September, 1988



The Lightning Bolt

NORTHWESTERN STEEL AND WIRE COMPANY - STERLING, ILLINOIS 61081

Inside This Issue Theisen Supply Co. Grows Over Years

Little did Leo and Kathryn Theisen know when they opened up a small store in 1927 in Dubuque, IA, that they were planting a seed that would grow into a major supply company. Today Theisen owns eight stores and supplies 14 associate distributors that serve over 60 stores. Read about this exciting company on page 2.

First Load Shipped From New Facility

The first load of nails was shipped from the new Nail Packing Facility. Read on page 5 about when this shipment was made and which customer received this first load.

Northwestern's Own 'Olympians' Compete

Thirteen Company employees participated in the United Way Corporate Olympics fund-raising event held recently. But the big winner was the United Way agencies who benefit from the proceeds. Read more about this on page 6.

Water Jel Packs Aid Burn Victims

Northwestern has purchased a new product which will greatly aid burn victims. The Water Jel Packs are being located throughout the mills. Read more about this on page 8.

Houston Mill Plan Approved

The Board of Directors of Northwestern Steel and Wire Company has unanimously approved the plan to complete the acquisition, modernization and production of wide flange beams at the former Armco site in Houston, Texas, President and CEO Robert M. Wilthew said.

Wilthew said the acquisition should be completed by year-end, during which time details of the project will be released. Northwestern is working with several potential candidates to arrange financing for the \$150 million acquisition. Northwestern obtained a leasehold interest and initiated some construction at the Armco site beginning in June, 1987.

The Armco plant was closed in 1983. It is located in the Greens Port Industrial Park located on the Houston ship channel.

Northwestern plans to operate the Armco facility at an annual capacity of 600,000 tons of wide flange beam products. The plant is capable of producing products that will complement Northwestern's existing facility in Sterling.

Northwestern has been trying to acquire the Armco plant for more than two years. The completion of the acquisition had been delayed during the transition of a publicly held company to an ESOP leveraged buyout, which was completed on August 16, 1988.

Dispose Of Last Five Steam Engines

The final chapter in the long era of Northwestern steam engines was written Thursday, September 15, as the last five of the iron engines previously used by Northwestern Steel and Wire Company were transported for dismantling.

The steam engines, which were stored across the road from North-western's former Post Plant, were owned by the Illinois Railway Museum in Union, IL.

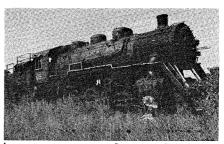
The Museum purchased the engines from Northwestern upon their retirement from service, but found no way to economically transport them to Union.

The engines were moved on September 15 to Miller Compressing in Sterling, for processing into scrap.

The engines were among 50 purchased from a broker in 1959. The steam engines were used exclusively for switching at Northwestern until December 3, 1980, when the Company went to diesel engines exclusively.

"We had to switch to the diesel

engines," Larry Mangan, Manager, Transportation Services said. "The last year we used the steam engines, they cost us \$1 million more to operate than diesel engines would have. The diesel engines also are far more powerful and much faster than the steam engines."



An era came to a close on September 15, as the last five of the previously used Northwestern steam engines were moved to Miller Compressing, Sterling, for processing into scrap. The engines served the Company from 1959 until December 3, 1980, when the Company went to diesel engines exclusively.

Theisen Grows Into Major Supplier

When Leo and Kathryn Theisen opened up a small store in 1927 at 330 8th Avenue in Dubuque, IA, known as Theisen Battery and Electric, they were just trying to make a living as small, honest merchants.

Little did they know that the seed they had planted would grow into a major midwestern distributor of hardware known as Theisen Supply Inc., with a Distribution Center in Dubuque, eight company-owned retail locations and 14 associate distributors (who serve over 60 stores).

There are 150 Theisen associates at the Company's retail locations and another 35 at the Distribution Center.

