

**A
LOOK
INSIDE**



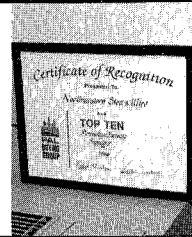
**Business begins
at Safety Store**

See page 3



**NSW records
still falling**

See page 4



**NSW receives
recognition**

See page 6

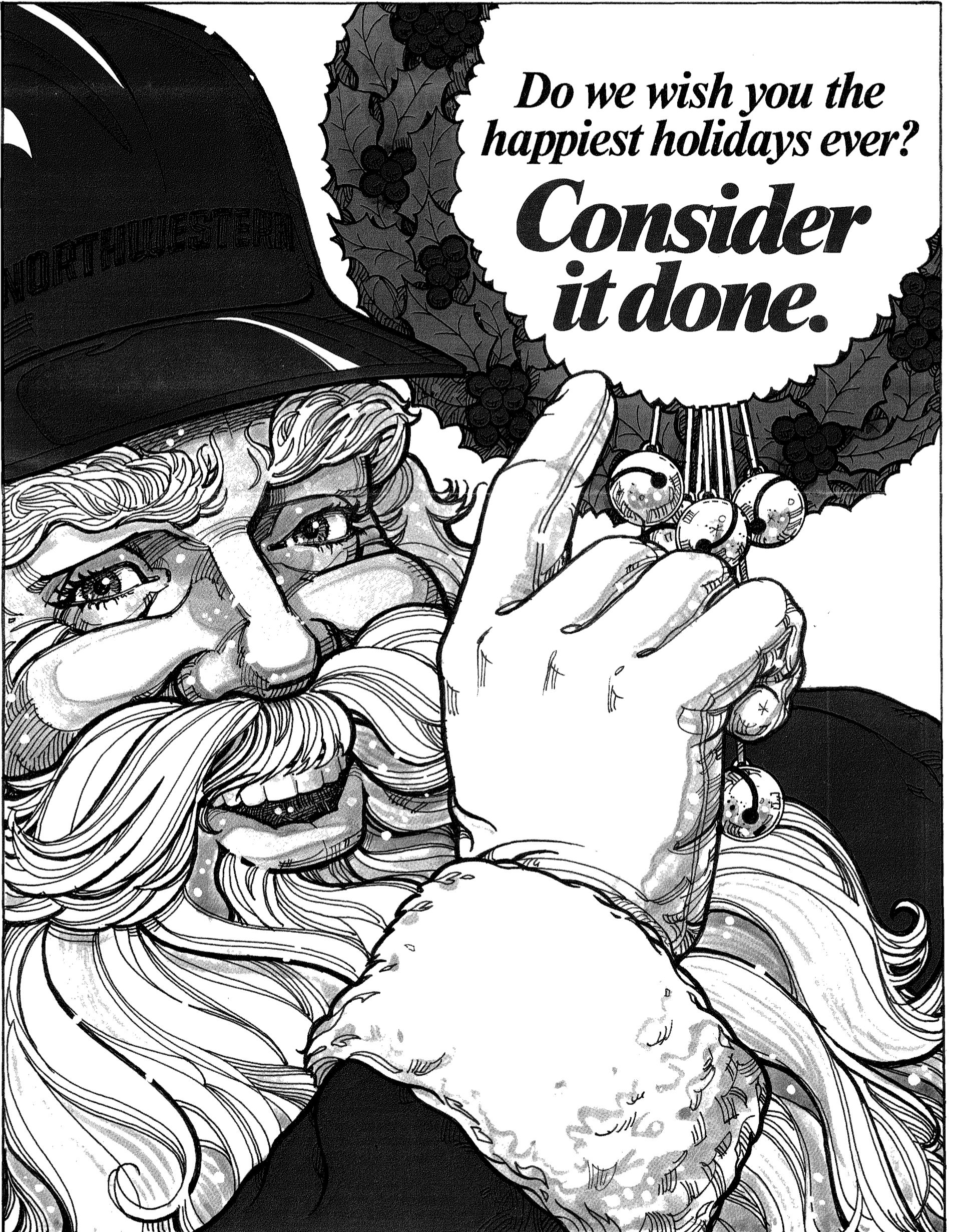
The Owners Manual

A PUBLICATION FOR EMPLOYEE/OWNERS AND RETIREES OF NORTHWESTERN STEEL AND WIRE COMPANY

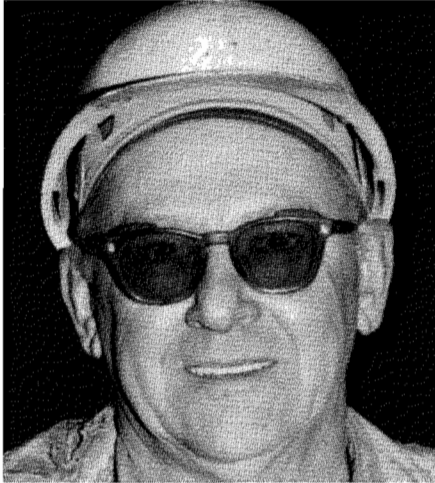
December, 1989

*Do we wish you the
happiest holidays ever?*

***Consider
it done.***



Viewpoint

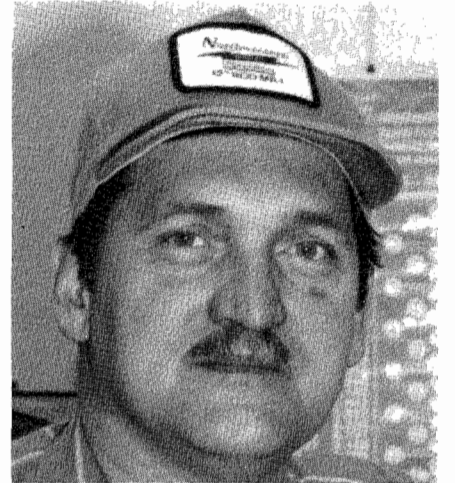


"Everybody should be concerned about safety. If everybody was concerned more, then we all would be safer. We could emphasize safety more with new employees, especially in the Furnace Department."

Frank Norman
Crane Mechanic

"Safety is a major concern at NSW. What suggestions would you offer to make your department even safer?"

The NSW employee/owners who give their viewpoint are picked at random. The opinions of the *first eight* people who give spontaneous or impromptu answers are used; we do not look for the "best" eight answers. The responses given are the responses that appear in print. They are not edited, or changed.



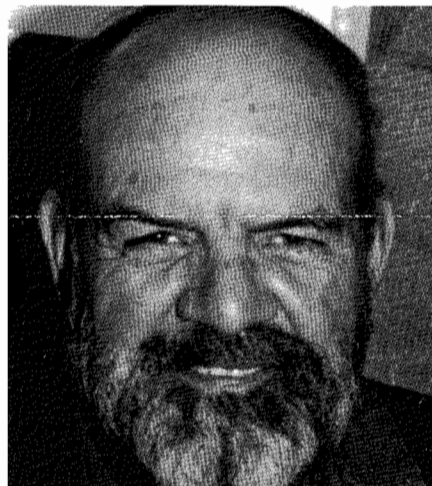
"Personnel should not overlook the hazards they are used to and be aware that the hazards are still there. They get used to the hazards and forget."

