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PLAINTIFF'S EXHIBIT

MET-479

MEMORANDUM

January 19, 1950

MR. LINCOLN
PRESIDENT

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Attached is the annual report on the Health and Welfare services, perhaps a little more comprehensive than in recent years in order to do more adequate justice to the many activities of the staff, the several Bureaus, and the Head Offices.

It is a privilege to submit this report for your review, on behalf of the Division.

am

D. B. Armstrong, M.D.
Second Vice-President
Health and Welfare

Mr
1/13/49
REPORT ON
HEALTH AND WELFARE SERVICES

1948

REPORT OF HEALTH AND WELFARE SERVICES

1948

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1948

We are presenting below a summary of the principal activities and quantitative measurements of the Health and Welfare services in 1948. These are based largely on annual reports received from the other Officers of the Division, from the Head Offices, and from all of the Bureaus in the Division. The comments are confined essentially to Company activities as such, and do not attempt to cover any outside and related parallel interests on the part of the undersigned and many professional members of the staff.

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I. Cost

1. 1948 total costs as indicated below (with December estimated) are as follows:

	<u>Curative Aid</u>	<u>General Welfare</u>	<u>Total</u>
Eastern Office	\$2,915,755	\$1,390,925	\$4,306,680
Pacific Coast			
Head Office	358,645	75,855	434,500
Canadian Head			
Office	402,805	78,160	480,965
Entire Company	3,677,205	1,544,940	5,222,145

2. This cost is 5.6% over 1947, due mainly to inflationary factors in the nursing situation, increased nursing salary scales, increased printing and paper costs. etc.

It is estimated that this expense represents 1.13% of the Industrial premium income.

3. The budget approved for 1949 totals \$5,467,170 (exclusive of Library and Archives). This does not include the \$2 wage increase authorized at the first of the year.

The 1949 budget represents an increase of 4.7% over the estimated 1948 expenses, and is estimated to represent 1.16% of the Industrial premium income. Increased costs reflect further anticipated increases in VNA nursing salary scales; perhaps a further increase in the cost per visit; increased printing costs (1948 was 13% over 1947, and 45% over 1946); increased allocations from other Divisions; and the filling of certain positions previously authorized.

4. This post-war and presumably temporary inflationary increase in costs runs counter to a number of long-time downward trends in volume and expense, as the result of measures of economy and curtailment, including:

- a. The closing of 75 nursing services during the last two years.
- b. A drop in total nursing visits from a peak of 4,960,622 in 1930 to 1,589,058 in 1948.
- c. A drop in salaried nurses from 700 in 1930 to 373 in 1948.
- d. A drop in literature from 68,901,593 in 1938 to a low of approximately 27,160,000 in 1946, with an increase to 34,124,000 in 1948.
- e. A decline of total staff engaged in the Division from 970 in 1938 to a budgeted staff at 610 in 1949.
- f. A drop in total expenditures from \$6,032,661 in 1930 to less than \$4,000,000 in the years 1943 to 1945 inclusive, rising in the post-war period to the above-mentioned figure for 1948.
- g. A drop in the ratio of Industrial expenses to Industrial premium income from 1.72% in 1931 to 1.13% in 1948.

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II. Main Quantitative Data

1. Nursing visits in 1948 totaled 1,589,058 - a 10% decrease under 1947; total visits amounted on January 1st to 102,525,185.
2. Literature distribution amounted to 34,124,326, a 20% increase over 1947. The total for literature distribution to date is 1,425,894,761.
3. Film attendance amounted to 6,196,585, a 38% increase over 1947. Total film attendance to date is 147,866,692.

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III. Mortality and Statistical Data

As indicated in the Statistical Bureau reports, 1948 was an outstanding year as regards mortality in all departments, and in the Industrial Department, the best year on record, with new minimum figures for the communicable diseases of childhood, influenza, pneumonia, tuberculosis, syphilis, appendicitis, and diseases of the puerperal state.

Certain death rates in the Industrial Department, as contrasted with earlier years, particularly for conditions against which the Company, with cooperating agencies, has carried on extensive educational and preventive campaigns, are shown in the following table:

Death Rates per 100,000 from Certain Specific Causes in 1948
and Earlier Years - Weekly Premium-Paying Industrial Business

Cause of Death	Death Rate per 100,000		Percent Improvement
	At Start	To Date	
All Causes - Total	1911 - 1253.0	1948 - 731.2	41.6
1. Puerperal Diseases	1911 - 19.8	1948 - 2.3	88.4
2. Tuberculosis	1911 - 224.6	1948 - 30.2	86.6
3. Typhoid Fever	1911 - 22.8	1948 - .1	99.6
4. Communicable Diseases of Childhood*	1911 - 58.9	1948 - 1.0	98.3
5. Diarrhea and Enteritis	1911 - 27.9	1948 - 2.5	91.0
6. Diphtheria	1925 - 10.6	1948 - .2	98.1
7. Appendicitis	1933 - 13.2	1948 - 2.7	79.5
8. Motor Vehicle Accidents	1934 - 22.2	1948 - 14.6	34.2
9. Home Accidents	1934 - 14.9	1948 - 10.1	32.2
10. Pneumonia	1936 - 69.8	1948 - 21.7	68.9
11. Syphilis	1940 - 12.0	1948 - 7.4	38.3
12. Diabetes	1940 - 29.8	1948 - 27.1	9.1
13. Occupational Accidents	1942 - 7.1	1948 - 4.8	32.4
*Measles, Scarlet Fever, Whooping Cough, Diphtheria			

