

Mueller Service Lines

OCTOBER 1981

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

Talking marketing with Bob Lyons



Bob Lyons

Service Lines: Bob, as Mueller's new vice-president for marketing, perhaps you could tell us your view of marketing's role in Mueller Co.'s future.

Lyons: In my view, marketing has to take the lead in directing the company's efforts in three areas — market penetration, markets served, and new product development. Mueller has historically offered products tied directly to housing construction, which we all know is a cyclical market. For the past 30 - 40 years these cycles have occurred every four to five years. As a result, our

“Mueller has historically offered products tied directly to housing, which is a cyclical market . . . We have to explore other opportunities.”—Bob Lyons

sales and manufacturing needs have followed the same trend. This affects every Mueller employee. Either you're working just as fast and hard as you can, or you're wondering if you're going to be working tomorrow. One of the jobs of marketing is to try to get away from that.

SL: Can we level out sales from one year to the next and confine ourselves to our traditional markets?

Lyons: No, I don't think so. We have to explore other opportunities. But this is not to say that we don't have products right now that can give us more stability. For instance, the UL-FM fire-protection lines are now moving into the market pretty strongly, and these products don't relate directly to housing. But we intend to go a step further and

investigate other businesses that are not related to housing, perhaps in the chemical/petrochemical/hydrocarbon processing or petroleum industries.

SL: In the meantime, Bob, you've made so many significant changes in marketing's management structure. Can you explain your thinking behind these changes?

Lyons: We've restructured several different job functions. One combines new product management and new market management. This group is directed by Group Product Manager Larry Shrode. He currently has responsibility for the sale of our products to the water and wastewater treatment plant market and UL-FM products to the fire protection market. These are totally unrelated to traditional AWWA or gas distribution sales.

We have been on the periphery of the UL-FM market before, usually when our other products were in one of the cyclical valleys mentioned before, but we always reduced selling effort when business picked up. Now we have to convince people we're serious

about the UL-FM market. We set up a separate sales force with assigned responsibility to improve our image with the buying public.

As for water and wastewater treatment products, we're not marketing these products in Mueller's traditional way—through distributors. Rather, they are being sold through manufacturer's representative organizations. These people are, in effect, Mueller Co.'s sales force. With this group, when we develop or acquire new products not related to our traditional markets, we'll have a sales network to move them already in place.

SL: What about water and gas distribution products?

Lyons: We have done a good job in our traditional market areas and particularly with AWWA products.

We have without question the strongest group of AWWA distributors in the business, supported by an excellent sales force, top-quality products and superior manufacturing capability. This is the underlying strength of Mueller Co. and what makes us such a strong competitor. This has been further strengthened by our willingness to invest in new product development to keep

problem, Bob — are we up or down now?

Lyons: It's no secret that housing is down temporarily, and this hurts our traditional product lines. On the other hand, UL-FM is in an up cycle. What we need to do is get enough of these counter-cyclical products into our product offering to offset our traditional peaks and valleys.

“By building our marketing strength, we'll build a better bottom line . . . all of us who work at Mueller Co. will feel more secure.”

pace with the changing needs of our customers. Examples are the Resilient Seated Gate Valve and the Butterfly Valve. Both of these products were major investments by our company. In the case of the Butterfly Valve we even built a new plant equipped with the latest machine tools to produce the product. To assure successful introduction to the market we made a further investment in sales people by appointing a products manager and seven district product specialists. The results have been even better than anticipated. Approximately 7% of our 1981 sales will come from products that didn't exist as little as two years ago. Forrest Baum will continue to have overall sales responsibility for these new products, as he has for our traditional lines.

It is our feeling that the same situation exists with gas products and we intend to capitalize on the opportunity. We have added a marketing manager, Gene Wheeler, for gas products. These products are not sold through distributors but rather on a direct basis to the utility companies. It's a different selling game. He will be forming a gas sales force over the next 3 to 6 months to improve our sales capability. At the same time he will be searching for new products which we can produce to broaden our base and improve our position in this market area. We believe there is great room for improvement in this market area.