Bill Abell
Inspection Supervisor
12-, 14-, 24-Inch Mills



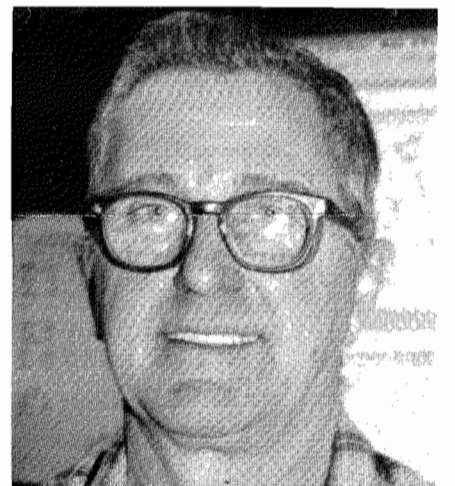
"In the Tractor Shop I think it is about as safe as we can make it. I don't see any changes now - maybe if production traffic increases then maybe."

Warren Rice
Tractor Mechanic



"Get the department moved outside where a guy could hear. It is too noisy."

Dallas Hodge
Pipefitter
14-Inch Mill



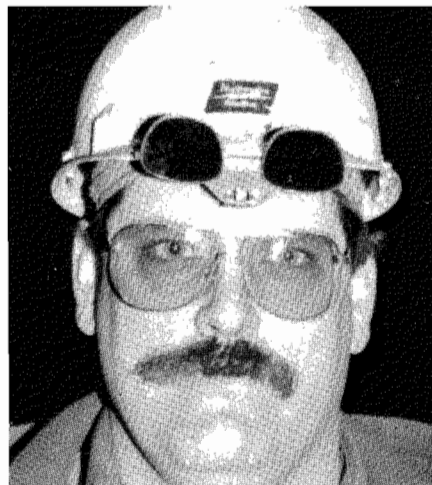
"Most of our guys think about safety when they are on the job. Keep them aware of the dangers. We work in a high hazardous area."

Don Wiemken
Electric Furnace
Repairman



"We need a three man crew back instead of the remote control engine."

Bill Guinn
Remote Control
Engineer



"They worry about a lot of the little stuff, but don't pay enough attention to the big stuff."

Mike St. Pier
Crane Mechanic



"Put the brown rubber mats back on the floors. Make sure the computer terminals have glare-free screens on them."

Liz Rosenow
Pricing Clerk

Door prizes, discounts to be offered during January

At new store, safety comes first

Northwestern's innovative "Safety Store" opened its doors for business November 20, and if you haven't stopped by yet, it's worth checking out, especially during January.

According to Neil Sheppard, president of Safety Centers, Inc., the entire month of January has been declared "Grand Opening Month" and will feature door prizes and free give-aways. He explained a free pair of cushion-soled safety socks will be given to the first 1,000 patrons who visit the store in January. In addition, door prizes will be awarded, including six pairs of safety shoes, six fire extinguishers and six smoke detectors. Also during the month, a 10% discount is being offered on all clothing and safety shoes.

The facility, located on the northeast side of the Avenue G overpass, offers a complete line of safety and work related items.

You'll find the safety equipment



Bob Gholson, General Supervisor of Wire Drawing, is pictured above as he discusses prescription safety glasses with Rebba Forren, an employee of Northwestern's Safety Store.

the company has always supplied and more. Some of the required items are available at no charge, while other retail and specialty items are available for purchase.

Supplies include safety shoes and gloves, caps and jackets with the NSW logo, jeans, flannel shirts and cotton underwear.

The availability of good, quality work clothing is a plus, explained Margaret McCormick, NSW Buyer, who noted wool and cotton are more durable and flame resistant than clothing made from synthetic fibers.

Groundbreaking for the store was held in early October and resulted from many months of research into the safety store concept. It is being operated by Safety Centers, Inc., of South Holland, Ill.

The shop is open five days a week, Monday through Friday, from 7 a.m. to 5 p.m.

Company's most successful year this decade

1989 sales hit \$540 million mark

Northwestern Steel and Wire Company netted an \$18.2 million profit in 1989, it was announced at a November 15 shareholders meeting. President and CEO Robert M. Wilthew lauded the employee/owners for the company's most successful year this decade—and its first year as an ESOP.

According to Michael Rosenthal, NSW Chairman, the company's \$255 million valuation at the end of this fiscal year put Northwestern at the top of the list of first year ESOPs. Total sales for the year were

recorded at \$540 million, with steel sales coming in at \$420 million and wire sales at \$120 million. Both divisions increased 1988 sales by \$38 million and \$5 million, respectively.

However, the outlook for the first quarter of 1990 isn't quite as bright, Wilthew explained, adding that the current down-turn should pick up in the next six months. He also predicted that generally, business is expected to be good at least through the mid-1990s.

Production at Northwestern during

fiscal year 1989 broke down as follows:

Hot Metal Produced - 1,828,600 tons (Record prod.)

Cast Semi-Finished Produced - 1,494,000 tons (Record prod.)

Of the hot metal produced 90.5% was cast, with the remaining 9.5% (156,300 tons) produced as ingots.

Production at the 12-Inch Mill was 378,500 tons; the 14-Inch Mill produced 366,800 tons; and 369,500 tons were produced at the 24-Inch Mill.

Cast and ingot semi-finished products shipped totaled 425,900 tons.

Belated anniversary

Judi Golden, Inside Sales, Steel Division, celebrated her 20th anniversary with the company on December 15th. Her name was inadvertently omitted from the December anniversaries.

Election results announced at shareholders meeting

Class A and B directors retained

Participants in the Northwestern Steel and Wire Company Employee Stock Ownership Plan have voted to retain five members of the Class A Board of Directors and have approved a measure calling for Directors of the company to be elected for staggered terms.

A Restated Articles Amendment proposal, which would have provided that election of Common Directors be optional and not mandatory, failed to obtain the required 2/3 majority vote.

Re-elected to the Class A Board of Directors following tabulation made public at the November 15th Annual Shareholders Meeting were Raymon F. Whitney, Joseph A. Blasi, Othel "Ozzie" Osborn, Stephen L. Hester and John "Jack" Kelly. The sixth candidate, Jack W. Wilson, lost a bid for election to the board.

Whitney, a Principal with Kleiman, Whitney, Wolfe & Gore, P.C., Chicago, Ill., attorneys-at-law, garnered 3,237,899 votes.

Blasi, a professor at Rutgers University, received 3,346,160 votes.

Osborn, a retired weigher for Northwestern Steel and Wire Company, tallied 3,667,467 votes.

Hester, a Partner with Arnold & Porter, Washington, D.C., attorneys-at-law, acquired 3,350,663 votes.

