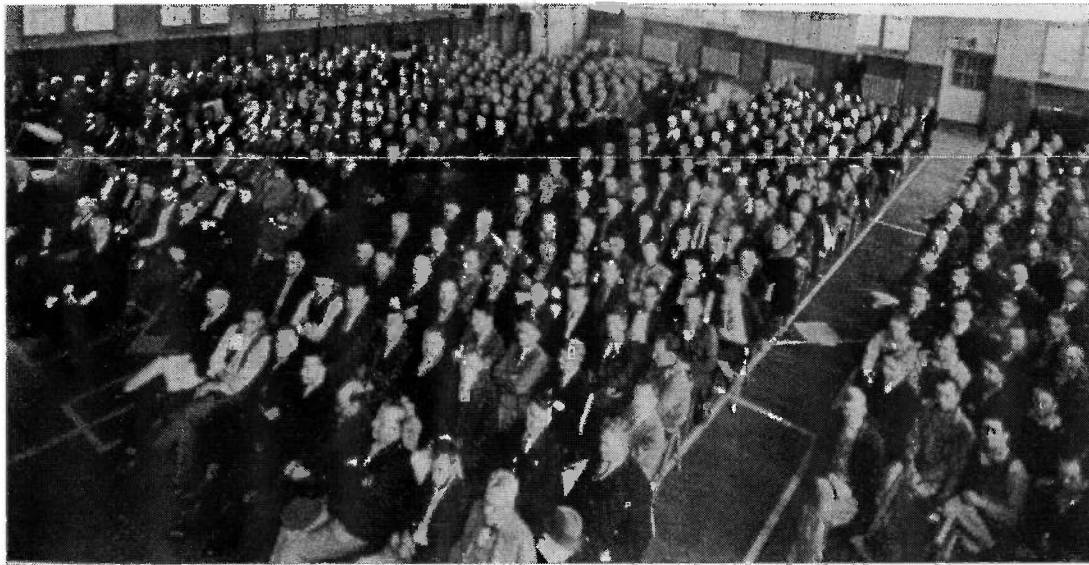




THE MUELLER RECORD

FALL 2008 NEWSLETTER

MUELLER CO. IN HARD TIMES



Mueller Co. employees assembled in the company gymnasium in October, 1932 to hear how the Great Depression would affect their jobs.

The current recession is taking its toll on Mueller Co., but in a company with a 150 year history, this is certainly not the first such challenge. The recent economic downturn and stagnation of new housing starts has significantly and abruptly reduced the demand for most of the Mueller Co. line. Without new subdivisions being built, there is little demand for the water and gas infrastructure which Mueller Co. provides. While early 2007 saw plants running full shifts with an expanded work force, the fall of 2008 finds the company struggling to find work for its core group of employees. Layoffs have occurred and the maximum 10 days of furlough allowed under the union contract will be used by year's end.

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The first economic crisis affecting the company occurred in the 1880's when Hieronymus Mueller is reported to have called his workers, then numbering about 30, together and proposed that in order to keep everyone employed, they should all agree to take home each week only the minimum money required to keep their families going. Hieronymus included himself in this agreement. By doing this and conserving the dwindling revenue, all the workers remained employed through the following months and when conditions finally improved, all were repaid the money they had sacrificed. This was in keeping with the belief of Hieronymus that his employees were his family and that he was responsible for their welfare. In return, he expected and received their loyalty and cooperation. There were no government assistance programs, bail-outs, or unemployment benefits in the 1880's – together they survived.

Of course the greatest economic challenge was the Great Depression of the 1930's. Hieronymus had long passed but his sense of responsibility to his employees had been instilled in his sons and most specifically to Adolph who was President of Mueller Co. through the Depression years. The company was severely affected by the Depression. The company had enjoyed huge expansion in the 1920's and was on the way to becoming a major player in the household plumbing fixture business with its new vitreous line. Sales offices were opened in several major cities. By 1932 sales had evaporated and the new vitreous plant in Decatur was closed.