Of course the Company did not grow overnight. From its modest beginnings in 1927, the Company steadily grew for two decades. In 1953, the Company changed its direction to concentrate on rural customers. In 1956, **Jim Theisen**, President, joined the Company and has steered Theisen Supply through the major portion of the Company's expansion.

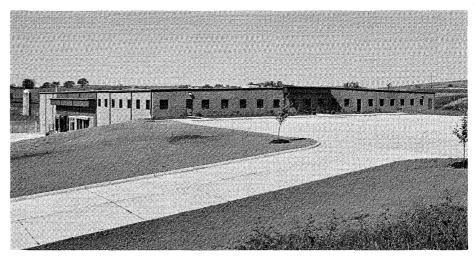
All Company stores are located in Northeast Iowa, but Theisen distributes indirectly through its associates to stores in Illinois, Indiana, Minnesota, Nebraska and South Dakota.

According to Theisen, the Company has not grown just by accident. He attributes Theisen's success to dedicated employees and a solid philosophy that pleases customers.

"We have two philosophies," Theisen said. "We operate from the premise that you buy from people and



Theisen now owns eight retail stores throughout Northeast Iowa and also serves five other states through associate distributors.



It seems fitting that the Theisen Supply Inc. Distribution Center should be nestled adjacent to farm land in Dubuque, IA. Farmers and other rural dwellers have been major customers of this 61 year old Company. Theisen has 35 associates at its Distribution Center and another 150 at eight stores in Northeast Iowa.

not from companies."

That's how Theisen views its customers. It also views its associates in much the same manner. "If you are a Theisen associate you work with us, not for us," Theisen explained. "Our second philosophy and what we tell our associates is that you don't let it happen, you make it happen."

Theisen has worked to surround himself with trusted and reliable people. Mike Condon, Branch Manager for Theisen Supply, joined the Company in 1985. In 1987, sons Chris and Tony joined the Company - Chris as Vice President of Operations and Tony as a Buyer.

The Theisens and their associates are looking toward the future with anticipation. Company officers have outlined a three year plan which will, in part, see all Theisen stores fully computerized with point-of-purchase inventory tracking.

"Our Distribution Center is computerized right now. But we want our stores to be fitted with state-of-the-art equipment by the end of 1989," the elder Theisen said.

A major part of the computerization process is use of product scanning equipment. Product bar codes are appearing on almost all consumer products today.

The Theisen/Northwestern relationship began in 1980 and has flouirished. Theisen primarily purchases farm

fence, but also buys lawn and garden products and nails from Northwestern.

"We are very excited to be able to market Northwestern products," Theisen said. "Northwestern's packaging is very attractive. We've also noticed an increase in quality control."

Calling on Theisen Supply as Territorial Salesman is **Dan Kindle**. Inside sales correspondent is **Dan Over**. Jim Theisen is in frequent contact with **David Oberbillig**, Vice President of Wire Products Sales, and **Jim Treacy**, Assistant Manager - Wire Products Sales.

"Northwestern Steel is a lot like Theisen Supply in that we like dealing with people rather than just companies. It has been a pleasure working with Jim, his boys, and Mike Condon," Treacy said.



Jim Theisen, President of Theisen Supply, Inc. (right) and his son Tony, Buyer for the firm, recently toured Northwestern's steelmaking facilities along with other members of Theisen Supply, Inc.

Three-Man Straighten/Cut Production Record Set

Three Straighten/Cut operators established a record in March that nearly surpassed the four-man crew record.

The mark was just discovered in retabulating figures, according to **Cedric Patterson**, Straighten/Cut Department Foreman.

The three-man crew, consisting of Gene Johnson, Vern Fowler, and John Masini produced 799 tons in March to surpass the old three-man crew record of 765 tons. The existing four-man crew mark is 803 tons.

Congratulations to these men for their achievement.

14-Inch Mill Sets Monthly Production Mark

A monthly production record, established in February, 1988, was broken at the 14-Inch Mill in August.

