SERVICE-CONNECTED COMPENSATION

A review of the DAV proposals presented to the Commission during its previous meetings indicates that major emphasis centered on the disability and death compensation program.

We consider the present rates of disability and death compensation (DIC) grossly inadequate to permit the veteran or his widow the place in our society which we believe they should enjoy.

Many disabled veterans must depend solely upon their compensation to provide the necessities of life. They are caught in a seemingly hopeless struggle to stretch their fixed income of disability compensation to meet the ever-increasing cost of living.

Much has been said concerning the adverse effect of the continued increase in the cost of living upon those who are compelled by circumstances to subsist on fixed incomes. The administration has sponsored and urged the Congress to adopt measures which would ease the economic burden of military personnel, Federal employees, social security beneficiaries, welfare recipients and non-service-connected pensioners. Sponsors of legislation 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 recognizes that there is a need for these increases to offset the shrinking power of yesterday's dollar on today's prices. I would only remind you that disability compensation is also fixed income established by law. The service-connected disabled veteran has been caught in the same economic squeeze that has so seriously affected other Federal beneficiaries.

During the 2 years since the last cost-of-living increase in disability compensation was granted, prices have since increased approximately 7 percent and the basic rates have lost much of their purchasing power.

When we speak in terms of the year 1968, which we are doing here, we can safely expect that prices will have advanced at least another 3 percent with a corresponding decrease in the value of the veteran's compensation dollar.

We think it is abundantly clear that there is an overwhelming case for restoration of the value of disability compensation at a very early date in 1968. This applies with special force to those who are so severely disabled as to be unemployable, a group who have suffered even greater erosion of their living standards.

In this regard, it should be noted that since 1933, when the present system of disability evaluations began, there has been an overall increase of 154.6 percent in the payments of service-connected disability compensation. During this same period, the average wage of employees in manufacturing industries has increased by 594 percent, leaving a gap of 439.4 percent between the increases in the rates of compensation and the average wage of employed workers. Additionally, it should be pointed out that the median annual income of veterans employed full time is $7,300.

The veteran who is rendered totally unproductive because of a service-connected disability can never hope to attain 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 veterans should be in-