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IV. Nursing

1. Visits by office and department, cases by salaried service and affiliations, costs and cost per visit, and certain other items are indicated in the tabulation below.

Visits	1,589,058
By Office	By Department
Eastern Office .. 1,238,745	Industrial 1,489,413
Pacific Coast ... 127,626	Weekly - 1,122,559
Canada 222,687	Monthly- 366,854
	Intermediate 36,775
	Group 62,870
Cases	385,003
M.L.I. Co. Salaried Service	144,908
V.N.A. Affiliations	240,095
Cost	\$3,677,205*
Percent of Industrial Expense	
to Premium Income	.90%*
(For All Health & Welfare Activities)	1.13%*
Cost per visit	\$2.31*
* * *	
Metropolitan Salaried Nursing Staff	389
Automobiles Operated by Salaried Staff	319*
Affiliated Public Health Nursing Organizations	751
Cities and Towns Covered for Nursing Service	7,231
Cases Nursed Per 1,000 Policies	17
Average Visits Per Case	4.1

*Estimated

2. The distribution of nursing cases by classes of disease and condition, in contrast with twenty years ago, brings out the shift in service from acute infections to the chronic, older age degenerative conditions. The increase in maternity and newborn reflects the high post-war birth rate.

<u>Classes of Disease</u>	<u>1928</u>	<u>1948</u>
Communicable	46.9%	16.4%*
Non-communicable	5.4%	16.4%*
Maternity	21.8%	27.9%
Newborn	15.5%	25.2%
Injuries and All Others	10.4%	14.1%*

*Estimates

3. The drop in visits of 10% in 1948 results from the closing of the 75 centers, a slight decline in the birth rate, less illness, new therapeutic methods, increased hospitalization, and the gradual development of medical care plans with nursing benefits. Affecting the volume also is the shift of service from salaried centers to visiting nurse association affiliations, the outstanding unit in 1948 being Los Angeles. We are glad to report a promising visiting nurse association development in Montreal which may lead later to an affiliation.
4. An interesting development during the year was the extension of the nursing privilege to the dependents of Home and Head Office employees.
5. The Company's educational program for its salaried nurses was continued during the year, 13 leaves of absence for study being granted, as compared with 17 in 1947. 6 of these absences were G.I. leaves, 4 with M.L.I. scholarship, and 3 without scholarship.
6. In view of a worsening of our competitive position, and a considerable number of staff vacancies, in order to maintain a minimum of adequately educated and trained nurses, it may be necessary in 1949 to review and perhaps revise our salary scale, especially as the \$2 Company increase early in January was not applied to our salaried nurses.
7. Further efforts at economy will be made in 1949, including the curbing of our salaried services, the shift to affiliations, the restriction of nursing service for insured Groups strictly to professional purposes, etc.

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V. Literature - Preparation and Distribution

1. The distribution of literature totaled 34,124,326 in 1948 - a 20% increase over 1947, owing to special circumstances which will largely not prevail in 1949.

2. One reason for this increase was the fact that paper was more readily available in 1948 than hitherto. This permitted a replenishment of seriously depleted literature stocks in District Offices - a procedure that was extensively carried out in the Eastern Office and Canada in 1948, being deferred at the Pacific Coast until 1949. This replenishment affected standard publications used extensively by the Field, such as the COOK BOOK, FIRST AID, YOUR CHILD, OVERWEIGHT AND UNDERWEIGHT, etc.

Another reason for the increase was the excellence of certain new publications issued in 1948, such as:

Allergic to What?
 Years to Come
 Help Your Child to Safety
 The Story of Blood (with the Red Cross)
 The Health Bulletin for Teachers dealing with child safety

Other outstanding revisions were also very popular, including:

Arthritis
 Facts About Menstruation
 Diabetes
 Good Teeth
 The nursing bulletin for Industrial policyholders -
 Answering The Call
 The nursing bulletin for Group certificate-holders -
 The Friendly Service of The Metropolitan Visiting Nurse

Another factor affecting literature volume was the success of the Company's campaign on child accidents (see "Campaigns"). Other factors were the increase in the number of policyholders and particularly certificate-holders, the growing popularity of literature as offered through the radio spot broadcasts, and the Company advertising, the educational program carried out for the benefit of Home Office employees (see "Field Service Bureau"), the utilization by the Field of the new Company Health Services Calendar, etc.