A record 36,765.0 tons were produced at the mill, surpassing the 35,479.0 tons produced in February.

Congratulations to all employees who contributed to this record.

Northwestern Retirements

Northwestern Steel and Wire Company wishes a long and happy retirement to the following employees who retired effective September 1, 1988.

William VanHoose, Security, 33

Eugene Williamson, Poultry Fence, 29 years.

Tom Mullen, Salaried, Brick Masons, 35 years.

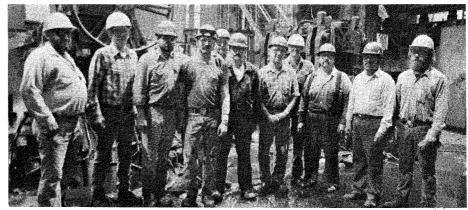
Robert Goodwin, Plant 2 Rewind, 26 years.

Robert Hoeg, Salaried, Administrator of Facilities Planning, 36 years.

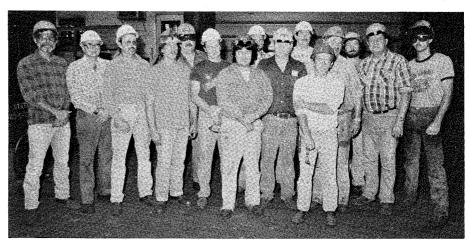


Personnel Changes

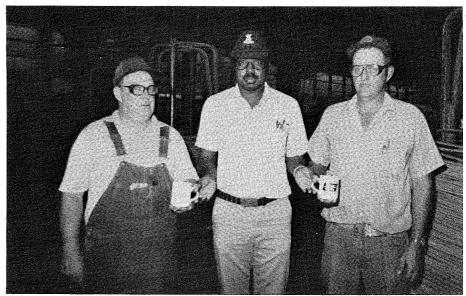
Garry Scott, is appointed General Foreman of Inspection, Plant 5.



Members of the 14-Inch Mill Mill Crew who contributed to a monthly production record are (left to right): Kenny (Snuffy) Smith, Don Smoot, Denny Gipson, Mike Hurd, Lowell (Hoot) Kepner, Mike Smith, Charles (Chuck) Murphy, Bob Martin, Ralph Cisketti, Braulio Castillo, Harold (Junior) Packer.



Members of the 14-Inch Mill Finishing Department who also contributed to a monthly production record are (left to right): John Thompson, Terry Gaskill, Bill Blair, Tom Terry, Richard Worrell, Mike Kitzmiller, Victor Reyes, Edward Tutterrow, Calvin Hermes, Jack Skrogstad, Ray McMillan, Gerald Anderson, Richard Skibbe, Howard Hageman, and Ty Duncan.



Cedric Patterson (center), Foreman, Straighten/Cut Department, presents a mug to Gene Johnson and Vern Fowler for their part in setting a monthly three-man production record. Absent when the photo was taken was John Masini.

⁴ 14-Inch Mill QIP Team No. 3 Solves Spindle Movement Problem

A solution to end spindle movement on the 14-Inch Mill roll stands is expected to save the Company \$184,879.50.

Following extensive research the Team concluded that there were a number of contributing factors causing spindle movement, including redesigning a different type spindle carrier and the machining out of round spindles to their ideal shape. The Team also made some changes in the way water is sprayed onto the bearings to eliminate the amount of grease needed on these bearings.

The Team undertook a pilot project by renovating No. 15 stand. When the renovation proved successful the QIP Steering Committee, at the Team's recommendation, agreed to renovate the remaining five finishing end mill stands.

By implementing this recommendation, the team feels that considerable savings can be achieved by reducing the amount of time necessary to change coupling boxes, and reduce the amount of time necessary to build up coupling boxes.

Members of the Team are: Co-Leaders James Gallentine and David Kendrick; Co-Recorders Jerry Holder and Michael McCaffrey; Ronald Paschal; Dallas Hodge; Gary Zentz; Dan Gaffey; Ken Ronzone; W.R. McDonald; and Ronald Carroll.