SL: Getting back to this cyclical

SL: For many years you were head of marketing for FMC's Fluid Controls Div., serving the petroleum and petro-chemical markets. Do these markets hold potential for Mueller?

Lyons: I think so. These industries have had very stable growth rates in the past and there's no reason to expect that to change in the future. The problem for Mueller is that the technology is constantly changing. But, acquiring a company or two, making products sold to these or other industries, would certainly help us with our cyclical problem.

SL: Bob, could you comment on the purpose of our five new district sales offices, and the customer service representatives based in Decatur?

Lyons: Well, let's reflect back a bit. Mueller's biggest problem from a marketing standpoint for many years was customer service. We had lots of orders, but we weren't filling all of them as fast as we should. So we've established a communications network that enables us to react quickly to customers' needs. That's basically the purpose of the district sales offices. They have the ability to check inventories to see what products are available, to enter orders directly at the factories, and to check on order status. And the people in those offices are familiar with the particular problems of the people in the specific districts.

Continued on page 2

Hundreds attend Clinton open house

Nearly 300 guests helped celebrate the first full year of production at Mueller Co.'s Clinton, S.C., plant in a first-anniversary open house, June 25. Many state and local government and business leaders attended; the press turned out, and

President Ed Powers and senior executives of the corporation flew in from Decatur to spend the day with Clinton employees and their families.

In touring the 48,000-sq.-ft. facility, guests followed every step in turning castings from Mueller's

Chattanooga, Tenn., foundry into finished Lineseal® III Butterfly Valves. A highlight of the tour was the plant's five machining centers, where much of that transformation takes place. Because the centers are computer-controlled, operators are free to devote more attention to inspecting the quality of machining. This enhanced quality control by the operators, plus the

machines' outstanding tolerance control, makes Mueller the industry leader in terms of technology, quality and product performance.

Visitors were also among the first to view a slide presentation on Mueller Co.'s origins, present operations, and plans for the future. A separate article in this issue tells the story of the making of that documentary. □



Clinton Plant Manager Ron Mestik conducts a group of visitors through the stages of production at the plant's first-anniversary open house.

LYONS continued

We assigned specific districts to the customer service representatives located here in Decatur for the same reason. Now we've got people familiar with the district's peculiarities all along the line — the salesman, the district office, and the home office contact. We're a lot more responsive to our customers' needs.

SL: We may be able to do a better job in the marketplace now, but our improvements haven't made the competition go away. How would you size up the competitive situation?

Lyons: There's a real war out there right now. Because of the housing slump, there's more and more pressure to cut the prices of our products. This is natural, and temporary. But I don't see any competitor with the strength that Mueller has in our traditional market areas. Nobody has a fuller basket of products, a better sales force, better management or better people working for them all around. The numbers show that we're not losing share of market—we're gaining.

SL: We've used the word "marketing" a lot. What's the difference between marketing and plain old selling? Is there a difference?

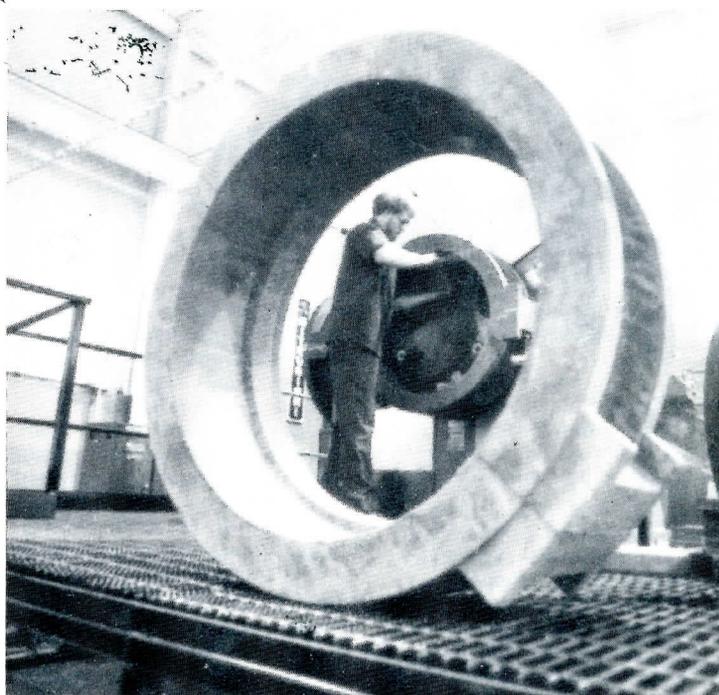
Lyons: In the simplest terms, sales takes orders, marketing creates orders. Now, it's expensive to build marketing strength by hiring new people and opening new offices, but there's a pay-off. Why

