

money are spent on fully-equipped hospitals in the plants and in the office buildings. They have periodical examinations made of their employees. They have safety programs and training programs for the supervisors in the plants.

All in all, industrial medicine has become a large part of the medical profession and a very important cog in an industrial organization. I know from experience that the presidents of some of the divisions of large corporations put up trophies to be competed for by the plants to see who can have the least lost-time accidents over a period.

While the accident statistics may not bear out the statements that have been made, nevertheless, there is that consciousness and a striving all the time for bettering their record: and I think the records over-all are being bettered every year. As long as employers are conscious of this safety and what it will gain, not only in a monetary way, but in a happy, well-knit organization, they are not going to let up just because they have arrived at some degree of safety. I feel that is the philosophy today.

MODERATOR AHEARN: Thank you. Now we will move on to another question: "Have there been recently substantial changes in the law respecting the liability of a manufacturer to one injured by his product?"

MR. BAILE: That term "recently" is a relative term. If I would treat it as meaning in this century, I would say yes, there have been what you might call substantial changes, a change in concept and a change in application of principle.

Prior to 1916, generally in this country, you would have heard the rule stated that a manufacturer has no liability for injuries resulting from the use of his product beyond persons who are in direct contractual relations with him. In 1916, by the famous decision of *Justice Cardozo*, that principle was finally broken down and in lieu of it was adopted the rule: if a manufacturer would recognize that a defectively made product of his involved an unreasonable risk of harm to remote users or persons in the vicinity of remote users, that then he was under duty to make it carefully and from that has grown the general principle now, that manufacturers are, in the main, liable for defects in their products or for hazards against which they can guard, even to those persons who have no contractual relationship with them.

Probably more important than that has been the change in the application of that rule. Needless to say, in any claim by remote users against a manufacturer, the problem of causation is a serious one. A

manufacturer is through many years of time before it is then to determine manufacturer's years our courts: If there has been courts—and I a unfortunate terrible proof of two main changes and a manufacturer.

MR. OVIA
contractual relations the courts are little too far. It has opened a new is all right as I

MODERATOR
go on to the new process equipment in order

MR. HAT
but we don't have great possibility to one of relations of process equipment than to work on it, that it should along the line right kind of industrial hygiene with hazard of secondary means redesign of control.

There are necessary precautions to and to accept