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SHIPBUILDERS COUNCIL OF AMERICA
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October 1, 1965

TO: SHIPYARD DELEGATES

Gentlemen:

Subject: Compensation and the Occupational Diseases

At a recent meeting of the Council's Safety Committee, the attached papers were reviewed. The main thrust of the presentation is that State Workmen's Compensation and Federal Medicare conflict and the time has now arrived for a decision, with regard to occupational diseases, on whether Workmen's Compensation should be abondoned in favor of Medicare coverage. The Committee agreed that the situation should be referred to the shipyard Members of the Council for their advice.

Please review the proposal and submit your views to the Council promptly so that an early decision can be reached.

Edwin M. Hood
President

Enclosures

PLAINTIFF'S EXHIBIT
SBCA 5004
exhibitsticker.com

August 26, 1964

CONFIDENTIAL

COMPENSATION AND THE OCCUPATIONAL DISEASE

It appears that the time has come for the shipyard industry to take inventory of its position and vulnerability with regard to the health factors of its employees and the relation of these factors to so-called occupational diseases for which employers are so often unfairly held to be responsible.

The integrated shipyards have taken great strides forward during the last decade in the protection of employees from physical injuries, this made possible by improvement of personal protective equipment, sounder safety programs, improved production practices, and the like. The compelling factor in this improvement, aside from the basic one of humaneness, is the ever-mounting cost of compensation and medical claims which threaten the very competitiveness of a yard.

Now, as far as actual physical injuries to life and limb are concerned, industry is facing a known adversary and can help protect its economic soundness with sound safety programs, close liaison with its underwriters on compensation controls, etc. However, when we approach the subject of employee health, we enter an area that is pretty much beyond employer control. True, considerable attention is given respiratory protective equipment, ventilation, etc., but when an employee's general health is considered the employer's problem and responsibility under compensation laws, the latter had better place this problem in the proper perspective and attempt to do something about it before it becomes a monster. While compensation law practice always included so-called occupational diseases, present-day ideology can very well expand this subject far beyond the bounds of reason and acceptance.

When an employee is originally hired, and likewise when an employee reports for work on each shift, his general overall physical condition is quite obvious, with the possible exception of his back or other muscular systems. So, he is turned loose on the job, and if he is subjected to any physical damage such as cuts, bruises, fractures, burns, etc., he is treated for same and compensated for the time lost as the result thereof. And, truthfully, where he has brought an off-the-job injury to work with him that day and has successfully, though feloniously, hidden it from his superior, he can and does have it repaired under his employer's coverage. The employer is tacitly quite aware of these instances, especially with the many infamous back cases with which he is charged.

However, when our industry considers defense against or employee protection against occupational diseases, we have a frightening spectrum facing us. As a matter of fact, we must express our concern cautiously lest we start a rash of claims that can bury us.

steadily at any one shipyard. And being interim, or day-by-day, employees, the shipyard has no knowledge of the contamination exposure of its employees during days or periods when they are working elsewhere.

What industry is actually saying then is that if it is furnished with completely healthy employees whose off-the-job activities, including diet, are beyond reproach, and if such employees will wear all prescribed protective equipment, even when the supervisor is not observing, and if such employees will submit to regular re-examinations to make certain no disease has been contracted privately or during employment elsewhere that might be aggravated by their regular work, industry might then, and only then, consider the burden of occupational diseases to be fair and reasonable when properly adjudicated by the courts.

In summary, cannot we in industry, who are already shouldering a tremendous burden in this cost of compensation for physical damages to employees, do something to prevent utter ruin in the form of health impairment responsibility. This is, at present, a smoldering menace which may and probably will at any time break out into a holocaust.

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