do you buy automatic machine tools when they cost, say, five times as much as manual machines? You do it because they have a pay-back. By building our marketing strength, we'll build a better bottom line. That will make us a more stable company, and all of us who work at Mueller Co. will feel more secure.

SL: Speaking of work, you've only been working at Mueller about four months. Still, in that time you must have formed some impressions about the people around you.

Lyons: Yes. I'm looking forward to meeting a lot more people in the coming months, but the people I've met so far are as good as any I've seen. I've met all the plant managers and administrative heads, and am impressed with their quality. The same goes for the sales people I've met. I hope to meet more of them soon, and I'd like to get to know more of the people in manufacturing. I haven't really had a chance to get acquainted there yet.

So, yes, I think we've got the right people in place. I know we do in marketing. We have a group of talented people who are pulling together as a team. In 1982, we will have a total, comprehensive marketing plan to go with the budget. The Mueller image today is better than it was three or four years ago — or even one year ago — and I expect it to get better. I hope to be a part of making that happen. □



Operating one of the new machining centers at the recent Clinton open house. Because the machines perform most of their multiple functions unaided, the operator is able to keep a closer watch on quality control.

"Service Lines" becomes "Pipeline"



Wayne deYampert (center), winner of the "Rename the *Service Lines*" contest. Congratulating Wayne are G. Mathis (left), manager of personnel and industrial relations at Chattanooga, and Loyd Hawkey, corporate manager of personnel administration

It gives us great pleasure to announce that this will be the last issue of *Service Lines*.

The next time we publish, it will be under the banner of *The Pipeline Reporter*, the winning entry in the "Rename the Service Lines Contest." The new name

was suggested by E. Wayne deYampert, who joined Mueller Co. only last year as a pattern maker in Chattanooga. Wayne's creativity has earned him a \$200 U.S. Savings Bond.

Honorable mention goes to Freddie Pinson, of Clinton's employee relations department, who suggested a close variant of the winning name.

The Pipeline Reporter is not only imaginative; it actually describes this paper perfectly. "Pipeline" is defined in Webster's, in its secondary sense, as "a direct channel for communication." And the other kind of pipeline — the kind that transmits fluids — is the foundation of our business.

Many thanks to all who took part in the contest. Picking a winner wasn't easy, but we hope you'll all agree we picked a good one. □

Strictly Personal Decatur

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

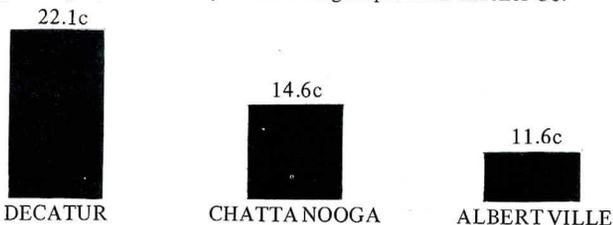
A MESSAGE FROM THE PLANT MANAGER...

For more than the 20 years that I have been a part of Mueller Co., the Decatur plant has always been a leader and trend setter for the entire company.

Many of the ideas, methods and products that we use and sell originated here. And many of the management personnel at our other plants received their training here at the Decatur plant.

