

Work on the Rockwell Station at Makati is progressing us ragidly as arrival of equipment allows. The completion of this new power station will make an additional 50,000 kilowatta available to supply the increased domand for electricity in Manila and its environs.

> MANILA ELECTRIC COMPANY 134 San Marcelino Munilo

	Total 3 Years Ye	early Average
	Pesos	Pesos
Cotton and Manufactures Total Rayon and Other Synthetic	385,282,113	128,427,371
Textiles	224,254,046	74,751,349
Combined	609,536,159	203,178,720

On this basis, the suggested  $50^{o_1}_{-0}$  cut of the Textile Industry Committee would mean roughly only \$102,000,-000 worth of textiles for importation into the Philippines during 1950. Dividing this by 19,000,000 (the population), this means less than \$5.50 per year for each man, woman, and child, which clearly indicates the essentiality of the textile imports to the Filipino people, not only from an economic view-point, but also in consideration of health and well-being among the lower income groups if they are to be properly clothed with essential replacements.

This we consider a reasonable figure compared to the present percentage cuts, which, on a basis of 75% of 1948, would mean only about a P60.000.000 importation during 1950, or only about P3.00 per person for replacement.

## Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH Ross, Selph, Carrascoso & Janda

AST month the Court of Industrial Relations rendered a decision (Central Sawmill Co. case No. 267-V Dec. 2, 1949), which appears to reaffirm several points of principle on labor relations which were established by the Court shortly after the inauguration of the Republic, and also sets forth the views of the Court on what constitutes a fair return on investment.

There were ten demands and a brief summary of the action taken is as follows:

1. 100% general increase in pay-

Denied, but the Court fixed a minimum of P4.75 for common laborers. The Court went into considerable detail as to the basis for fixing wages which will be referred to later.

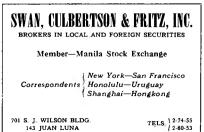
2. 50% additional for overtime and holiday work-

(a) Overtime — the Court found that the company's financial condition was such that not more than 25% additional for overtime was warranted.

(b) Holidays — the Court stated that the law required at least 25% additional for holiday work and ordered 25% additional for holiday work.

3. 50% additional for night work-

The Court ordered 25% additional for night work, stating financial condition of company could not excuse it from additional pay for night work



4. 15 days sick leave with full pay, free medicine and hospitalization

(a) Sick leave - the Court said whether a profit was being made (a) Sick leave — the Court saw whether a profit was being made did not affect obligation to grant 15 days yearly sick leave and stated actual illness should be certified by the company's physician.

(b) Free medicine and hospitalization — the Court ordered compliance with the Workmen's Compensation Act and the laws providing for emergency dental and medical treatment.

5. 15 days vacation leave with full pay— This the Court said depended on the ability of the employer to pay but found that a small profit was being made and ordered the company to grant 15 days vacation leave for at least one year of faithful service.

6. No suspension or dismissal without just cause

The Court approved agreement of employer on this point.

Drivers must not be required to load or unload

The Court said when the load is of light material and the drivers are willing to cooperate, only one helper should go with the truck, but when the load is "rather heavy and in great quantity" the company should provide two helpers.

8. Better pay and additional help for heavy work— The Court said this demand was covered in the general demand. for increase, according to work done.

9. Preference to Filipinos in employment, and all privileges given others-

(a) Court approved agreement to give preference to Filipinos in employment.

(b) The Court said such privileges as free food and quarters for some employees are part of their remuneration under strict business arrangements, and cannot be granted to all by a court decision.

Closed shop and check off-

The Court said there is no law requiring closed shop or check off and that all closed shop arrangements in the Philippines have been by agreement and not imposed by the Court, which has no power to grant or impose either closed shop or check off.

Returning to the demand for increased wages the Court stated the factors to be considered were as follows:

1. Actual cost of living

Nature of work 2.

- 3. Wages in other companies in similar business
- 4 Fair return on investment
- The Court then stated:

"There is, therefore, a necessity of allowing capital a fair return on its investment more than allowed by banks on deposits in order to induce capitalists, industrialists, financiers, businessmen and the public induce capitalists, industrialists, manufers, businessmen and the public in general, to invest their money in agricultural, commercial or indus-trial enterprises. In the light of the above findings, the net return of 3.39% per annum, based on the Net Operating Profit of respondent, is not fair for the investment of respondent company. A fair return on the investment should be a Net Operating Profit equivalent to not less than 12% per annum on the Total Invested Capital of the business. For purposes of the record, it is believed that the net return is computed thus: Net Operating Profit, before deducting other charges and adding other income, divided by Total Assets, minus investments in other business.

