

NEWSLETTER

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Joe Penne, Editor

**MERLIN COATES NAMED
TO MANUFACTURING STAFF**

(Decatur) . . .). Merlin Coates, vice president and director of manufacturing at Mueller, Limited, Sarnia, Ontario, has been named assistant to Paul Hickman, vice president-manufacturing, Decatur. The appointment is effective Jan. 1.

According to the announcement, his responsibilities in Headquarters will consist of special assignments aimed at strengthening and improving the growth of Mueller Co. in our industry.

Merlin joined Mueller Co. in 1935 as a time study engineer in Decatur and his entire career has been spent in manufacturing. He brings with him an extensive knowledge of Mueller products and their production.

In 1949 he was transferred to Mueller, Limited at Sarnia, Ontario to head its Standards Department. In 1957 he was named assistant factory manager and four years later became factory manager.

He was elected to a vice presidency and made a member of the board of directors at Mueller, Limited in 1966.

Merlin fills a vacancy created some time ago when Charles W. Moore was named assistant factory manager in Decatur.

**IMPROVEMENTS MADE
IN BREA FOUNDRY**

(Brea) . . . During the shutdown for inventory, the Iron Foundry in Brea underwent some changes which improve production and working conditions.

The improvements included the addition of about 100 feet of heavy duty conveyor and automatic transfer units. This installation is designed to reduce down time occasionally experienced in the past due to lack of conveyor capacity. These additions will also improve working conditions in the shakeout area and reduce casting rejects by providing longer cooling time.

**STRIKE ENDS
IN ST. JEROME**

(St. Jerome, Quebec) . . . The eight-week strike against St. Jerome Industries in Quebec by the United Auto Workers union representing workers in the Mueller foundry ended Nov. 12 with a new contract agreement reached. The Mueller, Limited plant produces manhole frames and covers, valve boxes, fittings for cast iron pipe and other iron castings.

**NEW SERVICE AWARD
PROGRAM BEGINS JAN. 1.**

(All Plants) . . . The revised and improved service award program initiated by the company and approved by the bargaining units will go into effect Jan. 1, at all U.S. plants.

The new plan, announced this spring, provides for the awarding of a more attractive service award emblem offered in different pieces of jewelry which the employee may select, and an improved schedule of cash awards which is designed to provide more substantial recognition for long years of service.

According to the new cash schedule, the first award will be made on the employee's 20th anniversary. The awards, at 10-year intervals, will be:

| |
|-----------------|
| 20 years--\$ 40 |
| 30 years--\$ 80 |
| 40 years--\$200 |

An employee retiring between cash award anniversaries will receive the cash award for the next following anniversary, except for those who retire after 40 years. The current award of \$1,000 after 50 years or upon retirement between 45 and 49 years of service will be continued.

The newly designed service emblem will first be given after 10 years of service and awarded at 10-year intervals. The first award will have the Mueller emblem in yellow gold. The same basic design with a white gold crest will be given at 20 years, a diamond and two rubies will be added to the crest at 30 years, and three diamonds will be mounted on the crest at 40 years.

In addition to the new design, the emblem will be optionally mounted in various styles of jewelry including tie tacs or clasps, a brooch or a charm bracelet.

**23 TONS OF MEAT
GIVEN BY MUELLER**

(All Plants) . . . More than 23 tons of ham and bacon were distributed during the Christmas season to employees, retirees and spouses of retirees at all plants in the U.S.

This traditional remembrance from the company dates to before the turn of the century and has become one of the most popular extra benefits of being an employee or retiree of Mueller Co.

Mueller men who are currently in service were also remembered with a personal letter that included a money order and a Christmas greeting.

Service Awards

The following Mueller employees received service awards during December.