So, I'm disturbed when I hear that we are not the leader for Mueller Co. in any particular area. But, I'm especially upset that we are not No. 1 in an area as important as SAFETY. We should be able to be just as proud of our safety record as we are of our production and quality achievements. . . And, we're going to be!

As you can see from the chart below, Decatur has the largest cost per hour per employee for safety of the 3 largest plants in Mueller Co.



And, we have averaged over \$300,000 per year in workman's compensation costs for the last 5 years. That's \$1.5 million that we couldn't spend on improvements, research and development of new products and other projects which could have made us more competitive.

We began to take corrective action earlier this year, hiring a Manager of Safety and Employee Relations. Mike Bauer has nearly 10 years experience in the safety field formulating and implementing new safety programs which have produced positive results.

Next, we set up a training course for all the supervisory personnel at the Decatur plant. The 91 supervisors and plant managers who successfully completed the 12-week course learned the basics of accident prevention.

Also, we began formulating a new safety program for the Decatur plant. Early this winter, we will unveil this new program, including a new incentive contest!

In the interim, you can see, and personally be a part of, many of our on-going safety activities. For example, Department 70's new house-keeping program has made a big improvement in that department. And, Department 80B's safety committees have made many contributions to employee safety through their suggestions and training activities.

The challenge we face today in the safety area is no bigger or smaller than the challenges we have met successfully in the productivity and quality areas in the past—and no less important either!

I left for last my most pressing reason for reducing accidents. Every time we have an accident at the Decatur plant that results in an injury to one of our fellow employees it means more to me than just another statistic.

Usually, the injured employee is someone whom I know personally—or the son or daughter of friends of yours and mine.

Whenever an employee is injured at the Decatur plant, it is taken personally by all of us. The pain and suffering felt by the employee and his family is shared by all of us. So, every time you help prevent an accident, we all gain.

Therefore, I ask each employee to help me eliminate the causes of accidents—unsafe acts and conditions. Remember, the accident you prevent today may save someone much pain and suffering tomorrow!
Gene Hullinger



John Norman proudly displays his Diploma Awards and Congratulation Cake.

JOHN NORMAN = SUCCESS!

John Norman, Supervisor—Production Control, was elected "Boss of the Year" by the Marigold Chapter of the American Business Women's Association in late May. He was nominated by Betty Somercik.

Also, in May, John earned his Bachelor of Arts degree from Sangamon State University, receiving awards for maintaining a high grade point average and being the outstanding student in the management program. Congratulations, John!

BOYS CLUB SAYS "THANK YOU!" FOR \$25,000 MUELLER GIFT

The Boys Club of Decatur reached the \$630,000 mark in its building fund drive with a \$25,000 gift from the Mueller Co.

The campaign (which started July 1) is now more than two-thirds of the way to its \$900,000 goal.

Campaign personnel tell us, "The Boys Club is pleased by the endorsement the Mueller Co. has given to the club's commitment to developing area youth physically, mentally, culturally and socially. An essential part of our ability to meet the needs of Decatur's young people is the continuing support of the community.

"We're gratified by the degree of support we've received in our relatively short history from the people and business in the Decatur area. The extent of this support and the success of the Boys Club in meeting its commitment is shown, in part, by our membership growth to more than 400 young people, and our need for larger facilities."

The Boys Club looks forward to its new 14,000 square foot building which will include complete indoor gymnasium facilities.

\$80,000

MUELLER GIFT BRINGS DECATUR MEMORIAL CLOSE TO GOAL

Decatur Memorial Hospital's community fund drive is an important step closer to its \$3,000,000 goal with receipt of an \$80,000 gift from the Mueller Co.

Campaign Chairman Jack L. Hunter remarked, "The Mueller Co. has been a generous supporter of Decatur Memorial Hospital for many years. It is indeed gratifying to add this gift to our campaign as we move toward the conclusion of our effort."

The \$3,000,000 represents the hospital's "down payment" on its \$15,000,000 modernization project. Construction is underway to replace DMH's surgery and emergency departments with new facilities and to construct a new materials-handling facility.





