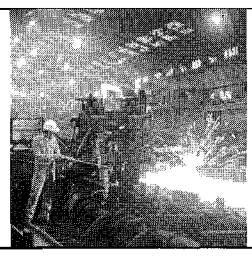
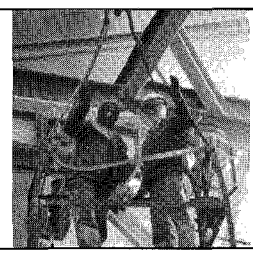
A Look INSIDE



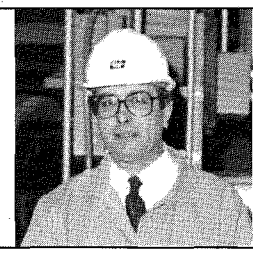
Performance record sets new high

See page 3



Workers brave the cold

See page 6



Bennett tackles new job

See page 8

The Owners Manual

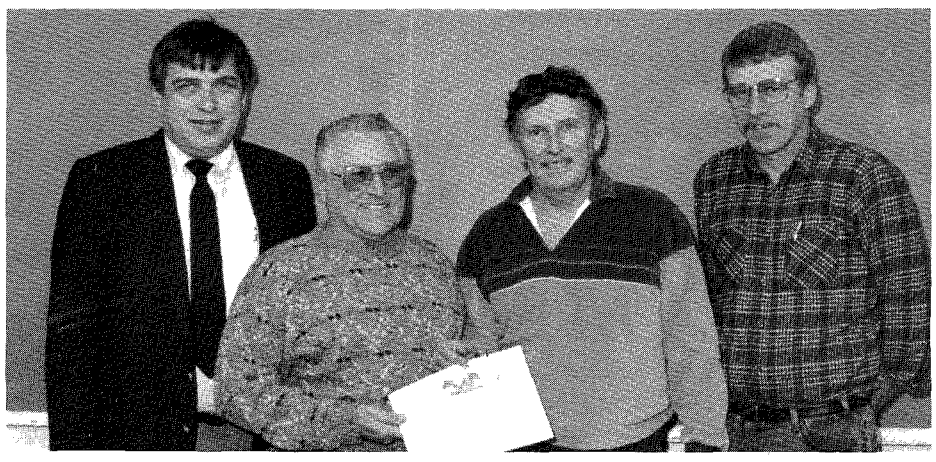
A PUBLICATION FOR EMPLOYEE/OWNERS AND RETIREES OF NORTHWESTERN STEEL AND WIRE COMPANY — February, 1990

Jackley is first to share in ESOP

NSW retiree Paul Jackley was the first employee/owner to receive an individual share distribution from the ESOP Administrative Committee. Earlier this month, he was presented with Class A Common Stock Certificate Number 2. The first certificate was issued to the ESOP Trust on August 16, 1988 to put the ESOP into effect.

Paul characterizes the typical Northwestern employee. He comes from a "mill family." His father, Leo, brothers Willie and Ray, along with several cousins and nephews, had at one time worked for Northwestern. His younger brother, Harold Jackley, is an electrician in Plant No. 5.

Jackley's association with Northwestern began as a construction worker with a construction contractor, STOLTE-BIGGE, in 1950. He was recalled to the Armed Services and, upon returning in 1952, began his steelmaking career. He worked in the East Plant Labor Pool and was assigned to the Electric Furnaces. As steelmaking moved west (beyond Avenue G) so did Jackley who worked in the new Electric Furnace Department, transferred to the 12-Inch Finishing, the 12-Inch Mill proper and then in 1966 to Plant No. 2 maintenance as a Millwright where he worked until his retirement in December, 1988.



Class A Common Stock Certificate No. 2 was issued recently to retiree Paul Jackley who was the first of 47 ESOP participants to receive NSW share distributions. In the photo above are (from left) Jim Boesen, ESOP Committee Secretary; Jackley, Tom Walter, ESOP Committee Chairman; and Jim Olson, ESOP Committee Member.

When asked about some of his memories of Northwestern, Jackley responded that he appreciated the opportunity for a good living as well as the many friends he made.

Foremost in his recollection were the changes made in the West Plant. He personally took part in these changes, having helped place the final brick in the then new No. 4 Electric Furnace.

When asked about the ESOP, Jackley commented, "I missed the 8½% investment but was pleased about the return. I was surprised to

(See PAUL JACKLEY, Page 3)

1.3 million tons shipped in 1989; end uses vary

Steel market is diverse, worldwide

Whether on land or by sea, Northwestern's Steel Division products are used by manufacturers and fabricators in a variety of interesting and not so obvious ways.

NSW's wide-flange beams, channel, angles or bars can ultimately be found in high-rise office buildings, or in contrast, as part of an agricultural tractor. A shipment of beams has been sent overseas, and NSW steel is being used to build ships that sail the seas.

Ray Bauer, Assistant Manager of Sales, Steel Division, explained steel service centers, or warehouses, comprise the largest segment of the division's customer base. Next are steel fabricators, followed by manufacturers of products or equipment. Warehouses in turn sell to the second two, usually in smaller quantities, he said.

