



The Lightning Bolt

NORTHWESTERN STEEL AND WIRE COMPANY · STERLING, ILLINOIS 61081

NSW Distributes \$2.4 Million In Profit Sharing

As a direct result of the Company's gross profit before profit sharing of \$8,536,749 for the year ended July 31, 1986, the employees of Northwestern Steel and Wire Company earned additional compensation of \$2,435,905 through profit sharing.

This was paid out in the form of cash bonuses, the majority of which was distributed to employees on October 3, 1986. The employees sharing in the *Steel Division* pool received \$1,888,713; the employees sharing in the *Wire Division - Rock Falls* pool received \$315,608; and the employees sharing in the *Wire Division - East Plant* pool received \$231,584.

The fiscal 1986 profit sharing plans distributed the respective pool amounts on a pro-rata basis, using gross wages as the base. Gross wages are defined as pre-tax W-2 wages including items such as overtime and vacation pay; but, excluding non-wage items such as workers' compensation, sick pay and SUB benefit payments.

A schedule showing the gross wage bases, the profits to be shared and the appropriate percentage rate for individual pools is listed in the next column:

	Steel Division	Wire Mill	Rock Falls	Total
Total Wage Base	\$54,677,829	\$13,051,143	\$4,686,616	\$72,415,588
Profits In Pool	\$1,888,713	\$231,584	\$315,608	\$2,435,905
Profit Sharing %	3.4543%	1.7744%	6.7342%	3.3638%

Factory employees who worked 100% in any pool can readily verify their distribution amount by multiplying their gross wages for the pay periods beginning July 28, 1985 to July 26, 1986 by the appropriate rate. Salaried employees can similarly verify their distribution by multiplying their total gross salary of each month in fiscal 1986 by the appropriate rate. Employees who worked in more than one pool will have to make a separate calculation for each pool and combine the results. Teamsters and office

employees shared in all three pools on a fixed percentage of 75% Steel Division, 20% Wire Division, East Plant, and 5% Rock Falls. For fiscal year 1986, this calculation created a composite rate of 3.2823% for these employees.

The Rock Falls unit made a profit in the fourth fiscal quarter of fiscal year 1985, which resulted in \$113,504 in profit sharing distribution to those employees a year ago. Fiscal year 1986 is the first Company-wide profitable
(continued on page 3)

Wilthew Calls For Teamwork, Elimination Of Mistakes For Future Profits

Northwestern President and Chief Executive Officer **Robert M. Wilthew** reviewed the ingredients that have contributed to the Company's first yearly profit in five years at his periodic meeting with management employees recently.

Wilthew also called for all Northwestern employees to be conscious of the need to work together and particularly to avoid "the types of mistakes that we all make. You make them and I make them, but they are costly. Please be cautious," he said.

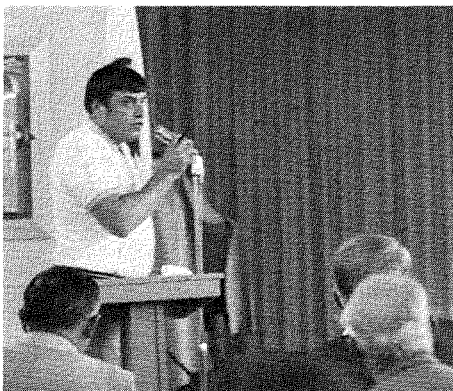
Wilthew pointed out that in fiscal 1986 Northwestern made a return of 1.7 cents on the dollar. "1.7 cents on the dollar will not do the job for

Northwestern. We are too near the zero line. You as an investor would not like a 1.7% return on your dollar." Wilthew said he would like to see that figure rise to between four and five cents on the dollar."

According to Wilthew, the following projects have been completed since he came to Northwestern 20 months ago:

1. Examined and adjusted the Company's product mix.
2. Strengthened sales through various channels - including taking the NSW story to customers.
3. Implemented "Management By Objectives" concept.
4. Implemented a new advertising

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Jim Boesen, Assistant Controller at Northwestern, explains the profit sharing distribution plan at the recent Management Meeting.

2 From Horseshoes To Hot-Rolled Bars & Structural Shapes

The origins of Sheffield's Joliet Bar Mill Division date back to the Phoenix Horseshoe Company, founded in 1884 in Poughkeepsie, New York. Less than 10 years after its inception, the young company moved its plant to the "wide open spaces" of Joliet, Illinois, to keep pace with the needs of the growing western market.

Despite the increasing popularity of the horseless carriage, Phoenix continued to thrive as the world's largest manufacturer of equine footgear. As late as 1926, it produced more than 68 million horseshoes.

However, the Company began increasingly to focus on the steel needs of industry, producing commercial forgings and castings. In 1971, the Phoenix Manufacturing Company merged with Continental Steel to become Continental's Merchant Bar Division.

