

personnel, Federal employees, social security beneficiaries, welfare recipients and non-service-connected pensioners. Sponsors of such legislation in each instance have documented and justified the necessity of increasing these benefits to bring them more closely in balance with the rise in the cost of living. The DAV also recognizes the need for these increases to offset the shrinking value of yesterday's dollar on today's market.

Surely, then, no one in this room needs to be reminded that disability compensation is also fixed income established by law. Or that the service-connected disabled veteran has also been caught in the very same economic squeeze that has so seriously affected other Federal beneficiaries.

The average increase of 10 percent, granted by Public Law 89-311, effective December 1, 1965, fell short of 6 percent of bridging the gap between the buying power of the compensation dollar and the increase in living costs. This deficiency has since been compounded by an additional 7-percent rise in the cost of living. Moreover, it is a sad certainty that prices will continue to advance through 1968 at a rate of about 4 percent. This will result in a corresponding decrease in the value of the veteran's compensation dollar.

We think it is abundantly clear that an overwhelming case exists for restoring the full value of disability compensation at the earliest possible date. This applies with special force to those who are so severely disabled as to be unemployable. This group has suffered an even greater erosion of their living standards.

It should be acknowledged that since 1933, when the present system of disability evaluation was established, there has been an overall increase of 154.6 percent in the rates of service connected disability compensation. However, during this same period, the average wage has increased nearly 600 percent, leaving a gap of over 400 percent between the increases in the rates of compensation and the wage of employed workers.

It should also be pointed out that the median annual income of full-time employed veterans is now \$7,300.

The veteran who is rendered totally unproductive because of disability incurred as a result of military service cannot reach this level of economic security. Because his total loss of earning power came about as a result of service to his country, it seems a matter of simple justice that the compensation payments for this particular veteran should be increased to a point commensurate with that of his able-bodied wage-earning contemporaries.

Veterans who are living solely on disability compensation payments stand to suffer most as the dollar's buying power diminishes. The net effect of this will be to push the veteran yet another step down on the economic scale. To forestall this adverse circumstance, the distinguished chairman of this committee has recently introduced at DAV request, H.R. 14995, a bill bearing the title "Service Disabled Veterans' Compensation and Benefits Act of 1968."

We realize, Mr. Chairman, that there will be numerous and varied requests made to your committee during the course of its hearings. We realize also that priorities in these matters must be established.

We hope and pray that serious study and thoughtful consideration of this bill and the facts set forth above will lead your committee to