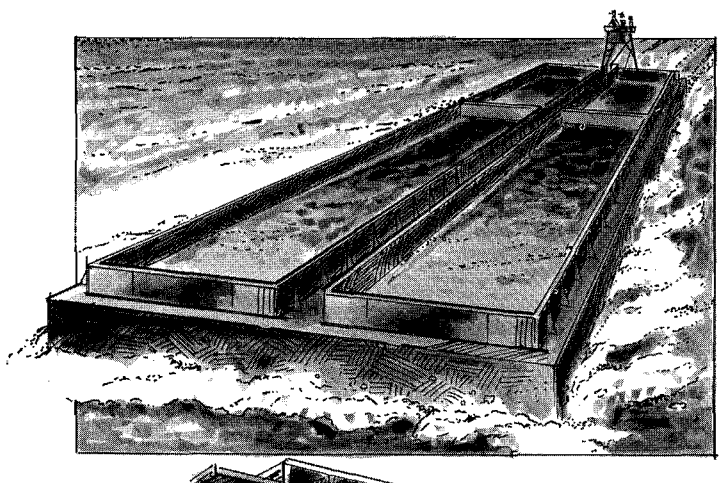
In 1988 alone, the Steel Division serviced 1,000 active customers, and during fiscal year 1989 the company shipped 1.3 million tons of steel.

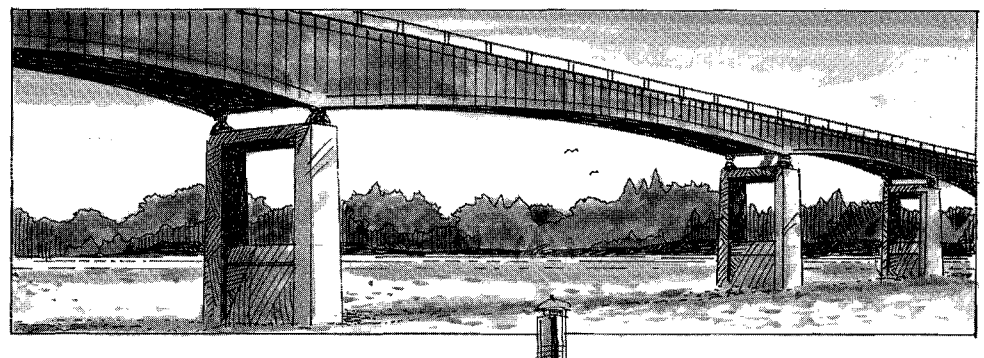
While much of the product is shipped to locations within a 500-mile radius of the plant, the clientele potential is virtually unlimited. "We have a lot of customers in the Midwest area, but we also go coast-to-coast from California and Oregon, all the way over to the East Coast. We are also servicing an increased number of steel distributors in Canada," Bauer reported.

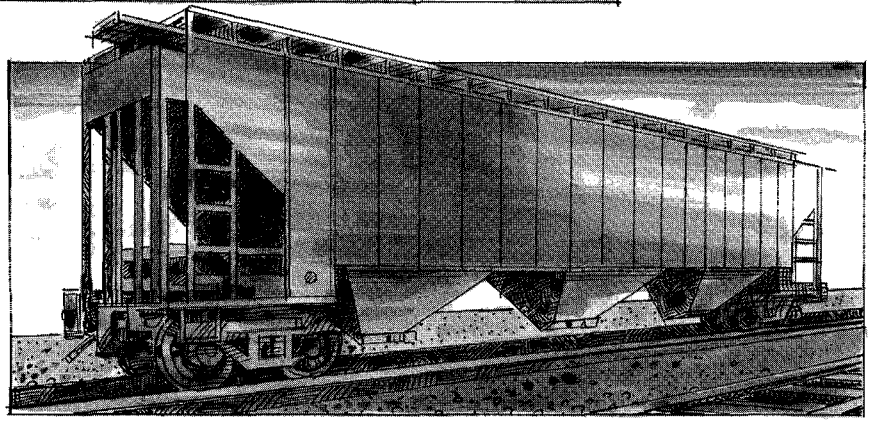
Among Canadian clients is J.I. Case in Hamilton, Ontario. A manufacturer of agricultural equipment, its parent company, which also deals with NSW, is located in Racine, Wisconsin.

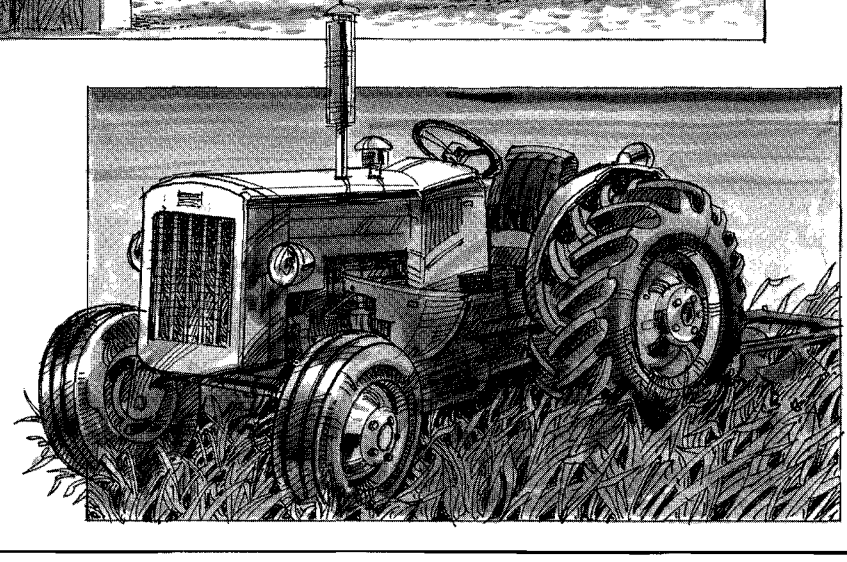
The company has also realized a successful international shipment of

(See STEEL, page 3)









Viewpoint

"If you were responsible for hiring employees at Northwestern, what would be the most important feature you would look for in a person?"