This past summer, Sheffield Steel acquired the Joliet bar mill from financially troubled Continental. Today, manufacturers throughout the Midwest still depend on the Joliet mill for high quality flats, rounds, squares, channels, rebar and special shapes.

The relationship between the Joliet mill and Northwestern Steel and Wire Company has been long lasting and of mutual benefit. The Joliet mill purchases 5¼" billets produced by Northwestern. Similarly, Northwestern purchases fence posts from Sheffield's Sand Springs, OK plant for resale to its own customers.

"I know Northwestern has sold billets to this mill for many years and has established a reputation here. We



Sheffield Steel's newly acquired Joliet bar mill specializes in a wide variety of merchant hot-rolled steel bars and structural shapes turned out in a modern, flexible bar rolling mill.

are very happy with Northwestern because of the excellent quality of the product and because of the Company's record of dependability," said **Matt Chinski**, who has recently been named Vice President and General Manager at Joliet.

Sheffield's Joliet Bar Division is served by Northwestern's outside salesman, **Ray Bauer**. Inside contacts at Northwestern for the Joliet mill are **Vern Johnson**, Steel Division Manager of Sales, **Tom Cooney**, and **Ken Walls**.

The Joliet Bar Division serves a broad market in the construction, farm equipment, steel fabrication, steel warehouse and transportation industries.

The 12-Inch mill allows production from either of two sources, standardized billets or recycled railroad car axles. Tight control of the carbon content of steel rerolled from these axles has made it extremely useful for fabricators and forgers who use medium carbon steel. In addition, the Company has a 10-Inch Mill which uses standard size billets.

Depending on its quality and application, steel that goes into the manufacture of railroad car axle steel

is generally produced to the standard C-1045 grade. Normally, axle steel can be successfully welded to mild or low carbon steel grades with low hydrogen electrodes.

This type of steel is used in a broad range of markets, such as automotive, farm equipment, railroad and material handling equipment. It serves as a high quality substitute for C-1045 billet steel.

While Joliet purchases scrap axles for some of its applications, and purchases Northwestern's billets for others, it also receives billets from its sister plant at Sand Springs, OK, which has the capacity to melt up to 1,800 tons a day of its own steel in two 170-ton electric arc furnaces.

Chinski said "the flexibility and efficiency of our rolling mills and our people are our strong suits, which enable us to serve our customers with a quality product on a timely and reliable basis."

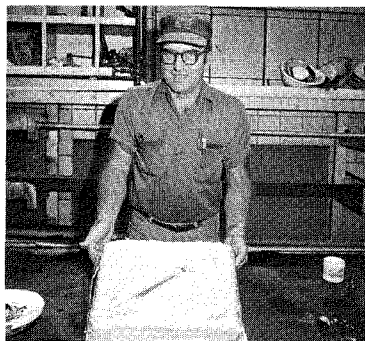
The Joliet mill has over 100,000 square feet of warehousing available to support its customer's demands.

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The Joliet plant is located on more than 60 acres along Illinois' Des Plaines River, right in the heart of the Midwest's manufacturing region.

Northwestern Steel Embarks On New Standardization Program



Marvin Kuhlemier displays a cake given him by fellow Millwrights at Plant 4. Kuhlemier retired from NSW after nearly 32 years of service.

NSW Profit Sharing

(continued from page one)

year since 1981, which as a result generated the first Company wide profit sharing distribution.

After four years of near disastrous losses, the 3.36% average rate of profit sharing for fiscal 1986 is indicative of the current position of the Company. Assuming this trend continues, the potential exists for improved profitability, to be shared by Northwestern employees.

Programs to improve quality and service to our customers are absolutely vital to continue Northwestern's progress in maintaining financial stability. All internal projects that eliminate waste, reduce mistakes, increase yields, productivity and throughput need to be understood and supported by all employees.

For example, that as a result of every \$1,000 cost reduction that is realized, the employees will gain a share of \$250; however every \$1,000 of excess cost that is incurred, due to mistakes, carelessness or even poor communications with fellow employees, represents a \$250 lost opportunity for sharing profits.

The economics of steel and wire business remains extremely difficult and will remain so, due to worldwide overcapacity and depressed market prices. Only low cost, effective operations will survive the shakeout currently taking place in the steel and wire business. The facts are that Northwestern achieved financial stability and earned a modest profit in fiscal 1986. Northwestern's employees shared in the Company's moderate success by receiving hard cash. Each employee has an opportunity to contribute to or detract from next year's profit sharing distribution!

October, which is National Quality Assurance month, also marks the arrival of a new standardization program for Northwestern's steel making grades.