Steering Committee Members are: Dick Frasor, Max Knowles, and Chuck Rhode.

Salaried Christmas Party Set For December 9

The Salaried Christmas Party is slated for December 9 at the Brandywine Inn, Dixon.

Details such as price, menu, entertainment, time, etc. will be announced at a later date.

Any salaried person wishing to attend should send a note to **Karen** Freres. In order to receive the lowest rates, Northwestern must notify the Brandywine of the approximate number that will be attending.





The 14-Inch Mill Team No. 3 makes a presentation to the Steering Committee. The Team solved a mill spindle movement problem on the roll line. The solution is expected to save the Company \$184,879.50.

Business Is Paying Product Liability Price

Illinois businesses are waging a campaign to reform the state's unpredictable product liability laws.

The Illinois State Chamber of Commerce, in conjunction with more than forty corporations and trade associations in the state, is participating in the Illinois Product Liability Project.

The Project was created in recognition of the problems businesses are facing because of the state's unpredictable liability laws.

The consensus among many Illinois businesses is that our product liability laws are damaging the state's economy.

Project participants recognize there must be a balance of the interests of people who are injured and the economic importance of protecting the rights of responsible, safety conscious Illinois businesses.

But, product liability laws, as they stand today, place an immeasurable burden on the backs of businesses.

Companies can take every precaution to ensure their products are safe, but if consumers are careless and bring harm upon themselves, the manufacturer can be slapped with a lawsuit.

In general, product liability awards have been on the increase in Illinois, damaging the state's economic climate, forcing employees out of work and discouraging manufacturers from developing new products.

Porter Equipment Company of Schiller Park, Illinois, the nation's number-one manufacturer of gymnastics equipment, dropped its entire line last year because of liability concerns, forcing people out of work.

Several pharmaceutical companies have stopped making vaccines due to liability concerns. As a result, thousands of children may have to go without vaccinations this year because public funding for immunization programs cannot keep pace with the rising costs of vaccines.

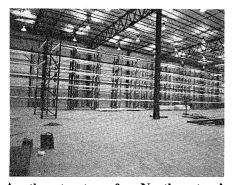
The price of dosages has jumped as much as 50% in the past six months, largely because of increased litigation costs brought on by increasing product liability lawsuits.

The Illinois Product Liability Project will work to encourage state legislators to enact product liability reforms in the 1989 legislative session of the General Assembly.

What's New At Northwestern

Northwestern's Tractor Repair Shop is in full swing.

Shown is Northwestern's four-bay shipping dock at the new Nail Packing Facility.



As the structure for Northwestern's Nail Packing Facility nears completion, the inside work begins. Shown is a portion of the rack storage system.

Binns Lathe Progress

Components for the Binns Lathe have started to arrive and equipment setting should begin shortly. The chip conveyors have been installed in place.

14-Inch Mill Building Repairs

Building repairs are in progress at the 14-Inch Mill to tie the crane runway girders back to the building columns. This work will include the mill bay and shipping bay.

First Load Shipped From New Nail Packing Facility

The first load of nails from Northwestern's new Nail Packing Facility was shipped to Mazel & Co. of Chicago, a long-time Northwestern customer, on August 25. The load was sent to Mazel via Minaret Cartage of Rock Falls.

The four-bay enclosed shipping facility will help to greatly alleviate congestion on Wallace Street since both out-bound and in-bound materials will now be processed at the new facility.

Nails, barb wire and coiled wire will all be shipped from the new facility.



Fork lift driver Ernie Lilly begins to lift the first load of nails to be shipped out of the Nail Packing Facility Shipping Dock. The first load went to Mazel & Co., Chicago. In the background are Bill Boyer, acting Shift Group Leader; and Tom Maxwell, Wire Division Electrician.



Shown are portions of the new palletizing machines at the new Nail Packing Facility.