"It's more important to be qualified than to be family."

Bob Morden
East Plant
Millwright

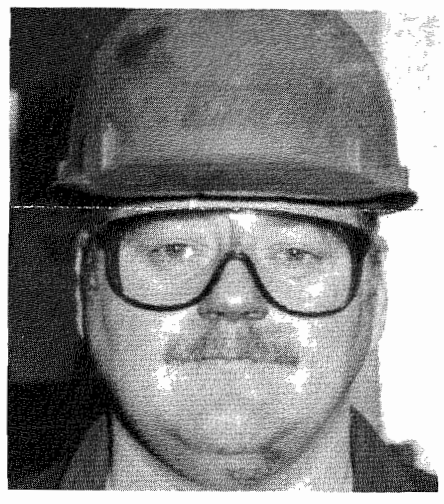
"I would look for somebody who is qualified for the job. I'd look at their past work record -- see if they were a good worker, missed work, and valuable to the company, etc."

Judi Golden
Inside Sales Representative
Steel Division

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.

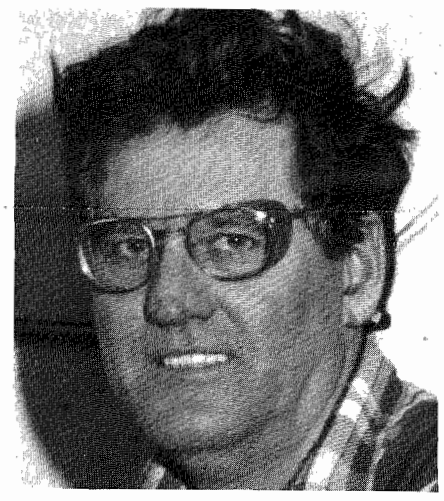
"See that he was in good physical condition. By talking to him you could tell if he had a sharp mind."

Greg Garcia
Wire Drawer



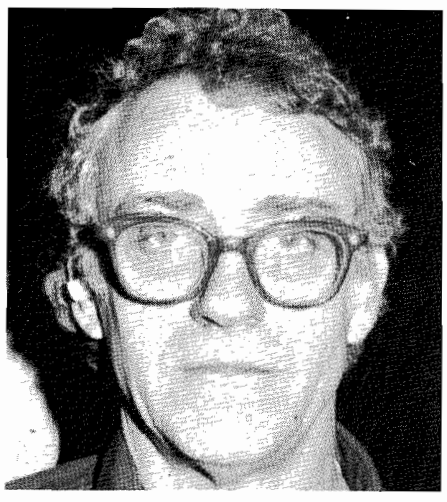
"One that is willing to work and has the ability to work without a supervisor standing around him."

Jim Pugh
14-Inch Mill Roller



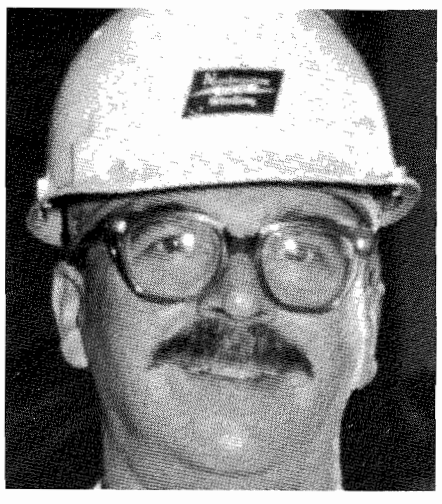
"Dependability."

Jerry Holder
Assistant Roller
14-Inch Mill



"Qualifications and background."

John Rubright
East Plant
Millwright



"Honesty and integrity."

Louis Witzleb
Roller Design Engineer

"I would choose someone who showed initiative"

Linda LaFavre
Clerk/Typist
Communications Department

Eliminates need for new hires, lessens stretched workloads

Group leader 'temps' working well

A policy of using Group Leaders to temporarily fill supervisory positions has endured many years at Northwestern Steel and Wire Company, and it is apparently just as successful today as it was 20 years ago.

The premise of the program has remained basically unchanged. Salaried Foreman positions left vacant by sickness or vacations are filled by qualified non-supervisory personnel, eliminating the need for hiring new foremen or stretching the workloads of existing foremen.

There have been changes made through the years however. While the use of Group Leaders has been practiced for years in the Steel Division, their use in certain Wire Division departments has been more recent, within the past several years.

