

NEWSLETTER

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Don Bathe, Coordinator

A.G.A. APPLAUDS GAS ACT OF 1977

The American Gas Association applauds the passage by Congress of the Emergency Natural Gas Act of 1977 which is designed to forestall the possibility of curtailments of natural gas to residences and other highest priority human need uses in the winter-plagued eastern half of the United States.

"In the current crisis," A.G.A. President George H. Lawrence said "We recognize that everyone must do everything possible this winter to protect public health and safety and, to the maximum extent possible, avert human suffering."

Lawrence cautioned, however, that the emergency legislation "adds no new gas whatsoever. It is simply a vehicle to permit the government and natural gas companies to have the short-term flexibility necessary in moving existing supplies to points of greatest need."

He said the Association is encouraged that the legislation is designed to provide equitable financial treatment for all gas companies involved in emergency natural gas transfers as well as the customers served. Lawrence explained that donor pipelines and distribution gas companies will, to the extent possible, receive compensation in kind for their diverted supplies.

"This emergency legislation, however, is not the long term answer to the nation's serious natural gas shortage," Lawrence emphasized.

Lawrence urged Congress to take action to permanently reverse the four year trend of declining domestic gas production, and to recognize that the unrealistically low regulated price of natural gas will neither promote increased supplies nor be an incentive for efficient gas use.

He said genuine relief can be accomplished only by an expedited, aggressive program which simultaneously does three things:

- (1) stimulates domestic exploration for conventional natural gas supplies;
- (2) encourages development of all economically feasible supplemental gas supplies; and
- (3) pursues maximum conservation programs and use of energy supplies in a most efficient manner.

"The natural gas industry is encouraged by the Administration's commitment to propose within 90 days a comprehensive energy plan which must address the deregulation of new gas. We urge Congress to act on the natural gas portion of the plan in the most expeditious manner possible," Lawrence said.

FAMILIAR FACES IN NEW PLACES - Decatur

Carol Virt, formerly machine operator, Dept. 80, has been promoted to the position of assistant ground key foreman.

Harold Small, formerly iron grinder, Dept. 10, has been promoted to the position of assistant brass foundry foreman, second shift.

NANCY DINKEL APPOINTED PROGRAMMER

Nancy Dinkel, 1787 Moundford Ct., Decatur, Illinois has been appointed to the position of programmer in the data processing department.

Nancy, a native of Salem, New Jersey, graduated from Wake Forest University in 1973 with a B.S. and M.A. degree in mathematics. Mrs. Dinkel, for the past three and one-half years, has been a systems programmer for E. I. DuPont in Wilmington, Delaware.

Service Awards

DECATUR

10 years: Wesley Skinner

20 years: William V. Foster

SARNIA

10 years: Gerry LeBlanc

30 years: Claude Furlotte

Retiree Deaths

DECATUR

Roy M. Robbins

SALESMEN

Earl W. Peterson

Retirements

CHATTANOOGA

William H. Law, shipping and warehouse laborer, 17 years, 5 months and 14 days, February 28, 1977 (disability).

Raymond C. Baker, shipping foreman, 23 years, 7 months and 2 days, January 31, 1977 (disability).

DECATUR

Herbert P. Lewis, shear, punch and form operator, 22 years, 10 months and 22 days, February 10, 1977 (80 plan).

Karl Denson, rough stores clerk, Dept. 80, 38 years, 8 days, February 16, 1977.

Sarnia

W. Keith Payne, shipper-packer, 36 years, 1 month, February 3, 1977.

COMPETITION IS ALWAYS PRESENT

For several decades MUELLER CO. has been the acknowledged leader in the manufacture of water and gas service materials, and valves and hydrants for the water industry. This was achieved through a combination of innovative design of products, quality production, responsive service, fair pricing and aggressive marketing.

Our products were designed to be the "best in the industry" and our pricing was primarily done on the basis of manufacturing costs plus a reasonable profit. This philosophy has served us well, both owners and employees, for more than 100 years.

But several events have occurred during the past few years that indicate our past practices will not be sufficient to retain our traditional leadership.

During the economic and housing boom of the 1950's and 1960's the water and gas industries expanded rapidly and there was a growing market for our products. The general customer emphasis was on design, quality and service which MUELLER CO. was able to furnish at fair prices. However, during this era of rapid growth we experienced a corresponding growth in competition. This increased competition emerged from several sources.