Wire Production Records Established

In the past there have not been wire production records maintained in the Drawing Room. Beginning with August, 1988, the following wire production records have been established:

WIRE SIZE:	AMOUNT:	DATE:	WIREDRAWER:
20 ga. (2-Machs)	7920 #	8-26-88	M. Atilano
20 ga. (2-Machs)	8270 #	8-30-88	W. Russell
17 ga. (2-Machs)	19170 #	8-24-88	L. Fulkerson
16 ga. (2-Machs)	25920 #	8-3-88	L. Fulkerson
15 ga. (1-Mach)	10110 #	8-15-88	V. Ellis, Jr.
14 -1/2 ga. (1-Mach)	12220 #	8-12-88	D. Deets
14 ga. (1-Mach)	14880 #	8-22-88	V. Ellis, Jr.
14 ga. (1-Mach)	13560 #	8-3-88	W. Hay
13 ga. (1-Mach)	19150 #	8-1-88	W. Hay
12-1/2 ga. (1-Mach)	20460 #	8-23-88	F. Ranjel
12 ga. (1-Mach)	23430 #	8-23-88	D. Dahlquist
11 ga. (1-Mach)	28610 #	8-23-88	V. Ellis, Sr.
10 ga. (1-Mach)	27670 #	8-16-88	D. Dahlquist
9 ga. (1-Mach)	22450 #	8-1-88	J. Kastner
9 ga. (1-Mach)	29380 #	8-5-88	D. Dahlquist
.113 Nortwist (1-Mach)	9820 #	8-3-88	F. Sandoval
.128 Nortwist (1-Mach)	11360 #	8-8-88	F. Sandoval
.148 Nortwist (1-Mach)	14940 #	8-16-88	F. Sandoval

TOP PRODUCTION - 2 MACHINES:

(.151) (11 ga.) (9& 10) 51670 # 8-5-88 D. Dahlquist

TOP PRODUCTION - 1 MACHINE:

.380 (#45) 39660 # 8-23-88 B. Doering

Northwestern Employees Participate In United Way Corporate Olympics

Thirteen Northwestern employees participated in the United Way Corporate Olympics fund-raising event held in August at Sterling's Roscoe Eades Field.

The competition featured employees from community businesses competing against one-another in a track meet setting. There were two divisions -Division I: Businesses with more than 100 employees; and Division II: Businesses with less than 100 employees.

Money was raised for the event through entry fees and spectator charges.

Northwestern employees competing were:

Men's 50-meter dash: Tom Beien, (4th); Al Lopez.

Men's 100-meter dash: John Tschosik, (4th); Dan Over.

Men's Target Golf (closest to the pin): David Oberbillig (1st, 5'8"); Craig DeWitte.

4x100 Men's Relay: Beien, Tschosik, Lonnie Fisher, Over (3rd).

Men's Softball Throw: Lonnie Fisher (3rd).

Men's Long Jump: Lonnie Fisher (2nd).

Volleyball: Lopez, Fisher, Over, Tschosik, Beien, DeWitte, Perry Hahn, Annette Thompson, Diane Cooper, Kari Jacobs.

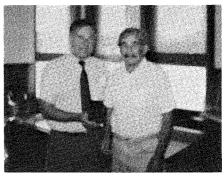
Women's Target Golf: Vella Simpson, (3rd); Terry Wike.

Women's Softball Throw: Jacobs (6th).

Water Balloon Toss: Thompson, Cooper, and Wike (4th).



Ed Howerton, Manager - Central Stores (center), holds a cake given to him on his retirement. Helping to celebrate are (front row, left to right), Donna Rodriguez, Bill Stanley, Howerton, Stan Frank, Ivie Barton; (second row) Claire Simpson, Tom Van Natta, Lee Ernst, and Jim Schuchard.



William Ramirez (right) receives his watch signifying 40-years of service with Northwestern Steel and Wire Company. Presenting the award is Peter Dillon, former Chairman of the Board.



