MUELLER

A Confidential Newsletter For Employees And Their Families.

NEWSLETTER

Vol. 1, No. 4 July 1969 Published by MUELLER CO., Decatur, Illinois Joe Penne, Editor

MUELLER CO. DIRECTORS HOLD MEETING IN CANADA

(Sarnia) . . . The regular quarterly meeting of the Mueller Co. Board of Directors was held June 25 in Sarnia, Ontario. In addition to the regular business meeting, the directors toured Mueller, Limited facilities, became more familiar with the product lines of the Canadian plant, and were briefed on business operations by Mueller, Limited management.

The following day, many of the directors went to St. Jerome, near Montreal, and toured those Mueller, Limited facilities, which include a warehouse operation and a distribution center, as well as a plant for the production of a broad line of iron fittings and castings. The expansion program at St. Jerome Industries is nearing completion and changes were obvious to those who had not been there in recent months.

SAFETY PROGRAM HELD FOR DECATUR FOREMEN

(Decatur) . . . Nearly 40 supervisors, most of them production foremen, attended a five-hour training program late in June which covered many aspects of safe operations and of safety's value to the employee and the company.

D.C. Livesey of the Engineering Department of the Employers-Commercial Union Insurance Group conducted the program that utilized discussions, demonstrations and dialogue to get the message of safety to those attending.

They learned how to recognize possible causes of accidents, how to eliminate them, how to take corrective measures, how to write accident reports, methods of instructing employees on safe practices, and realized that accident prevention is a part of production, not apart from it.

DECATUR RETIREES-- DON'T FORGET TO MEET

. . . . . The regular monthly meeting of the Mueller Co. retirees in Decatur will be held August 7, in Ashby's House of Plenty, King and Monroe streets. The social hour runs from noon to 1 p.m., and then lunch is served for those who want it.

All retirees are invited to the meetings which are held the first Thursday of each month.

Former Toolmaker Al Radke made the July meeting and so far his 85 years of age make him the oldest attending since the group was formed a few months ago.

GOT A QUESTION? GET AN ANSWER!

Everyone wonders about company policy, production requirements or reasons for our doing a particular thing at one time or another. The answer to a question you may have on your mind about Mueller Co., its products, growth and future will perhaps be of interest to other employees. We'd like to use the "Mueller Newsletter" as a medium to provide some of the answers to your questions.

The questioner may remain anonymous if he prefers, but it would help to at least identify your location because local conditions can often be a determining factor in some situations. If space limitations keep your particular question out of the "Newsletter" we will be happy to reply by letter--if we know your name and address.

To submit your question just address it to "Joe Penne, editor", and drop it in the company mail or in the suggestion boxes which are located in Decatur and Brea.

We will use as many questions as we have room for and select those that seem to have the broadest interest among employees or retirees.

DECATUR, BREA HAVE SHORT WORK WEEKS

Four-day work weeks have been experienced by some production departments in Brea and Decatur recently in order to allow for adjustments in inventories.

Two four-day work weeks, in addition to the July 4th weekend, were necessary for Decatur production departments at the end of June and early in July. Normal operations were carried on in the Shipping Department and a few of the service departments worked, including the Tool Room, the Pattern Shop and others.

Plants 1 and 4 were closed the week of July 14 for the annual vacation period. The Shipping Department made normal shipments and maintenance men worked as did the office force. It is now hoped that reduced production during these periods has cut inventories and that increased customer orders will make it possible to renew normal operations.

In Brea, the plant was closed for vacation the first week in July and certain production departments were on a reduced work-week both before and after the shutdown.

PLASTICS--THREAT OR OPPORTUNITY

(Decatur) . . . Mueller Co. and Mueller, Limited for generations have been manufacturers of metal products for plumbing, and water and gas distribution systems. Since the days of wood pipe, these vital industries primarily were users of iron, steel, and brass goods until a few years ago when plastics entered the scene. Originally plastic pipe and plastic fittings were viewed as experimental and useful only in special situations, but for a number of reasons these products have advanced into a position where they have become major factors in many decisions regarding Mueller products and company planning.

Gas Magazine, a well respected publication in the field of gas distribution, recently concluded in its annual plastics survey: "As more manufacturers enter the field, more complete lines of fittings become available, and as manufacturing tolerances are more closely held, plastic pipe will be used in increasing percentages of the total distribution piping constructed each year."