Over time the grade nomenclature used in the plant has varied and evolved based on usage, while the customer nomenclature has evolved independently. A translation was required to assess the customer's requirements into our practice procedures.

Recent changes in our market strategy has shown the need for better communications; corporate standardization is a necessity to accomplish this communication of requirements into our process control. A team was established to work out the details of a Standard NSW Grade Registry.

The committee was formed by representatives of QA, **Jerry Shinville, R.C. Olson; PCIC, J. Galloway, and EDP, C. Fisher.** The team's approach to participative management and problem solving was facilitated by **J. Ozimek, KCA.**

The objectives were to have one set of standard grade nomenclatures for all phases of NSW from customer to order entry, steel making, reheating, rolling and shipment. An example of standardized nomenclature may make for clarity:

		NSW
Sperry System	Data General	Standard
C-1008 PQ	C 1008 KBR	C 1008 PQ
M-1044	X 1045 K	X 1045

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Three Employees Receive Suggestion Awards In Aug.

Three employees received suggestion awards in August.

Ralph Charleston, Plant 2 Welder, and Loren Steder, 12-Inch Mill, each received a \$50 merit award for their joint suggestion to cut slots in the 12-Inch Mill bar extensions to eliminate welding for pass changes.

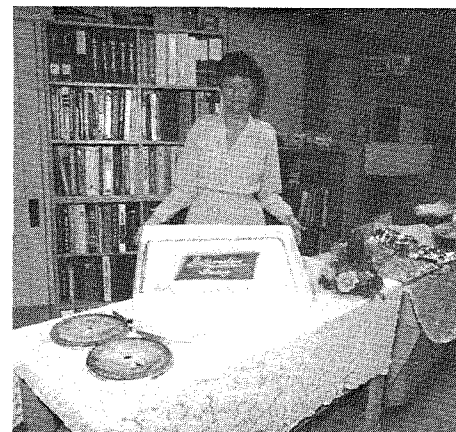
Leo Sinderman, 24-Inch Mill Pipe Shop, received a \$30 merit award for his suggestion to cut trees around the pond and flume to eliminate leaves in screens and skimmer.

No longer will our internal designation have to be translated to a customer grade request. The second objective defines and reinforces order entry grade and quality parameters. Much of the emphasis on this new system was mandated by the linking of our two computers to establish faster and accurate data communications. Orders currently on the books and all our inventories with the old nomenclatures will remain the same. As the new steel flows into the process the older material will be flushed-out. This will align our grades more closely to the AISI and ASTM Industry Standards.

As a result the quantity of steel making grades has been reduced in number and complexity. Also, additional information on chemistries and mechanical properties will be available to aid our sales personnel and better serve our customers. Complex customer requirements requiring modification to standard steels may be modified within the new system to marshal our resources and to audit customer service and on-time deliveries will result. Quality is conformance to our customer's requirements and each member of the Northwestern team now has a better tool to accomplish that mission.

A series of meetings are planned to communicate the changes so that each department will be able to incorporate these changes into their operation.

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Evelyn Anning poses with her cake and accompanying spread of food presented in her honor by fellow employees in the Purchasing Department. Evelyn leaves Northwestern following 15 years of service.

What Every Parent Should Know About Halloween Safety

Halloween is the children's night out for "Trick or Treat," "Ghosts and Goblins," "Haunts and Horrors." Unfortunately some of these horrors are all too real!

Every year on Halloween children may be hurt due to auto accidents, fire injuries, falls, cuts, bruises, and poisoned treats or other unnecessary miseries.

So it's important that you ensure a safe, enjoyable evening for *your* children. Be sure they *know* the possible dangers, and make sure they know how to avoid them.

Some Halloween hazards to watch for are:

1. *Risky Roadways* - Children become careless (because they're excited) and may run into the road without looking for oncoming cars. Dusk is the time of poorest visibility for drivers, so your kids need to take that extra look before crossing any street.
2. *Dangerous Dress* - Such as loose costumes, bulky trick-or-treat bags, unsafe shoes, masks which reduce vision, sharp or pointed toy weapons, dark, or hard-to-see costumes.
3. *Treacherous "Treats"* - There have been cases of pranksters altering "treats" so as to make them unsafe for human consumption. It's hard to believe anyone would consider such a "trick," but caution is advised when allowing children to eat the "treats" they've collected. It is always a good policy that parents should inspect each piece of candy or take the bags of candy to the Community General Hospital X-Ray department between 6 p.m. and 9 p.m. on Oct. 31.

Here are some things you should do to keep your children safe this Halloween:

1. *What route will they be following?* Know where you could find them quickly if necessary.
2. *What companions will they have?* Small groups of friends are best.
3. *What supervision will they have?* Young children should be accompanied by an adult or responsible older child.
4. *What homes will they visit?* It's best not to call at the homes of strangers or to go *into* any house.
5. *What activities have they planned?* Trick-or-treating, a party, or other plans. Be sure you know.