There are several interesting illustrations of the Mueller approach to this hardest of the hard times. As in the 1880's, the priority was the preservation of jobs. Even before the Depression, Adolph Mueller stated the family position on the protection of workers saying, "There have been many times in the past that the family could have closed the plant down from four to six weeks and made big money by doing so. We would have escaped big payrolls and other expenses of operating a big plant. Business ethics would have justified the closing, but that is not our way of doing business. There were families depending on our family for the necessities of life. These human considerations outweigh the financial gain." (1916 speech by Adolph Mueller) And so it was throughout the Depression years. Workers from the closed vitreous plant were given positions in plants that remained open. The hours were cut for each employee to match the production needs and still provide a job to each worker although this meant a much smaller paycheck to take home. By the height of the Depression most workers were putting in only four to five hour days, 5 days a week as opposed to what had been a standard 54 hour week.

To fill the time and help offset the loss in wages, the Muellers turned some of the Southshores property near Decatur into garden plots for employees who might want them. Any employee wishing to participate was given a 150' x 45' plot to garden with the company providing the plowing and harrowing of the ground. These gardens did three things – employees had a productive use of their time when the plant could not provide enough work, they produced supplemental food for the worker's tables, and if enough could be produced, the surplus could be sold in the community to provide a small bit of extra income.

The Mueller family had for many years encouraged their employees to buy their homes. The company had even established the Mueller Benevolent Association (later Mueller Credit Union) to help finance these homes. As the Depression progressed, the newspapers spread the alarm on home foreclosures. On one especially bad news day in October, 1932, Adolph Mueller summoned all employees to the company gymnasium for an announcement. Rumors ran wild that bad news was coming and the somber workers assembled to receive the news. Lucien "Duke" Mueller spoke first to deliver stunning news. He, too, had read the foreclosure headlines and wanted to reassure all employees that a survey had been made of all homes being purchased on installments and a record made of those who were behind. Lucien declared, "Don't let that worry you, because the company has determined to stand behind you. Arrangements will be made whereby you will be enabled to meet your payments and you will not lose your homes." It is reported that no Mueller Co. employee lost a home through foreclosure during the Depression.

In that same October assembly, Adolph emphasized, "We will do our usual bit for the organized charities of Decatur, and in addition we are going to look after our own people ... and see to it that they do not suffer. The company built a surplus over the past years... and just as long as it holds out, you are going to be kept employed and those of our employees who need help will get it." How many tens of thousands Americans might have wished they worked for Mueller Co. on that day?

Times were certainly difficult. At one point the company was sitting on an inventory adequate to supply the existing market for as much as two years but continued manufacturing to maintain employment. Adolph had told the company's directors "We must take care of our people!" Throughout the Depression the company maintained its traditional benefits in the form of Christmas parties, company picnics, and Mueller Lodge outings. These were important in a time of economic hardship – a Christmas party paid for by the company helped conceal the fact that there was not much under the tree at home. The Depression was a family event, sharing what there was and surviving together.

The Depression era programs changed much of the Mueller family philosophy as did unionization in the 1940's. Government programs such as unemployment benefits and welfare meant that layoffs were no longer unthinkable. It became the responsibility of the government to see to the welfare of citizens in bad times. Unions now determine how available work will be distributed to workers and how Mueller Co. should handle benefits. The system of protections for workers in today's recession is effective and needed throughout our economy. Mueller Co. can be proud that its workers have enjoyed these protections through its entire 150 year history.



Employee garden plots south of Decatur, 1933

IN MEMORIUM – HENRY MUELLER STALEY

Henry Mueller Staley passed away at the age of 76 on Sunday, September 7, 2008. Henry was the great grandson of Hieronymus Mueller, grandson of Henry Mueller (eldest of Hieronymus' children), and the son of Lenore Mueller and A.E Staley, Jr. Henry served as a Vice-President and a member of the Board of Directors at the A. E. Staley Manufacturing Company which his grandfather, A. E. Staley, Sr. had founded in Decatur. Henry served numerous local organizations in Decatur including Millikin University, Decatur Memorial Hospital, United Way, Chamber of Commerce and others. Henry was active in the administration of the A. E. Staley, Jr. Foundation and his own Henry Mueller Staley Foundation, both of which have been supportive of the Mueller Museum.

Henry is survived by his wife Violet (Vi) who was one of the founders of the Hieronymus Mueller Museum, serving on the first Board of Directors. Additionally, Henry is survived by two sons, Mark and Grant, and a grandson, Alexander Eugene Staley (son of Mark and Julie). William D. Staley and Robert C. Staley, brothers of Henry, also survive.