3. The distribution of literature by channels is of some special interest and is indicated in the table below.

	<u>1933</u>	<u>1948</u>
Field Force	70.1%	37.4%
Insured Groups	8.4%	30.0%
Community Organizations	9.2%	10.0%
Schools	.6%	14.7%
Health Departments	8.6%	4.4%
Others	3.1%	3.5%

The chief contrast here is to be found in the Field Force and Group channels of distribution. The extensive growth of Group certificate-holders and the corresponding increase in literature by this channel have absorbed a parallel decrease in the use of literature by the Field Force for Industrial policyholders and others, although in 1933 the total volume of literature was over 44,000,000, as compared with a figure nearer 34,000,000 in 1948.

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VI. Editorial Bureau

1. This Bureau, in addition to the routine preparation of new texts and revisions, has the editorial responsibility for certain periodicals including:
 - a. The Health Bulletin for Teachers, now meeting a request circulation of 280,000.
 - b. The Quarterly Bulletin for Nurses.
 - c. The quarterly Health Activities Calendar.
 - d. The preparation of a section for the "Medical Examiner."
2. This office prepares the literature used by the Policyholders Service Bureau in its periodic Group distribution, including in 1948:

Health Pays
After Work - What?
Do You Take Safety Home With You?
It's Your Vacation - Don't Spoil It
The Metropolitan Visiting Nurse

3. In addition to the titles listed above under "Literature" we might also cite:

Field-Men's Guide to Health and Welfare Services
List of Source Materials for Teachers of College Hygiene
Rabies
\$2,500,000,000 A Year -(rat control dodger)
Respiratory Diseases
Nurses Handbook
Nursing Manual
Catalog of Exhibits on Health and Safety
Catalog of Films on Health and Safety
Catalog of Health Literature

4. Considerable work was also done on a revision of FIRST AID for both Group and policyholder use; and, in response to numerous requests from the Field, a revision of the BABY RECORD BOOK to incorporate basic information on infant hygiene for release in 1949.

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VII. Field Service Bureau

1. This Bureau, which handles correspondence and literature with Field staffs, was directed by Dr. Wheatley during part of the year, until the transfer from Coordination and Advertising of Mr. Arthur Kneerim as Director of this Bureau - a valuable addition to our staff.
2. The Bureau guided the use by the Field of 12,766,833 pamphlets - representing 32.4% of the total. It was chiefly responsible for the development of the Company's Health Activities Calendar. It sent monthly reports to all of the Superintendents of Agencies regularly regarding health activities in their Territories. It aided in the preparation of the Field-Men's Guide to Health and Welfare Activities, and in the revision of the Field-Men's Guide on Nursing. The Bureau also is responsible for the Division's birthday and anniversary correspondence programs with the Field.
3. The rehabilitation of the Bureau's staff will make possible more contacts with the Field, increasing the facility of literature control, and furthering the relationship of our Field-Men to official and voluntary community health agencies.
4. This Bureau, in cooperation with our Exhibit Bureau, is largely responsible for the further development of the health educational program for Home Office employees, in collaboration with the Medical and Personnel Divisions. During 1948 this program utilized 14 literature distribution centers in the Home Office. It made available 15 pamphlets to the extent of 75,210 copies, the most popular of which were OVERWEIGHT AND UNDERWEIGHT, IT'S YOUR VACATION, ALLERGIC TO WHAT?, HELP YOUR CHILD TO SAFETY, and the COOK BOOK. 10 health posters (largely Policyholders Service Bureau) were displayed on bulletin boards. 12 exhibits were prepared and displayed, having to do with heart disease, overweight, summer hygiene, colds, an adequate breakfast, etc.

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VIII. Schools

1. The total amount of literature used through the schools during 1948 was 5,021,718 - representing 14.7% of the entire distribution. It should be realized that this literature is sent to the schools only upon request from educators, and is employed almost altogether for in-class curriculum purposes.

2. Film showings in the schools totaled 20,882 - nearly half of the total of 42,642 film showings for the year.

The use of Company silent film strips in the schools employed a total of 10,728 strips - a 13% increase over 1947. (For further details see "Films.")

3. Through the guidance of the Advisory Educational Group, the School Health Bureau participated in studies of absenteeism in schools as affected by health and disease, in both Canada and the United States (see "Research").
4. Close cooperation was maintained on a high professional level with many individuals and agencies, including notably our own Field staff, who are increasingly interested in health educational and other school contacts. Other agencies of importance with which the Bureau worked included:

National Education Association
United States Office of Education
United States Public Health Service
Association for Childhood Education
National Association for Nursery Education
American Association of Colleges for Teacher Education
National Organization for Public Health Nursing
American Public Health Association
National Committee for School Health Research
Canadian Education Association
Canadian Life Insurance Officers Association
American Student Health Association
American Medical Association
American Association of School Administrators
National Conference on Family Life
American Association of Gifted Children
American Association for Health, Physical Education,
and Recreation
United States Children's Bureau

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IX. Industrial Hygiene

1. The addition of one new member to the staff permitted some increase in activity, with more attention to the needs of insured industries as to medical and nursing personnel, and clinical arrangements. The Bureau is also increasingly concerned with new problems arising out of atomic energy hazards. The growth of the Group Division also called for increased attention to the health needs of new industries, and further insistence upon surveys and laboratory services on the part of older Groups, such as Republic Steel, Johns Manville, and Armstrong Cork.