6. *What time will they be home?* Set a reasonable time and insist that they keep it.

Talk with your children and know their plans and be sure they understand your rules and limitations for their activities.

Here are some tips on costume safety:

- A flashlight or battery powered lantern makes it easier to see and to be seen.
- Reflective strips, patches or paint increase visibility after dark.
- Make-up is much safer than a mask, which can obscure vision.
- Toy weapons should be made of cardboard so they won't injure if fallen upon.
- Bag for collecting treats should be small enough so it won't block vision or cause tripping.
- Shoes are very important. Everyday shoes are much safer than high heels or poorly fitting "costume" shoes.
- Have a dress rehearsal to be certain child can see and move freely.
- Beware of the dog - any dog, even the family pet, may become upset by a strange costume. Instruct the children to be quiet and cautious around dogs.

How to make a costume flame-resistant:

(For cottons only - NOT for synthetics)

7 oz. borax, 3 oz. boric acid, 3 qts. hot water. Make paste from borax and a little hot water. Add rest of water and boric acid; stir until clear. Dip costume in solution, wetting completely, and let dry. Must be retreated if costume is washed.

Remember to review the safety rules for walking:

1. Cross the street at cross walk.
2. Wait for proper signal at traffic lights.
3. Look both ways before crossing.
4. Be alert for cars turning at intersections.
5. Never walk into road from between parked cars.
6. Stay on the sidewalk whenever you can.
7. If there is no sidewalk, walk on the left side, facing traffic.

Lastly, insist that all treats be brought home for inspection before anything is eaten.

If you discover anything wrong

with the "treats" brought home, call the police so that other parents may be warned and the people responsible caught.

So, remember a child looks forward to *only* the GOOD THINGS about Halloween. Alert your children to the possible dangers. Show them how to avoid accidents. Help them to have a safe and HAPPY HALLOWEEN.

Gary Budde
Safety Dept.

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Teamwork Towards Profits

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- program.
5. Developed new customers.
6. Studied product margin contribution to profitability.
7. Full scale market study of Northwestern products for both the Steel and Wire Products Divisions.
8. Implementation of Northwestern Steel and Wire Action Team, known as N-SWAT.
9. A toughened profit plan initiative.
10. Capital expenditure plan.
11. Productivity and inventory reporting.
12. Reduced various management structures.
13. Hiring of people as needed.
14. Increased communications.
15. Training programs.
16. Established productivity intricacies (yield improvement, energy cost).
17. Strategy plan for asset growth.

Northwestern Controller **Ed Maris** pointed out a disturbing downward trend in profits since April. Maris attributed some of this trend, at least in the latter months, to rolling difficult sizes of product.

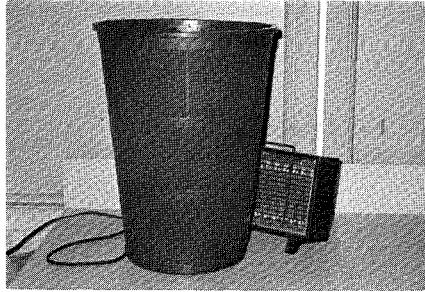
Maris also outlined the Company's profit sharing procedure which totaled 2.4 million dollars and was distributed October 3. Wilthew, in mentioning the profit sharing program, said that it is management's goal to realize enough profits for fiscal 1987 for a profit sharing pool double or triple that paid to employees in 1986.

Watch Those Office Space Heaters

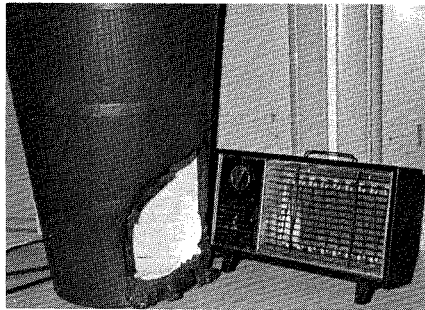
It's that time of the year again when we pull out the sweaters, long sleeve shirts and fall jackets. It is also the time when we start plugging in those portable heaters to warm up those cold toes and feet. The time is NOW when we need to start thinking about the SAFE operation of these portable heaters.

The accompanying pictures are of a waste basket left too close to a portable heater in one of the offices in the Office Annex Building. The basket was found around 6:00 p.m. by Sue Mullen, Maintenance Engineer for the Company. Luckily it was caught in time or we may *all* have been out of work for some time. So stay alert and make sure you *unplug* those heaters whenever you leave your office.

