PLAINTIFF'S EXHIBIT

MBL-312

MODERN MEDICAL SET-UP IN REFINERIES

For many years there has been in industry much discussion as to what, if any, benefit might arise from a Medical Department. The Workmen's Compensation Law, passed in 1910, logically suggested a medical program for proper treatment of occupational injuries and diseases. In this manner an injured employee would get immediate attention, thereby saving his arm, leg, or possibly his life. In turn, the Company would be saved a great deal of expense, by preventing large schedule losses, by getting the employee back to work with as little loss of time as possible, or with proper care, no loss of time.

This part of Industrial Medicine, in the majority of our refineries, with the exception of the ones in Paulsboro and East St. Louis, have been handled by setting up first-aid rooms. A few have a full-time nurse, others are functioning under a well trained first-aid man. They have done a wonderful job by developing all kinds of safety measures, by seeing that as little first-aid as possible be given, and by sending the cases immediately to a Company selected Doctor.

While Compensation might be the most expensive part of Industrial Medicine, it is not so in our Company, since occupational injuries and diseases cause only a small percentage of our lost time. This, you can see by the charts I have prepared. By keeping complete records, we hope in the near future that we will be able to show just what non-occupational diseases are causing lost time and bend our energies toward these in the form of perventive medicines. As seen by these charts, occupational injuries and diseases cause only

a small percentage of lost time as against non-occupational injuries and diseases.

The question now arises, what can a properly run Medical Department do for the Company? ---

(1) It can prevent or shorten the lost time of occupational injuries and diseases. To begin with, a carefully done pre-placement examination is the beginning of an employee's refinery medical record. The examination rules out those with contagious diseases or with certain specific conditions that will render them unfit for refinery work. That is, an allergic person is not a good risk if he is to handle petroleum products. In all probability he will develop a dermatitis. Pre-placement examinations permit accurate placement on a job commensurate with the applicant's physical abilities. It helps to eliminate hernias, which cause our greatest amount of lost time in the occupational field. An X-ray of the chest should be taken, if possible, especially where an inhalation hazard might exist.

(2) Treatment of occupational injuries in the refinery help prevent lost time in going to an outside Doctor, who also might or night not give the proper treatment. To quote the American Management Association, "Statistics show that the injured worker under the care of a general practitioner is absent from three to five times longer than is the worker who is cared for by the industrial physician."

(3) The Medical Department can look after and care for the non-occupational disease cases; give preventive medicine; help the employee who is mentally sick; take care of minor illnesses and also a properly manned and run Medical Department is one of the best liasons between employee and management. The way a patient is treat-

ed in the Medical Department indicates to the employee what management thinks of him as an individual. If he is courteously and conscientiously treated his reaction is, -- "Gee, management does care what happens to me." However, if he is badly treated by a disinterested physician or nurse, his attitude is, -- "Management does not give a tinkers damn what happens to me."

(4) Prevention of injuries and diseases demands close cooperation between chemist, safety and medical. The Socony-Vacuum Laboratories has assigned Dr. L. C. Beard, Jr. as its representative on such activities, and we have worked very closely together. If a new chemical is being used we study its toxicology and what affect it might have. Therefore, in my opinion, there should be a meeting once a month of a committee made up of chemist, safety, and medical. Dr. Beard and I are working very closely with the American Petroleum Institute. It might be interesting for you to know that a paper on problems of chlorinated cutting oils was written by representatives of Socony-Vacuum after research work was done in the Technical Service Laboratories at Brooklyn.

It has been found that a happy, healthy employee is 100% efficient, while a half-sick and worried employee is only about 50% efficient. He does not do his work as well and he is liable to cause accidents to fellow employees if he is not feeling up to par.

Before we go into further detail of a Medical set-up, it might be helpful to read some questions written by Mr. R. R. Irwin. I would like to stop here a moment to say to Mr. Irwin that his questions were most appropriate and well thought out. They gave me a means of explaining which had not occurred to me. I want to thank him here in the presence of all.

Here are the questions and answers and I know they will help you in your problems.

Question #1

At the points where you have Medical and Health Service set up under a retainer arrangement in which the physician only gives part of his time, what general or specific understanding do you have with the physician as to when he treats an employee at our expense and when he arranges for office or hospital service at the employee's expense?

We can see where this part-time arrangement can lead to complications if we should use a locally practicing physician for part-time service at our plant. Complication might be kept down for a time by employing one from Wichita, but apparently this should be done only if a local doctor is not interested in rendering the service.

Answer:

The physician at the Company's Medical Department treats all cases that come to him in this department without any cost to the employee, whether acute or chronic condition during his specified hours in the clinic. If the employee is too sick to come to the clinic for medical advice, and the Company doctor happens to be his physician, and he calls this physician to see him at his home or goes to the physician's office, the cost of these visits belongs to the employee. If the case is an industrial injury or disease, and it is such that it can be treated in the clinic throughout the course of the injury or disease, there is no cost to the employer other than the regular operating expenses of the clinic. However, if the case is of such a nature that it is to be sent to the hospital or treated at home, this case is paid for by compensation insurance.

I cannot see where too much complication would arise among the local doctors, as the treatments that we render to our employees are those which, as a general rule, an employee does not go to his own family physician for. Our doctor in the plant must be strictly ethical and not try to use his Company connections to try to rob the other doctors of their cases. For instance, if a patient becomes sick while working and goes to our Medical Department and is found sick enough to be sent home and will be in need of further medical attention, he must be told to go to a doctor of his own choice. If the patient's condition warrants it, the doctor whom he has selected to go to should be contacted and told of this patient's illness. All assistance possible should be given to this doctor from our Medical Department. It has been proven that many cases that he would not see or would see too late to affect a cure, are being referred to him from Company Medical Departments.