Decatur

- 5 Years: Harry B. Edwards
- 10 Years: Paul W. Nisbet, Mildred I. Boyd, William Dukeman
- 15 Years: Ronald W. Brunner
- 20 Years: Jessie M. Ohl
- 25 Years: Gilbert L. Sanders, Zodius W. Embry
- 30 Years: Leonard L. Lourash, Melvin T. Hardy
- 35 Years: Elmer H. Fawley
- 40 Years: Elmer R. Caudle

Chattanooga

- 5 Years: Leonard E. Stewart
- 10 Years: Jimmie Willingham
- 15 Years: Alexander Petty, Derrell F. Pettyjohn, Harlan A. White
- 20 Years: Joe Hill, Jr.
- 25 Years: J.C. Rutledge
- 30 Years: Hollis N. Marsh

CANADIAN HOUSING STILL LAGGING

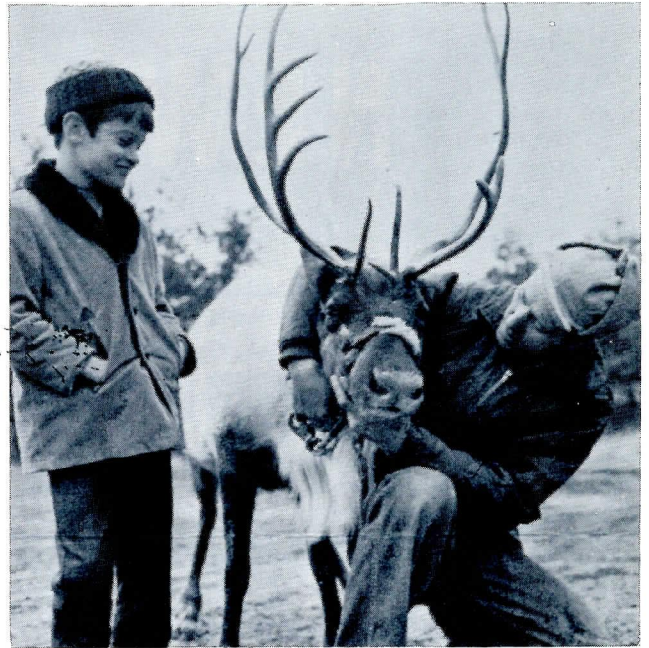
(Sarnia) . . . "The Canadian economy has every indication of improving slightly, however our segment of the economy, namely housing starts, is still lagging," George McAavity, president of Mueller, Limited, said recently.

Housing starts are running about 30 per cent behind the same period last year and this level has had an adverse effect on sales and profits at Mueller, Limited.

The Canadian government has just taken some steps to stimulate the economy and some improvement in the construction industry and house starts is anticipated in 1971. The effects of the government stimulation probably will not become apparent to Mueller, Limited until spring, however.

CHATTANOOGA TO INSTALL NEW CONVEYOR SYSTEM

(Chattanooga) . . . A new oscillating type conveyor to carry castings from the Moldmaster complex to the cleaning area on the ground floor is scheduled to be installed some time during the second half of 1971. The new system will give the castings an additional shakeout period, reduce sand loss and better prepare castings to undergo final cleaning.



This Lapland reindeer, owned by John Rohman of the Decatur Maintenance Dept., didn't make Santa's team but gets an admiring look from Joe Niederbrach, son of John Niederbrach of the Tool Room. The reindeer is about 19 months old and was shipped to John from Alaska about 10 months ago. John lived in Alaska a number of years before he came back to Decatur and felt it would make an interesting pet. The animal weighed about 230 pounds when John got him. John and his brother Willie, (Sales), estimate it now weighs about 400 pounds.

FAMILIAR FACES IN NEW PLACES

(Decatur) . . . A realignment in responsibilities in the Data Processing Department in Decatur results in two promotions effective Dec. 1.

Leon M. Nelson, formerly programmer, has been promoted to the newly created position of data processing operations manager and will direct the operations of the computer and related data processing equipment.

John R. Buzan, who was senior programmer, has been promoted to the new position of systems and programming manager. In this job, John will direct the systems analysis and programming activities in the implementation of new and revised data processing procedures.

George F. Hrubecky remains as manager of data processing, but the changes will reduce his involvement in daily operations and he will spend more time on planning and special projects.

Dennis W. Humes, formerly assistant project engineer, has been promoted to project engineer in the Headquarters Engineering Division. The change was effective Dec. 1.

Andrew H. Heitman, assistant purchasing agent, will be promoted to the position of purchasing agent, succeeding **Ray C. Kileen**, who retires Jan. 11 after more than 42 years of service.

Joseph A. Sepich, purchasing assistant, will be named assistant purchasing agent effective Jan. 11.

COULD 1971 BEGIN HOME-BUILDING BOOM?

Although many business "experts" and national newsletters say signs and trends point toward a housing boom that could begin in 1971, some members of management at Mueller Co. are approaching the year with guarded optimism.