Companies already in the market expanded their line of products, often with new designs of products that either served the same functions at a lower price or possessed features desired by the users.

New smaller companies were formed that concentrated their efforts only on a particular segment of our line.

The rapid increase in the use of plastic for service lines and distribution mains in both the water and gas industries brought into this market such industrial giants as DuPont, Phillips Petroleum, Allied Chemical and others.

This increased competition during the rapid growth era was worrisome and did adversely affect our operating results to some degree, but there was enough business for all and we were able to operate at or near full capacity most of the time with satisfactory results.

But, starting in 1973 conditions changed rapidly. We had an economic and housing recession. The annual rate of new housing construction (our principal market barometer) started dropping in 1973 from more than 2 million to less than 1 million at the beginning of 1975. Although housing activity has been slowly increasing since then, it was up to only approximately 1.5 million starts in 1976, and it is predicted to be approximately 1.7 million in 1977. This will be approximately 25% less than the rate from four years ago.

In addition to the increased competition and reduced housing activity, the natural gas shortage has forced many gas companies to stop adding new customers. This results in less demand for our gas products.

All of these factors means more manufacturers competing for less available business. The first result of this condition is lower prices by our competitors in an effort to obtain enough business to maintain economical production.

This presents us with about three choices. One would be to keep operating as usual, maintain higher prices than most of our competitors, and watch our volume diminish as we lose a share of market to our competition. Following this course can only lead to fewer sales, fewer jobs, and, someday, no MUELLER CO. As a second choice we can lower our prices to the same or to lower levels than competitors and try to garner even a larger share of the market. Unfortunately history has proven over and over that companies who try to "buy" business by lower prices end up losers. We are already at a lower profit return on investment than our owners can obtain on a safe investment of their money in government bonds. To reduce prices would eliminate profits and endanger all our jobs. The third, and only advisable choice, is for every employee to make a commitment to perform his or her job more efficiently, with more productivity, with lower cost in relation to product produced. We could then reduce prices and be competitive without impairing profits or jobs.

While prices do change from time to time, the relationship of our prices to those of our competitors have generally been according to those shown in the following table. The prices shown are those now used for normal sales to distributors for stock, and tend to reflect what has become the normal differential, the one that can only be removed through the efforts of every employee contributing to higher productivity and lower product costs.

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COMPARISON OF COMPETITIVE UNIT PRICES WITH MUELLER CO.
ON REPRESENTATIVE PRODUCTS
(DISTRIBUTOR LEVEL)

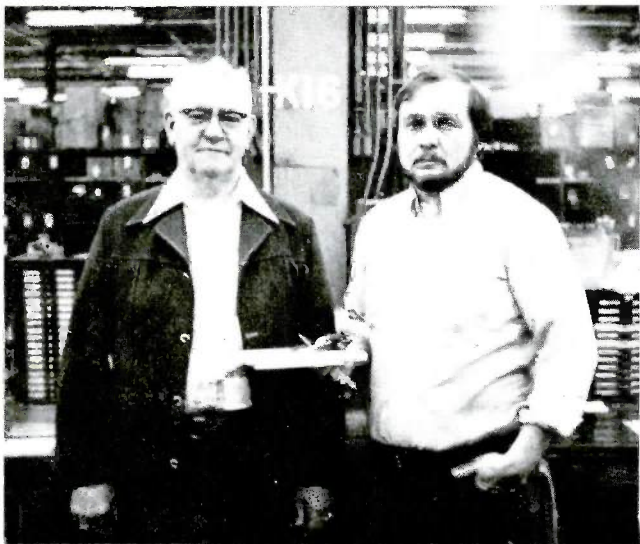
Mueller Product Catalog No.	Mueller Distributor Price	Price of Equivalent Catalog No. Furnished By Competitor						
		A	B	C	D	E	F	G
3/4" H-15000	\$ 4.46	\$ 4.17	\$ 3.92	\$4.15	\$ -	\$ -	\$ -	\$ -
1" H-14250	8.30	6.53	7.95	6.55	-	-	-	-
5/8"x3/4"x7" H-1402	13.01	11.45	15.41	-	-	-	-	-
1"x3/4"x7 1/2" H-15362	7.51	5.14	5.99	5.09	-	-	-	-
3/4" H-15428	2.22	2.03	1.88	2.08	-	-	-	-
3/4" H-10201	6.91	4.95	6.47	5.58	-	-	-	-
3/4" H-15200	8.99	6.52	8.01	6.65	-	-	-	-
3/4" H-15209	10.86	9.76	8.30	9.79	-	-	-	-
A-419 Hydrant	321.25	-	-	-	321.32	299.36	403.37	-
A-24015 Hydrant	313.34	-	-	-	321.32	286.52	295.56	283.71
6" A-2380-20 Valve	119.21	-	-	-	119.41	109.75	118.03	110.25
12" A-2380-20 Valve	364.28	-	-	-	366.72	335.14	361.03	335.16
6" H-667 T.V.	138.24	-	-	-	139.42	128.31	136.95	126.00
12" H-667 T.V.	468.36	-	-	-	481.33	434.30	464.21	431.55
6"x6" H- 615 T.S.	103.72	-	-	-	103.14	94.35	91.29	136.29
12"x12" H-615 T. S.	324.13	-	-	-	324.79	270.01	295.13	414.75