2. Quantitatively during 1948, the Bureau made 66 industrial health surveys, 3,165 laboratory analyses, 28 lighting inspections, and met requests as regards industrial health literature for 62,274 publications. This total included 38,000 FACTS ABOUT MENSTRUATION - a new revision which is very popular with industrial management, and is used in industries under medical supervision.

3. In addition to the above-mentioned industries, other important units that received the attention of the Bureau included the following:

Corning Glass Works
General Electric Company
Rochester Gas & Electric Company
Western Biscuit Company
Diamond Alkali Company
and many others

4. In addition, the Bureau carried out a number of Home Office industrial health activities and inspections, at the request of other Divisions, involving questions of noise, dermatitis from soap solutions, fluorescent and other lighting, sanitary problems in the Commissary, etc.

A number of research questions were worked on in the Laboratory and are mentioned under "Research."

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X. Safety

1. The Safety Bureau has continued activity in the following fields:

Traffic
Industrial
Home
Preschool
Child and school
Community and public

2. The industrial activity has included surveys and other services to many insured Groups, prominent among which were the following:

American Locomotive Company	Otis Elevator Company
Continental Can Company	Libby-Owens Ford Glass Company
Ford Instrument Company	Monsanto Chemical Company
Standard Brands Incorporated	Western Union Telegraph Company
Remington Rand Incorporated	Botany Mills
Socony Oil Company	National Biscuit Company
Aluminum Company of America	etc.

3. In the home field, educational and survey activities have involved active work with:

American Public Health Association and its Committee
on Accident Prevention
National Safety Council
National Home Safety Conference
State Departments of Health
State safety councils
Many local health and safety agencies
Medical associations
Red Cross chapters
University extension services
Women's organizations, and others

4. In the child and school field, in addition to routine activities and the provision of pamphlets, films, talk outlines, etc., the Safety Bureau had the central responsibility for the development of the Company's Child Accident Campaign, through the medium of many branches of the Company, and in cooperation with numerous outside agencies. This activity is discussed in more detail under "Campaigns."

The Safety Bureau also participated with the Nursing Bureau in a study of home accidents among nursing cases. It also conducted the usual safe driving program among Metropolitan nurses, issuing 280 safe-driving certificates during the year. These certificates represented a total of 1,313 years of driving without an accident.

5. The Safety Bureau extended its services to other branches of the Company, including the Policyholders Service Bureau, the Housing Projects Division, the Coordination Division, and those responsible for the administration of Home Office Buildings.

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XI. Home Economics and Nutrition

1. The teaching program for our salaried nurses was continued, through the nutrition institutes, through conferences with nurses, and through visits to policyholders' homes with nurses. 6 institutes were held, in New Jersey, Massachusetts, New York, Maryland, and Missouri, benefiting not only a large number of our salaried nurses, but also visitors permitted to attend the institutes from health departments and other agencies.
2. The staff of the Bureau was active as committee members or officers of many agencies, including:

American Home Economics Association
Association of Home Economists in Business
New York Home Economics Association
Budget Committee of Welfare Council
New York City Nutrition Committee
etc.

Advice and aid has been given to various state extension services, and to institutes and work shops under the auspices of state health departments and colleges in Pennsylvania, Kentucky, Iowa, Arizona, Arkansas, Mississippi, Massachusetts, and Virginia.

3. Advisory service has been given to a number of Group policyholders regarding commissary and dietary problems through the Policyholders Service Bureau. Routine correspondence increased considerably as the result of the radio spot broadcasts.

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XII. Campaigns and Publicity

1. The work of carrying on Company campaigns is largely the business of the Social Agencies Bureau, the Field Service Bureau, and the Safety Bureau. During the year we have experimented with a closer integration between the Social Agencies Bureau and the Field Service Bureau in handling part of the correspondence on a generalized geographic basis, aiming at increased effectiveness and at some consolidation of staff. This seems to have worked out well in connection with the Child Safety Campaign, and will be carried further in 1949.
2. The number of state and local health and safety campaigns in 1948 totaled 961 - a 43 percentage increase over 1947. This increase is largely a reflection of the Child Accident Campaign.
3. This Child Safety Campaign is an excellent indication of the many channels for educational effort which are available within the Company, reaching millions of policyholders and others. It is also an indication of the readiness with which other agencies, official and voluntary, cooperate with the Company in such an activity.

