

# NEWSLETTER

Vol. 2, No. 9 September, 1970 Published by MUELLER CO., Decatur, Illinois Joe Penne, Editor

## CHATTANOOGA START-UP RUNS SMOOTHLY

(Chattanooga). . .The start-up of operations following the 13-week strike in Chattanooga went more smoothly than had been anticipated and only minor problems were encountered.

"I hope that the worst is past and that three years of labor peace will enable us to get back on track and continue to make improvements in our operations. The attitude of our workers is excellent, and I have every reason to believe that we will accomplish this," said Harlan A. White, vice president and general manager at Chattanooga.

The start-up was done with an organized, planned system worked out in advance. The unions had reached agreement with the company on Labor Day weekend and began returning to work on the following Tuesday.

On Tuesday, the maintenance people were called back and no production was attempted. The maintenance force concentrated its first efforts on the Shipping Room, Assembly Department and Machine Shop so that they would be ready to operate the next day. On Wednesday, maintenance turned its attention to the Foundry, getting the moldmaster and the sand system ready to run. The entire plant was back in operation on the following day.

The new contracts with the machinists, steelworkers and plant clerks now run until September 1, 1973.

## IF YOU DON'T DO IT, IT WON'T GET DONE!

"If you don't do it, it won't get done" is the slogan for the United Way campaign around the country this year.

Millions of people subscribe to this idea, and the total United Way program is successful because of individual participation and contributions.

Nearly 10 Million volunteers through more than 30,000 United Way agencies "get things done"--but only because millions of individuals do their part and give their FAIR SHARE.

As individuals, we can help many of our friends and relatives personally but nearly 30 million families got help last year through the United Way effort. They were helped

through our contributions and received care that individuals could never provide.

Naturally "you" can't go to Texas to aid the victims of Hurricane Celia. . .but the Red Cross does.

You can't go to an Army base overseas and entertain troops. . .but the USO does.

You can't provide Christmas packages for thousands or provide a meal and bed for a transient. . .but the Salvation Army does.

You can't offer professional services in the area of family counseling or mental health. . .but Family Service and the Mental Health Association do.

Obviously you can't do these things as individuals, but they get done and the services are available because millions of individuals do their fair share and give the United Way.

Of course every one does his best to take care of his own, but there are many who can't do things for themselves so "If you don't do it, it won't get done."

## Retirements

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

### Brea

George L. St. Clair, shipping, 6 years, 1 month and 8 days, Sept. 15.

### Decatur

Earl W. Lowe, liaison engineer, 47 years, 2 months and 23 days, Sept. 11.

Cal L. McQuality, plant protection officer, 48 years, 11 months and 11 days, Sept. 15.

Donald W. Ferry, head draftsman, 43 years, 11 months and 26 days, Sept. 19.

Eugene R. Cash, chief production control clerk at plant 4, 45 years, 6 months and 26 days, Sept. 28.

### Chattanooga

Barbara C. Jones, purchasing, 5 years, 10 months and 21 days, Sept. 30. (disability)



## **GAS SHORTAGE COULD HAVE FAR-REACHING EFFECTS**

The shortage of natural gas for industrial uses, which became apparent through the spring and summer, could have far-reaching effects around the nation and Mueller Co. would be one of those feeling the pinch.

Many utilities, especially those in the heavily industrial Midwest and Northeast, have notified long-standing industrial customers they may get less gas this year than they did last year when many of them were already being shorted. And increasingly this summer, even though utilities have abandoned promotional campaigns that once urged industry to use gas as a primary fuel, the utilities have been turning away new customers who have been knocking on their doors seeking gas supplies for a variety of uses and reasons. One big need is to replace fuels that naturally emit a higher level of pollutants than does gas in the combustion process.

The irony is that the low price of gas, which has helped gas enlarge its share of the market so rapidly, may also have helped to bring the supply shortage. Close controls by the Federal Power Commission have not made gas exploration a profitable venture and new incentives are needed.

Actually there is no shortage of gas reserves below the ground, according to a study group of the American Gas Association (A.G.A.). Reserves are determined and reported by A.G.A. as proven reserves and total reserves. Proven reserves are those where wells have been drilled and tapped and their output is measurable. Total reserves include proven reserves plus estimates of additional gas supply not proven by actual drilling. It is the slowdown in exploration and drilling that has caused the drop in proven reserves. The slowdown has in turn been the result of economics. . . where controlled prices are held too low for too long by the government, without regard for inflation and other rising costs.

As a manufacturer of products for the natural gas industry, many of Mueller Co.'s sales dollars depend upon the expansion of natural gas systems to new homes and to new communities and the shortages could affect this growth.