BLANTON TRANSFERRED TO ALBERTVILLE

Max Blanton has been transferred to Albertville. Max started with MUELLER CO. in 1960 at Brea, coming to Decatur in 1975 assisting in setting up the products and machining of the material from Brea.

Max will be assuming the position of process leader machining (tees).

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Fred Fyke, right, is presenting retirement gift to Karl Denson Decatur.



(Courtesy of the New Jersey State Safety Council.)

FIRST AID FOR POISONING

(attach to medicine cabinet)

Objectives: To dilute or neutralize the poison as quickly as possible, to induce vomiting (except when corrosive poisons or petroleum products are swallowed or when the victim is unconscious or having convulsions), to maintain respiration, and to seek medical assistance without delay.

Keep calm, but act promptly. If you are alone, give vital first aid immediately. Then get medical advice by telephoning a physician, a hospital emergency room, or a poison control information center. If a second person is available, direct him or her to call while you are giving first aid. The caller should give the following information —

- age and approximate weight of the victim
- name of poison and amount swallowed, if known
- whether the victim has vomited
- your location, the time required to reach the physician or hospital, and whether police escort will be necessary.

If the victim is unconscious, keep his airway open; give artificial respiration if it is warranted. Transport him as quickly as possible to where he can receive medical help. Take along the poison container, if available, or a sample of any vomiting material.

If the victim is having convulsions, do *not* give him anything to drink or attempt to induce vomiting. Loosen tight clothing at the neck and waist; watch for an obstruction of his airway and give artificial respiration if warranted. Do *not* force a hard object or your finger between his teeth or attempt to restrain him, but position him so that he will not injure himself. After the convulsion, turn him on his side or face down with his head turned so that mucus will drain from his mouth. Arrange transportation as quickly as possible.

If you do not know what poison has been swallowed, but the victim is neither unconscious nor having convulsions,

dilute the poison by giving milk or water — 3-4 glasses for an adult 1-2 glasses for a child. Do *not* induce vomiting. Try to identify the poison by looking for the original container. Get medical help immediately. Take along a sample of any vomited material.

If a corrosive poison such as a strong acid or alkali has been swallowed, do *not* induce vomiting, which can cause further damage to air and food passages. Dilute the poison with milk or water. If the poison is an acid, neutralize it by administering milk of magnesia mixed with water. If the poison is an alkali, administer vinegar or lemon juice mixed with water. You may also give the victim a soothing substance such as milk, olive oil, or egg whites to coat the lining of the stomach and intestines.

If a petroleum product or turpentine has been swallowed, do *not* induce vomiting, which can harm the lungs and cause pneumonia. Give the victim 4 ounces of mineral oil, if available. Otherwise, dilute the poison with milk or water.

If the poison is neither corrosive nor a petroleum product, but you do not have the original container, dilute the poison with water or milk. Induce vomiting by tickling the back of the throat with your finger or by giving syrup of ipecac, if available. Hold the victim's head down while vomiting to prevent the vomited material from reentering the food and air passages. Administer a commercial preparation called the "universal antidote," if available, which will absorb the poison. Save a sample of the vomited material.

If you have the original container and it describes a specific antidote for the poison, administer that antidote, if available, according to directions, after you have diluted the poison with milk or water and induced vomiting. If neither this antidote nor the "universal antidote" is available, get advice by telephone.



The American National Red Cross