Kelly, a Carpenter for Northwestern Steel and Wire Company, obtained 3,779,883 votes.

Wilson, a QIP Facilitator with Northwestern Steel and Wire Company, picked up 1,478,025 votes.

Holders of the company's Class B Shares also elected to retain five Directors. The race was uncontested. Re-elected were: Michael J. Rosenthal, Chairman of the Board of Directors; Robert M. Wilthew, President and Chief Executive Officer of Northwestern Steel and Wire Company; Edward G. Maris, Vice President—Finance, Secretary and Treasurer, Northwestern Steel and Wire Company; Marshall L. Berkman, Chairman and Chief Executive Officer of Ampco-Pittsburgh; and Robert A. Paul, President and Chief Operating Officer of Ampco-Pittsburgh.

With respect to each of the Class A and Class B Directors, the nominees elected were determined by the affirmative vote of the

holders of at least a majority of the outstanding shares represented in person or by proxy at the annual meeting and entitled to vote.

Passage of the Staggered Board By-laws Amendment Proposal now provides that half of the Directors will be elected in "even years," and the other half in "odd years," except that all the Directors were elected this past election. The term of office for "Even Year Directors," or all five Class B Directors and, if elected, two of the three Common Directors, will expire at the next Annual Shareholders Meeting. Terms of office for "Odd Year Directors," or all Class A Directors and, if elected, one of the three Common Directors, shall expire at the Second Annual Shareholders Meeting following their election.

Consequently, Class A Directors will serve two-year terms, and after the first year after this election, Class B Directors will also serve two-year terms.

According to NSW officials, this amendment was proposed to help assure continuity and stability in leadership and policy of the company. At the same time, however, it makes it more difficult to change directors should the

need arise.

Approval of this amendment required the affirmative vote of the holders of at least a majority of the issued and outstanding Class A and Class B Shares of company stock.

ESOP participants turned down a Restated Articles Amendment Proposal which would have made election of Common Directors optional. The rules state that the Board of Directors shall consist of 13 members — five Class A, five Class B and three Common Directors.

While Class A and Class B Directors have been chosen, the same has not held true for Common Directors. According to NSW officials, none have ever been elected, mainly because the nominating committee for the Common Directors has failed to agree on nominees. Neither has the Board of Directors been able to fill the vacancies.

This amendment also concerned composition of "key committees" and how many of each class of Directors were required to fill these committee posts.

Voting was tabulated by The Wyatt Company, an independent consulting firm.

Record-breaking streak continues

New highs tallied in November, December

Employee/owners continued to knock out records during October and November. *Owners Manual* salutes the ongoing accomplishments of Northwestern Steel and Wire Company's workforce. Look for more November record breakers in next month's publication.

Drawing Room Shift Record **Old Record**
4-gauge (.226) wire for reinforcing mats and remesh
Oct. 19, 1989 Feb. 23, 1989
7 to 3 shift 3 to 11 shift
49,105 lbs. of 47,425 lbs. of
wire wire
Jim Byvick H. Warren

Coiler Department Shift Record **Old Record**
6500 Baler Wire
Oct. 20, 1989 April 13, 1989
7 to 3 Shift 7 to 3 Shift
140 boxes 130 boxes
Gerald Fowler Trent Druce

Field Fence Shift Record **Old Record**
47-6-B
Oct. 20, 1989 May 9, 1989
7 to 3 shift 7 to 3 shift
115 rolls 108 rolls
Curt Dusing John Lewis

Field Fence Shift Record **Old Record**
32-6-E
Oct. 24, 1989 Dec. 21, 1988
7 to 3 Shift 7 to 3 Shift
72 rolls 70 rolls
Doug Riggins Glenn Landherr

Field Fence Shift Record **Old Record**
32-6-C
Oct. 24, 1989 Oct. 13, 1989
7 to 3 Shift 7 to 3 shift
75 rolls 74 rolls
John Lewis Ray Wolf

Electro-Weld Shift Record **Old Record**
6 x 4 x 14/16 - 20 foot rolls - tomato tender
Oct. 24, 1989 May 26, 1989
11 to 7 Shift 7 to 3 Shift
6,398 feet 5,710 feet
Darrin Eubanks, Kevin
Operator VanDeVelde
Carlos Campos, Operator
Helper Eric Russell,
Helper

Electro-Weld Shift Record **Old Record**
6x6x10 gauge reinforcing mesh
150-foot rolls
Nov. 1, 1989 May 10, 1988
3 to 11 Shift 7 to 3 Shift
25,940 feet 24,628 feet
Mark Fowler, Unknown
Operator Dan Glick, Baler
Operator Scott Griffis,
Bundler

Field Fence Shift Record **Old Record**
42-9-11
Nov. 3, 1989 Unknown
7 to 3 Shift Unknown
84 rolls 78 rolls

Jaime Garcia William Yar-
brough

Field Fence Shift Record **Old Record**
35-12-C
Nov. 8, 1989 April 1, 1988
7 to 3 Shift Unknown
127 rolls 120 rolls
John Lewis Unknown

Field Fence Shift Record **Old Record**
32-6-C
Nov. 8, 1989 April 1, 1988
7 to 3 shift Unknown
78 rolls 75 rolls
Doug Riggins Unknown

Mat Department Shift Record **Old Record**
6 x 6 4/4 reinforcing sheets
Nov. 9, 1989 June 15, 1988
9,860 feet 8,900 feet
Victor Reyes Ed Reed
Anthony Davis
Ed Weeks

Field Fence Shift Record **Old Record**
48-9-11
Nov. 21, 1989 April 19, 1988
7 to 3 shift Unknown
78 rolls 77 rolls
Glenn Landherr Unknown

Field Fence Shift Record **Old Record**
39-6-C
Nov. 21, 1989 Oct. 24, 1989
7 to 3 shift 7 to 3 shift
76 rolls 75 rolls
Curt Dusing John Lewis



A record breaker was recorded on October 24th in the Field Fence Department when 72 rolls of 32-6-E field fence were produced by (from left) John Lewis and Ray Wolf, shipping crew; and Doug Riggins, operator.

Steel Division to rally around 'Consider it Done'

Advertising theme will reinforce Northwestern's dedication to quality and to customer service

Picture this: A black and white photograph that creates the image of a main street in a small, midwestern town. Above the photograph you see the words "Will a 110-year old mill in a small midwestern town become one of the country's largest, most technically advanced producers of structural steel?" You turn the page and in big, bold, confident letters you see the words "Consider it done."

These three words, which have

Social Security deductions jump to 7.65% in 1990

Effective January 1, 1990, the amount of wages subject to Social Security payroll taxes is to be increased from a base of \$48,000 to \$50,400. The Social Security tax rate of 7.51% will be increased to 7.65%.