The channels used in this campaign within the Company were as follows:

Magazine advertisements in 19 national magazines with a combined circulation of 34,000,000.
Radio broadcasts over 57 stations reaching an estimated audience of 45,000,000.
Releases to professional journals
Releases to state health departments for state-wide educational campaigns.

A 12-page pamphlet **HELP YOUR CHILD TO SAFETY** used by our Field staffs and other agencies to the extent of 1,753,420 copies.
Statistical Bulletin articles and reprints.
An off-the-job safety pamphlet for Group distribution to certificate-holders.
A study outline regarding child safety for the staff education program of Metropolitan salaried nurses.
The **HEALTH BULLETIN FOR TEACHERS** with supplements for the child and the parent.
A twelve-minute child safety talk outline.
An article in "Pediatrics" with reprints for physicians.
A five-panel exhibit for window and other displays.
A set of statistical charts prepared by the Statistical Division for child safety meetings.
A packet of reprints and other child safety materials for physicians.

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Outside agencies who cooperated actively in this campaign included:

The Children's Bureau of the Federal Security Agency
American Academy of Pediatrics
National Safety Council
American Red Cross
Numerous state and local safety councils
Fourteen or more state health departments
Many city and county health organizations

4. Other campaigns undertaken during the year included:

Rat control, in cooperation with the Department of the Interior
Venereal disease - nationally with the American Social Hygiene Association, and in New York City with the Health Department
Cancer
Diabetes, with the American Diabetes Association
Heart disease, with the American Heart Association
Tuberculosis - especially with state and local tuberculosis associations in their work with industry
Rheumatic fever
Colds
Immunization
Food handling
Negro Health Week
Public Health Nurse Week

5. The growth in press publicity is indicated below:

	<u>1947</u>	<u>1948</u>
Company Health Clippings	873	912
Inches	3,969	6,642
Lines	55,566	92,988

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XIII. Exhibits

1. The total number of professional and popular exhibits in 1948 were 2917 , as compared with 720 for 1947. This increase is largely the result of the use of the above-mentioned child safety panels, especially by our Field staff.

It is interesting to note that in the last five years the Company has presented exhibit material on various subjects at a total of 19,410 different occasions.

2. Professional exhibits were presented before over 500 state and local meetings having to do with medicine, nursing, pediatrics, safety, home economics, and other fields. 21 professional subjects were used, including:

Child safety
Home hazards
Rheumatic fever
School health
Heart disease
Cancer
Nutrition
Public health nursing
etc.

3. Principal occasions included a number of national conventions, as follows:

American Medical Association
American Public Health Association
Biennial Nursing Convention
National Safety Congress
American Home Economics Association
American Association of School Administrators
American Association for Health, Physical Education,
and Recreation

In addition, Company exhibits were used by:

Universities and colleges
Schools of medicine
Schools of public health
Schools of nursing
Health museums
Hospitals
Health departments
Health centers
Cancer societies
Tuberculosis associations
Safety organizations
Red Cross chapters
etc.

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XIV. Films

1. For twenty-six years the Company has been in the health film business. During that time we have produced nine pictures, most of which have had a very wide showing. Total attendance to January 1st for each picture is indicated below:

ONCE UPON A TIME	
(street safety).....	55,064,567
A NEW DAY	
(pneumonia).....	19,130,447
PROOF OF THE PUDDING	
(nutrition).....	17,898,920
MAN AGAINST MICROBE	
.....	15,749,356
THE CONQUEST OF DIPHTHERIA	
(and New Ways for Old).....	14,365,860
WORKING FOR DEAR LIFE	
(periodical health examinations).....	12,389,561
BE YOUR AGE	
(heart disease).....	5,167,461
ONE SCAR OR MANY	
(smallpox).....	4,228,553
TOO MANY POUNDS	
.....	3,787,739
Otherwise unclassified attendance	
.....	84,228

Total 147,866,692

2. Film showings in 1948 totaled 42,642 - an increase of 35% over 1947.

This results partly from the popularity of the heart disease film BE YOUR AGE, which has now been seen by well over 5,000,000 people. Our theatre experience with BE YOUR AGE is quite gratifying. Thus far it has been shown, in 20 states, in 2956 theatres out of a total of 8,271 theatres - a ratio of about 36%. This percentage varies from 21% to 53% for individual states, and compares favorably with A NEW DAY and PROOF OF THE PUDDING. For instance, in St. Louis one theatre ran the film 84 times, a Denver theatre 56 times, an Omaha theatre 42 times, and the Grand Central Newsreel 27 times.

3. Attendance in 1948 at all of our films is indicated by channels in the following figures:

Schools	2,054,609
Theatres	3,371,444
Others	770,532
Total	6,196,585

4. Our sound slide films had a total of 6,008 showings, the attendance per film being as follows:

JIMMY BEATS RHEUMATIC FEVER	61,506
TEACHER OBSERVATIONS OF SCHOOL CHILDREN	172,247
YOUR FRIEND, THE PUBLIC HEALTH NURSE.....	37,504

Total 271,257

5. Our silent film strips, to which we have referred under "Schools" continue to be popular and useful. The number of strips distributed for school use over the last seventeen years is as follows, and indicates that Company health messages dealing with these subjects and Health Heroes have reached many millions of children of school age.