And, there is another big difference. "In the past," explained Mike Mullen, Vice President of Operations, Wire Products Division, "management used Group Leaders as a training ground for potential foremen -- to see how an individual might react to certain situations and how well he works with people."

"In 1983," he continued, "Group Leaders became part of contract negotiations. Before, they were appointed at the company's discretion. Now it goes by seniority. We ask the person with the most seniority first, and if he refuses, we go on to the next."

Mullen admitted Group Leaders have a "slight advantage" in comparison to the permanent salaried personnel. "They (Group Leaders) have the responsibility to do the job but not the authority. They cannot discipline workers." Should a problem arise, management steps in.

Thus one important quality needed to become a successful Group Leader, he believes, is the ability to persuade workers to do their jobs.

Prospective Group Leaders go through on-the-job training with the supervisor in the department in which they will work, for as long as it takes for them to feel comfortable with the job.

A policy of using Group Leaders to temporarily fill supervisory positions has endured many years at Northwestern Steel and Wire Company and it is apparently just as successful today as it was 20 years ago.

While there is no limit on how long a Group Leader may act as Foreman, the usual time period is one week. It has ranged, however, from one shift to nearly a year. Group Leaders do receive a pay differential along with their added responsibilities.

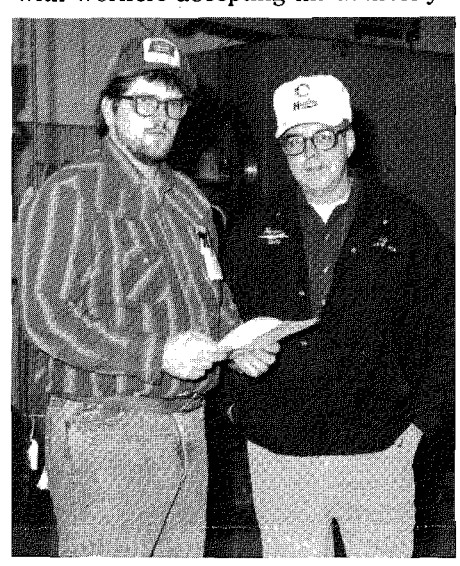
Dave Erby, Manager, Wire Drawing, said he puts Group Leaders to work on a regular basis, for indefinite periods of time depending on the situation. "We have four of them on now," he reported in mid-January. "In one department we've had two working steady now for the better part of a year."

The availability of Group Leaders to take over when needed is definitely a plus," he said. "I've had very good experience with Group Leaders. The ones that I've had have worked out well and were really conscientious."

Acceptance of a Group Leader's authority by his workers is not a major problem, Erby noted. For the few who may be reluctant to heed orders from a Group Leader, Erby said, "I remind them this guy's in here as my representative when I'm not here. You take orders from him as you would from me."

Also a firm believer in the benefits of the Group Leader program is Pete Shore, Supervisor, Bale Tie & Coilers, who not that long ago was a Group Leader himself. Prior to his present supervisory position, he spent approximately nine months as a Group Leader and said the experience helped him out a great deal. Now, he works with Group Leaders and finds they are well-qualified to accept the responsibilities. "The two we have now in Galvanizing," he reported in mid-January, "have gone through every job in the department."

During the time he spent as a Group Leader, Shore said he encountered relatively few problems with workers accepting his authority.



Group leader John Lewis and Wire Drawing Manager Dave Erby are pictured above as they discuss the duties a group leader must perform to temporarily fill a supervisory position at NSW.

A six-inch beam tonnage production record was broken recently in the 24-Inch Mill when a total of 6,452 tons of wide flange beam were produced at the rate of 49.9 tons per hour.

Beam rolling sets new high; 49.9 tons hourly

A high level of productivity during a one-week span in the 24-Inch Mill brought about a record in six-inch beam tonnage production.

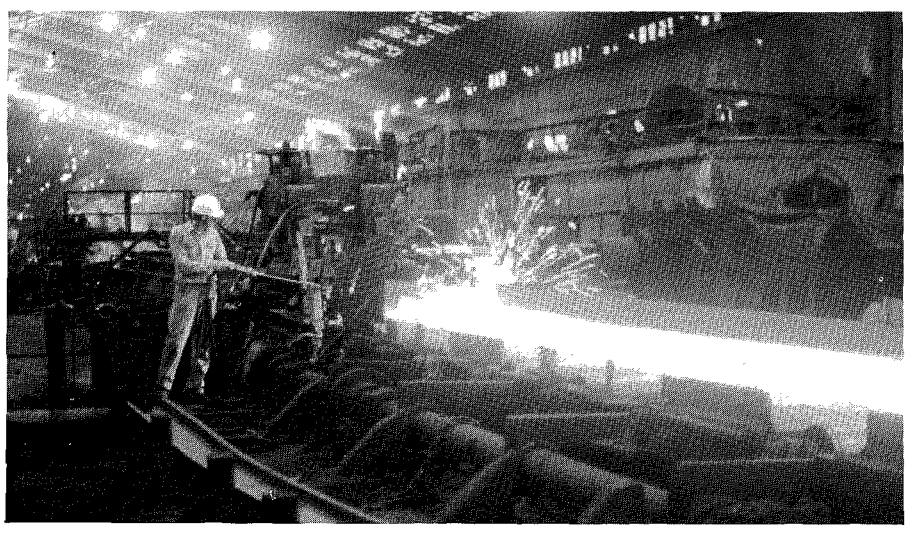
A total of 6,452 tons of wide flange beam was produced at a rate of 49.9 tons per hour, according to Jim Mangan, General Supervisor of Production in the 24-Inch Mill.

