

NEWSLETTER

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Joe Penne, Editor

CHATTANOOGA PLANT ESCAPES FLOODING

Although South Chickamauga Creek is only a few hundred feet behind the Mueller Co. facilities in Chattanooga, our plant escaped damage even though the creek's rampaging waters spread destruction for miles along lower areas.

At the peak of the flooding from rivers and creeks, about 21% of Chattanooga was inundated by the streams pushed out of their banks by torrential rains in mid-March. During the first 20 days of March, the area had 12.09 inches compared with a normal rainfall of 3.50 inches for a similar period.

According to Chattanooga newspapers, more than 500 businesses and plants were damaged, including a dozen manufacturing firms that will be shut down for a period as repairs are made. Estimates of the area damage exceed \$60 million.

The Mueller plant facilities along the normally placid South Chickamauga Creek are 20-25 feet above the usual creek flow. An area used to dispose of foundry sand, and nearby tanks used to settle dirt out of process water, all on a lower level, were flooded for a time. If the waters had risen a few more inches, the company's sewage disposal plant would have been reached.

Plant Manager Earl E. Bright reported that damage to Mueller property was minimal and operations were interrupted only slightly. The major flooding occurred on the weekend of March 17 and on Saturday evening the fire department notified Mueller management that those working overtime on the second shift should be sent home before further flooding prevented safe travel.

Maintenance men worked on a volunteer basis over the weekend but by Monday the waters had receded in the area to allow most of the employees to report to work and near normal operations resumed.

BRASS INGOT PRICES CONTINUE UPWARD

Influenced chiefly by the expanding U.S. economy, the price of brass ingot continues dizzily upward.

The cost of brass has increased by about 11¼¢ a pound since the first of the year. This slightly more than a 20% increase has lifted the price to 62½¢ and almost double what it was in 1962.

The other major raw material at Mueller Co., steel scrap, has taken a big jump also. Since the operating budget for the current year was formulated, steel scrap has gone up about 40% or approximately \$18.50 a ton.

10 BUSY YEARS AT ST. JEROME

"The strengthening of marketing operations in Quebec and Eastern Canada and the increasing of national sales volume of water and gas distribution products along with plumbing brass" were listed in the news release as the two basic reasons for the acquisition of St. Jerome Industries, Quebec, by Mueller, Limited, Sarnia, Ontario.

Except for Mueller, Limited's withdrawal from the plumbing business last year, these broad goals have not only been realized—but much more has been accomplished since the acquisition took place in March 1963.

Just 10 years ago, St. Jerome Industries was a small iron foundry 35 miles north of Montreal, producing only manhole frames and covers, and custom castings for municipalities in Quebec.

Through skillful management, careful planning, and expansion, the St. Jerome product line has been broadened, its work force increased from 30 to 100 and its sales volume is five times that of 1963.

Even the name has been changed, going from St. Jerome Industries, Limited to Mueller Industries Canada Limited to the current Mueller, Limited, St. Jerome Branch.

The original plant consisted of 32,900 square feet of factory floor space, but renovations and additions during the last decade have pushed this figure up to 53,500. Construction not only added manufacturing space, but major improvements were made on the exterior of the plant. Two tracts of land, one for employee parking and the second for additional outside inventory storage, have also been added.

With the goal of improving service in Quebec and the Atlantic provinces, the facility soon became a major distribution center for Mueller, Limited products made in Sarnia. When Mueller, Limited withdrew from the plumbing business last year, the entire warehouse area was cleared to provide additional area desperately needed for the expanding foundry operation.

Most of the original equipment has been replaced with modern production machinery. The second BT6 semi-automatic molding machine was put in service in January, further increasing production capacities. From 28 to 30 tons of iron can now be poured daily in the foundry.

The new production capabilities have allowed St.

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Is Anybody Listening?

If normally cold weather prevails this month, up to 25 percent of the workers in parts of Illinois will be laid off because plants and factories can't get enough natural gas or heating oil.

Major airlines were forced to ration their jet fuel at Kennedy airport recently.

The Federal Power Commission has proposed a long-term system for rationing natural gas.

These items all made newspaper headlines. They all mean the same thing: The U.S. is facing an energy crisis of serious and growing proportions. In a curious way, the oil industry has failed.