A comparison of the maximum annual tax for employer and employee is shown below:

	1989	1990	Increase
Employees	\$3,604.80	\$3,855.60	\$250.80
Employer	\$3,604.80	\$3,855.60	\$250.80

Those who are self-employed will pay 15.30% in 1990 (now 15.02% less 2% credit) on a wage limit of \$50,400. However, for 1990, self-employed workers can deduct half of their social security taxes for both social security and income tax purposes.

become the Steel Division's rallying cry for 1990, pack a lot of punch when it comes to putting a finger on Northwestern's image. According to Chuck Biermann, Vice President, Steel Sales, "The concept for this rallying cry was born out of truth, since it embodies the way our customers actually perceive us."

A series of print advertisements that has been developed to carry out the "Consider it done" theme focuses on Northwestern's image, the Houston facility and the 14-Inch Mill. The ads have been appearing since November in *Metal Center News*, *American Metal Market*, *Purchasing* and *Metalworking News*.

According to Leona Richards, Manager of Communications Services, the series of ads was developed to change a flawed perception of NSW as a small operation. "We want our customers to realize we are better than the competition when it comes to quality, service, delivery and technical assistance," she said, "and

once an order is placed, the customer can *Consider it done.*"

Robert Sherman, President of Sherman & Associates, Inc. of Warren, Ohio, the advertising

agency that prepared the ads, noted, the ads are being strategically placed in the top publications so their messages will reach Northwestern's steel customers.

State of the unions

Sub-fund, pension fund are key union concerns

This space will be a regular feature of the "Owner's Manual" to keep union members informed on issues that are important to them. We would appreciate your interest in taking the time to read our articles, but more importantly we ask for your comments good or bad. We also ask for any subjects that you may be interested in seeing in this space.

An issue of importance presently is the Sub-Fund. Yes, there was an error made in figuring the fund during the years 1982 thru 1987. Yes, there are some workers who will have benefits coming. At present we are working with the State of Illinois and the company to make decisions on who should have collected for what period and how much. This will include people presently working and also people who are no longer employed here. As more information becomes available, you will be informed.

The Pension Board will meet with

the employees who are considering retirement or employees who have questions about our pension plan. This will be twice each month and the dates and times will be posted on bulletin boards.

Last but by NO means least, LU 63 meets twice each month - the 1st and 3rd Tuesday - at 7:30 P.M. This is your meeting - you cannot be heard if you do not attend. This is the place to lodge your complaints if any, give ideas to your leaders and talk about things that are important to you. Remember this is a membership meeting. Your Committee has had some requests to have meetings start at 3:30 P.M. right after day shift. Please let us know your views on this. See you at the next meeting.

Merry Christmas and Happy New Year to all from the Officers Committee and Staff of Local No. 63.
Yours for a better Union
Noel Reed, President
Local Union No. 63 - USWA

Calling all unions

The *State of the Unions* column, a new regular feature in the *Owners Manual*, invites comments and suggestions from members of United Steelworkers Local No. 63 and No. 3720, Teamsters Local No. 722 and United Plant Guard Workers of America Local No. 236.

The editor reserves the right to edit submissions for style and space.

Three reach 35-year benchmark

Employee/owners chalk up anniversaries

A number of employee/owners will reach career benchmarks in January with Northwestern Steel and Wire Company. On these anniversaries, *Owners Manual* recognizes the longtime dedication of these valued workers.

35 Years

Carl W. Calvert, 1/25/55, Industrial Engineering.
James R. White, 1/24/55, Electric Furnace Crane Operator.
Robert L. Knapp, 1/31/55, Plant 3 Pipefitter.

30 Years

Larry G. Onken, 1/2/60, General Millwrights.
Lowell T. Drayton, 1/2/60, Plant 2 Electrical.
David E. Erby, 1/4/60, Manager, Wire Mill Drawing.
Alfred R. Anderson, 1/6/60, Plant 2 Millwrights.
Ronald C. Burgess, 1/6/60, Plant 3 Millwrights.
Aloys Tschosik, 1/7/60, Plant 2 Millwrights.
Cletus L. Delhotal, 1/8/60, 24-Inch Mill.
Ray J. Joslin, 1/12/60, 24-Inch Mill Conditioning.
Willard R. Mott, 1/12/60, Wire Mill Millwrights.
Kelly E. Hicks, 1/18/60, Plant 1 Pipefitters.
Sam A. Gibson, 1/18/60, West Plant Pollution Control.
Robert C. Coleman, 1/23/60, Plant 3 Millwrights.
Ronald P. Adams, 1/29/60, Steel Division Sales Office Manager.

25 Years

Wayne H. Volkman, 1/5/65, Plant 2 Welders.
Donald A. Heeren, 1/13/65, Mechanical Foreman.
Allan E. Johnson, 1/13/65, Plant 5 Welders.
Carl E. Tucker, 1/13/65, 12-Inch Mill.
Donald G. Snyder, 1/13/65, Plant 2 Inspection.
Harold Grimes, 1/13/65, Billet Caster.
Richard Decker, 1/13/65, Plant 3 Inspection.
Ricky C. Smith, 1/13/65, Plant 3 Electrical.
Dennis R. Redfield, 1/15/65, Manager of Sales, Wire Products Division.
Glenn A. Reynolds, 1/17/65, Plant 2 Welders.
Ray Verdick, 1/17/65, Plant 3 Crane Mechanics.
Basil Chapman, 1/18/65, Nail Department.
Joseph C. McDonald, 1/18/65, Scrap Yard.
Dwayne C. Crady, 1/19/65, Crane Operator, Billet Yard.
Earl P. Cook, Jr., 1/19/65, Trial Crew West.
Gerald L. Fowler, 1/23/65, Bale Tie.

Lauren Hacker, Joe Melendres retire Nov. 1

Two NSW employee/owners with an accumulated total of 54 years of service have retired effective November 1. *Owners Manual* commends these individuals on their longtime dedication to the company and extends best wishes for a happy and productive retirement.

26 Years

Joe Melendres, Bale Tie.

28 Years

Lauren Hacker, Caster.

Gary G. Rumbolz, 1/25/65, Plant 3 Electrical.
Martin E. Wright, 1/25/65, Plant 5 Welders.
Tom W. Denham, 1/25/65, Plant 2 Pipefitters.
Douglas E. Troxell, 1/26/65, Electric Furnace.
John W. Baker, 1/31/65, Electric Furnace.
Lowell F. Lench, 1/31/65, Over-The-Road Truck Driver.
Saul Gonzalez, 1/31/65, Scrap Yard.

20 Years

Beverly J. Farwell, 1/5/70, Data Processing.
Ronald E. Castle, 1/18/70, 14-Inch Shipping.
James F. Treacy, 1/19/70, Assistant Manager of Sales, Wire Products Division.
Dennis L. Handel, 1/19/70, Nail Department.
Dennis D. Thomas, 1/19/70, Nail Department.
Lyman R. Liggett, 1/19/70, Electric Furnace Department.
Richard J. Barton, 1/19/70, Plant 2 Welders.
Richard A. Wagner, 1/19/70, Nail Department.
Larey G. Blumhoff, 1/20/70, Construction Engineering.
Phillip A. Gerbitz, 1/20/70, Rock Falls Shipping.
Rogerio M. Garza, 1/20/70, Plant 3 Millwrights.
John S. Devine, 1/22/70, Rock Falls General Works.
Dorothy E. Kimbler, 1/23/70, Nail Department Clerk.

