

Disability compensation payments are stated in fixed dollar amounts. As the inflationary trend continues its course, the compensation dollar will steadily buy less and less of life's necessities. Fortunately, this committee and the Congress has periodically increased the compensation rates. However, as I have indicated the catching up process has lagged behind the upsweep in prices.

This system of adjusting compensation rates to correspond with changes in price levels would appear to be a sound and reasonable approach. The system is, however, deficient with respect to the seriously disabled veteran. He—because of his service-connected handicap—is unable to share in the vastly increased standard of living or the degree of prosperity enjoyed by his able-bodied contemporaries, whose average income has soared tremendously in the past decade.

The latest figures available show that the median annual income of employed veterans was \$7,300 in 1966. The totally disabled unemployable veteran cannot hope to lift himself above the lower level of this median line, no matter how superior his abilities, intelligence, and aptitude for occupational pursuits.

With these thoughts in mind, we express the hope that the committee will continue to examine and evaluate the disability compensation program during the current session of the Congress.

Another DAV objective on the subject of disability compensation calls for what we feel is a long overdue increase in the existing \$47 per month allowance payable to veterans who have suffered certain specified anatomical losses.

The rates for these special awards have not been increased in the past 17 years. On July 1, 1952, there was a very nominal increase over the rates that had prevailed since September 1, 1946. In short, there has been a meager \$5 a month increase in a span of 23 years.

We earnestly urge this committee to consider our proposal for a well-deserved increase in these statutory rates.

We come now, Mr. Chairman, to the subject of death benefits payable to widows, children, and dependent parents of veterans who die of service-connected causes.

A bill supported by the DAV, now pending before the committee would, if enacted, increase the basic monthly rates of dependency and indemnity compensation payable to a widow of a veteran whose death was a result of military service.

Under present law, as you know, dependency and indemnity compensation is payable to an eligible widow at the monthly rate of \$120 plus 12 percent of the basic service pay of her deceased husband. The bill would raise the \$120 payment to \$130. The 12-percent feature of the law would remain unchanged.

The reasons for urging approval of this increase are essentially the same as those expressed with respect to the need for increases in disability compensation rates.

As in the case of the service-connected unemployable veteran—we think the Nation owes a very special debt to the widow of a veteran whose death occurred as a result of service to his country.

We urge the committee to give serious consideration to this reasonable and necessary proposal.