In the final report we will be able to show that a substantial saving can be made on a percentage payroll basis, over the cost according to the items given, which are susceptible to translation into monetary values.

There has been a great deal of difficulty in securing true cost values from industrial establishments, and an example will now be given of the kind of difficulty that has been encountered. The following table shows the difference in safety and medical costs in a very well organized and maintained division of a large national corporation:

	Safety	Medical
1944	$5.60	$9.60
1943	.30	2.40
	$5.90	$12.00
Average	$2.95	$6.00
	18	4

The fallacy of using average per capita costs per year is well demonstrated here. One can easily see that this average is not a true measure of the cost fluctuations in two consecutive years. The same kind and quantity of service was rendered during each of these years. Officials attribute these differences in cost solely to a change in concept by the accounting department as to what the same report form requested.

If this can occur in a well-managed corporation, what can be said of others? We are beginning, therefore, to doubt the validity of figures previously quoted by many of us in various reports. This, however, is no reason why we should discontinue collecting cost figures and studying them carefully as to source, treatment and soundness.

What can be done to make cost figures comparable? We believe that a "foolproof" record form can be devised for cost accounting departments, accompanied by simple, brief instructions. The form would contain expense items, common to all plant health procedures in one industry. Later, this might be adapted to industries of varying kinds of manufacture and services.

One of the first tasks to be attacked will be to make a standard, carefully thought out definition of what plant medical expense is and what it is not, so that the expense items may be mutually exclusive. If this can be done, it may represent, as one of our statistician friends has said, a real contribution to industry.

DR. LANZA: This paper will now be discussed by Dr. T. Lyle Hazlett of the Westinghouse Electric Corporation.

DR. HAZLETT: Now that you have heard Dr. Sappington's report, you can readily see the tremendous value that such reports will be to us in the maintenance of our Health Department functions in industry.

I think that we have not in the past presented our side of the picture as it should have been presented to management. Perhaps we have been too busy and perhaps we have considered our services too much as routine work. Management should receive a complete summary of our activities and accomplishments each year, just as it does from other departments. The preparation and submission of such reports will inevitably lead to a

1945

greater amount of preventive work in industry. We know what has been accomplished in the safety field. A great deal of the energy and effort that was put into that program resulted in an actual cost saving through reduced compensation and medical expenses.

I think that the accomplishments of our medical prevention program can be presented in the same way. We are all faced with problems in our management relations, at times a little more serious than at others. In this period of reconversion I think we do have that in view, not as much perhaps as in the 20's or the early 30's, but nevertheless it is something that we must think about and must discuss with management. Adequate measures of the accomplishments of medical service are lacking. We do not know, for example, how much has been saved by the tuberculosis prevention program—the tremendous number of years otherwise lost in middle life from this disease, which is a loss to industry and to the community.

I think that Dr. Sappington's continued study will be most helpful. Because of the lack of uniform cost accounting system, comparative costs of Medical Department services have had little meaning. Due to different accounting procedures various other items only indirectly related have been charged to medical service.

There is no question in my mind that we are in the beginning of a new cycle in industrial medical service. During the war you know how much attention was paid to absenteeism. It is the continuing duty of management to understand what can be done to keep our workers on the job. I think that a study like this will be of tremendous value, and that from it will come a method of making meaningful comparisons of accomplishments and costs of medical services and also of providing management with factual information. I am sure that management desires such information, which has not been presented to them as a rule. When they see just what medical service can do in the prevention of disease through control of environment and in the reduction of absenteeism, and when we do what we can to reduce to the very minimum this waste in industry from sickness, I am sure that medical service will show a definite profit in dollars and cents.

DR. LANZA: I think you will agree with me that the task that Dr. Sappington has undertaken on behalf of the Foundation is not a simple one, but on the other hand those of us who know Dr. Sappington know that he will come up with the right answer.

The next item is "Accurate Diagnosis of Silicosis." There is always something new, and it gives me great pleasure at this time to introduce to you the gentleman who needs no introduction to this audience, Dr. Gardner.