Complaints must be resolved to keep customers

The "statistics" column in each issue of *Owners Manual* includes a monthly tally under the heading of "Complaints." Jerry Shinville, General Manager, Quality Assurance, helped explain what some of this information means.

In the first column are the number of customer complaints recorded for the month in Wire Division and Steel Division products. The reasons for complaints may vary each month per division and are listed in descending order per cost.

Reasons for Wire Division complaints have included service, order error, vendor defect, shortage, customer error, surface defects and rust.

"Service" can encompass problems stemming from whether the product was manufactured properly, shipped on time and shipped on the right truck line, for example.

"Vendor defect," unique to the Wire Division column, concerns the second selling of products. "It's what we don't produce here but sell to our customers...mainly certain wire products," Shinville explained. This is done to offer a more complete line of products to the customers.

Complaints listed under Steel Division have included price/freight, customer and order errors, service, and unique to steel division, caster cracks.

Steel Division complaints are typically more costly than Wire Division per total monthly tally.

Shinville noted every attempt is made to please the customer and satisfy complaints. "If you don't please your customers, you don't have a business," he said.

Lawrence W. Farthing, 1/26/70, Rock Falls Shift Tractor.
Ronald J. O'Brien, 1/28/70, Rock Falls Millwrights.
Ralph V. Spencer, Jr., 1/29/70, Rock Falls Millwrights.

15 years

Daniel L. Reynolds, 1/6/75, Over-The-Road Truck Driver.
Daniel L. Deets, 1/6/75, Wire Mill Drawing.
James R. Cook, 1/7/75, Wire Mill Drawing.

10 Years

David Hernandez, 1/12/80, Electro Weld.

5 Years

Jeffrey M. Disher, 1/7/85, 12-Inch Finishing-Bars.
William B. Baker, 1/9/85, Nail Dept.
Larry L. Van Drew, 1/10/85, 14-Inch Mill.
John C. Ordean, 1/16/85, Nail Department.
Jose J. Flores, 1/19/85, 46-Inch Mill.
Simeon R. Cervantes, 1/24/85, General Works.
Randy D. Johnson, 1/27/85, 24-Inch Mill.
John L. Berhow, Jr., 1/30/85, 14-Inch Mill.

Checking the stats October, 1989

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	144,972	N/A
Billets Cast	59,520	88.6%
Blooms Cast	70,709	116.1%
Wire Division		
Rod/Wire	3,141.0	N/A
Plant 1	10,323.5	101%
Plant 4	5,533.0	102%
<u>24-Inch Mill</u>	27,800	119%
<u>14-Inch Mill</u>	31,944	115%
<u>12-Inch Mill</u>	32,665	92%
	Shipped (tons)	Plan vs. Actual
Total Rod/Wire	20,088	- 1,662
12-Inch Mill	10,966	+ 966
14-Inch Mill	30,274	+ 2,424
24-Inch Mill	23,194	- 4,306
Semi-Finished	18,578	+ 3,578

COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs	TOP FOUR COMPLAINTS = 83% OF TOTAL
		\$ %	
102	Rust	\$50,264 49.37%	
	Cust. Error	12,848 13.12%	
	Order Error	10,043 10.26%	
	Galv. Coat	9,687 9.89%	
Steel Division Products			
Number Recorded	Reason	By Costs	TOP FOUR COMPLAINTS = 86% OF TOTAL
		\$ %	
136	Section Price/Freight	\$39,517 26.11%	
	Order Error	33,479 22.12%	
	Service	29,968 19.80%	
		26,525 17.52%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Sept. 1989
408,407	26,008	6.37%	6.32%

* includes off until further notice, i.e. workers compensation, sickness and accident, discipline, etc. and general reporting off.

OSHA RECORDABLE INJURIES

OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc.	Rate 12.99% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - Oct., 1988
31		11.15%

Batten back as mayor of Tampico

Howard Batten retired from his duties at Northwestern Steel and Wire Company October 1, but by no means has he stopped working.

Batten, who was a roller supervisor in the 24-Inch Mill, says he will continue his mayoral duties in the tiny village of Tampico for at least another 18 months.

The 35-year veteran of NSW has seen many changes in both his former place of employment and his community over the years, but he said he sees good times ahead for both.

"Everybody has a down time—just as the plant did in 1981 and 1982, but things turn around," Batten said, adding, "Production at the plant will get even better if attitudes change. It's everybody's money/income that's affected in any downturn, not just a select few."

As for the people of Tampico,

they'll continue to see their long-time community leader on a regular basis.

"I've lived in Tampico all of my life and I'm not about to make any changes," the mayor said.

He expects to be seeing citizens both at his home at 310 E. 3rd St. and at City Hall. "Everybody knows where I live," he joked.

Batten served Tampico as a village board member for 20 years and mayor for 14 years. He stepped down from the mayoral post a few years ago, but was called out of retirement when his successor in the mayor's office passed away.

"It's been rewarding serving my town. Former President Ronald Reagan was born here and he put us on the map," Batten said.

He began his 35-year relationship with NSW March 9, 1955 in the Inspection Department. In 1963 he

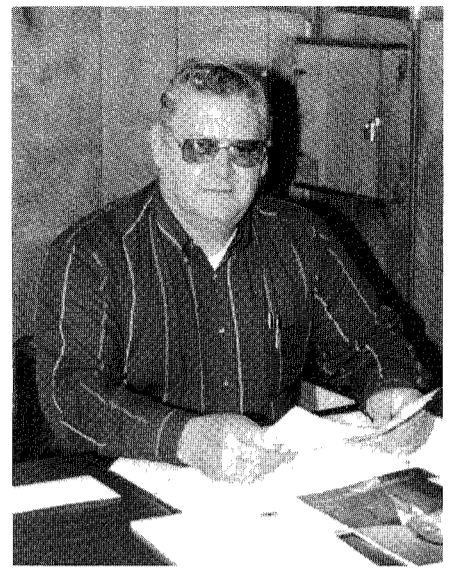
was moved to the 20-Inch Mill where he worked his way up to an assistant roller. On November 1, 1983, Batten became a roller supervisor, the job he held at his retirement.

During his retirement, Batten said he plans to drive a truck and "help a couple of farmers with hauling jobs."

"I feel like I'm on vacation right now—getting up at the late hour of 6:30 a.m. rather than 5 a.m. I like it," he said.

Batten and his wife, Tricia, have three sons. One son, Terrence, works for NSW.

Employee ownership at NSW "has been a good deal so far," Batten noted. "But, the company has got to prepare for the future. I think the purchase of the Houston mill was a great move towards making our operation more competitive," he concluded.



