fit payment that is inadequate in relation to rising prices and rising wages. The Somerses, in an excellent summary of the situation,[46] have made clear the inadequacies of these benefits:

Despite the apparent intention of compensation laws to relate benefit payments to a given ratio of wage levels, usually around two-thirds, the result is obviously something very different. Periodic liberalization of the various maximums and qualifications have utterly failed to keep pace with rising wage levels and prices. As a result, the proportion of wage (loss) compensation declined substantially.[47]

For example, a study in 1953 for Illinois shows that the ratio of weekly maximum compensation for an injured worker with one child to average weekly earnings declined in that State from 98 percent in 1913–14 to 34 percent in 1952.[48] The Social Security Administration concluded in 1954—

that workmen's compensation is probably leaving unmet on the average about two-thirds of the wage loss in temporary disability cases and an even greater proportion of the aggregate loss from all disabilities of covered workers, including those fatally or permanently injured * * *.[49]

Apparently the average payment in 48 States for a widow and 4 children was $20 a week in 1951. That was the average payment in 48 States.[50] The Somerses conclude that in workmen's compensation we have approached pretty close to a flat-rate payment and the adjustments to rising prices and wages are slow indeed.

I do not mean to give the impression that the inadequacies of workmen's compensation are to be explained merely by the rise of prices and incomes. But the combination of interstate competition which results in fixed maximums and the rising price and income levels with slow upward adjustments in benefits, and also the large diversions to insurance companies and other intermediaries—these together help explain the inadequacies that tend to become greater despite the rising incomes.

An injured worker receives much less than the loss of wages incurred. The compensation for the temporary disability is reduced by the requirement of a waiting period; for permanent disability it is reduced by ceilings on the period of compensation and on payments to be made. According to one expert, in North Carolina 48 percent of the wage loss was compensated in temporary disability costs in 1940 and only 21 percent in permanent and fatal cases; in Massachusetts in 1933, 55 and 25 percent, respectively; in Illinois, in 1952, 30 percent for temporary cases, 13 percent for permanent-partial cases and less than 6 percent for fatal cases. In general, about two-thirds of the wage loss for temporary disability is not being compensated and less is being recovered for the permanent disabilities.[51]

There are 8 States with earned premiums in excess of 1.5 percent of payrolls and 16 with rates from 0.99 to 0.72. Substantial differences in the premium and benefit costs of six northern and six southern industrial States are to be noted—from 25 to 30 percent. Injuries vary also so that the differences do not reflect equal variations in re-

[46] H. M. Somers and A. R. Somers, "Workmen's Compensation," 1954, pp. 77–82.
[47] Ibid., p. 77.
[48] Ibid., p. 77.
[49] Ibid., p. 81.
[50] Ibid., p. 82.
[51] Social Security Bulletin, March 1954, op. cit., pp. 9–10.