The record breaking week, which ended December 19, toppled figures recorded for a one-week period in April, 1987.

"The hourly production for the week in December was the highest average ever achieved on the six-inch beam rolling," Mangan said.

"Everybody in the department was responsible for the high performance, including our maintenance and shipping personnel," he said.

Productivity at such high levels not only helps the company to lower per tonnage costs, but also helps out the employee/owner's paycheck through incentives, Mangan said.



A recent record-breaking week in the 24-Inch Mill toppled a production record which was set in 1987. Such high level productivity helps boost incentives and lower per tonnage costs.

Paul Jackley

(Continued from page 1)

gain that much profit."

He leads a group of 47 ESOP participants who received certificates for shares of Northwestern Steel and Wire Company Common Stock on January 31, 1990. This group received a total of 6,024 shares valued at $178,310.40.

The group's ESOP participation ranged from just two weeks to 16 months. Those who had less than $3,500 value or had been retired for more than one year received all their shares. The others received one-half of their balances with the remainder to be distributed one year later. Each of the recipients has the option of redeeming shares for cash within a 60 day period.

Steel products

(Continued from page 1)

steel product to Singapore. Sixteen hundred tons of wide flange beams left Sterling for its destination on Dec. 8.

Closer to home, NSW supplies steel to Caterpillar Inc. in Peoria for use in construction equipment and to John Deere in Moline for agricultural implements such as tractors, plows and harvesters. Thrall Car of Chicago Heights utilizes NSW steel for the manufacture of railroad cars.

Elsewhere, Trinity Industries of Texas buys NSW steel to produce barges as well as railroad cars, and steel supplied by NSW is used in the building of ships for the U.S. Navy. Two major shipbuilding clients are Newport News Shipbuilding in Norfolk, Virginia, and Ingalls Shipbuilding in Pascagoula, Mississippi, which primarily uses 24-Inch Mill structural steel products.

Angles and beams sold to Scion, Inc., of Warren, Michigan, were used in the construction of the GM Saturn plant in Spring Hill, Tennessee.

Building frame construction constitutes a major use of NSW steel products, especially wide flange beams. Steel that is sold can ultimately be found in commercial, industrial and public buildings, assembly halls and arenas, and in schools and churches. Residential homes with basements commonly have a steel beam running the length of the floor.

NSW's semi-finished steel products, Bauer explained, go to "mini-mill" companies that produce, for the most part, rebar, coiled rods, bars and light structurals.

RECORD BREAKERS

Two departments tally new highs in December

Employee/owner incentives have brought about recordbreaking production in the Cleaning House.

A department effort realized seven record-breaking days in 1989, the last three occurring in December, according to Cedric Patterson, Drawing Department Scheduling Supervisor.

The Cleaning House uses a pickling system which removes scales from steel rods. The department also applies a lime coating to the rods in preparation for galvanizing or annealing.

Tons cleaned in a 24-hour period rose significantly in the final month of 1989. On November 28, 754.5 tons were cleaned, a record to be broken December 1 and again December 5.

On December 5, 799.3 tons were cleaned, Patterson said, under the direction of Department Manager Dave Erby.

"Records have been broken all year long and I expect things to keep getting better," Patterson said.

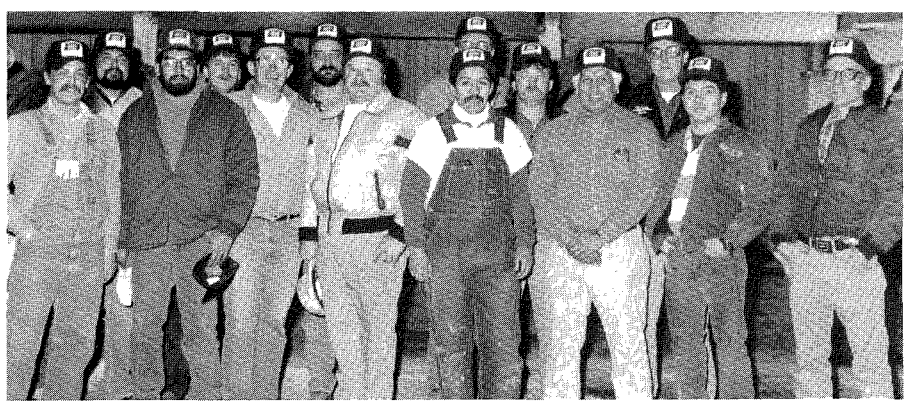
"No particular goals have been set. Things just seem to happen," he noted.

Patterson said a Drawing Room production record was set December 12 when 510 tons were processed during a 24-hour period.

"All machines, including the 10-hole and bull block machines, were operating December 12. A lot got done for our customers and for us," he said.

The Drawing Room record may have been precipitated, Patterson said, by a department brainstorming session held a few weeks before.

"We were looking for more ways to become an efficient operation. Maybe the record was the result of our meeting," he said.