Howard Batten, currently the mayor of the village of Tampico, recently retired from his position at Northwestern. However, with his ongoing political duties, he's as busy as ever.

Income of students 24 and older limited to \$2,000

Tax changes affect dependents, Medicare

Anyone who has a child that will be two, three or four years old by the time 1989 ends, or a child who will be 24 years old or older this year and is a full-time student, may be interested in the following changes which will affect next year's tax return.

According to the Internal Revenue Service (IRS), there also will be small changes in the child care tax credit and Medicare Part A.

IRS officials have announced that any child who turned two years old or older during 1989 that is being claimed as a dependent will need a

social security number. In previous years, the rule applied to those who were five years old or older.

Also, the IRS announced that any full-time student who turned 24 years old or older in 1989 and had an income during 1989 that exceeded \$2,000 cannot be claimed as a dependent. In previous years, the \$2,000 income rule did not apply. The IRS notes that people who have claimed a full-time student as a dependent in the past, but will lose the student as a dependent next year because of the new rule, may want to increase their tax

withholding by filing a new Form W-4 with their employer.

Another change the IRS noted for 1989 is that employees who pay for child care (or dependent care) and are eligible for the child or dependent care tax credit, will be required to include the following on their tax returns: the taxpayer identification number of the person, business and organization providing the care; the correct name of the care provider; and the care provider's correct address.

Those affected by this rule are required to ask their care provider

for the information or get a copy of Form W-10 from the IRS and have the care provider fill out the form and return it to them. The Form W-10 is titled "Dependent Care Provider's Identification and Certification" and can be picked up at any IRS office or ordered by calling 1-800-424-3676.

The IRS is also reminding taxpayers who are eligible for Medicare part A that a supplemental Medicare premium must be computed and paid with the 1989 returns. Taxpayers who fall into this category should consider increasing their federal estimated tax payments or their withholding to cover the amount of the premium, the IRS suggested. However, it was noted that no estimated tax penalties will be charged for 1989 based on underpayment of the supplemental premium.

In-plant supply house makes debut

Spare parts, mill supplies at new Central Stores department

This is one in a series of articles highlighting various Northwestern departments. The purpose of the articles is to provide information about each area's function.

Whether it's a small motor you need or just a length of rope, it's nice to know the hardware store is right around the corner.

Central Stores, Northwestern's service-supply department, is indeed just that—a hardware store for the

entire plant.

Not only is this in-plant supply house convenient and designed to meet the needs of each industrial segment of the company, its inventory is so vast a catalog of several thousand items is published, regularly updated and distributed throughout the plant.

Bill Stanley, Supervisor, reports there is an approximate \$13-14 million in inventory between stock and what's on order within the Raw

Materials and Central Stores Warehouses. Raw materials include refractories and alloys for the furnace-caster.

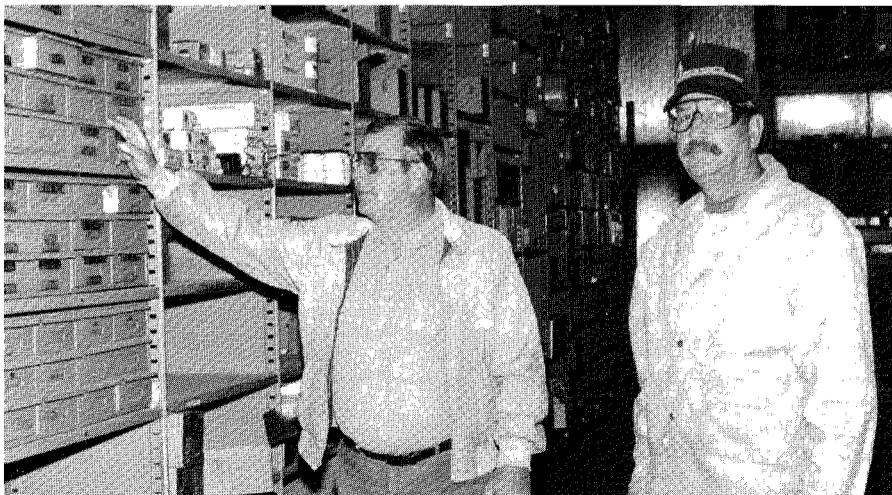
The Central Stores Warehouse stocks spare machinery parts and miscellaneous mill supplies. The inventory runs the gamut from such commonly needed items as small motors, quarter-horse to 25-horsepower for various applications in the mills; wire products; a full line of pipefitting and welding supplies; ropes and slings, to polishing stones, paint and rags.

Like any good storekeeper, Stanley and his crew of five know where just about everything is, no small feat considering the thousands of items in the warehouse.

"Whoever designed the system was basically a genius," Stanley is quick to remark.

Thanks to modern technology, the system is computerized and linked closely with the Accounting Department.

A major advantage of having a parts supply readily available is, of course, immediacy. "Although we encourage mail-ins or drop-ins," Stanley explains, "if it's a critical situation, we can get the needed item to them immediately."



Bill Stanley (left), Supervisor of Central Stores, is pictured above with Tom Van Natta, Storekeeper, in the in-plant supply house which is designed to meet the needs of each industrial segment of the company.



NSW nets PAL sales honors

Employee/owners of Northwestern Steel and Wire Company were honored for sales volume increases achieved in 1988 by the Progressive Affiliated Lumbermen (PAL) Cooperative, Inc., a buying group.

PAL, a Grand Rapids, Michigan-based wholesale distributor of wire products for the lumber industry, buys NSW's entire line of wire products, according to Ed Sanders, NSW Wire Products Salesman. During an awards banquet held in South Bend, Indiana, PAL officials honored NSW employee/owners as being one of their top 10 suppliers in sales percentage increases.

The banquet, attended by PAL shareholders, marked NSW's three-year relationship with PAL.

QIP team furnace study nets bright ideas

New lights will cut repair costs

Annual cost savings will top \$150,000 for Northwestern Steel and Wire Company if recommendations by EAF Quality Improvement Team No. 3 are implemented.

The team, headed by Alex Delgado and Ed Johnson, recently found that inadequate lighting in three electric furnaces results in delays and unsafe working conditions when furnace repairs are made.

Among the problems faced by the

team were finding a location to store lights and cords as well as designating responsibility for care of the lights after a furnace repair is completed.

Delays have also been documented when electricians replace the lighting.

After considerable brainstorming, the team is currently recommending the steering committee approve construction of a set of lights and

storage lockers at each furnace. The total cost of the project is \$4,800.

Now, the company spends around \$9,000 per year for material and labor to get lights into the furnaces. The subsequent loss of production time amounts to 104 man hours per year, according to team figures.

The team is recommending that a "hook up" man be designated as the one responsible for hooking up the lights and storing them.

Installation of a panel board at each furnace so that lights and saws can be hooked up without waiting for an electrician is also being recommended.

The \$150,000 savings estimated by the team is based mostly on lost production time and labor costs as well as the cost of the lights themselves.