Question #2

Have you found it desirable at any point to limit the dispensing of medicines and drugs through Company service?

In a town the size of Augusta the business men are always concerned about business taken away from their local drugstores.

Answer:

Yes, we do limit the dispensing of medicine and drugs. Only the simplest medication is given out at our plants. The rest of the medication is given out by prescriptions to be filled by the outside pharmacists. It has been my experience, instead of diminishing the pharmacists' business, his prescription business is doubled, if not quadrupled. Prescriptions are to be paid for by the employee, unless otherwise specified.

Question #3

Have you made commitments to the employees that their relationship with the doctor continues confidential except in instances where disability would create a safety hazard at their work?

Your reports showed that you had a record of many types of disability, but I do not believe you indicated whether the management was familiar with each individual case. We doubt whether service of this kind would be very well received if the general confidential relationship between the doctor and patient was destroyed.

Answer:

All medical information is confidential. This is important in our set-up. Neither the doctor or the nurse or the stenographer connected with the Medical Department can reveal any of our findings. If it is done, they are very highly censored, and if it happens too many times, we feel the Medical Department is no place for such an employee.

The only time that confidential medical information is taken up with the employer is when it would be to the advantage of the employee. For instance, if an employee is sick, we take it up with management to see what the Company can do to help him. What Mr. Irwin might be referring to is a long list of diseases and conditions he saw in our reports, but if he finds any names after these diseases and conditions, I would like to see them.

Question #4

Does the company as a broad general policy wish to see this service inaugurated at all points of concentrated employment?

Answer:

The Medical Department would like to see this. This is up to management as to what they want to do.

In order to have a Medical Department, you must have a proper building or rooms, arranged so as to facilitate good work by the physician and nurse. It must also be inviting to the employee and make him proud to have such a fine Medical Department to go to.

Medical departments designed to care for 500 employees, should have six rooms, including Waiting Room, Surgery, Physiotherapy and Examining Room combined, Rest Room, Nurse's Room and Doctor's Room. If this space is not available, modifications can be made so as to make use of space which is allotted.

We have set up such medical departments in Sone and Fleming and Queens Refineries and they are doing the finest of industrial medicine. To them I owe a great deal for their cooperation and painstaking work on the monthly report which I hope to make use of company-wide.

Paulsboro has, in my opinion, the finest Medical Department of any refinery in the United States. Here we take care of 3,000 employees. Of course, this takes in Research and Development, which has a fine sub-clinic under construction. This is necessary where a refinery covers so many acres. Too much time would be lost going to the large Medical for minor conditions.

I would like to take about five minutes of your time to give you a short description of what Mr. Sheldon calls first-aid. He now consents to call it a Medical Department. With the facilities he has, it could be called a plant hospital, but I will be satisfied if he will call it Medical Department. On the first floor we have a Waiting Room, Nurse's Room, Surgery, Physiotherapy, two Examining and one Rest Room with two beds. In the basement we have an X-ray, developing, dressing laboratory and eye examining rooms. Paulsboro also has a very fine

ambulance, full-time Doctor, two full-time Nurses, First-Aid and Claims man. Now we are in need of a Secretary. The sub-clinic has one full-time Nurse and is covered by the plant physician. My, wouldn't I like that layout in New York!!

Equipment for a five or six room Medical would come under $3,000. After the building and equipment are all set up, next comes the selecting of the personnel. A refinery with 500 to 1,000 employees can be well covered by a part-time physician, visiting the clinic for two to three hours a day, three times a week. A full-time Nurse and full-time stenographer are needed.

Qualifications of an Industrial Physician -- It is unfortunate that Medical schools do not as yet include fundamentals of Industrial Medicine in their curricula. However, there are now a few colleges that give a post-graduate course. For this reason I think it wise to have the physician take two weeks and work with us in New York in order to learn Socony's methods. We now have the Home Medical and Refinery Medical Departments where we are equipped to give a very good post-graduate course. "The most serious mistake that can be made in picking a physician is to pick a young neighboring practitioner who has no interest in Industrial Medicine, but who is only interested in his own financial well-being, or to hire an elderly physician who has not been successful in private practice." If he can be found, the physician to be selected is the man who wants to make Industrial Medicine his specialty. He should be a graduate of an accredited college and have a well rounded medical background, a pleasing personality, be conscientious, honest and ambitious (not lazy).

Nurse -- She must be a graduate nurse with Operating-Room experience, if possible. She should have a pleasing personality, be a

Hard worker, and well trained in Industrial Medicine. The Nurse is the most important cog in the gear. She can make or break a clinic. You might get by with a poor Doctor, but a poor Nurse, never. The Nurse must be capable of carrying out all standing orders given by the Doctor, but it is understood she must work under a physician's order.

After clinics are set up on a working basis, we should have a consulting Nurse to work out of 26 Broadway to go to various clinics to work with the nursing personnel so that we have uniformity of treatment and records. This nurse should have Operating-Room experience, be refinery trained, as well as having some training at 26 Broadway, and who also is well-versed on how to keep records as they are now set up.

Stenographer -- It is essential to have a stenographer, as it is impossible for a nurse to write up all the histories, keep all records and get out a monthly report, which is necessary for a properly run clinic. - Alcorbleum -

I hope I have not bored you with this lengthy report. As I said in one of my previous talks, I feel like a patient just operated upon --- wondering what the post-operative treatment is going to consist of. --- Thank You.

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For Los Angeles Meeting