Another subject we need to address is that Office Employees are leaving coffee pots plugged in and left on overnight and through the weekend. This can be a fire hazard to all of us. So take the time and unplug those coffee pots.



From start



To finish

NSW's Booth At Expo Spreads Goodwill

Northwestern Steel and Wire Company was one of 86 exhibitors at the 5th Annual Expo Trade Fair held at Westwood Sports Center in Sterling.

Approximately 10,000 people attended the three-day trade fair, which included booths from the area's retail and manufacturing business community.

The Northwestern booth was staffed by Wire Products Division Inside



Dan Over (left) and Al Lopez, NSW Wire Products Inside Salesmen, greet the public at Northwestern's booth at the Expo '86 Trade Fair held recently at Westwood Sports Center in Sterling.

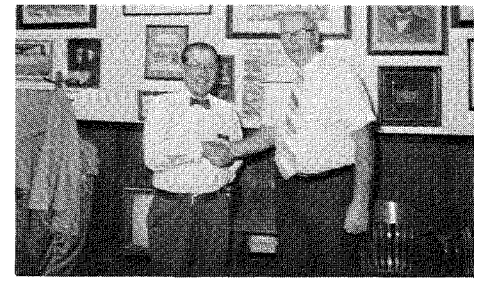
Salesmen. On display were samples of the Company's wire products, such as nails and wire fencing. Literature was available on both Northwestern's Wire Products Division and Steel Division.

The same big display Northwestern uses for trade shows across the country was set up and photo blow-ups depicted hardware store displays and wire products being used at home.

"I think Expo was good for us in that we created a lot of good will in the community," Roger Wait, Northwestern's Office Manager of Wire Products Sales said. "We had lots of favorable comments. People said they thought it was great to see Northwestern taking part."

Wait said he was impressed at the large number of present and past employees who stopped at the booth. "A number of guys came up to tell us that they spent 35 years rolling wire just like the kind we had on display. You could tell by their faces that they were very proud to have worked here," he said.

Salesmen who helped at the Expo booth were: Wait, Mike Preston, Mike Murphy, John Asumendi, Mike Dunn, Lonnie Fisher, Dan Over and Al Lopez.



Larry Mangan (right), Northwestern's Manager - Transportation Services, is congratulated by NSW Chairman Emeritus W. Martin Dillon on his 30 years of service with the Company.

Mangan Celebrates 30th Anniversary

Larry Mangan moved to Sterling from Chicago in 1956 to become a Rate Clerk at Northwestern.

Today, 30 years later, and having moved up through the ranks to hold the position of Manager - Transportation Services, Mangan said he is eager to see Northwestern return to the type of profitability the Company once enjoyed.

"I can honestly say that it has been a very pleasant experience working at Northwestern. One of the greatest satisfactions has been being part of the team of the best steel mill in the country and helping the mill through some very difficult times.

"Northwestern at one time was the most profitable steel mill in the country. I was very proud of that fact and would look forward to approaching that status once again," Mangan said.

During his years at Northwestern, Mangan has held the title of Rate Clerk, Rate Analyst, Chief Clerk, Manager of Freight Rates, and Manager - Transportation Services.

"I have seen the Transportation Industry go from rigid regulation (which I have always fought), to partial regulation in some areas, to no regulation in some areas. I definitely prefer a deregulated industry."

Mangan said he has enjoyed his years at Northwestern. "It has been a privilege working for the Dillons. I look back and remember that P.W. (Dillon) was a tough guy to work for, but on the other hand, he was a great teacher. I learned how to do things correctly.

"I worked directly under Martin (Dillon) for 18 years and I want to say that I couldn't ask for a better boss."

L.M.P.T. Teams Update

R.I.S.E. Team

Since the presentation of the need for a warehouseman for Plant 4, the RISE Team's latest project is construction of a new mat machine. The Team is currently in the process of gathering data — a task that is expected to take some time due to the extensive nature of the project.

The RISE Team is also currently gathering information on a short term project - that of finding a solution to the scrap problem on the No. 7 machine.

S.T.E.P. Team

The STEP Team finished its addendum to the Track No. 1 project concerning buried telephone cables. The Team is now in the process of choosing a new project.

I.D.E.A. Team

This team was working on a project

of setting up a communication system throughout the Plant to contact maintenance people, but has been put on hold due to the relocation of machines.

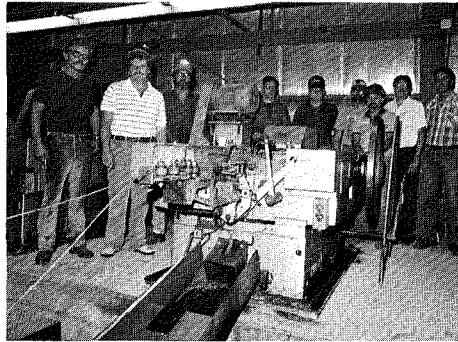
The Team has since turned its sights to another problem for the time being and is working on the purchase of a used lathe for the Machine Shop.

