

plete the replacement of war-destroyed items, even after war-damage payments cease.

Import control has been more of a costly nuisance than an impediment to the import trade, with the exception of a few items. Private enterprise had anticipated reduced consumer-demand long before import control took effect, and orders had been correspondingly reduced.

Labor. Labor demands have brought wage levels to an index figure of about four times pre-war. Wage levels seem now to be established at a base where they may continue, with little likelihood of general increase in the face of dropping living costs. Except for the lack of decent housing due to war damage, laborers are eating better, dressing better, and enjoying more luxuries than before the war. The gradually declining cost of living will be offset by the needs of growing families, so no general reduction in wages may be looked for. The present higher general wage level in relation to living costs should add more to the prosperity of the Philippines than any single post-war factor. Reduction in labor costs to meet competitive markets will come from greater labor output per man-

hour, rather than from wage reduction. The purchasing power of the people will therefore continue at high levels.

The Philippines with its immense undeveloped resources represents an expanding economy, and despite cyclical adjustments from time to time to bring the economy into balance, the continued progress and prosperity of the Philippines cannot be stopped. Anyone who sells the Philippines short fails to see the overwhelming long-range factors that give assurance of a continued rise in the prosperity level for all classes.

Let not the day-to-day annoyances, unjust demands, unfair decisions, and various vexations unduly influence our perspective. These troubles are not unique to the Philippines. The businessman in Washington, London, New York, and San Francisco has an equal share of gripes.

We complain and seek correction of grievances, and sometimes the situation improves. Viewing the overall picture, the percentages still favor us, or we would not be here.

The New Safety Bureau

BY FRANK S. TENNY

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THE recently enacted Republic Act No. 367 (An Act creating the Bureau of Industrial Safety) has caused considerable comment in business circles and is deserving of explanation.

Probably the most important single observation to be made at this time is that the Act is definitely not intended to unduly harass the employer; considerable effort was expended by the authors to make it neither pro-, nor anti-labor. The Safety Act is intended to serve the best interest of the people as a whole. From the immediate practical view point, those firms which now afford reasonably safe working conditions have nothing to fear from the Act; other firms will certainly be given adequate time to improve safety conditions before being subjected to any form of discipline.

A good capsule description of the Act is that it is an important piece of social legislation, definitely a forward step in local progress and rehabilitation. No one can disagree with the statement that local safety-conditions badly need improvement. Some accidents rates here are from 3 to 11 times as high as those in other countries. To have a government agency of bureau rank devoted to safety, is probably the greatest advancement in public safety here since the war.

The Act provides, among other things, for the establishment of a safety research laboratory, where materials of all kinds may be properly tested for their safety-factor. This will assist in guaranteeing the safety of construction materials, for example, or of industrial chemicals, and should serve to drastically reduce the appalling number of explosions, collapses, and fires which are taking lives almost daily in the Philippines.

The activity of the new Bureau with which businessmen will most frequently come into contact is that of Industrial Safety Inspection. Trained safety engineers will from time to time inspect all industrial establishments. Recommendations will be made to the management as to safety-hazards noted and helpful suggestions will be made along these lines. Although such an inspection may appear to be for the benefit of employees alone, it is an established fact that the prevention of accidents results in great financial savings for management. The prevention of one fatal accident, for example, would save the loss of several thousand pesos represented by workmen's compensation, insurance, hospital and funeral expenses, loss of a trained employee, lost of interim production, unfavorable publicity, lowering of employee morale, etc. This is of course in addition to the human angle and the loss to the family.

Other requirements of the Act include the maintenance of adequate first-aid facilities and the creation of a company safety-committee, both of these factors of a scope appropriate to the firm concerned. Certain local firms which have already entered upon company safety-programs have found them to be of great benefit to operational efficiency. Some of these are San Miguel Brewery, Manila Electric Company, Pangasinan Transportation Company, Pepsi-Cola Bottling Company, Bachrach Motor Company, Manila Trading and Supply Company, and several others. Firms like these, of course, will have a "head start" in connection with ease in complying with the provisions of the Act.