This skepticism by management can be substantiated by certain studies and by looking at the record for the past five years. A housing boom has been "around the corner" for a number of years according to some, but it just never materialized.

Great demands for housing have been building up for some time, but short supplies of money for financing, skyrocketing costs for labor and materials to build homes, a recently-depressed economy and greater acceptance of apartment living have kept the construction rate down, especially for single family dwellings. During the last five years, the mobile home industry has been the segment of housing business that has enjoyed increasing growth.

Why the optimism for 1971? More favorable interest rates and greater availability of money are two big factors. An expected upswing in the economy, plus an ever-increasing need for more housing contribute to the hoped for improvement.

One economist expects an increase in building of 20 per cent over 1970--a rise that could mean about 1.7 million units. Add to this as much as 400,000 mobile homes and the new home total reaches 2.1 million--more than we have ever produced in a single year.

Mueller President John F. Thurston and W.E. Murphy, vice president-marketing, both agree that an improvement in home building is expected in 1971 and that Mueller is planning on a business increase. They do not agree, however, with some of the economists that there will be a boom.

"Even though there appears to be a greater supply of money, for at least the time being, the skyrocketing costs of building will discourage many potential home builders," Murphy said. Contractors, however, are building less expensive homes and seeking new ways to offset rising costs, so that a new home can be within reach of many young married couples, he said. The question of availability of mortgage money is unanswered too and this supply could start to decline again in six months, Murphy said. "This could happen" Murphy went on to suggest, "because much of the currently available money is provided through artificial means by the government. Also," he said, "any upturn in 1971 will result in demand for money by business for financing improved operations. This will tend to tighten money supplies and they are not ample."

"The 1960's were years of general economic prosperity for the country and a great demand for housing was continually expected in that decade, but the industry didn't flourish. That same demand is still reported to be with us, but the economy is slow so it

would seem that there can't be great optimism over the immediate growth in building," Thurston said.

The demand for housing seems to be there, but so many variables influence building that it is difficult to predict.

Retirements

The following list gives the retiree's job at time of retirement, years of service and date of retirement.

Decatur

Jesse Dailey, machine operator, 41 years, 11 months and 7 days, Dec. 31, (80 Plan).

Olive Dailey, core blowing machine operator, 26 years 5 months and 6 days, Dec. 31, (80 Plan).

Roy Burge, lathe operator, 30 years, 1 month and 21 days, Dec. 9.

Albert Flaugher, tool maker, 47 years, 6 months and 5 days, Dec. 23.

Otto Nagler, janitor, 21 years, 7 months and 14 days, Dec. 31

Leslie Epperson, power plant operator, 29 years, 1 month and 13 days, Dec. 31, (80 Plan).

Louis Ross, tool maker, 32 years, 9 months and 2 days, Dec. 31.(80 Plan).

Chattanooga

Paul W. Hinkle, finished product assembler, 16 years, 7 months and 18 days, Nov. 30, (80 Plan).

Brea

Marshall M. Cook, Brea Plant, 29 years, 5 months and 24 days, Dec. 31.

SOCIAL SECURITY TAX GOING UP AGAIN JAN. 1

(Washington) . . . The Social Security Tax is going up again Jan. 1. The new level on taxable wages rises from 4.8 per cent of the first \$7,800 earned to 5.2 per cent of the same base rate.

In other words, you will be paying \$5.20 for every \$100 earned instead of \$4.80 per \$100 up through \$7,800. In addition to your payment as an individual, Mueller Co. matches that paid by each employee. If you multiply that 40¢ per \$100 increase by our regular payroll, you can see that the change alone means thousands of dollars more per month cost to the company. If the company weren't paying this sum, each employee would face a deduction of 10.4 per cent of his first \$7,800 annual earnings to provide the same funding.

This Social Security payment by the company, plus the company's payment of the total cost of the Mueller employee retirement trust fund, are two ways the company helps us prepare for our retirement years.

Legislation is pending currently in the U.S. Congress that may further increase the Social Security benefits--and taxes--after 1971.

News Briefs

(Brea) . . . Ed Moore, industrial relations manager at Brea, has been elected to a three-year term on the board of directors of the Brea Chamber of Commerce.