At this time they are collecting data on this project.

H.O.P.E. Team

The HOPE Team has two projects in the works. The first project consists of developing a vacuum machine for general cleanup in hazardous areas. They are currently collecting data on this project.

Also, the HOPE Team is getting ready for a presentation on making adjustments and change-overs on the No. 1, No. 2, and No. 3 mat machines.



Employees of the Nail Department who participated in the Westwood Wafios Two Nail Conversion Project are: (from left to right) Bob VanKampen, Mike Vancil, Mike Ely, Marv Alt, Mike Gragert, Larry Berard, Louis Ramirez, Barry Johnson, Don Bielema. Not present when the picture was taken were: John Bonnell, Stan Fischbach, Ed Cedro, John Manzano, Basil Chapman and Alvin Hunsberger.

Westwood Two Nail Conversion Project Involves Employees

Employees of the Nail and Engineering Departments are jointly participating in the Two Nail Conversion Project on the Westwood Wafios Nail Machines.

The project is totally team oriented with ideas and suggestions collected from Production, Maintenance, Machine Shop, Weld Shop, Die Room, and Engineering.

The two nail concept is not new to these employees but the Wafios equipment presented some new and interesting challenges.

The two wire feed assembly, for example, was changed and modified no less than three times until they were satisfied they had a workable part.

So far the N6 machines have been converted and plans call for future conversions on the N5 and N4 models also.

The cooperation and support of the employees in this project shows that they are Northwestern's greatest asset.

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E.I.T. Teams Tackle Projects

POP-IT Team

The POP-IT Team is currently working on a presentation to the Steering Committee on its project to rerout water through the nail galvanizer and scrubber.

N.S.W. Team

The NSW Team is currently working on two projects. The first project is to develop better lighting systems in the Drawing Room, new Warehouse Annealers, Netting, Galvanizers and outside Machine Shop area.

The second project is to improve the shrink wrap machine.

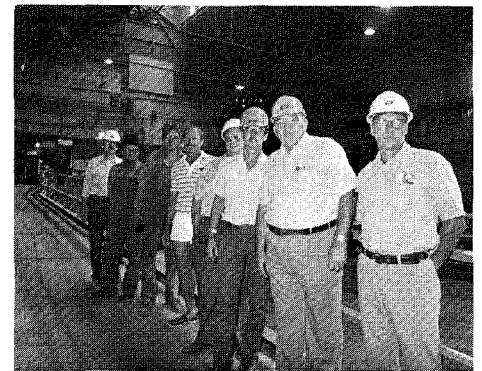
R.O.P. Express Team

The ROP Express Team is working to increase the space available for dock and warehouse facilities. Since this project is extensive and also coincides with other construction in the plants, it may take some time to complete. Therefore the Team is looking into a short term project as well.

U.N.I.T.Y. Team

The UNITY Team's last project, the ramp and bridge enclosure onto the new cleaning house, was well received

by the Steering Committee. Since this presentation, the Team has been working on selection of a new project.



Members of the "NSW" Employee Involvement Team stand on the recently completed ramp from the Descaler Department to the Wire Mill. The ramp was proposed by the NSW Team. They are (from left to right), John Reynolds, Carl Lamb, Bill Mott, Lee Buntjer, Clyde Kerber, Bob Gholson, Wendy Davis (former LMPT/EIT Facilitator) and Bob Sprungman.

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Richard Kindler Becomes New Rod & Wire Mill Metallurgist

Northwestern Steel and Wire Company welcomes **Richard Kindler** to fill the newly formed position of Rod and Wire Mill Metallurgist.

Kindler comes to Northwestern from LTV Steel Corporation, Cleveland, Ohio. He has 18 years of experience in the steel industry, having worked also with Bethlehem and Republic Steel Companies. Kindler spent 11 of those years working directly as a customer contact metallurgist.

At Northwestern Kindler will be working in the Quality Assurance Department under **Jerry Shinville**. His office is located in the Bundling Department in Plant 1. His prime objectives will be to help improve Northwestern's penetration into the Rod and Wire market and the development of new products.

"I think Northwestern was looking for someone with technical, market, customer, and rod and wire experience," Kindler said. "I'll be looking at Northwestern's equipment, capabilities and strengths. There will be a lot of mill and customer contact."

Kindler said he is anxious to begin new product development. "Wire is such a specialized product. You can have tens of thousands of applications

for it. You have to have just the right finish, with just the right steel make up for just the right properties that a particular customer may need. And then the whole thing may change for the next customer."