'Working smart' means more records will fall

Thanks to extensive training, education and individual talents, record-breaking production is anticipated for both divisions at Northwestern Steel and Wire Company this year.

"A machine might be able to go only so fast, but a man can almost outsmart that machine and bring higher productivity," Vern Schwenk, Supervisor of Agri-Products, says.

"I see no end to record-breaking here as long as people keep working smarter. Machines can be altered or changed to produce a better product any time. It's up to us to make the changes," he adds.

"Incentives help to bring about records, but I feel pride in one's work and the recognition which comes with a record-breaking day means more to an employee/owner."

Several records were broken in Schwenk's department in the closing months of 1989. The new year began with another individual record by a machine operator.

"Incentives help to bring about records, but I feel pride in one's work and the recognition which comes with a record-breaking day means even more to an employee/owner," Tom Baker, General Supervisor of Plant 4, contends.

"I see no limits to records being broken at NSW. We can always do better," Baker said. His department produces a wide range of welded wire products. Since September, the department has tallied seven record-breaking production records.

Four of the records were broken by individuals while the remaining three were tonnage records reached by the department over one-week periods.

"I like all records, but I am especially happy when the department achieves a record. There are so many variables -- such as mechanical breakdowns -- to deal with. So, when a department record is set, you know it was because of the efforts put forth by everyone," he said.

"There's a lot more room for records in 1990. I expect many individual records to be made," he added.

In December, his department recorded two galvanized welded fabric tonnage records for the weeks ending December 2 and December 16. The new weekly tonnage record is now 228.2 tons.

For Chuck Rhode, General Supervisor of the 14-Inch Mill in the Steel Division, "Records are always there for the breaking."

He noted his department recorded an achievement of note October 6, 1989. During an eight-hour afternoon shift, 992.8 tons of flats were produced.

"We were hoping for 1,000 tons, but fell short," Rhode said, adding, "I expect to see the 1,000 ton figure met this year. We just need a good long run to do it."

Pete Shore, Supervisor of Bale Ties and Coilers, says 22 individual records were set in his department in 1989.

"All of the records were done by individuals over an eight-hour shift," he explained. He has 27 in his department.

"I don't know if record-breaking will be as frequent in 1990 because people can only do so much," he said.

"I see no end to record-breaking here as long as people keep working smarter. Machines can be altered or changed to produce a better product any time. It's up to us to make the changes."

He noted that three records were broken in the Galvanizing Department in 1989. The department, which employs around 50 people, set two 24-hour tonnage records and a one-week record, all in the final two months of 1989.

Records continue to fall in December, January

Workers on a roll; records dropping fast

Employee/owners continued to knock out records during December and January. *Owners Manual* salutes the ongoing accomplishments of Northwestern Steel and Wire Company's workforce.

Electro-Weld

Shift Record	**Old Record**
Galvanized Welded Fabric	
Week Ending	Week Ending
Dec. 16, 1989	Dec. 2, 1989
All shifts	All shifts
228.2 tons	212.7 tons
All employees	All employees

Field Fence

Shift Record	**Old Record**
32-6-C	
Jan. 8, 1990	Nov. 8, 1989
7 to 3 shift	7 to 3 shift
81 rolls	78 rolls
Doug Riggins	Doug Riggins

Field Fence

Shift Record	**Old Record**
47-6-E	
Jan. 12, 1990	Feb. 28, 1989
65 rolls	62 rolls
Doug Riggins	Doug Riggins

Coilers

Shift Record	**Old Record**
6500 Baling Wire	
Jan. 12, 1990	Oct. 20, 1989
7 to 3 shift	7 to 3 shift
142 boxes	140 boxes
Gerald Fowler	Gerald Fowler

14-Inch Mill and Finishing

Shift Record	**Old Record**
8x13.75 - 8x18.75 channel	
Jan. 17, 1990	Apr. 2, 1986
3 to 11 shift	7 to 3 shift
853.2 tons	805.3 tons
A Crew - Mill	Unknown
C Crew - Finishing	Unkown

Drawing Department

Shift Record	**Old Record**
.192 gauge wire and 378 nail wire	
Jan. 18, 1990	Jan. 12, 1990
7 to 3 shift	Unknown
59,270 pounds	57,400 pounds
Lloyd Fulkerson	Ray Gonzales

Cleaning House

Shift Record	**Old Record**
Cleaning and lime coated rods	
Jan. 18, 1990	Mar. 25, 1989
11 to 7 Shift	Unknown
332.7 tons	318.2 tons
Entire crew	Unknown

Field Fence

Shift Record	**Old Record**
47-12-B	
Jan. 24, 1990	Oct. 20, 1989
7 to 3 shift	7 to 3 shift
116 rolls	115 rolls
John Lewis	Curt Dusing

Coilers

Shift Record	**Old Record**
17 gauge ¼ mile electric fence	
Jan. 24, 1990	Aug. 18, 1989
7 to 3 shift	7 to 3 shift
620 spools	612 spools
Gerald Fowler	Gerald Fowler

Coilers

Shift Record	**Old Record**
14 gauge ½ mile electric fence	
Jan. 26, 1990	April 28, 1989
7 to 3 shift	11 to 7 shift
324 spools	316 spools
Gerald Fowler	Mike Cox

Cleaning House

Shift Record	**Old Record**
Rods	
Jan. 27, 1990	Jan. 18, 1990
365.7 tons	332.7 tons
7 to 3 shift	11 to 7 shift
Entire crews	Entire crews

Coilers

Shift Record	**Old Record**
17 gauge ¼ mile electric fence	
Jan. 31, 1990	Jan. 23, 1990
630 spools	620 spools
3 to 11 shift	7 to 3 shift
Gerald Fowler	Gerald Fowler

Loso reaches 40-year benchmark

Employee/owners chalk up anniversaries

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

40 Years

David M. Loso, 3/24/50, 20-Inch Mill Crane Operator.