(Decatur) . . . We aren't sure whether it's the trend in fashions, novelty, or the sharp winter winds, but many of the women in the Decatur office are going to great lengths in their attire as they introduce pant suits to the office situation. The reactions have been varied naturally. Among other things, the men say, "Ugh," "great" or "they are sure different." Women reacted too. Some said, "not for me" then hurried downtown after work to buy one. Others said, "They are too expensive to wear to work." Some improvised and said nothing. And many didn't really care. One conclusion was made, however. Maxi coats, midi dresses, and the pant suits mean mini distractions.

(Los Angeles) . . . The largest single natural gas distribution company in the nation recently was formed with the merger of Southern California Gas Co. and Southern Counties Gas Co. According to the 1970 edition of "Brown's Directory of North American Gas Companies", Southern California Gas Co. has more than 2,000,000 on-line customers and more than 4,800 employees. Southern Counties had about 2,600 employees and more than 1,110,000 customers. Both have been headquartered in Los Angeles and both are subsidiaries of the Pacific Lighting Corp. Their combined gas sales last year were more than \$580 million. The new company retains the name of Southern California Gas Co.

(Brea) . . . "Bah, humbug" isn't usually associated with Thanksgiving, but mention Thanksgiving Day to Lloyd Darnell, Eric Peterson and Matt Lynch and you may get at least Scrooge's reply, but probably something a little stronger. All three were planning their traditional Thanksgiving dinners with their families when the sky opened up and brought heavy rain, some of which found its way into the new computer room at the plant. The three tackled the job of cleaning up the water from the room and the roof, but they had little success and they prepared to spend the day battling the waters. Being a thoughtful husband, Matt called his wife to advise her that he would miss this turkey dinner and to tell her about the problem. When she heard about their losing battle she suggested they call the Brea Fire Department and ask them to bring their large vacuum cleaners out to take up the water. The department answered the call, picked up the water and constructed canvas troughs to direct the rain water away from the leak until it could be repaired. The company, and especially Lloyd, Eric and Matt owe many thanks to the Brea Fire Department and to Mrs. Lynch for her suggestion.

(Brea) . . . Alan Darnell, son of Plant Manager Lloyd Darnell, was placed on the President's Honor Roll at Fullerton Junior College for his efforts during the first quarter of school. Alan, a business administration major, had a 3.75 grade point average in a four-point system.

(Decatur) . . . Agriculture's role in the environmental pollution problem was explained at a regular meeting of Local 838, Allied Industrial Workers, representing plant employees at Mueller in Decatur. A representative of Geigy Agricultural Chemicals reviewed various sources of pollution and explained that when placed in proper perspective, agriculture is a very small factor in the total problem.

(Decatur) . . . Fifty-three men retirees and guests from Mueller Co. met for the December meeting of retired men at the House of Plenty, Decatur. The next meeting is set for Jan. 14 at 11:30 a.m., at the same location. The meeting starts with lunch and is followed by introductions and then time for talking and renewing old friendships.

Charles A. Trelloggen, 92 years old, was back again and enjoyed the December meeting. Mr. Trelloggen, who worked at Mueller for 24 years, is the oldest member of the group. Dan Ryan had a chance to exchange travel stories with Bob Tauber. Mr. Ryan recently visited Ireland, Germany and other parts of Europe and the Taubers have just returned from Hawaii.

(Decatur) . . . A school for stewards from Local 838, Allied Industrial Workers of America, will be held in the union hall beginning in January. The course, scheduled to run from six to eight weeks, will be taught by Stanley Weir, who is a member of the staff from the University of Illinois.

(Decatur) . . . Decatur Traffic Manager Walter N. Mitchell has been elected to a vice presidency of the Transportation Club of Decatur for 1971. He was secretary during 1970.

(Decatur) . . . Jack B. Johnson, who had been in the field sales training program in the Oregon area since July, resigned Dec. 1. The last NEWSLETTER was in the mail when his resignation was announced and as a result the November issue carried a story about a territory appointment for Johnson that proved to be incorrect because of his resignation.

PRIORITIES CHANGE

For the first time in two decades, more of the U.S. federal budget will be spent on people than on military hardware. Almost 41% of the total fiscal year 1971 budget will be spent on such domestic programs as education, welfare, training and Social Security. About 38% will be for defense expenditures and 21% for miscellaneous.