Bob Goodwin, Rewind Shop (left), proudly displays a cake given to him by fellow employees on his retirement. Goodwin worked 26 years at Northwestern.

Group Insurance, ESOP And Fraud

When the ESOP participants agreed to take a 7% reduction in employment costs it was also agreed that benefits would not be touched.

For that reason an 8.5% reduction of W-2 earnings was required. Though benefits levels will remain the same, it is important to understand that the cost of those benefits must also remain the same for the 7% reduction in total employment cost to be realized. Failure to do so will make repayment of the ESOP loans that much tougher with only an 8.5% pay cut.

After last year's 20% increase in insurance costs it will take a cooperative effort on everyone's part to hold the line on these expenses.

Recently the Insurance Department uncovered several instances of fraud on the part of a few employees and retirees and their benefits. These persons are looking at garnishment of wages, suspension of pensions, disciplinary action, and even the possibility of criminal prosecution. It is important that employees be accurate and truthful when dealing with insurance coverage for themselves and their dependents.

For example, ex-wives and girl friends are not covered and neither are stepchildren or grandchildren unless they reside with the employee, and in the case of grandchildren, are fully supported by the employee.

Failure to notify the Insurance Department of a divorce or other changes involving dependents can result in fraud. When an employee or pensioner under the age of 65 becomes approved for Medicare it must be reported. Student enrollments must accurately state whether the student is full or part time. Failure to observe the rules will result in disciplinary action being taken.



Bill Van Hoose, Security Guard. recently retired following 33 years of service at Northwestern.



Sam Sodaro, Caster Department, recently took first place at the Media Handicapping Challenge at the Ouad City Downs. He won \$1,000 which was donated to Cerebral Palsev.

Ida Wink Joins Northwestern As Purchasing Department Clerk

Ida Wink joins Northwestern as a part time clerk in the Purchasing Department.

Her duties range from filing to entering data into a video display terminal to filling in for employees on vacation or who are ill.

Ida and her husband, Jim, are presently in the process of moving from the Milledgeville area to the Sterling-Rock Falls area. Jim, who has farmed for 40 years, is retiring.

The Winks have five children, all away from home. Ida said the couple enjoys traveling across the country



In the past Ida has been employed as

a school secretary, a secretary for an

insurance firm, and as a temporary

Ida said she worked briefly for

Northwestern, following graduation

visiting their children.

employee.

from high school.



Michael J. Rosenthal, Chairman of the Board, is surrounded by interested employees as he explains his views on the future of Northwestern Steel during a recent reception by newly elected Board members at the Sterling Coliseum for Company employees.

Sam Sodaro Beats Pros At Handicapping Challenge

Sam Sodaro, Caster Department, who used to handicap Quad City Downs races for The Daily Gazette, recently beat several professional handicappers at a special handicapping challenge.

As winner he was given \$1,000 to be donated to the charity of his choice. Sodaro said he gave the money to the Cerebral Palsy Fund.

"I didn't think I'd come close," Sodaro said. "They get paid to do what they do. But I usually can pick the horses in the money. I don't bet the long shots."

Sodaro and 10 other handicappers from the Quad Cities area were chosen to participate in the challenge by submitting their picks for win, place, and show in each of the nine races. Point values were assigned to correct picks and Sodaro came up with the highest total.



Ida Wink

30 Years

Gerald T. Shinville, Salaried, 10/6/58, Met-Inspection (All Plants).

Peter W. Dillon, Salaried, 10/23/58.

25 Years

H. Robert Sprungman, Salaried, 10/6/63, Product/Inventory Control.

20 Years

Gordon F. Millerschone, 10/7/68, Plant 5 Welders.

Robert C. Olson, Salaried, 10/9/68, Laboratory.

Edward V. Martinez, 10/16/68, Billet Caster.

Richard H. Dirks, 10/16/68, Plant 2 Millwrights.

Loy D. Clevenger, 10/22/68, Wire Mill Shipping.

Thomas Mauldin, 10/29/68, Billet Caster.