THE WINNERS!

GOLF TEAM MAINTAINS 4-YEAR RECORD

The season finale for the 1981 Mueller Golf League was the Mueller "Playday" at Hickory Point Golf Course.

Making a habit of first place were R. Logue, J. Collins, H. Hull, B. Durham and J. Phipps—all of Department 80. And, in a spirit of true modesty, they tell us to save the picture for next year's first-place announcement.

In 1981, Mueller Golf League had approximately 60 members and hopes to increase the number next year. 1982 officers are:

- R. Logue, President
- S. Dunn, Treasurer
- G. Hrubecky, Secretary

RETIREMENTS

CHARLES BROWNLAW, 41 years, 8 months, 27 days, July 22, 1981.

LEVI W. GREEN, 34 years, 2 months, 2 days, August 12, 1981.

THOMAS S. McCOY, 40 years, 7 days, August 21, 1981.

ALICE WIER, 29 years, 5 months, 26 days, August 31, 1981.



PICTURED ABOVE RECEIVING RETIREMENT CHECKS ARE (from top down): Charles Brownlaw, Levi Green, Thomas McCoy, Alice Wier.



PICTURED RECEIVING 30 YEAR SERVICE AWARDS ARE: Carl Floren (top) and Coy West (bottom).

SERVICE AWARDS

10 Years: Ralph Gibbens
 Ronnie Romack
 Jack Kensil
 Gerald Alsup
 Terrance Niekrenz
 Ed Olivier
 James Hudson
 John Milliman
 Timothy Berg
 William Graven
 James Gaskill
 Carl Harshbarger

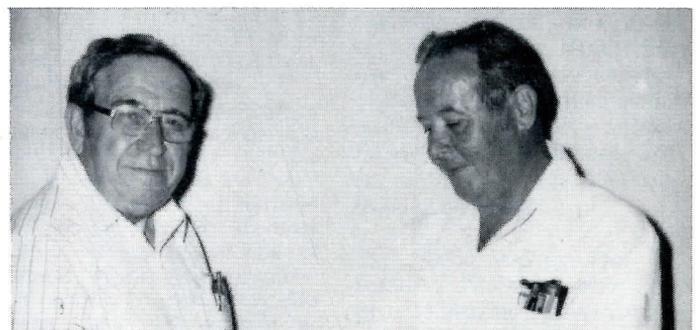
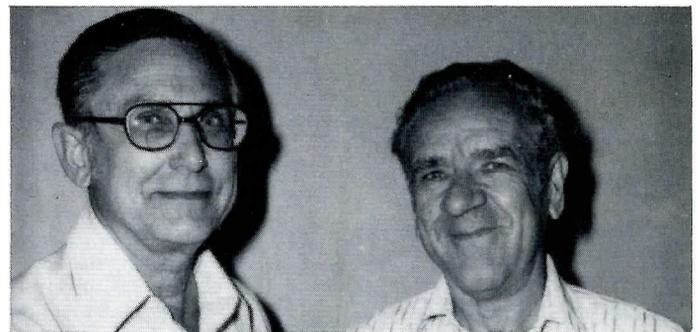
20 Years: Robert Koshinki
 Robert Runyen
 Harold Ruot
 George Deffenbaugh
 Benjamin Lentz

30 Years: Carl Floren
 Coy West

40 Years: Dean Grant
 Clay Ramsey
 Charles Ditty
 Orville Spencer
 Thomas S. McCoy
 Ted Suhomski



DO YOU REMEMBER . . .



PICTURED RECEIVING 40 YEAR SERVICE AWARDS (Above from top down) ARE: Dean Grant, Clay Ramsey, Charles Ditty, Orville Spencer, Ted Suhomski.

. . . Al May and Ken Karnes, who visited the plant, recently on Al's 90th birthday?

Wheeler new gas products marketing manager



Gene Wheeler

Adding greater depth to the marketing of our gas distribution products, Gene Wheeler has been named gas products marketing manager. Formerly, all Mueller products, including those for the

gas industry, were organized under one sales and marketing group.

