sults. Moreover, States vary greatly in what they get per dollar of premium. Thus, Massachusetts pays 28 percent less than New York but gets 13 percent more in benefits.

The President's Commission on the Health Needs of the Nation thus summarizes workmen's compensation:

Since 1911 the workmen's compensation laws of the various States have become keystones in America's industrial health progress. Workmen's compensation systems in the States vary from excellent to grossly inadequate. In 11 States, the law applies only to certain listed "hazardous" employment; 4 States give no coverage to occupational diseases and 18 cover only certain listed diseases. Excessive litigation is common, with both legal and medical chicanery * * *. Eleven States have no factory inspector. Almost all compensation payments are inadequate by present-day standards, particularly in providing for total rehabilitation * * *.

When monetary benefits are awarded, they are usually inadequate. Theoretically determined by a percentage of wages, cash payments are actually restricted to a statutory maximum of $25 to $38 per week in most States, a maximum which does not reflect current inflationary trends: medical-expense payments are strictly limited in 17 States; only 19 States have provisions for rehabilitation in workmen's compensation.

LONG-TERM COMMITMENTS

I shall discuss private pension plans later. But here I want to comment briefly on the violence done to contracts by long-term price and income rises. It is easy to understand why pensions are in many ways unsatisfactory. Where the plans are not funded, of course, there is always the problem of whether adequate cash will be available when the payments have to be made. Even where they are funded, there is always the problem that prices and per capita income rise, and a pension plan that is worked out on the assumption that wages will remain where they are today causes large underpayments in the years when the worker retires. In the face of past history, if, for example, the average wage is $80 a week today, the pension plan should really be worked out on the principle that when a young man entering the labor market is given a right to a pension, the wage will be at least double in a period of 25 years. This allows for a small amount of inflation as well as the gains of productivity. In college experience over the years, it has been discovered that if a plan is made out on the theory that 50 percent of the wage at the end of the working period would be available, what is actually available comes to about 25 percent.

In general, what we can conclude is that the adjustment to rising prices has been achieved in some programs, for example, in unemployment insurance where the tieup has been with wage rates, but in many programs for long periods of time the benefit payments have not matched the rise of prices, and a fortiori the rise of per capita income or average wages. This is a problem which is likely to become of much greater importance as the maintenance payments continue to rise. For example. the Department of Health, Education, and Welfare and the U.S. Department of Labor have estimated that the income maintenance payments under public programs rise as follows: 1940, $2.1 billion; 1950, $6.3 billion; 1955, $11.1 billion; 1965, $18.5 billion; 1975, $24.3 billion; 1985, $29.6 billion.