Oil companies knew the shortage was coming. We knew how it could be averted. For the past 20 years we have told everyone who would listen what we knew, but we failed to convince policy-makers to take the necessary steps. Some examples:

When the Federal Power Commission began regulating the wellhead price of natural gas in interstate commerce in the 1950's, oil companies told Congress that artificially low prices would increase the demand for natural gas while reducing both the incentive and the ability to search for new reserves.

When the F.P.C. said the only consideration in price controls on natural gas was low prices to the consumer in the short term, oil companies told them this objective ignored adequacy of supply in the longer term and that a shortage would result. The gas shortage is now severe and getting worse.

When federal, state, and local governments decided the environment was to be protected at all costs, we told them this would worsen the natural gas shortage. It has.

Oil companies said that unless new refineries were built in this country, a severe winter could produce critical heating oil shortages. Not a single refinery is under construction in the U.S. at this time. Law suits and regulations stemming from exaggerated environmental fears have blocked the construction of new refineries. So today U.S. refineries are producing heating oil at peak capacity—in record volumes, in fact—and still having to ration it.

Oil companies said it was a mistake to delay construction of the trans-Alaska pipeline, keeping oil from what may prove to be the largest find in U.S. history away from U.S. markets. Today many U.S. refineries are short of crude oil, and foreign supplies of it are being allocated.

Oil companies said further burdens would be placed on U.S. oil and natural gas resources if nuclear energy were not allowed to play an important role in meeting the nation's energy needs. This has happened.

Oil companies said it was a mistake to reduce exploration incentives in 1969; to suspend drilling on offshore California leases; to delay lease sales off the coast of Louisiana; and to refuse to make leases available off the U.S. East Coast. We sounded off on all these issues, but we obviously failed to persuade enough people. In 1971 fewer exploratory

wells were drilled in this country than in any year since 1947.

With such a good track record for prophecy in the past, what are oil companies saying *now*?

- That while the U.S. has a strong energy resource base for the long term, in the form of coal, oil shale, uranium, and petroleum, it faces a critical oil-and-gas supply problem from now to about 1985.

- That we are not alone in this critical supply problem for the next 12 to 15 years. Europe and Japan are facing the same problem. If the U.S. does not develop greater domestic capability for producing oil and gas, we will find ourselves competing increasingly with other countries of the West for relatively scarce supplies of petroleum from exporting nations.

- That the long-term U.S. resource base can be developed, to make us almost self-sufficient in energy and thus hold our dependence on foreign sources to a reasonable level, only through the adoption of realistic national energy policies.

- That our country's fast-rising imports of oil and gas over the next 12 to 15 years—amounting to about half of our total consumption by 1985—pose balance-of-payments and security problems to which we are not giving enough attention.

- That we must rely primarily on oil and gas for energy for at least the next 12 to 15 years and accordingly must minimize our dependence on imports by finding, developing, and producing more oil and gas in this country.

- That the most promising areas for this additional petroleum lie under the waters of our outer continental shelf, and that federal leasing of this acreage for exploration should proceed apace.

- That we should be building a great deal of additional refining capacity here—particularly on the East Coast, where demand is greatest and where most of the imported oil is brought in—and stop exporting American jobs and capital on such a large scale.

- That our nation should be building superports capable of accommodating the huge tankers that reduce transportation costs.

- That atomic power plants should be built at a far faster rate.

- That we must be sensible about environmental demands and must strike a socially acceptable balance between environmental considerations and the need for additional energy supplies.

Our industry seemed finally to have made itself heard last month when the *Washington Post* said in an editorial:

"The price of gas ought to be raised... The present shortage of gas to residential consumers has risen largely because of obsolete and harmful price regulations imposed by the federal government. Despite soaring demand, the price has been held far below the cost of competing fuels. Present policy is a monument to the influence of senators and congressmen from the urban states."

Is anybody *else* listening?

(This ad, which appeared in the Jan. 26 issue of the "Wall Street Journal", is reprinted by permission of Mobile Oil Corporation.)