Gene comes to us from the Fluid Controls Div. of FMC Corp., where he was a regional sales manager.

With the goal of achieving greater gas market penetration, Gene will be responsible for organizing all gas products marketing efforts. He will develop the sales force, marketing plans and forecasts, as well as new product ideas. These new ideas, Gene says, can come from any of several sources, including existing products new to us, or from our own product innovation. □

Mueller's old ways with new employees

In many ways, life is more cluttered and complicated today than it was 30 or 40 years ago. But in some ways, it seems, it is less so. Certainly there is less regimentation. Take the matter of starting to work at Mueller Co.

If you came to work at Mueller Co. in the last few years, you never signed a formal contract with the company. Of course, you did enter into an informal agreement to provide certain services and observe certain practices in return for a stated salary and benefits. But you did *not* legally bind yourself to follow a whole raft of rules and regulations.

In 1948 it was different at Mueller, as it was at most companies. We recently came across a Mueller Co. employee contract from that year, duly signed and witnessed. In it, the new employee (let's call him Joe) was told in no uncertain, very legalistic terms what he must do and what he must *not* do. And in case the Company might have forgotten anything, he was told that he would have to do it, whatever it was, whenever they remembered it. He must: "well and truly perform such services as may, from time to time, be required, to the entire satisfaction of the Company."

One of the things Joe might be called upon to do was to work overtime without pay — a common practice in those days. According to the contract, Joe agreed "to render such overtime services as may, from time to time, be required of him, without extra charge or additional pay."

Joe's regular hours, according to the contract, "shall be those fixed

and designated from time to time by the management." His paid vacation was to be for such a period "as may be prescribed by the Standard Practices of the Company in force from time to time."

One of the things the company required Joe to do, not "from time to time," but *all* the time, was "to set a good example . . . to the men working under him," and to "obey at all times all the rules and regulations of the Company."

To save Joe from "embarrassment in the performance of his duty," he was told that he "will not lend money to nor borrow money from any employee of the Company."

This was in 1948, remember, shortly after the war. Assuming Joe had just been mustered out of the service, he might have felt that he'd just been mustered back in.

The Company wanted Joe to know that they valued his ideas and wanted to hear them. The contract says:

"He will promptly and without delay, in writing, disclose to the officers of the Company all discoveries, improvements, or inventions, discovered or invented by him . . . and will on demand execute all instruments required to assign, transfer and set over to (the Company) all right, title and interest which he has or may be entitled to in and to such discovery, invention or improvement, and . . ."

In some ways times are more relaxed now, in some ways they're not. But at least you don't need to take along an attorney any more when you go to apply for a job. □

Larry Shrode is new group products manager



Larry Shrode

Larry D. Shrode has assumed marketing and product development responsibility for many of our newer products, including Butterfly Valves and Resilient Seat Gate Valves. He will also have marketing responsibility for UL-FM fire-protection products, and water and wastewater treatment plant products.

Working with Larry will be Michael Bucalo, sales manager-fire protection; Michael McLaughlin, product manager-treatment plants; and Shawn

Pulford, product manager-Butterfly Valves.

The water/wastewater treatment market represents a new venture for us. It encompasses not only municipal treatment facilities, but chemical treatment plants, power plants, and many other types of installations.

The UL-FM market is not new to Mueller Co., but our prospects there now look better than ever, Larry says. A sales and marketing organization is being put in place to promote future UL-FM growth.

Larry says the future of the new Lineaseal™ III Butterfly Valve is also bright. The size range has been increased from 12-24 in. up to 48 in., and several product improvements and a number of valve accessories are under consideration.

Larry added that we are developing these new markets and products to help smooth out the ups and downs in the water market that have traditionally affected our business. □

Three management posts filled

Three new managers have joined the company in the areas of advertising, accounting and auditing. The three, based in Decatur, are:

Bruce Rounds, tax and accounting manager.

