for a particular operation, he can resubmit those recommendations until he is blue in the face and they will never be favorably considered. So, to remove the irritant of a resubmission of a recommendation that is doomed to be turned down helps out the relationship between the insurance carrier and his representative as they make the contacts in the field.

De Reamer: First of all, I think the responsibility of a Director of Safety in a multi-plant operation is to inform his organization, if they don't already know it, that there are some competent services available from the insurance company and it ought to be used. Rather than advocate all these controls and establish all these controls, I would say that we ought to say to each of our plant general managers and division general managers, this service is available to you and you may use it if you want to and if you don't want to, you don't have to. It's your responsibility—and then let them decide.

If I were to make the plant appraisal, my comments to any general manager would be, "These are the things that require correction. You decide for yourself whether or not you want to correct them, and if you want to, you can throw my recommendations in the wastebasket. If you prefer, you can do something about them; I don't necessarily need to know what you have done." Now, it's an amazing thing that when you operate like this, how frequently you do get letters back saying that "we have done all the things you recommended." Now, why does this work any differently than a control procedure? Well, again, it is a service that they want; they know that you are not in there to police them; they know that you are in there to help them; they know that they are not going to be hung because of the recommendations that are made or the unsafe conditions that are discovered. It is a service function, and they like it.

Bowen: There is one comment I would like to make. Quite a few of the companies represented here are self-insured. Because of this self-insurance factor, the local safety administrator, be he personnel man or otherwise, will be confronted with this particular problem. I agree with the gentleman here; it may not be our responsibility to answer it now, but we do have to have some guide lines as to how that personnel or safety manager should handle such situations.

He may feel that he must controvert disability, for the amount of disability claimed is not perhaps what his medical advice feels it is. This is a medical question that must be referred to the physician at the plant location and handled with the claims representative. But it is one that the local administrator will be concerned with and will find staring him in the face quite often. He must be conversant with the problem and its reasonable solutions, though he should not handle it directly or by himself.

Temple: Let me just make one comment, Gene. Part of our function is the assistance in the provision of good plant medical services and that goes for outside the plant in relation to services for which the insurance carrier is paying. If there is a good relation between the plant medical doctors and the outside medical field, your local medical association, you can influence the people who are injured to use the suggested list of doctors.

Let me preface that—or make this remark. In Texas the insurance carrier can furnish you medical services and can deny payment for any bills that are incurred outside the authorized services. This is part of the Texas law. But assuming there is no such law, if there are good relations between your plant medical people and the outside medical people, you can influence very greatly those people to use those recommended doctors. But this again must be predicated on those good relations, and good relations between your employees and your plant medical people are also necessary.

Question from the floor: I'm searching for ideas and recommendations as to methods for determining the amount of money which should be budgeted for safety in our various sized plants.

Harvey: This is going to take about half-a-minute. We do have functional control of our safety programs in all of our plants. I have called several locations concerning this question and they tell me that from 70 to 80 per cent of their budget is automatically controlled by the requirements set up in the Safety Program Guide. The other 20 per cent are the optional things that they have to work with, so that is the way their budget is handled to comply with the functional staff supervision.

Stuffing: I should point out that in Ford Motor Company they are not as decentralized as some companies. So that would partially answer the question.

Huntington: The question of budgets for safety has always stumped me. Setting up a budget for any given plant varies, of course, with the needs of that plant and its size, and what the plant's goals are. I don't think I can give you the answer you are looking for; however, I toss this out for what it is worth.

1. We know that mechanical guarding of machines and equipment will always be a continuing process because of variances in plant physical changes and new lines of machines to produce parts. Therefore it is most difficult to set up a budget for such guarding. Such things are essential, and if we had money set up for such a budget and it was overdrawn, would you eliminate making a guard because of the cost element? I'd say you would not.

Best thing to do here is that when machines and equipment are purchased you have some estimate made of such guarding costs in the purchase price. Likewise, when it is expected that machines will be moved to new locations or a guard will have to be revamped, or the like, some estimate should be made of that cost also.

2. Perhaps we can be a little more specific in one area of budgeting, and that is in safety promotion activities. Speaking from my own personal experience, many of our plants submit a budget each year to the division manager for approval. These vary from a few hundred to several thousand dollars, depending on the size of the plant and the scope of their safety promotion program. Such things budgeted are for plaques, good housekeeping awards in the form of merchandise, dinners, free coffee, posters, etc. One way could be to decide on a set sum per employe for promotion activities, say $2, $3, $4 or $5.

Bowen: We do not recommend a budget for safety. Safety is an integral part of the over-all industrial management function and responsibility. There is no separate safety function, so to determine what our budget is would be almost impossible, in my opinion. These men—the manufacturing superintendent, the foremen in the particular department—have to run a plant and get the product out at the least cost and with the highest quality possible. To do this, he has got to have a method of, let's say, waste control. He's got to have proper inspection and quality control techniques. If he finds through any of these various procedures that something has gone wrong on the line, what is he going to do? He's got to get it fixed. And how can you prepare a specific budget to cover something like this? And safety is the same way.

If there is something wrong—if there is a need for machine guarding, or a better material handling procedure, or some industrial health control, this has to be taken care of and be worked into the over-all budget of that particular plant for a given year. So therefore we have attempted no statement or idea as to how to develop or provide a safety budget for any of our plants. Now, granted, many of our plants don't have a specific safety budget, but through training and education of our supervision and our plant management staff, the importance of safety in relation to their net profits is becoming more and more evident, and therefore when items come along that impair their particular profit, they take steps to correct it. Eventually provisions are made in the budgets, but we feel no need for specific safety budgets.

Question from the floor: How do you perform the staff functions of appraisal without field data?

De Reamer: If a plant felt they needed an appraisal and would like to have me come out to make the appraisal, I would go there and I'd go through the plant and I'd sit down and obviously I would review their accident statistics and see how they stood as compared with our other plants. But you have to get this in the proper climate or atmosphere. I want to first emphasize that we have frequency rates that in most cases are less than 1, and when you look at a frequency rate of less than 1 for 8 or 9 years, it becomes very uninteresting because it is not telling you anything.

Question from the floor: How do you know that?

De Reamer: How do I know what?

Question: That the frequency rate is less than 1.

De Reamer: Our plants prepare them.

Question: So you do get field data?