Employers will note that they need not necessarily be held liable for accidents which happen to persons due to their own extreme negligence or violation of regulations. Once a firm has properly in-

stituted necessary safety-measures and once every reasonable effort has been made to protect both workers and the public, accident causes and responsibilities will be easily established. There is no intention to force an employer to stand any loss for which he is not responsible, or to hold him liable for an accident which he has previously exerted every reasonable effort to prevent. Under the Act, safety will be a joint responsibility of all.

The Act is the product of necessity, built upon the broken bodies of those persons who have suffered from preventable accidents of all kinds. For years there has existed in the Department of Labor a little-known but hard working section called the Safety Engineering Division. This group worked closely with the Advisory Safety Council to the Secretary of Labor. However, all too often, the voices of those safety pioneers were like the voice of those "crying in the wilderness." For a variety of reasons, their findings and recommendations were often rendered ineffective. Meantime the accidents went on at steadily increasing rates.

After much preparatory work, HR 1460, forerunner of the present Act, passed the lower House in

1948; it was passed by the Senate during the recent session, and was signed by the President on June 10. The approval was due in no small measure to the support of several civic, humanitarian, and rehabilitation groups here.

Mr. Primo G. Maluanag, long-time chief of the Safety Engineering Division and Chairman of the Advisory Safety Council, is the originator and foremost contributor to the Act. Other members of the Council are V. A. Brussole, Cesario A. Grau, Mariano Salazar, and the writer. It can be safely stated that this body will not countenance any abuse of the powers of the Act.

It will probably be some time before the new Bureau is completely staffed and in full operation. In the meantime, local industrial establishments may be surveying their own safety situation with a view toward passing any subsequent safety inspection with flying colors. The Philippine Safety Council will be available for assistance in this regard, if desired. In closing, I urge the general support of businessmen for this new Bureau, for it has been created with the highest of motives and will be administered wisely and fairly.

The U. S. Veterans Administration

BY WARREN F. BRUMFIELD

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AMONG the various United States Government agencies which are operating in the Philippines, the Veterans Administration is the oldest. This agency, now headed by Brig. Gen. R. B. Lovett, has had an office in the Philippines for about a quarter of a century.

Before the second world war, the activities of the Veterans Administration were on a much smaller scale than now. Pensions and disability compensation then being administered embraced principally veterans of the Spanish-American War, the Philippine Insurrection, the Boxer Rebellion, and former Philippine Scouts and their dependents. The total "case load", — which is the term used in the Veterans Administration to designate the whole number receiving the benefits it dispenses, was approximately 7,500.

Of course, the various United States laws under which the Veterans Administration operated during that time were directly applicable to the Philippines, since the country was then under the American flag.

The end of the second world war compounded the problems of the Veterans Administration manifold, first, because of the considerable increase in the "case load" to be handled as the result of legislation extending various pension and other benefits to Filipino veterans of the second world war and their dependents, and later because Philippine Independence had the effect of wiping out the whole legal structure upon which the Veterans Administration was then operating.

Laws of the United States, which were then in effect in the Philippines, such as the statute exempting pensions and other benefits from taxation, and certain laws designed to protect the beneficiaries of Veterans Administration payments from scheming claim agents and attorneys, literally went out of the window with Independence.

The status of the U.S. Veterans Administration as an agency operating in the Philippines also changed. It became, in fact, the first and only regional office of the U.S. Veterans Administration operating on foreign soil and under foreign laws.

And yet, so thoroughly did the Government of the Philippines cooperate that the transition was accomplished with no trouble at all. Moving swiftly each time a need has been shown, a law has been passed by the Philippine Congress and approved by the President to take the place of some United States law which had been in effect and which Independence had obliterated.

It is not generally known that the Veterans Administration is required by law to guard with zealous care the money it pays out in pension or other benefits in behalf of persons who are of unsound mind, or who, for other reasons, are legally incompetent to handle their own affairs. Included, of course, in this latter class are minors, most of them orphaned by war.

In this respect, the Veterans Administration acts virtually as guardian *ad litem* in protecting the moneys paid out for the benefit of these individuals. Such protection can be extended only if there is legal