	2.7	7.5	10.0	17.2
Total	2.6	8.3	13.8	28.6	42.1	63.1
C. Adjusted income maintenance expenditures, as percent of national income (percent):						
General programs	2.7	2.6	3.5	5.1	5.6	6.1
VA compensation and pensions	.5	.8	.8	1.8	1.8	2.3
Total	3.2	3.4	4.3	6.9	7.4	8.3

[1] Estimated figures assume present laws and benefit rates with 2 exceptions: OASI cash disability benefits at age 50 are assumed along the lines of H.R. 7225, 84th Cong.; VA service pensions are assumed as described in text.

Source: The President's Commission on Veterans' Pensions, "Veterans' Benefits in the United States," a report to the President, "Findings and Recommendations," p. 124.

This table suggests that on the basis of present benefits the veterans' compensation and pension program would increase from \$2.7 billion to \$6.6, \$7.6, and \$11.1 billion in 1965, 1975, and 1985, respectively. But if it is assumed that the future increase in benefits increases at half the rate of the increase in national productivity, the amounts would be \$2.7 billion for 1955, and \$7.5, \$10, and \$17.2 billion for 1965, 1975, and 1985. The latter, as a percentage of total national income, would be 0.8 percent in 1955, and 1.8, 1.8, and 2.3 for 1965, 1975, and 1985, respectively. And for all public income maintenance programs, on the assumption of a rise of benefits of one-half the rise of productivity, the percentage of income would be 4.3, 6.9, 7.4, and 8.3. This seems like a fairly large rise in the costs of maintenance programs in relation to the national income. It should be noted that the estimate is that the national income would be about \$756 billion by 1985. Even this seems rather to underestimate the possibilities. The Republican policy committee has just issued a projection of \$900 billion long before 1985. In 30 years the per capita income should be at least double what it is today and therefore the average nonfarm family income might well be of the order of \$12,000 or \$14,000. Under these circumstances, even if these maintenance programs took 8.3 percent as against 4.3 percent in 1955, this would be no great catastrophe, all the more so since a large part of the benefits would come from payments by the contributors. Actually, in view of the slow adjustment of benefits,