However, minimum wages should constitute a first lien on business. In case the lowest wage level is even below the actual cost of living of wage earners, such wage level should be raised, whether the employer is making profit or not, in order to enable the workers concerned to families. It would seem that no business can rightfully have a claim families. It would seem that no business can rightfury nave a ciaim to insist in carrying on when it cannot give even the semblance of a minimum wage. Let it be remembered that this Court has consistently maintained that salaries and wages of workers form part of the opera-ing expenses of the company, and that the grant of a decent minimum wage is not entirely dependent on the financial condition of the Com-pany (Case No. 70-7). Anyway, any increase which may be given to workers follow in the binber brackers of the carle of salaries and wages. workers falling in the higher brackets of the scale of salaries and wages. after the minimum wage of the laborers has been determined, may be made to depend upon the so-called fair return of the employer on its investment

ON September 27, 1949, a decision was rendered by the Supreme Court reaffirming an old principle which is used to curb litigants who delight in raising technical points of procedure to befog the issue.

As stated in the case of Alonso vs. Villamor (16 Phil. 315), - "A litigation is not a game of technicalities in which one, more deeply

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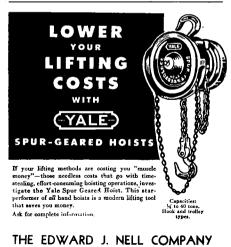
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scholed and skilled in the subtle art of movement and pointion, entraps and destroys the other. It is rather, a context in which each contending party fully and fairly lays before the court the facts in issue and then, brushing saide as wholly trivial and indecive all imperfections of form and technicalities of procedure, asks that justice be done upon the merits. Lawsuits, unlike duels, are not to be won by a rapier's thrust.<sup>400</sup>

### Philippine Safety Council

By FRANK S. TENNY Executive Director

THE Board of Directors of the Philippine Safety Council has announced seven winners of the PSC "Award of Merit", given for outstanding contributions to safety during the year 1949. The list of awardees follows:

 San Miguel Brewery — For industrial safety measures built into the new glass factory at Farola and the botting plant at Polo.
The Manila Fire Department — For courageous and intense

 The Manila Fire Department — For courageous and intense fire-protection services rendered in spite of shortages of equipment and difficult fire prevention problems.
Ayala y Compañia — For creating a model private security

 Ayala y Compañia — For creating a model private security force, both for the protection of tenants and to advance public safety.

4. The National Bureau of Investigation — For outstanding service to the police departments of the Philippines by conducting their national police-training schools.

 Pangasinan Transportation Company — For setting an outstanding record of driving-safety of 1,000,000 kilometers travelled for every accident to one of its buses.

 Philippine National Red Cross — For outstanding service to the public in water-safety, first-aid, and disaster-services, as well as the creation of its National Committee on Safety Services.
Manila Fire Insurance Association — For services to the

 Manila Fire Insurance Association — For services to the public far beyond those expected from a commercial entity in the fight for fire prevention and arson detection.

These 7 winners were chosen from a list of 12 nominees by the PSC Directorate. A suitable certificate will be presented in the near future to each winner at a ceremony to be held in the winner's office.

In commenting upon the awards, Safety Council Executive Director Tenny said, "We congratulate these seven organizations for leading the fight for safety and for their contribution to the National Safety Movement. In 1948 there were five winners. Last year, 1949, there were seven. Let's hope that many more organizations will be eligible for this annual safety award for the year 1950".

## Executive Order No. 301

AMENDING EXECUTIVE ORDER NO. 295, DATED NOV-EMBER 29, 1949

B<sup>Y</sup> virtue of the powers vetted in me by Republic Act No. 330, THE PHILIPPINES TO ESTABLISH A SYSTEM OF IM-PORT CONTROL BY REGULATING IMPORTS OF NON-ESSENTIAL AND LUXURY ARTICLES, CREATING AN IMPORT CONTROL BOARD, AUTHORIZING THE ISSUANCE OF RULES AND REGULATIONS TO CARRY INTO EFFECT SUCH CON-TROL AND PENALZING VIOLATIONS OF THIS ACT.' 1, ELPIDIO QUIRINO, FREIdent of the Philippines, do hereby order:

SECTION 1. Section 2 of Executive Order No. 295, dated November 29, 1949, is hereby amended so as to read as follows:

29. 1994, is nerety antendo so is to read as follows: "The import Control Office hall be directly administered by a Commissioner and carry out the rules and regulations promulgated by the import Control Board and recommend such changes to the Board as from time to time may be found necesfor which the controls were established. The Commissioner shall be assisted by a representative of the Department of Finners and a representative of the Central may be provided by the Import Control Board, upon the recommendation of the Commissioner."

SEC. 2. This Order shall take effect on January 6, 1950.

Done in the City of Manila, this 6th day of January, in the year of Our Lord, nineteen hundred and fifty, and of the Independence of the Philippines, the fourth.

(SGD.) ELPIDIO QUIRINO President of the Philippines