Bill Murphy, vice president-marketing describes it this way: "The short supplies of natural gas cannot help Mueller's business in the industry, and it is bound to hurt us. When the gas companies can sell all the gas they can obtain (and more) through the piping system they now have in place, there is no incentive for them to extend the system to serve more customers. If they don't expand, there is no demand for our products. It's that simple."

He said that despite the clamor for gas as fuel with a low pollution factor for industrial use it is necessary to also consider the fact that the gas company sells its product at higher rates to household users, giving some incentive for them to allocate immediate future supply increases to the household user.

In addition to influencing Mueller sales, the availability of natural gas for industrial use was a major consideration recently when the company worked out plans for reducing air pollution from our Decatur Iron Foundry.

The use of natural gas for melting operations was seriously considered but during the planning stages Illinois Power Co. announced restrictions on the availability of gas and probably influenced our decision to use electric coreless induction heating furnaces.

The shortage situation has been years in the making and gas companies have been warning the government of the impending situation for the past three to five years, Murphy said. "It will be that long at least in reaching a solution. . . if you mean adequate supplies of gas in our distribution pipe lines when you define 'solution'," he predicted.

## **Service Awards**

The following Mueller employees received service awards during September.

### **Chattanooga**

5 Years: David E. Phillips, Lenard L. Garrison, Homer L. Williams, Hubert C. Wallace, Clarence E. Johnson, James E. Lackey, James A. Walker, William Hurt, Jr.

10 Years: Ray Boren, Larry G. Christol

15 Years: Mary E. McLaughlin, Thurman Griffin, Almer L. Godwin, Herbert H. Woody, Claude H. Salmon, Howard E. Owens, Leon W. Brown, Shelton Doyle, Jr., Robert E. King, Willie Southern, Julian H. Kilgore, Paul W. Smith, John W. Muse, Allen L. Summerlin, Murray L. Stewart, Herman E. Easley, James Williams

20 Years: L. C. Stewart, Warren Hill, Gennie Conner, Maynard W. Mitchell, Phyllis H. McDonald, Dolores H. McFadden

### **Decatur**

5 Years: Edgar L. Bradley

10 Years: Joseph C. Penne, Merle E. Howell, Donald P. Pease, Stuart F. Winn

15 Years: Troy M. Henson, Robert T. Cole, Myrna Barding, Hartford A. Lewis, Jr.

20 Years: Michael G. Tirpak, Ben Berner, Jr., Kenneth E. Daugherty, James S. Cussins III, Thurman A. Dunnaway

35 Years: Amos D. Parks, Martin E. Riewski

### **Brea**

5 Years: Mary Lou Bellante

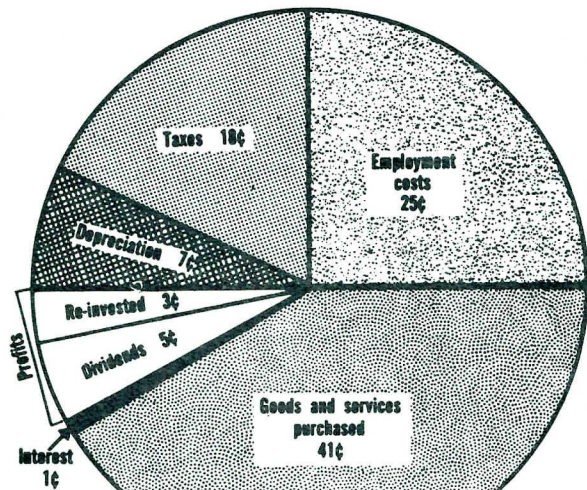
20 Years: Nick Chavez, Lillian Espey

### **Mueller, Limited**

30 Years: Edgar Ellenor



## WHERE THE CORPORATE SALES DOLLAR GOES



1969 Data: Annual reports of 11 of top 20 corporations

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### PROFITS GET SMALL CORNER OF SALES \$

What's left for profits after deducting the cost of doing business from the typical sales dollar?

A survey of teenagers revealed that many of them thought that as much as 50 cents out of each sales dollar went for profits, and most working adults would probably estimate profits much higher than the 8 cents indicated in a recent survey. Out of this 8 cents, the owners re-invest 3 to 4 cents for new equipment etc., leaving only 4 to 5 cents for dividends.

Naturally the return will vary according to an individual company and type of business, but the 8 cent figure came from a Chamber of Commerce study of annual reports of 11 of the largest U. S. corporations.

The largest segment of the sales dollar, 41 cents, goes to purchase goods and services, followed by 25 cents of the dollar going to employee costs, including fringes and wages. (In a typical company, fringe benefit costs add approximately 25% to the wages or salaries paid.)

Everyone knows taxes are high and in the case of the corporations surveyed, 18 cents out of the dollar went back to some taxing body.

Seven cents goes to depreciation which is an actual cost of doing business. It is a way of charging off the costs, over an extended period, of maintaining or replacing property, buildings and equipment necessary to operate.