35 Years

Kenneth W. Church, 3/2/55, Superintendent of Shipping-Steel Division.

Gene H. Smith, 3/4/55, Roll Shop.

Joe Canady, Jr., 3/4/55, No. 2 Pipefitters.

Raymond H. Swords, 3/15/55, Electric Furnace Crane Operator.

Joe W. Billings Jr., 3/17/55, Nail Department.

Gary K. Cassens, 3/18/55, 20-Inch Mill Crane Operator.

Pedro M. Perez, 3/22/55, 20-Inch Mill Crane Operator.

Donald T. Skibbe, 3/24/55, Electric Furnace Crane Operator.

Francis C. Jenner, 3/28/55, No. 2 Electrical.

Jimmie C. Vest, 3/28/55, Wire Mill Electrical.

Misael Rodriguez, 3/28/55, No. 1 Pipefitters.

Clayton V. Pearson, 3/31/55, Electric Furnace Crane Operator.

Ernest L. Clapper, 3/31/55, Packaging (1 & 5).

25 Years

Michael B. Johnson, 3/1/65, Mobile Mechanics.

Paul D. Blankenship, 3/1/65, 12-Inch Mill Clerks.

Charles G. Maxwell, 3/2/65, No. 2 Millwrights.

Richard E. Mocklin, 3/2/65, Electro Weld.

Robert E. Meinsma, 3/2/65, West Plant Mobile Operator.

Dale F. Cohenour Jr., 3/5/65, Rock Falls Machine.

Clark E. Slothower, 3/6/65, Billet Caster.

John Espinoza, 3/6/65, No. 2 Electrical.

Vernon Van Dyke, 3/8/65, 12-Inch Mill.

Richard J. Luptak, 3/8/65, No. 2 Millwrights.

Ronald H. Bucher, 3/8/65, Roll Shop.

Edward W. Johnson, 3/9/65, General Millwrights.

George D. Cheshier, 3/16/65, Scrap Yard Crane Operator.

Joseph E. Reifsteck, 3/16/65, 46-Inch Mill Crane Operator.

Steven D. Shipman, 3/16/65, No. 2 Millwrights.

Thomas E. Hodgson, 3/16/65, Bale Tie.

Jackie L. Woosley, 3/17/65, No. 2 Pipefitters.

Raymond Wainscott, 3/22/65, Guards.

Robert H. Wadsworth, 3/22/65, Draftsman.

Melvin E. Hohn, 3/25/65, Electric Furnace.

Marvin R. Clardie, 3/26/65, Rock Falls Shift Tractor.

Lowell Kepner, 3/29/65, 14-Inch Mill.

William A. Bardo, 3/30/65, No. 2 Millwrights.

20 Years

Elmer L. Schipper, 3/3/70, Billet Caster.

Jose Olalde, 3/17/70, Nail Dept. Foreman.

Danny B. Anderson, 3/17/70, No. 2 Electrical.

David K. Leach, 3/17/70, Scrap Yard Switch Crew.

Dennis M. Skinner, 3/17/70, Billet Caster.

Edward L. Cover, 3/17/70, No. 2 Millwrights.

Gilbert A. Gardener, 3/17/70, 12-Inch Finishing-Bars.

Ira B. Greenwalt, 3/17/70, Wire Mill Machine Shop.

Larry P. Adams, 3/17/70, Wire Mill Drawing.

Larry G. Janssen, 3/17/70, 12-Inch Mill.

Raymond E. Torres, 3/17/70, 46-Inch Mill Crane Operator.

James W. Stickel, 3/18/70, Netting.

John L. Crady, 3/18/70, Wire Mill Shipping.

Larry E. Workman, 3/18/70, No. 2 Welders.

Raymond M. Villa, 3/18/70, No. 2 Crane Mechanics.

Roger D. Hansen, 3/18/70, 14-Inch Mill Crane Operator.

Norman L. Tucker, 3/19/70, Wire Mill Shipping.

Thomas Rodriquez, 3/23/70, Cleaning & Coating.

Terry L. Adamson, 3/24/70, Wire Mill Inspection.

James O. Martin, 3/25/70, 20-24-Inch Shipping & Finishing.

Leslie R. Miller, 3/25/70, 24-Inch Mill.

Michael J. Naftzger, 3/31/70, 24-Inch Mill.

10 Years

Theodore L. Wike, 3/19/80, Turn Foreman Electric Furnaces.

5 Years

Steven E. Lauff, 3/1/85, Rock Falls Office.

David L. Yocum, 3/6/85, Nail Department.