The team noted that the savings do not take into account the injuries and delays for bricklayers as a result of not having lights in the furnaces.

All work could be done in-house, the team contends. Electricians could install the panel board and build lights while welders would be used to build lockers and light stands.

Team members include: Alex Delgado, Ed Johnson, LuVerne Dowd, Frank Aguilar, Ron Erickson, Charles Jennings, William Poe, Frank Delgado, Jerry Steele, Wayne Harrington, Norbert Padilla, Ray Green, Mike Cady, and Robert Menz. Jack Wilson serves as team facilitator.

The group is comprised of electricians, bricklayers and millwrights, all of whom would be monitoring the changes throughout the year, if the changes are implemented.

Draft registration required to get college financial aid funds

Richard E. Northern, Illinois State Director for the Selective Service System, has provided NSW with information about employee registration responsibilities for the Selective Service System. According to Northern, not being registered can result in the denial of Federal and Illinois employment, training and educational opportunities on an individual basis.

The Selective Service System has provided the *Owners Manual* with the following information:

Even though no one is being drafted, men are required to register with Selective Service as they reach the age of 18. Peacetime registration develops a list of the names and addresses of men who might be called upon if a return to the draft is authorized, but resumption of registration does not imply that a return to the draft is imminent.

Male U.S. citizens and male aliens residing in the United States, who are between the ages of 18 and 26, are required to register. Men born on or after January 1, 1960 must register with Selective Service within 30 days of their 18th birthday.

Men are not eligible to register after reaching age 26. With a few exceptions, a man who fails to register before turning 26 will

Service Act is, upon conviction, punishable by a fine of up to \$250,000, imprisonment for up to five years, or both. A person who knowingly counsels, aids, or abets another to fail to comply with this Act is subject to the same penalties.

Failure to register makes a person ineligible for federal student financial aid, including Pell Grants, Supplemental Education Opportunity Grants, College Work-Study, National Direct Student Loans, Guaranteed

Student/Plus Loans and State Student Incentive Grant Programs. The registration status of young men receiving such aid is verified by computer lists.

To receive job training benefits with the Job Training Partnership Act (JTPA), participants must have complied with the registration requirements. In addition, males seeking federal or Illinois State employment must have complied with registration requirements.

Annual savings could reach \$22,512

Roller box platforms will cut downtime, chance for accidents

Construction of four roller box platforms in the 12-Inch Mill is expected to reduce injury potential and "down time," thanks to the work of Quality Improvement Team No. 1.

Team members, confronted with both safety hazards and time loss as roller boxes are installed or removed, outlined a proven solution during a recent presentation.

For an investment of \$150 in in-house labor and materials, a single roller platform was erected for the No. 9 stand, one of four in the department.

The team, which monitored work on the stand for several weeks, contends a major benefit to Northwestern Steel and Wire Company will be accident rate reduction.

Use of the platform eliminated many possible causes of accidents because neither cranes nor cables are needed with the platform, the team reported.

In addition, mill down time was cut. The team established that 125 man hours could be saved per year if the platform is retained, resulting in a savings of \$1,875.

The team found that the roller box on No. 9 was changed out about 10 times during scheduled production in the last year.

Through its evaluation of the time loss, the team predicts at least 40 percent of the time could be reduced by changing the boxes using the new roller platform at a savings of \$22,512 per year.

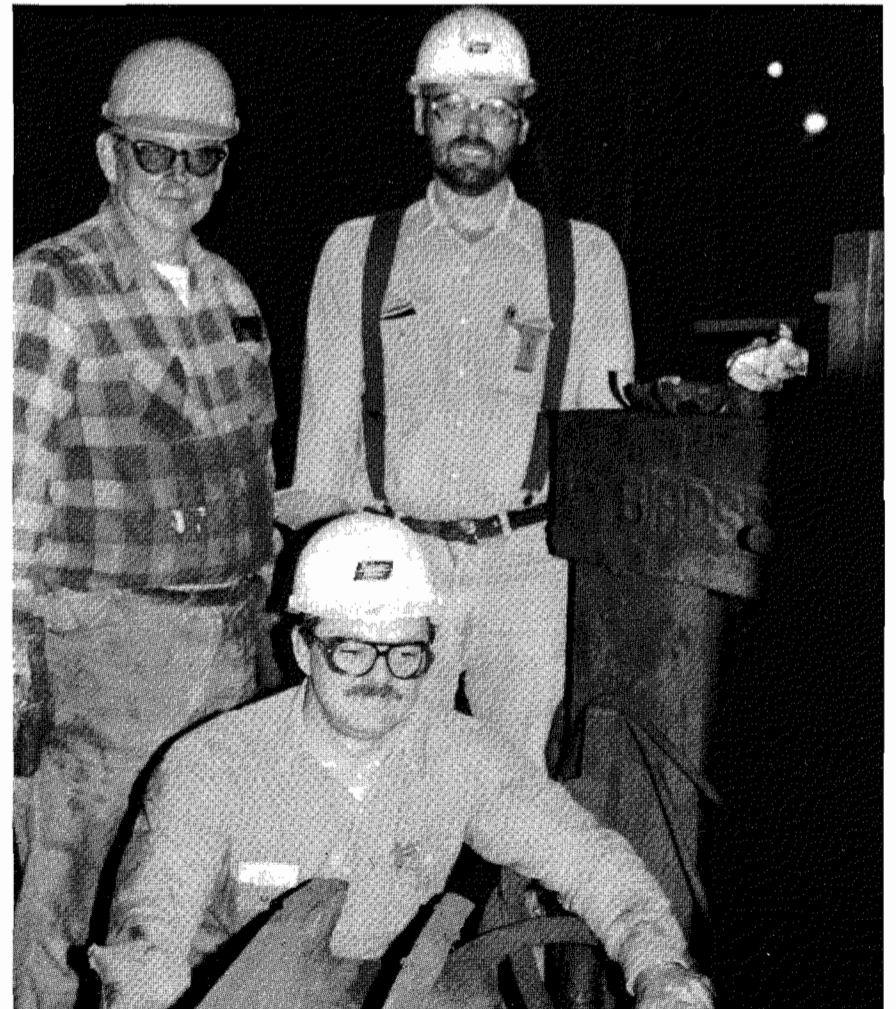
An additional six months of observation of the No. 9 platform is planned before other platforms are

installed.

Team members include: Robert McKenna, Daniel Dugal, Sr., Doug Harms, Chuck Maxwell, Ron Young, Leo Lewis, Gary Grey, Doug Brotheridge, Joe Neary and J.

Shockley.

Chuck Bennett is the team facilitator. The steering committee includes: Bob Apple, Noel Gillette, Dick Bennett and Dick Friel.



These members of the 12-Inch Mill QIP Team studied the feasibility of installing roller box platforms in the 12-Inch Mill to reduce injury and cut down time. Pictured above are (standing from left) Charles Maxwell, Doug Brotheridge and (kneeling) Leo Lewis.