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Best Retirement Wishes

Best wishes for a long and happy retirement are extended to the following employees who completed their years of service at Northwestern Steel and Wire Company as of September 1, 1986.

David Caudillo, Tundish Repair, 31 years.

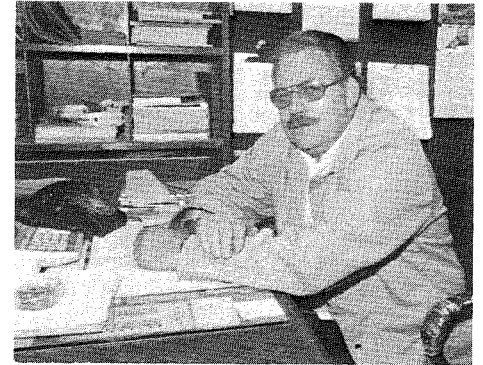
Frank McGrath, Plant 4 Maintenance, 30 years.

Roberto Puentes, Plant 4 Drawing, 30 years.

B. Dale Hadfield, Nail Room, 32 years.

David Portner, Plant 2 Welding, 31 years.

Manuel Villegas, 14-Inch Mill, 27 years.



Richard Kindler becomes Rod and Wire Mill Metallurgist, a new position at Northwestern.

Records Broken

Three production records fell in the Nail Galvanizer Department and three production records were broken at the 12-Inch Mill.

A 24-hour mark of 77.7 tons was set on the Nail Galvanizer on July 25. The old record had been 76.7 tons, set on January 28, 1986.

The 24-hour record fell on back to back days on September 9, as 83.7 tons were produced on the Nail Galvanizer, and on Sept. 10, as 86.7 tons were produced.

Congratulations to the employees who made these records possible.

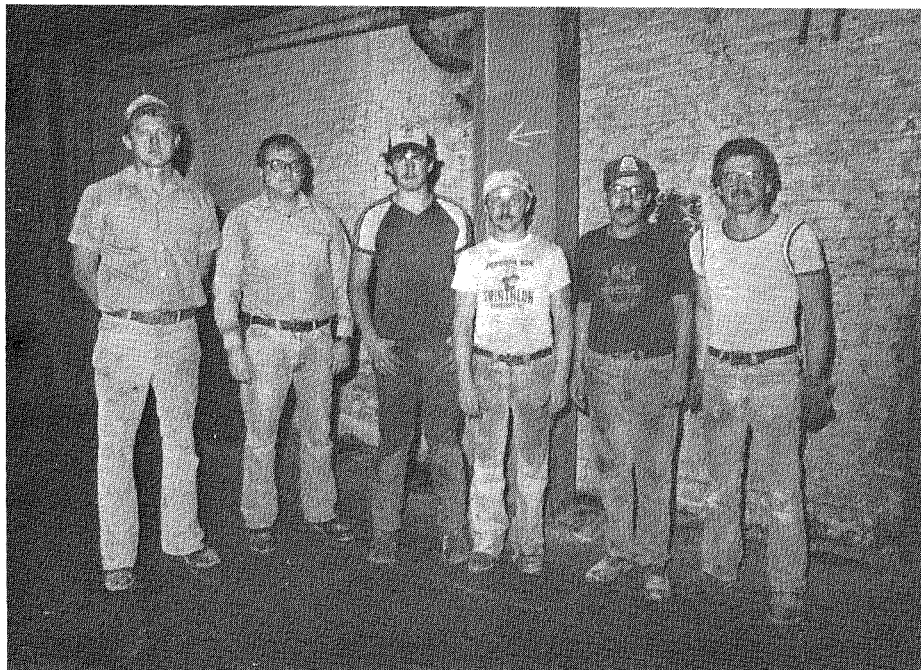
An 8-hour record was established on September 5th for 1/4-Inch rod at the 12-Inch Mill. The mark of 587.1 tons produced was established on the 7-3 shift by members of the "B" Crew. The old record was 578.2 tons, which was established November 22, 1985.

An 8-hour production record was established on September 14 for 15/64-Inch rod. The "A" Crew established the record of 472.8 tons. The old record had been 418.5 tons, set on March 18, 1986.

An 8-hour production record was established on October 3 of 597.8 tons of 1/4-Inch rod. This record reflects a 74.7 ton per hour average for the shift.

Congratulations to Northwestern's employees who worked to set these records.

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Members of the Nail Galvanizer Department which recently set two 24-hour production records are, from left to right: Mel Johnson, Keith Rahn, Jerry Lancaster, Chuck McKenna, Pablo Vasquez, and Gary O'Neal.

SPC Program Classes Begin

Classes are underway for the Statistical Process Control (SPC) program provided for through grant money from the Job Partnership Training Act.

