

rule, was passed in England. The first compensation act in Austria was passed about 1887, and the first one in England about 1897.

In this country, as early as 1897, labor began advocating workmen's compensation legislation to replace the common law approach to liability. The first compensation law in the United States was passed by the Federal Government in 1908 for its own employees. The first state laws were approved a few years later.

The first laws ran into difficulty. The courts held that neither the employer nor the employee had an option regarding coverage and that compelling an employer to pay without fault on his part violated the 14th Amendment to the Constitution of the United States, which prohibits taking a person's property without due process of law.

To overcome this difficulty, some states passed elective laws that granted both the employer and the employee the right to decide whether or not each wished to come under the act.

In some states, another type of statute called an elective presumptive act was passed. Under such an act, the employer or employee is presumed to come under the act unless he files to the contrary prior to the occurrence of an injury.

In 1917, the United States Supreme Court finally declared that a state may enact and enforce a workmen's compensation law under its power (to provide for the public health, safety, and welfare) without violating the 14th Amendment to the Constitution of the United States. Many states then passed compulsory laws, compliance with which was mandatory for certain employments, with penalties imposed for noncompliance.

At the present time, compensation acts of one type or another are in effect in the fifty states, the District of Columbia, and Puerto Rico. There are also two Federal acts.*

Purpose of laws

One of the main purposes of workmen's compensation laws was to eliminate the liability based solely on proof of the employer's negligence and to substitute for it a system of liability for accidents regardless of the employer's fault. This change was intended to prevent the injured worker from becoming a public charge, who would have to be sup-

ported either by the taxpayers or by charitable organizations.

The principle underlying these laws was that liability for industrial accidents should be regarded as part of the cost of operating a business so that the cost of such accidents would be transferred from the worker and the employer to the consumer.

Under the compensation system, the employer surrendered his right to insist on proof of negligence and his right to interpose the common law defenses and accepted a certain but limited liability without fault. At the same time, labor surrendered its right to sue for unlimited damages and accepted a certain but limited liability of the employer. This system eliminated speculation bargaining on damages.

Elements of Workmen's Compensation Laws

State workmen's compensation acts generally cover accidental injuries arising out of and in the course of employment. Since state acts vary, it is important to distinguish between accidental injury and disease.

In general, an accident may be defined as "a sudden and unexpected event, occurring at a definite time and place."

In most laws, the term also includes any disease directly the result of, or a preexisting condition aggravated by, an accidental injury. An industrial disease contracted independently of an accidental injury is another consideration and usually is treated separately under the heading "occupational disease."

The requirement in most laws that the injury "arise out of and in the course of employment" is interpreted differently in various jurisdictions. The trend, however, has been to award benefits where there is a causal relationship between the injury and the employment, no matter how slight.

In some jurisdictions, an employee may forfeit his right to compensation or have his benefits for a compensable injury reduced by

* Discussion in this paragraph and in several preceding paragraphs adapted in part from Noel S. Symons, "Trends in Compensation Attitudes," *The Monitor* (April 1952).