<u>Film Strip</u>	<u>1932 - 1948</u>
How To Live Long	7,551
Pasteur	18,971
Trudeau	17,216
Reed	17,445
Nightingale	18,092
Koch	18,171
Jenner	13,830
Curie	14,058
Total	<u>125,334</u>

6. Though we have offered no specific material for television, certain of our films are being occasionally used by several stations, including BE YOUR AGE, ONCE UPON A TIME, and PROOF OF THE PUDDING.
7. As it has been several years since we produced a film, thought is being given to a possible new picture, which will of course be separately presented and which has been tentatively budgeted for. A subject under consideration is that of the child and home safety, covering not only the usual information with reference to routine hazards, but the possible placement of more emphasis upon the emotional and psychological factors bearing upon accident proneness.

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XV. Accounting Service

1. The work of the Accounting Bureau during the year is indicated by its numerous activities, including the purchase of 116 cars for nurses, our present fleet in the United States and Canada totaling 319 cars in operation. At this time the entire fleet consists of post-war models. As to automobile insurance, we have had a favorable accident experience, with a refund in 1948 amounting to \$6,330, the largest payment of this nature since the present plan went into effect in 1941.

2. The Bureau handled the ordering of nursing uniforms, 450 such uniforms being processed in 1948 in the Eastern Office areas. Nursing office supplies were taken care of, and attention given to problems relating to Nursing Office quarters in 152 locations.
3. The Cost Analysis Unit of the Accounting Service analyzed 506 visiting nurse association cost statements. The Bureau also cooperated with the National Organization for Public Health Nursing in its special cost study. It also acted as the chief agency in the Division in matters of expense and budget preparation and control. It also effectively carried out its part in an automobile mileage and expense study, and the above-mentioned nursing inquiry as to home accidents.

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XVI. Office Management and Personnel

1. This branch of the Division was responsible for the handling of new inductions, salary scale adjustments, job evaluations, Special Salary Committee requirements, modifications in I. & R. allowances, office lay-out and changes, the supervision of Central Filing, the handling of suggestions, employee relations, contacts with the Personnel Division, and contacts with Standardization and Coordination.
2. This office has compiled the following data indicating the number and percentages of changes in staff for the Home and Head Offices, central and field, nursing and welfare, in 1948 as compared with 1947:

<u>Office Staffs</u>	<u>1947</u>	<u>1948</u>	<u>% Change</u>
Nursing Bureaus	61	67	+ 10
Welfare Bureaus (including Officers)	96	97	+ 1
Library and Archives	21	21	---
Total	178	185	+ 4

<u>Field Staffs</u>			
U.S. and Canadian Field Nurses	397*	373*	- 6
U.S. and Canadian Field Clerks	15	16	+ 7
Total	412	389	- 6

Total - Health & Welfare Division			
Employees	590	574	- 3

<u>Approved Vacancies</u>			
Home Office Clerical Staff	11	14	+ 27
Field Nursing Staff - Home Office	26	25	- 4
Field Nursing Staff - Pacific Coast H.O.	5	2	- 60
Field Nursing Staff - Canadian H.O.	0	1	---
Total	42	42	---

Grand Total 632 616 - 3

*Includes Field Nutritionist

It will be noted that this indicates a total in 1948 of 616 employees, including approved vacancies, or a reduction of 3% under 1947. This total was subsequently reduced for 1949 by the Budget Committee to 610, with a reduction of 6 among the vacancies in the Home Office field nursing staff.

3. This office operates the Division Reception Room, which handled a total of 3,794 visitors during the year.

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XVII. Pacific Coast

1. The work of the Health and Welfare Division at the Pacific Coast Head Office under Dr. Shepard has, of course, been maintained on an admirable level during 1948. BE YOUR AGE was well launched and has had excellent theatre showings throughout the Territory. The Coast agencies participated actively in the Child Safety Campaign, all Company Districts but one taking part. The infantile paralysis situation added to the number of educational campaigns, and the Company had an active contact with the flood in the Columbia River basin.
2. Contrary to the rest of the Company, there is an increase in nursing cases and visits at the Coast, probably in part a reflection of the heavy population shift toward the Coast area during the last few years, amounting to a 45% increase in population in an eight-year period. An affiliation was effected with the Los Angeles Visiting Nurse Association, and with a new visiting nurse association established in Boise, Idaho.
3. Dr. Shepard continued to serve on the Medical Advisory Committee of the National Security Resources Board, as Chairman of the Professional Education Committee of the American Public Health Association, and as President of the San Francisco Social Hygiene Association. He was also appointed a member of the State Chronic Disease Commission.