Once a man has registered, his only responsibility is to notify Selective Service within 10 days of any changes to his address or other information in his registration card.

permanently forfeit his eligibility for certain benefits, such as federal student aid, job training and most federal employment in addition to facing possible prosecution as a felon.

A man goes to any U.S. post office and fills out a form by providing his name, address, date of birth, telephone number and Social Security number. The post office sends the signed form to Selective Service. A written acknowledgement is mailed to the registrant 30-90 days after he registers.

Once a man has registered, his only responsibility is to notify Selective Service within 10 days of any changes to his address or other information in his registration record.

Failure to register or otherwise comply with the Military Selective

Northwestern runs lean 'n' mean

While the industry has an average of three workers to every one supervisor, Northwestern has been successful with a ratio of 6 to 1.

The unanimous answer to the question, "How does Northwestern do it?" evokes the "lean and mean" image.

Mike Mullen, Vice President of Operations, Wire Division, said the ratio in the Wire Division is closer to 18 to 1. "Each man runs his own machine so output is easily monitored," Mullen noted. The

Wire Division tends to use Group Leaders rather than supervisors. The system has "worked well," Mullen said.

Mullen also cited a "tradition" in the company in which people work for an incentive rate. "They make sure their production meets a certain level so they can maintain a certain income," he explained.

Tom Galanis, Vice President of Operations in the Steel Division, said the ratio is more indicative of the number of hourly people to salaried people. "We don't have a

lot of fluff. We are down to the bare bones, the basic need services," Galanis explained.

While other companies in the industry still sport extra departments, larger sales staffs, and even larger financial organizations, NSW combined and streamlined its operations back in 1985. The result, according to Galanis, is that the company has become "lean and mean." The ratio has been about the same for the past three years, he continued, adding that the conversion to an ESOP just

over a year ago resulted in little change.

While other companies have a history of making departments grow and create "little kingdoms," Northwestern management has made an effort to control the number of salaried employees. According to Galanis, the move is sometimes painful for the salaried workers who carry a greater burden and often put in extra hours to meet their tasks. "The bottom line is to make and keep the company profitable," he said.

NSW's teams rate high with Miller

After hearing an award-winning presentation by the nine-person New Idea Team of the Beloit Corporation, QIP/LMPT Manager Larry Miller feels good about NSW's methods of problem solving.

In September, Miller and NSW Facilitator Ed Rios attended the Rock Valley Chapter of AQP's monthly dinner meeting in Beloit,

Wisconsin. The approximately 40 people present from Northern Illinois and Southern Wisconsin had the opportunity to observe the 1989 district prize-winning presentation on Hard Wheel Grinders, a report that featured yearly material cost savings of \$219,000.

Miller reported that he attended as NSW's representative because he "wanted to see what other teams did with their presentations," and what he saw was "well thought-out and very well put together."

He points out, however, that he returned very gratified because while the actual presentation showed some differences, the "process of problem solving was very similar to ours." While he was impressed with the presentation and understands why it was a prize-winner, Miller states the program reaffirmed his belief that the NSW process is effective and "one of quality."

Story and photo ideas requested

What's new? The Owners Manual welcomes any and all comments and ideas for stories, photos or features. Please address your remarks to Leona Richards, Manager, Communications Services, Office Annex, 121 Wallace St., Sterling, Illinois, 61081, or phone 815/625-2500, ext. 211.

Office teams feted at 1st annual breakfast

Members of the QIP Office Team and their spouses attended the first annual Quality Improvement Office Team Breakfast held last month at the Brandywine Inn.

Speakers at the event included Larry Miller, Manager of QIP/LMPT; Robert M. Wilthew, CEO and President; and Merlyn Bruns, Manager of Human Resources.

One of the topics discussed was the current 80/80 program, a system by which members collect points toward awards.

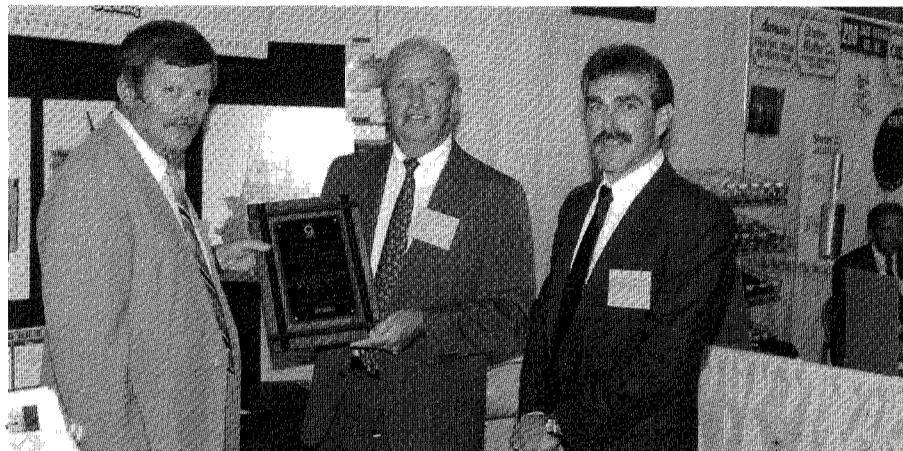
The 80/80 program involves teams attending meetings, giving presentations and streamlining operations through innovative ideas

and brainstorming.

At the breakfast, Larry Miller announced the formation of a third office team, which is the 50th team trained at Northwestern.

Bruns commended the QIP teams for first-year accomplishments and encouraged future endeavors so that Northwestern Steel and Wire Company can become more competitive and viable in the marketplace.

The function was hosted by QIP Secretary Karen Galbreath, and Lanny and Conni Munz. The Invocation was given by Merle Heckman, Facilitator.



The Quality Quest for Excellence 1989 Products Show was held recently. Pictured at the event are (from left) Jim Hammitt, plaque recipient and Quality Stores buyer; Ed Sanders, NSW Wire Division Salesman; and Wayne McCollum, Quality Stores Director of Business Development.



A 20-year friendship between NSW and Quality Stores, Inc., was recognized during the presentation of a plaque for outstanding sales to the Michigan-based agricultural products store chain.

Quality Stores is time-honored NSW customer

Quality Stores, Inc., a longtime customer of Northwestern Steel and Wire Company, which operates 60 retail stores in Michigan, Kentucky, Ohio and Indiana, was recently honored by Northwestern.

While attending a Quality Stores products show, NSW presented Quality with a plaque honoring their loyalty and record purchases from Northwestern in 1988. Their 1989 purchases to date are running over 17% ahead of the 1988 figures.

Presenting the award to Quality's President, Dave Bliss, was NSW Salesman Ed Sanders who works closely with Jim Hammitt, Buyer; and Wayne McCollum, Director of Business Development. Sanders is responsible for the special relationship Northwestern enjoys with the Quality organization.

The North Muskegon, Michigan farm store chain sells a general line of farm and home merchandise.



The parking lots near the print shop and office annex at NSW were recently expanded and paved. According to NSW officials, the final phase of the project will include striping the lot and adding lighting.

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