Mobil®

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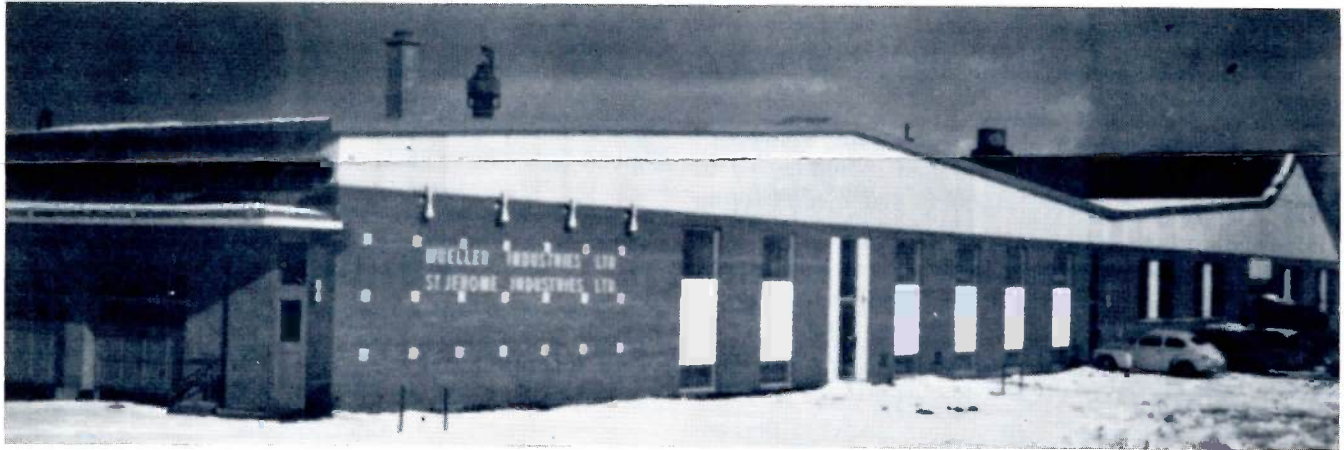
Jerome to expand its product line. In addition to the original products of manhole frames and covers, grates and municipal castings, the plant now produces a popular size of tapping sleeves, a complete line of mechanical joint water fittings from 4" through 12", a variety of valve boxes and all of Mueller, Limited's needs for service or curb boxes.

In an effort to relieve some of Mueller Co.'s production backlog, a large number of 12" x 8" tapping sleeves are being run for Chattanooga this year in St. Jerome.

Although some tapping sleeves are going to the United States, most of the St. Jerome sales are concentrated in the Atlantic provinces, and in Quebec and Ontario. These sales are handled by regular Mueller men in Eastern Canada, plus two salesmen working out of St. Jerome who deal exclusively with the local plant's lines. Sales Manager of St. Jerome products is Paul Marot, who headquarters in Montreal.

Leopold Potvin, who was with the plant before it was acquired by Mueller, is the plant manager and Jean Claude Ferron is production superintendent.

The modern, attractive plant of the Mueller, Limited, St. Jerome Branch.



News Briefs

Glen L. Cottrell, tool engineer, and John R. Bennett, tool methods engineer, have been named Certified Manufacturing Engineers in Chattanooga. To receive this recognition, applicants are screened, references obtained and a broad test covering technical skills must be passed. Cottrell is also active in the local chapter of the Society of Manufacturing Engineers and recently was elected first vice chairman of the group. Rufus L. Yates, Jr., senior tool methods engineer at Mueller Co., was elected second vice chairman of the SME chapter in the Chattanooga area.

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As part of National Engineers Week in February, 19 Decatur area high school seniors visited engineering facilities and offices at 10 firms. Joe Simkins, a senior at Stephen Decatur High School, toured Mueller Co.'s Engineering Department and Test Lab as part of his "Engineer For A Day" program. The day was sponsored by the Central Illinois Chapter of the Illinois Society of Professional Engineers, Inc., and Carl Floren, chief research engineer, served as the Mueller Co. host for Simkins.

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Frank C. Hackman, manager of manufacturing engineering, will present a talk "Quality Control--Raw Material to Finished Product", May 14 at the annual American Gas Association's Distribution Conference in Washington, D. C.

FAMILIAR FACES IN NEW PLACES

Richard D. O'Neal, formerly an inside truck driver, has been promoted to assistant assembly foreman in Chattanooga.

Phillip G. Tucker, formerly a millwright in the Maintenance Dept., has been promoted to assistant Plant 4 maintenance foreman (third shift) in Decatur.

Service Awards

The following Mueller employees received service awards during February.