Jackie B. McGhee, Salaried, 10/30/68, Wire Galvanizer.

15 Years

Joanne E. Minson, Salaried, 10/1/73, Secretary-Wire Products Division.

Kim E. Sefton, Salaried, 10/1/73, Plant 2 Electrical.

Steven D. Bell, Salaried, 10/1/73, Plant 2 Electrical.

Charles D. Hendrix, 10/1/73, Plant 2 Electrical.

William E. Blair, Jr., 10/1/73, 14-Inch

Finishing.

Dennis L. Speers, 10/3/73, Nail Department.

Ronald D. Young, 10/8/73, Plant 2 Electrical.

Robert W. Wainwright, Salaried, 10/9/73, Plant 3 Inspection.

Roger W. Slick, 10/9/73, Rock Falls General Works.

Ted A. Holmquist, 10/9/73, Electro Weld.

Howard J. Hageman, 10/15/73, 14-Inch Finishing.

Joseph W. Swope, 10/15/73, Plant 2 Machine Shop.

Gale E. Pence, 10/19/73, Rock Falls Electrical.

Duane K. Vanderlaan, 10/21/73, 14-Inch Finishing.

Croft T. Tucker, 10/22/73, Electro-Weld.

Sherman L. Lindgren, 10/23/73, 14-Inch Shipping.

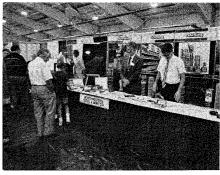
Ricky L. Smith, 10/23/73, 24-Inch Mill. Kelly B. Anderson, 10/30/73, 14-Inch Shipping.

10 Years

Arlyn J. Schier, 10/16/78, Labor Pool. Ronald W. Harker, 10/23/78, Plant 5 Electrical.

5 Years

Garnett R. Stevens, Jr., 10/8/83, Wire Galvanizer.



Northwestern participated in the annual Expo trade fair at the Westwood Sports Center in September. Shown behind the booth are Mike Murphy (left) Inside Salesman, Wire Products Division and Bob Gholson, General Supervisor, Wire Division. Jerry Hartman, Manager of the 24-Inch Mill speaks with another exhibitor at the far left portion of the Northwestern booth.



Northwestern employees chat with Board members at a recent reception at the Sterling Coliseum.

Water Jel Packs May Be Cool Answer To Hot Problem

Hot metal is one thing all of Northwestern's mills have in common. Though safety procedures are set up at Northwestern to avoid injury, burns do occur.

A new product on the market, known as Water Jel Packs, which are now located in each of the mills and in the Primary Steel and Caster Departments, can greatly aid persons suffering from burns.

The Packs, which come in three sizes (18" x 8"; 5'x 6"; and 3' x 2½"), are packaged for quick application in an emergency situation. The packs are designed to be applied directly to the burned skin or over burned clothing that has adhered to the burn area.

The packs perform three major functions: 1. Take heat away from the burned area; 2. Help prevent infection; 3. Help reduce pain.

It is expected that use of the packs can reduce the tissue damage due to burns and can reduce human suffering and recovery time.

The packs can also be used as a fire-blocking blanket.

Packs are being kept in the following locations: *Electric Furnace Department* - Regulator Room, Scale Office, Stir Station, Slide Gate Shop, Mold Pit Office; *Caster Department*: Billet Control Room; Bloom Control Room; Billet Roll-Out Shack; Bloom Roll-Out Shack; Millwrights Area; and at the Roller's Office at the 12-Inch, 14-Inch, and 24-Inch Mills.

The Safety Department would like assistance from anyone who has a suggested location for the packs. Employees should call **Gene Jacoby** at 244.



Chuck Lancaster, Manager - Safety Department, demonstrates the use of Water Jel packs for the treatment of burns. The packs are being placed throughout the mills as a first aid treatment for burn victims.

New Contract Agreement Books Are Now Available

Copies Can Be Obtained From Karen Freres In Human Resources