According to this optimistic survey, 32 million feet (more than 6000 miles) of plastics went into our gas distribution systems during 1968 and more than 7,200 miles are expected to be installed in 1969. Recent-year installations for mains and service lines by gas distributors (metal or plastic) average about 30,000 miles per year, according to the survey. If these two figures hold, then we can expect almost 25% of the new installations for 1969 to be of plastics. Obviously, plastic pipe is being taken seriously by many gas distributors. There were 245 respondents to survey questions, and of the 155 gas companies installing plastic pipe last year, 116 rate their installations as fully operational, while 37 classed their installations as experimental. There were 76 respondents who have never used plastics and who don't plan to start any time soon.

In the water industry, the acceptance of plastics has been slower, but many companies have sought substitutes as they look for new methods in an effort to offset rising prices for copper tubing, brass goods and other fittings.

Proponents of plastics base many of their arguments on the relative cost advantages of their products vs. those of metals. Some figures dispute the validity of these claims but it becomes more difficult to question their contentions as the costs for producing metal goods continually climb. In recent weeks, the cost of copper and its alloy, brass, have reached almost record-breaking peaks and labor rates continue upward. Many of these increases must be passed on to customers since the companies cannot absorb all of the new costs. At Mueller Co. where many tons of brass ingot (85% copper) are used daily, an increase of a couple of cents per pound can mean hundreds of thousands of dollars in higher costs annually. (In one week recently, the cost of copper rose 5¢ a pound.) In the important metal vs. plastics cost argument, a change of a few pennies for pipe or fittings could cause a customer to reevaluate his buying program and perhaps cause a switch in preferences.

There are many variables involved when considering costs. Those favoring plastic say their product is less expensive because it can be more easily installed by fewer men with lesser skills than are needed for metals. Those arguing on the other side, say that there are many uncertainties involving plastics which could influence the "real cost" of such installations.

Most of those studying the merits of plastics and metals, generally agree, however, that plastics gets the vote in its favor when it comes to being lighter in weight, easier to handle and more resistant to corrosion.

While plastics has some advantages, there are some disadvantages and uncertainties regarding its use. There are uncertainties because the use of plastics in distribution systems is realtively new and many people are skeptical about the buried life of this material. There is such a variety of types of plastics that potential users can be confused. Many of these types have characteristics which vary when it comes to working with them. Some codes regarding the production of plastics pipe and fittings have been introduced, but manufacturers have not adhered closely to them. As a result we have pipe diameters and wall thicknesses which vary a great deal. These variations make it necessary for valve and fittings manufacturers like Mueller Co. to produce a great number of similar items to accommodate the many sizes. There are other characteristics which must be considered when examining the use of plastic pipe and fittings. Due to the relatively unstable nature of their properties, some types of plastics will change shape slightly or "flow" when tightly clamped for an extended period. Current practices in the gas industry prohibit the use of plastics above ground because of the chance of being ruptured by a sharp instrument and because of its reactions to temperature extremes. Even below the ground there have been remote cases where rodents have gnawed holes in plastic lines. Plastic is not looked upon as a substitute for the strength of metals. A steel pipe can contain pressures many times those of a plastic main of comparable size. In short, there are many uncertainties involving plastics, but it is equally obvious that plastics have some appeal when initial installation costs are considered.

Due to this increasing use, Mueller has been continually examining these market areas. We have always concentrated on metals, but we haven't ignored plastics or hoped that "it would go away." In fact Mueller Co. applied for a patent on a plastic valve tee as early as 1953. We have a variety of products available for use with plastics and we continue to develop new ideas. In some product lines we have modified or adopted some of our metal goods for use with plastic, and in other cases designed some specifically for plastics use. Since we are not a fabricator of plastics we must work with outside suppliers which limits our work on these items to machining, assembly, packaging, and shipping for those items made of plastics.

From trends and statistics there is little doubt that plastics pipe and fittings have made some deep impressions upon those markets which once were almost exclusively those of metals manufacturers. The future for plastics provokes many questions. Has

(Cont. on next page)

plastics use about reached its limits? Will it continue to play a bigger part in water and gas distribution? After a few more years of experience, will users prove it unsatisfactory? Are manufacturers of metal goods willing to take on the plastics industry in a battle for certain business? Will or should Mueller Co. spend more money and effort to gain a part of this business?