A savings account in a banking institution or government bonds will pay greater dividends. . . and at no risk.

### FAMILIAR FACES IN NEW PLACES

(Decatur). . . The following men were promoted during September to fill vacancies resulting from retirements.

Bernard B. Jones, formerly assistant liaison engineer, has been promoted to liaison engineer, effective Sept. 12.

Ralph H. Strahle, formerly assistant plant protection officer, has been promoted to plant protection officer, effective Sept. 16.

Melvin D. Stanley, formerly layout and design draftsman in the Engineering Division, has been promoted to head products draftsman, effective Sept. 21.

### ROCKWELL BUYS SMITH-BLAIR, INC.

Rockwell Manufacturing Company of Pittsburgh recently announced its acquisition of Smith-Blair, Inc., for an exchange of Rockwell stock. Smith-Blair manufactures pipe repair clamps, pipe specialties and couplings and is a direct competitor of Mueller in some product areas. Smith-Blair has plants in South San Francisco and Texarkana, Texas, employing about 400 people. Its annual sales run about \$9 million. Rockwell and its predecessor companies have been involved in the manufacture and sale of water meters for 100 years. It also makes parking meters, sewer cleaning equipment, power tools, and meters, valves and pressure control equipment for natural gas. Its sales are about \$250 million.



Workmen unload a 25 ton gas-fired boiler unit that replaces two coal-fueled units in the boiler room in Decatur. The conversion is part of the company's program to combat air pollution. This is the smaller of the two boilers and will be used primarily for standby service. Oil can be used when demands are high for natural gas in the Illinois Power Co. service area.



## OUR COMPETITORS, FRIEND OR FOE?

"My competitors sometimes do as much for me as my friends. My friends are too polite to point out my weaknesses. My competitors go to great lengths to advertise them.

"My competitors are efficient, diligent and attentive. They continually make me search for ways to improve my services. They would take my business away from me if they could. This keeps me alert to hold what I have, and try to get and create more.

"My competitors prevent me from becoming lazy, incompetent and careless. I welcome the discipline they enforce upon me. My competitors deserve my highest praise. They have been good to me."

This anonymous work, published recently in a newsletter from a Chicago firm, may make some "Mueller Men" shake their heads in bewilderment as they think of certain situations where a competitor scored through quite different tactics.

"Good" competition, however, is necessary for our free enterprise system to function and works to the advantage of the buyer while keeping the sellers alert. We stress "good" because any other type is harmful and damaging, in the long run, to all of those involved.

The "good" competitor places a proper value on his product with full regard for earning an equitable profit. Profits mean jobs, corporate growth and more money available for new equipment, plant expansion, new product research and dividends.

No company or salesman likes to lose a bid or an order to competition, but it is easier to accept when you know that the winner got the nod because he had offered a superior product, better service or consistently lower prices. Now and then a competitor cuts price only to get a particular order. However, if he undersells us year in and year out. . .and if his product quality is not inferior. . .then we must realize that he is a more efficient producer and we had better do something about it.

Mueller Co. has many competitors. . .large and small, mostly "good", a few "not so good". What is our best (and only) defense against them all? Some excerpts from our published "Statement of Corporate Purpose" give the answers: "We must continually enhance our position of market leadership through outstanding creativity in the development, manufacture and distribution of quality products which will improve safety and efficiency, lower the long term operating costs of all our customers. . .or enable them to provide better service."

This Statement then lists six "Customer Oriented Objectives":

1. To develop an organization of people who are customer-oriented.
2. To provide a product of quality, at the right price and at the time required.

3. To concentrate on products which have superior or added features and which provide significant customer benefits.
4. To study and know our market, its potential and its requirements.
5. To provide the customer with superior technical assistance.
6. To establish and maintain, in every customer's mind, our corporate identification with both quality products and dependable service. . . through consistent performance.

The key to "at the right price" is, obviously, cost reduction and better methods of manufacture. How long since you turned in a suggestion along these lines?

## News Briefs



LABOR DAY PARADE FLOAT

(Decatur). . .Local 838 Allied Industrial Workers, representing factory workers at Mueller Co. in Decatur, received third place honors for its float in the annual Labor Day Parade. The float, designed and built by the union committee, featured a large fire hydrant of wire and crepe paper. The first and second place winners in the competition were built from purchased kits, but, unfortunately for Local 838, the judging was not done on the basis of originality.

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(Decatur). . .More than 40 Mueller men attended the September meeting of Decatur retirees at the House of plenty, Monroe and King Streets. The October meeting will be at noon, Oct. 8, at the same place. All men retirees are invited.

## THE CRIME OF FAILURE

"The worst crime against working people is for a company to fail to operate at a profit." . . .Samuel Gompers, first president of the American Federation of Labor.