Bruce has gained wide-ranging accounting experience in several posts, most recently with the well-known firm of Price Waterhouse & Co. He will be responsible for researching accounting methods and filing returns on federal and state income taxes for all plants.

Larry Groves, corporate audit manager.

Larry was formerly audit supervisor of a \$4-billion diversified manufacturer, Emerson Electric Co. He will perform audits for all Mueller Co. plants.

Bob Abbott, advertising and sales promotion manager.

Bob was previously with Ross Advertising in Peoria, Ill., where he managed the Mueller Co. account, so he comes to us with a good knowledge of both our company and all the industries we serve. □

Mueller market leadership honored

Mueller Co. was honored as Marketer of the Year last April by the Central Illinois Chapter of the American Marketing Assn. In making the award, the Chapter cited Mueller Co.'s long history of industry leadership as well as our recent successes in product development and marketing growth.

The Chapter recognized Mueller's "product innovation and product quality, with many products and

methods becoming industry standards," and our strong emphasis on customer service.

Particular mention was also made of Mueller's "14 major new products introduced in the last four years, steps to increase productivity in production and marketing, market development and expansion in new markets, adjustment to change, and growth in a mature industry." □

French-Canadian employees enjoy "Service Lines" too

U.S. readers of *Service Lines* may not know that employees of Mueller Ltd. in St. Jerome, Quebec — the French-speaking province of Canada — also read it, even though many of them are not bilingual. Mueller Ltd. is a subsidiary of Mueller Co. and operates plants in both St. Jerome and Sarnia, Ontario.

Almost all of St. Jerome's approximately 80 employees, like most people in Quebec, speak and read only French. The cost of publishing a separate French version of *Service Lines* and *Strictly Personal* would be prohibitive, but St. Jerome employees are given easy, economical access to all articles in each issue through an inserted typewritten translation.

(By the way, some common industry terms sound considerably more weighty in French. "Fire

hydrant" is "la bouche d'incendie" and "gate valve" is "robinets-vannes.")

St. Jerome has a cast iron foundry and manufactures manhole frames and covers, water fittings, service boxes and other products. The plant is under the stewardship of General Manager Jean-Claude Ferron.

No translation is necessary for Mueller Ltd.'s other Canadian plant, in Sarnia, where everyone speaks English. The Sarnia plant, under the responsibility of Plant Manager Gordon Turnbull, melts brass and manufactures lines of water and gas products similar to those manufactured in Decatur. In fact, Paul Clarke, Mueller Ltd.'s executive vice-president, calls Sarnia "a little Decatur."

One issue of *Strictly Personal* covers events in both the Sarnia and St. Jerome plants. □

Mueller slide crew goes 'on location'

What has 11 legs, flies, and goes "click, click"?

Answer: Four men gathering facts and photos for a Mueller slide presentation.

Eleven legs? — four men and a tripod. Flies? — one day last March they flew 1,590 miles in an 18-hour day, from Decatur headquarters to all three Southeastern plants. Click? — the sound the camera made every time the photographer pointed his Pentax at someone and said, "All right! Happy Mueller faces! Smile!"

The crew included Loyd Hawkey, Mueller's manager of personnel administration, and Bob Abbott, now Mueller's advertising manager, but at that time Mueller's account manager at Ross Advertising, Peoria, Ill.

The whirlwind tour saw the team in Chattanooga, Tenn. in the morning, Clinton, S.C. around noon, and Albertville, Ala. in late afternoon. Obviously, there wasn't time to see everything at each plant. Taking notes and photos, the team dashed from department to department — from sales to the foundry, from the foundry to assembly. It was like trying to see Rome in one day. They chased themselves from welding to warehousing like tourists giving 10 minutes to the Parthenon, then high-tailing it to the Coliseum. Still, they packed a lot into 18

hours. Mueller's productivity has seldom been higher.