Mr. North continued as President of the San Francisco Chapter of the National Safety Council, and was elected President of the San Francisco Chamber of Commerce, through which he anticipates reviving the Chamber's Health Committee.

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XVIII. Canada

1. During 1948 the Canadian Office was able to make literature more available for the District Offices and their cooperating agencies, and substantially rehabilitated its literature program, seriously depleted by war circumstances. The Canadian Office participated in the child accident prevention campaign, the response from the Provincial health departments being particularly pleasing. The rat control campaign was postponed until 1949.
2. Miss Girard, the new Superintendent of Nursing for Canada, made 33 field visits and 16 insured Group visits, combining technical excellence with a pleasing personality, and finding herself a welcome visitor in District Offices.

Through a suggestion made by Dr. Benson of the Canadian Head Office, Dr. Bonnett and Dr. Troup approved a new procedure for our salaried nurses in the Province of Québec. These nurses are exceptionally exposed to tuberculosis, because of the high incidence of the disease and the fact that it is generally treated in the home. It has been decided to provide for these nurses a routine X-ray, a tuberculin test, and the BCG vaccine, if they wish to have it.

3. Dr. Burnette has been particularly active as a Board member or otherwise with such agencies as the Victorian Order of Nurses, the Canadian Red Cross, the Health League of Canada, the Canadian Cancer Society, the Canadian Arthritis and Rheumatism Society, as well as the Canadian Life Officers Association

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XIX. Research, Special Studies, and Demonstrations

1. The \$100,000 contribution to the Life Insurance Medical Research Fund constitutes, of course, the Company's principal research investment. In addition, a contribution of \$6,235 was made to the Public Health Committee of the Canadian Life Officers Association.
2. 1948 was the last year of our contribution to the tuberculosis demonstration program in cooperation with the New York State Department of Health and the New York State Charities Aid Association. This program accomplished a lowering of the tuberculosis rate to a minimum figure in the State's experience and the substantial taking over of the program by the official authorities.

3. Under "Nursing," mention has been made of a study of home accidents in the home experience of our salaried nurses, and our continued cooperation with the National Organization for Public Health Nursing in its cost analysis study, towards which we made a contribution several years ago. At the same time, with the Statistical Division, a continuing follow-up of 1,000 cases of rheumatic fever in our nursing experience is being carried out.
4. Under "Schools," we mentioned a study originally initiated by the Advisory Educational Group, involving the health and medical factors in school absenteeism. Our contact with this study in the United States has been largely through the Pacific Coast Head Office, the inquiry having been undertaken under the auspices of the California State Departments of Health and Education. Through the Home Office and the Head Office, we have also cooperated in Canada with a similar study under the Canadian Education Association, with financial support from the Canadian Life Officers Association. The results of the Canadian study will shortly appear in a printed report, and it is expected that a similar document will eventuate from the inquiry in this country.

In conjunction with the National Conference for Cooperation in Health Education, our School Health Bureau is participating, through the advice of its personnel, in a study of the health functions and education of the classroom teacher.

5. In the field of industrial hygiene, the Industrial Health Bureau has been interested in a number of inquiries either in our own Laboratory or in cooperation with other agencies, including:
 - a. A two-year study here in the Home Office of the use of triethylene glycol for the prevention of colds and other respiratory conditions, one section of the air-conditioned building with about 500 employees being used as a treatment area, with a control room in another part of the air-conditioned unit. Records were kept of respiratory infections and bacterial counts. The results were largely negative and the study is now being prepared for publication.
 - b. A study of sodium fluoride during the pouring of rim steel in open hearth furnaces was undertaken at the request of the Republic Steel Company and the United Steel Workers of America - C.I.O.

- c. The study of atmospheric conditions in Rochester at the request of the Rochester Gas and Electric Company.
 - d. A study of air pollution from fluorides from one of our insured plants in Donora, Pennsylvania.
 - e. A study of the experimental fluorescent lighting installation on the 14th floor of Unit 1 of the Home Office Buildings.
6. A study by the Accounting Unit of current automobile mileage and expenses, as a guide to our future meeting of these costs on the part of our salaried nurses. The Accounting Unit also carried out the usual review of policies in force in the Eastern Office nursing areas.
 7. The Company continued certain contributions to national agencies, part of which goes for research, including:
 - American Public Health Association
 - American Cancer Society
 - American Social Hygiene Association
 - American Heart Association
 - National Organization for Public Health Nursing
 - National Safety Council
 - New York Academy of Medicine

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XX. Library and Archives

Library

It is pleasing to state that Miss Bonnell, the new Director of the Library, has carried on very satisfactorily following Miss Bradley's retirement.

1. In spite of staff readjustments, the Library in 1948 circulated nearly 8,000 more books and 3,900 more periodicals, and answered 1,400 more research and reference questions than in 1947. The total number of books circulated in 1948 - 83,892 - represented an increase of 17% over 1947.
2. The various sections of the Library are operating efficiently and we believe to the satisfaction of its patrons. These include the sections on insurance, research and general reference, cataloguing, health and medicine, and fiction.