As a company involved in the production of metal products for more than a century, studies related to these questions and their many possible answers are constantly under scrutiny as management makes critical decisions concerning our product line, growth, budgeting and planning.

Retirements

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

Chattanooga

Jesse C. Jones, coremaker, 40 years, June 16.
Donald M. Andrews, assistant general foreman, 43½ years, July 13.

SALES FORECASTS UNDERWAY FOR '70

(Decatur) . . . According to the calendar, we have just passed the middle of 1969, but Mueller salesmen all over the country already are thinking seriously about 1970 as they prepare their annual sales forecasts. In these forecasts each salesman gives an appraisal of his territory's potential for the oncoming year. He talks to distributors, major customers, views construction for his area, considers competition and its new products, pricing and delivery, looks at our forthcoming new products--then he takes these thoughts, merges them with his ideas gained through experience, and comes up with his estimate of the dollar value of items to be sold in his area according to product class.

The figures from the 43 salesmen are received in Sales Headquarters, accumulated by districts and for the entire U.S. (and export), evaluated and interpreted by using statistics from previous years and companion projections by district managers. The result of all this is then related to projections for the national ecomony, and compared with other calculations prepared earlier by management.

The final form of the forecast is then determined and is then used to determine plant budgets, manpower and material needs, and production scheduling for the coming year.

In just one small way the 1970 forecast is a little easier to prepare than prior years because of the availability of a new form prepared on the computer by the Data Processing Department. But in most of the field of forecasting, and ours is no exception, there are uncertainties in housing starts, tight money, rising costs, stiffer competition in product items and prices. As usual it is difficult to give an accurate and optimistic "grassroots" appraisal and our salesmen may be finding this especially so for 1970.

HOME BUILDING DROP SEEN FOR 2ND HALF

Construction depends heavily on credit and public spending for much of its impetus, and since these two areas are at the center of the government's program to curb expenditures we find that building is slowing down from the forceful start it had early in 1969.

The reduced level of orders for Mueller Co. products at some plants is undoubtedly a reflection of these moves.

According to a spokesman for F.W. Dodge, a division of McGraw-Hill and an organization highly respected for its expertise in predicting building trends, the slackening in construction is not due to a reduced demand for housing, but indicates the restraints that are being imposed upon the industry and the economy as a whole.

The housing industry, Dodge said, is most vulnerable to 1969's increasingly restrictive economic climate. Bouyed by last fall's expansive credit conditions, home-building got off to a strong start this year and was leading last year's rate as late as May. As a result of severe credit restrictions and subsequent shortage of mortgage money, however, "the future of housing is dim at midyear, "Dodge said.

Dodge forecasts 1969 housing starts at 1,550,000, about 100,000 fewer than the potential estimated last year.

Service Awards

The following Mueller employees received service awards during July.

Decatur

10 Years: Robert P. Fisher, Eugene R. McKinney, Leo F. Chase, Robert E. Weaver, Clyde E. Pulliam, Leonard C. Wampler.
20 Years: Martin L. Puckett, George A. Roady, Earl E. Wood.
25 Years: Olive L. Daily.
30 Years: Earl R. Collins, Robert G. Schmitt.
45 Years: William A. Brunner.

Chattanooga

5 Years: F. Ray Saynes, William F. Gilbert, Jr.
15 Years: Milton Doyle, Jim W. Jones.

SOME FAMILIAR NAMES IN NEW PLACES

(Chattanooga) . . . As the result of **Dorsey White's** promotion and transfer to Brea to become Iron Foundry foreman, a number of changes have occurred involving Chattanooga supervisors. **David Sentell,** formerly assistant Foundry foreman-Moldmaster complex, succeeds White as shift foreman-Iron Foundry. Several other re-assignments and promotions have been made in the Iron Foundry as a result of these moves. Involved in changes are **Terrell Gray, Sterling Womack, Paul Mason, Cleve Fulghum, Aaron Jones, Tomie Ashford, William Roberts, Delta Brogden, Jack Pope, Autra Fant** and **William Headrick.**

MUELLER PRODUCING TRAINING SLIDES

(Decatur) . . . Mueller Co. has always been aware of the importance of training, and conscious of the need of proper instructions for field operation of our equipment and products--especially our items for the gas industry.