From hundreds of photographs, about 80 were picked to show how Mueller operates today. Other photos, from libraries and Mueller's own archives, illustrate the historical origins of the water and gas industries — Mueller Co.'s past, from 1857 on — and the possibility of our future in other industries. The presentation covers 3000 years in 15 minutes. Admittedly, the history has some gaps in it, bridging over everything that happened between about 500 B.C. and 1700 A.D.

Nevertheless, if the history lesson is incomplete, the people who see the show will get a solid grounding in our industries and especially in our company. The intended audiences are prospective employees, new employees, civic groups, and others interested in Mueller's operations and goals.

The Personnel and Industrial Relations Department would like to thank the many patient people in Chattanooga, Clinton, Albertville and Decatur who "stood still" for having their pictures taken — sometimes again and again. Your busy hands and smiling faces will represent Mueller Co. to thousands of people. They'll learn that we're not only the most productive, but the most photogenic company in the water and gas industries. □

First "Matching Gift" contribution made

In the last issue of *Service Lines* we announced the new Mueller Co. Educational Matching Gift Program. Recently Ernie Tramwell, quality control technician at our Clinton, South Carolina plant, became the first employee to take advantage of this program, when he made a contribution to his alma mater,

North Greenville College. Under the provision of the Mueller program, a matching dollar amount, up to \$500, was also contributed by Mueller Co.

Other employees interested in learning the details of this program may check with their local personnel department. □

The kings' mousetrap: an economic fable

Many years ago, in a far-away land, lived a good king who tried to govern well, but he was baffled by the new science of economics. What's more, he suspected, the economists in his court (all former wizards) were all secretly baffled, too. Whenever the economy got a little off balance in one direction, they gave it a tug in the other direction, and then it needed a little *harder* tug back again, until finally it spun out of control. It made everybody very dizzy, especially the king.

One day the king's economists were making an elaborate presentation on how to pull the economy out of its present slump by taxing A, subsidizing B, embargoing C, and raising the ceiling on D. While one economist stood in the middle of the court pointing at colored bars and zig-zag lines on a big chart, the others sat at a long table waiting their turns, writing on big yellow pads and munching on pretzels and beer nuts from a big golden bowl.

Finally the king shouted, "Enough! Can no one make *sense* of economics?"

At that, a little old man dressed in the worsted sackcloth of a simple tradesman was ushered into the royal presence.

"Sire," said the king's guard, "this knave says he can explain the science of economics in a way to make anyone understand."

"Is this true, fellow?" said the king.

"It is, Your Majesty."

"To it, then. You may use the royal slide-projector to make your presentation. How much time will you need to prepare? What's your budget like?"

"No time, Your Majesty. And no slides. Only this" — and the little man held up a mousetrap. "The workings of this simple device clearly illustrate the foundation of the science of economics."

The economists hooted and jeered. But the little man persuaded the king to set the trap in his bedchamber that night and witness a demonstration of the first principle of economics. The king did this, and, being a wise as well as a good king, he quickly grasped the lesson. And he determined to share his new-found knowledge with his economists.

The next day, when the economists were again making an elaborate presentation, the king, instead of looking bored or exasperated as usual, was sitting on the edge of his throne. The economists, thinking they were finally getting through to him, worked their slides, graphs and buzz words harder than ever. At last, one of the economists at the table reached into the pretzel bowl — snap! — the economist yowled — and the king leaped to his feet.

"There!" he cried. "There's the heart of the science of economics. If a mouse can learn it, so can you. *There is no free lunch!*" Begone with you! Pack up your hocus-pocus and try *working* for a living!"

And they did. Some of them dusted off their hats and canes and false-bottomed trunks, and developed night-club magic acts, but most of them got on at the universities. At any rate, they no longer ran the kingdom's economy. And neither did anyone else, for that matter. The king found that the economy ran *itself* quite nicely so long as nobody tampered with it too much.

As for the little old man, he went on to discover the *second* basic law of economics. He built a better mousetrap. □

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Avon, CN (203)674-0863, Dallas, TX (214)934-1137,
Elgin, IL (312)931-1970, Irvine, CA (714)556-2230