3. The sections of the Company making the most use of the Library include:

Health and Welfare
Statistical
Medical
Biochemical
Actuarial
Group
Ordinary
Claim
Coordination and Advertising
Policyholders Service Bureau
Law
Dental
Farm Loan
Business Research

4. It is reported that the Library has reached the limit of its space limitations. A question is raised as to whether research materials should be put on microfilm. A special study of these problems is indicated by the Coordination Division.

Archives

The total attendance at the Archives - 6,861 - is slightly under 1947. It is believed that fully as many people visited the exhibit. However, owing to Library demands on the staff, the supervision in the Archives was less continuous, and the count of attendance therefore somewhat incomplete.

Special exhibits in the Archives included photostat copies of important national documents at the time of the interest here in the Freedom Train. The staff is also working on a special exhibit, with the advice of Vice-President Smith, on the outstanding events in the history of the Industrial Department, for display at the time of the 1949 Managers' Convention meetings.

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XXI. Major Staff Changes

Dr. Lanza retired at the end of 1948, to become head of the Industrial Health Department of New York University Medical School.

Dr. McConnell will take more complete charge of the industrial hygiene program of the Company. He will have the assistance of a new member of the staff, Dr. Henry Almond.

Dr. Wheatley, having supervised the Field Service Bureau for part of 1948, will be relieved of this immediate task by the addition to the staff of Mr. Arthur Kneerim, transferred from Coordination and Advertising.

Miss Guilford of the Home Economics Bureau is scheduled to retire on April 1, 1949, and will be succeeded as head of the Bureau by Miss June Bricker, who joined the Company in 1947.

Miss Craig, as Director of the School Health Bureau, has as yet been unable to replace the vacancy left in her Bureau with her promotion.

Some attention, but nothing of significant character, has been given to an assistant to Mr. Cole in the Safety Bureau.

Miss Wilma York, a Territorial Supervisor in the Home Office Nursing Bureau, was transferred to the Pacific Coast as assistant to Mrs. Jean Roberts, the Director of Nursing at the Pacific Coast Home Office

Miss Alice Girard's performance, as Superintendent of Nursing for Canada, is reported to have been most satisfactory to Mr. Spahn, Dr. Burnette, and Miss Haupt.

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Dr. Wheatley's advancement to a Third Vice-Presidency was a notable and gratifying recognition, and a well-earned promotion. In addition to Dr. Wheatley's routine duties in the Division, he has, during the last year or more, as mentioned above, had the responsibility for the direct supervision of the Field Service Bureau. As chairman of the inter-Divisional committee on health information for Home Office employees, he has promoted and supervised an increasingly effective program. He was also able to be of material assistance to the Housing Administration and the Chairman's office in working with a professional advisory committee toward the screening and selection of medical and dental applicants for Stuyvesant Town. He also played a large part in directing the medical aspects of the Child Safety Campaign, particularly in its relationship with pediatricians.

Dr. Wheatley's outside connections have continued to grow in scope and importance. He is Chairman of the Rheumatic Fever Committee of the Academy of Pediatrics, Treasurer of the American Council on Rheumatic Fever, a member of the Committee on Improvement of Child Health of the American Academy of Pediatrics, and also a member of important committees for the American Public Health Association, the New York Heart Association, the New York County Medical Society, the New York City Health Department, and other agencies.

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XXII. 1949

1. In education and in health campaigns, the Child Accident Program, so effectively launched in 1948, will go on with considerable momentum in 1949.

2. It is expected that the volume of literature in 1949 will be somewhat less than in 1948, District Offices having been restocked (except for the Pacific Coast area), and fewer new publications being contemplated. Chief among the latter is a revival, at Field request, of the BABY RECORD BOOK, with some infant hygiene content.
3. Some new exhibit material is being prepared for the Managers' meetings in February, much of which will be utilized subsequently in conjunction with other conferences.
4. Our film volume of attendance is still growing and should be maintained during 1949. State-wide theatre offerings of BE YOUR AGE are reaching completion, which will mean a gradual release of the 16 mm. prints. A possible new film may be proposed, dealing with the home and child accident problem, especially from the angle of accident proneness. The School Health Bureau hopes to add a new Health Hero, and a new Health Hero film strip during the year on the subject of Dr. William H. Welch.
5. On nursing, it is anticipated that nursing volume may continue a moderate decline, barring epidemic developments. It is hoped that the increase in the cost per visit may be reaching a peak. Salaried staff will be further curtailed, especially as visiting nurse association affiliations can be substituted. The downward trend in volume, to be reflected in cost, will be greatly accelerated if the Federal program of compulsory health insurance with a nursing benefit is realized. A slow curtailment will be experienced in any case with the growth of similar prepayment voluntary insurance developments.

Respectfully submitted,

D.B.A.

D. B. Armstrong, M. D.
Second Vice-President,
Health and Welfare