In past years the company has made available detailed instruction manuals, booklets, and other aids, including the mobile No-Blo training school which has traveled all over the U.S. as well as Mexico and Canada, instructing gas company crew members and supervisors on the proper way to use our equipment.

In order to maintain its position in providing this type of service, the company currently is preparing a series of colored slide presentations covering the use and installation of many Mueller products. The slide series with accompanying narration is in keeping with changing customer demands for training aids. This method offers flexibility to accommodate product changes or new needs as they occur, and in actual use it permits a low cost program of detailed training that can be tailored to any size or type group of users.

From 15 to 20 different slide packages will ultimately be available for use by each of the two major industries we supply. These will be used for training crews from water and gas utilities, for training distributor salesmen, to familiarize consulting engineers with Mueller products and for training our own people.

Bill Murphy, vice president-marketing, said, "These slide packages will place us in the forefront of those companies conscious of changing product training needs, and will give our salesmen a new marketing 'tool' to use in developing greater appreciation for Mueller Co. products, designs, quality, and the breadth of our line."

News Briefs

The Chattanooga Foreman's Club recently elected John Harp president for the coming year. John is a shift Foundry foreman. Other officers are: Time Study Engineer Glenn E. McPeters, vice president; Construction Engineer Kenneth R. Carroll, secretary; and Safety Director E.T. Sliger, treasurer.

■■■ ■■■ ■■■ ■■■

Jim Hosto, Chattanooga plant engineer, has been elected a vice president of the Chattanooga/Tri-State Chapter of the American Institute of Plant Engineers. This chapter was organized last year and Jim is one of its charter members.

■■■ ■■■ ■■■ ■■■

Terry McCoy, inspector in Decatur, recently participated in a leadership training conference which was part of a national training program organized by the National Council, Boy Scouts of America. The session took place at Philmont Scout Ranch near Cimarron, New Mexico.

■■■ ■■■ ■■■ ■■■

Mueller Lodge and its more than 15 acres of wooded land on Lake Decatur have served the company, the Mueller family and employees for many years. In recent years its grounds were made available to the YMCA to hold a summer Day Camp for young people. The following portion of a letter came from Mrs. C.A. Norman, a parent of two youths who went to camp this summer.

"We want to thank the Mueller Co. for their generosity in allowing the YMCA to hold their summer Day Camp at Mueller Heights. Our son has gone to Day Camp for 3 years, and our daughter for the first time this year. Our son looked forward to Day Camp each year, due in no small part to the area where it is held. A large THANK YOU to the Mueller Co. for their generosity and sense of community spirit, and to the YMCA staff for a well run and fun day camp."

Some Time Ago At MUELLER

An employee handbook published in 1925 describes the vacation plan for that period. "In order that all may share in the pleasure and benefits of a vacation each year, a plan is effective for such time as the Company decides to continue it. Vacations are earned on the basis of perfect attendance by the week, and are allowed on the basis of a calendar year beginning each January." The plan was divided into different groups with less than 10 years of service. "All employees begin to earn vacation credits at the rate of half an hour a week, for each week in which no time is lost. In no case shall vacation credits for attendance exceed 26 hours for one year." If we use an eight-hour work day you could have had up to 3¼ days of vacation annually during your first 10 years of employment--provided your attendance record was untarnished

. . . . .

1904-- the Eastern Division was opened. The company maintained an office and a warehouse in New York City, in those days, at the corner of Canal and Lafayette streets.

December 4, 1933--The Pacific Coast factory was opened. It was a one-story brick building with about 40,000 square feet. "The building is of the latest earthquake construction with direct sunlight in every corner of the plant," a 1934 issue of the Record says. W. N. (Billy) Dill, the company's first sales representative on the road, was the plant's first general manager. Gerald Pershaw was the assistant manager and Emmett Reedy was factory superintendent.

. . . . .

1948--the Mueller Thread was adopted as the standard for the American Water Works Assn. The invention of the tapping machine in 1872 necessitated a newly designed corporation stop. Hieronymus Mueller discovered that an inlet thread with a steeper taper made a tighter joint, strengthened the body where it was needed most and lessened the tendency to split the water main. This became known as the Mueller Thread and received such wide acclaim through the years that it was finally recognized as the standard by the association.