The classes, which are available to both hourly and salaried employees, consist of Statistics, Metrology, Advanced Statistical Concepts, Production Team techniques, Quality Control, Industrial Blueprint Reading, Technical Mathematics, and Technical Reporting.

Frank Yaklich, 14-Inch Mill Inspector, said he was supportive of the SPC program. "I appreciate the chance to be involved. We are trying to keep up with the industry. Our customers are requiring a high quality product. This is the way to go.

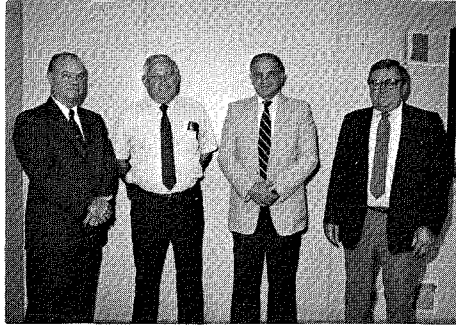
"I think it is a good deal for me too. Anything to improve myself I want to participate in," he said.

Employees who take classes receive college credit hours through Sauk Valley College, whose instructors are teaching the courses.

O.J. Harrington, Inspector, also said he supports the SPC program. "I think this is a good thing. Everybody is

working together. Teamwork is important anymore. That is what it takes to put out a quality product."

Statistical Process Control training directly addresses Northwestern Steel and Wire Company's needs for more of its employees to become



Northwestern Steel and Wire Company and Sauk Valley College are working cooperatively in Safety Training of some of Northwestern's employees. Shown are (left to right): **Zollie Hall**, Dean, Sauk Valley College; **Northwestern's Chuck Lancaster**, Manager of Safety and Security; **Tom Galanis**, Vice President — Operations, Steel Division; and **Merlyn Bruns**, Director of Human Resources.

knowledgeable in techniques and procedures that will enable them to analyze and correct quality problems utilizing the latest scientific techniques.

Through this process, each phase of the manufacturing process can be minutely analyzed and "fine tuned" whenever a quality problem arises on the production line.

The emphasis on quality products has reached the point where some companies require the use of Statistical Process Control.

Lyn Quinnan Named Transportation Rate Analyst

Lyn Quinnan has been promoted to Rate Analyst in Northwestern Steel and Wire Company's Transportation Department.

She previously served as Transportation Analyst. Lynn said she has retained the responsibility of the Transportation Analyst and has taken on the additional workload of Rate Analyst.

As a Rate Analyst, Quinnan's job is to figure tariffs as they apply to Northwestern's leased fleet, as well as for customers utilizing truck or rail transportation. Quinnan also works with inbound freight and has been doing various cost studies. She said she works closely with the Company's Sales Departments.

Quinnan, who has been with Northwestern for 23 years, started out in the Pricing Department before being reassigned to the Transportation Department. She is the first woman to do rate and tariff work.

She said she enjoys working with computers as a hobby, and has three computers of her own at home.



Lyn Quinnan pauses for a moment from her busy schedule as Rate Analyst in Northwestern's Transportation Department.

Northwestern Anniversaries

30 Years

Ronald Fulton, 9/19/56, Plant 3 Inspection.

Lawrence Mangan, 9/24/56, Salaried, Manager - Transportation Services.

25 Years

Wayne Hendryx, 9/1/61, Plant 2 Welders.

Clyde Kerber, 9/19/61, Salaried, Wire Mill General Works.

Phillip Hull, 9/20/61, 24-Inch Mill Crane Operator.

Jack Rippy, 9/20/61, Conditioning.

Malcolm Pollock, 9/23/61, Electric Furnace.

Ignacio Rodriguez, Jr., 9/21/61, Plant 2 Electrical.

20 Years

Glenn Landherr, 9/3/66, Field Fence.

Elmer Last, 9/5/66, 14-Inch Shipping.

Charlie White, 9/9/66, Plant 2 Welders.

Leonard Lench, 9/12/66, Nail

Department.

Ronald Shook, 9/12/66, Nail Department.

Jan Weinrich, 9/12/66, 12-Inch Mill.

Bonnie Anderson, 9/19/66, Electric Furnace.

Eugene Bollman, 9/19/66, Wire Galvanizer.

Lloyd Gallentine, Jr. 9/19/66, Nail Department.

Richard Lopez, 9/19/66, 20"-24" Shipping and Finishing.

Dennis O'Brien, 9/19/66, Nail Department.

Alvin Russell, 9/19/66, Salaried, Scrap yard.

John Kurfiss, 9/20/66, Over-the-Road Driver.

Melvin O'Brien, 9/20/66, Wire Mill Drawing.

John Schutz, 9/20/66, Over-the-Road Driver.

15 Years

Evelyn Anning, 9/15/71, Private Payroll, Purchasing.