Chattanooga

- 10 Years: Virginia R. Lutz
- 20 Years: Frank H. Tolbert
- 30 Years: Charles G. Bible

Mueller, Limited

- 10 Years: Gordon Matthews
- 20 Years: Ted Wojciechowski

Decatur

- 10 Years: Arthur Clark, Betty J. Glück, Paul F. Williams
- 20 Years: Charles L. Snoko

Outside Sales

- 20 Years: Edward D. Ayers, Edmund C. Fenstad

5 ASSOCIATION PRESIDENTS CALL ENERGY SUPPLY "CRITICAL"

The presidents of five U.S. energy associations recently described the U.S. energy situation as potentially "a major national crisis" that demands a reshaping of the nation's energy policies.

A joint statement of the presidents of the American Gas Assn., American Petroleum Institute, Atomic Industrial Forum, Edison Electric Institute and National Coal Assn. emphasized that the United States has sufficient resources to meet its foreseeable energy needs, but they added that the development of badly needed energy resources has been discouraged by a number of factors, including the lack of coherent national energy policies.

Four major objectives were urged as the basis of sound energy policies:

1. The development of an adequate supply of energy at reasonable prices, to permit our nation to enjoy continued economic progress and a high living standard."

2. "The achievement of relative self-sufficiency through the maximum development and utilization of domestic fuel resources to the extent justified by appropriate economic and national security considerations, supplemented by oil and gas imports as needed."

3. "The maintenance of a safe and healthy environment for both present and future generations."

4. "The attainment of maximum efficiency in the production, distribution and utilization of all forms of energy."

"There is no real conflict between these goals," the presidents said. "By reshaping our energy policies to broaden the energy base, we can provide adequate and secure sources of reasonably-priced energy in harmony with environmental needs."

Their statement goes on to say: "The responsibility to maintain a supply of energy which is adequate to meet the needs of our people must be shared by industry and government. The consequences of failure, either by imprudent actions or inaction, are likely to be severe. The result could be energy shortages, which could imperil the nation's economic well-being and cause substantial hardships to our citizens. If sound and timely decisions can be reached on policies, such a crisis need never arise."

MUELLER SPONSORS MISS J.A.'S FIRM

Libby Snelson, president of the Junior Achievement firm sponsored by Mueller Co., recently was named Miss J.A. for 1973 at the annual Executive Ball.

In addition to Miss Snelson, two others from F.B.T.C., Wendi Westbrook and Kris Ray, were among the seven finalists for the "Miss J.A." title.

Another J.A. activity involving Mueller Co. included a tour of Plant 1 and lunch in the company cafeteria by a number of members from F.B.T.C.

RETIREES SET RECORD FOR MONTHLY MEETING

Sixty-one Mueller men attended the regular monthly meeting of retirees, setting an attendance record for the group. Spring-like weather, temperatures in the 60s and an opportunity to see movies taken at the Mueller Centennial Picnic in Fairview Park in 1957 all contributed to the large turnout.

Some of the men were attending for the first time and a few of the "regulars" had returned from winter vacations to further increase the attendance.

The next meeting will be April 12 in the Scanda House, East Pershing Road, at 11:30 a.m.

One bit of news picked up at the meeting concerned Oscar Stratman's first airplane ride. After much pleading from a friend who has his own plane, Oscar agreed to go and they flew around over Decatur and then on to Lake Shelbyville. Oscar admitted that he "kinda enjoyed it."

Retirements

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

Chattanooga

Raymond W. Ellis, maintenance welder, 18 years and 14 days, Feb. 26.

Henry T. Roberts, index table helper in the Iron Foundry, 24 years, 8 months and 3 days, March 30.

Mitchell Foster, machine operator, 27 years, 7 months and 9 days, March 31. (80 Plan)

Mueller, Limited

John Chudik, cut-off man, 29 years, Jan. 1.

THIS HYDRANT DISPENSES MORE THAN WATER

One of Baltimore's most popular spots currently is "The Orange Fire Hydrant." The pub atmosphere in the British tradition of darts and chess, plus the liquids flowing at the "hydrant", make it appealing to the city's young adults. We wonder how many waterworks men in Baltimore have used: "I'll be home late for dinner tonight, dear. I have to check the fire hydrant at 622 Bond St.?"

ZIP CODES, MAIL LOADS

The list runs from "A-1 Turf Irrigation Sales" to "Zylicz" and in between are 30,900 other names. This extensive file of names and addresses of Mueller employees, customers, retirees, consulting engineers, distributors and others requires about 138,000 lines of information to be complete. To maintain current computer files, about 7,500 changes, additions and corrections were made last year to make it possible to mail publications, catalog supplements, price sheets, sales literature and billing accurately this year.