Mark R. Ross, 3/7/85, 12-Inch Finishing-Bars.

Randall L. Witmer, 3/21/85, Nail Department.

James H. Patterson Jr., 3/27/85, Plant 2 Electrical.

Looper trough changes would save time, money

Beset by inconsistent regulation and bar carriage problems in the 12-Inch Mill's looper troughs, Quality Improvement Team No. 2 recently put together a time-saving solution which should also prove to be cost effective.

The department's five looper troughs, which carry steel bars from one roll to the next, have been a constant source of production delays, according to team members.

Dick Bennett, Manager of the 12-Inch Mill, explained the troughs' purpose is to convey bars without applying stress or tension. "The looper trough prevents the chance of bar size reduction and cobbling," Bennett said.

Causes of the production problem--ranging from mechanical, electrical and parts replacement delays to water and air pressure inconsistencies--were addressed October 31 during a report by the team which was headed by facilitator Chuck Bennett.

Time delays have been caused by computer error, according to information compiled by the QIP team. In addition, down time due to computer error was translated to an annual dollar loss of $48,000.

Water, which is used to keep the looper cool, was causing cylinder corrosion and interfering with bar scanning, plus, safety problems were noted.

The mechanical and electrical delays on the loopers were charted by the team from July 1, 1987 to January 9, 1988. During that time, 32 cobbles occurred, resulting in a $16,754 loss. Other delays were caused by roll pins and lost billets.

Electrical delays, due mostly to scanner problems, resulted in a $6,987 loss for the same time period. The team recommended redesigning the looper trough by eliminating liners and ordering new cylinders with cushions. According to the team reports, the present looper system over that 12 month period cost $197,400 to be maintained. A new looper system, by comparison, in a test period would cost $2,857 to maintain, the team contends.

During a presentation to the Board of Directors last month, the team recommended that all the labor troughs be replaced with a spare unit as a back up.

Team members include Mike Mason and Benjamin Martin. Jr., co-leaders, John Hess and Nazir Qureshi, co-recorders, Richard Hoff, David Estes, Chris Feldthouse and Glenn Reynolds.

Steering committee members included Bennett, Noel Gillette, Richard Friel, and Bob Apple.

Checking the stats

December, 1989

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	72,872	83.9%
Billets Cast	31,769	76.9%
Blooms Cast	33,202	94.9%
Wire Division		
Rod/Wire	2,316.2	N/A
Plant 1	7,445.2	100%
Plant 4	2,340.5	100%
24-Inch Mill	21,936	99%
14-Inch Mill	25,831	104%
12-Inch Mill	31,651	94%
	Shipped (tons)	**Plan vs. Actual**
Total Rod/Wire	11,827	- 1,988
12-Inch Mill	8,084	+ 84
14-Inch Mill	18,728	- 3,272
24-Inch Mill	21,330	- 5,120
Semi-Finished	9,963	- 37

COMPLAINTS

Wire Division Products

Number Recorded	Reason	By Costs $	By Costs %	
75	Order Error	$17,042	40.61%	TOP FOUR COMPLAINTS = 82% OF TOTAL
	Vendor Defect	10,582	25.22%	
	Service	3,575	8.52%	
	Cust. Error	3,102	7.39%	

Steel Division Products

Number Recorded	Reason	By Costs $	By Costs %	
81	Order Error	$25,748	44.28%	TOP FOUR COMPLAINTS =88% OF TOTAL.
	Price/Frt.	20,234	34.80%	
	Service	3,252	5.59%	
	Bent	2,101	3.61%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	%Nov. 1989
338,994	24,744	7.29%	6.43%

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

OSHA RECORDABLE INJURIES

26 OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc.	Rate 12.76% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - Dec., 1988 12.50%

PULLING TOGETHER

Union Carbide is friend in deed

Caring company assists a stricken NSW worker

Just when you think you might be losing faith in mankind, you hear about a "love thy neighbor" story that warms your heart and picks up your spirits.

Such is the story of Steve Peck, a veteran long-distance truck driver for Northwestern Steel and Wire Company.

Two days before Thanksgiving, Peck pulled his truck in to the Union Carbide plant in Clarksville, Tennessee, to collect a load of electrodes.

During the loading process, Peck suffered a heart attack -- hundreds of miles from home and family.

Thanks to the quick response of Union Carbide officials, Peck was rushed to the local hospital for treatment.

Union Carbide's help could have stopped right there. But Peck's attack proved to be the beginning of a friendship between the stricken hauler's family and Union Carbide.

Once Peck was in the hands of medical personnel, Union Carbide officials immediately sent for the trucker's family, located in the Sterling/Rock Falls area.

Upon arrival in Clarksville, the family members were accompanied to the hospital by a Union Carbide official and later were given the use of Union Carbide apartments for the holiday weekend, according to Craig DeWitt, NSW Leased Fleet Supervisor.

"Union Carbide was truly incredible throughout the Peck family's stay. The company even provided Thanksgiving dinner for the Pecks," DeWitt said.

"I hope that, if needed, NSW will rise to the occasion if something similar were ever to occur here," he noted.

Peck, who later transferred to Nashville, Tennessee for treatment, is now home with his family. The truck driver has been with NSW since 1961 and plans to retire this year.

As for the load of electrodes, NSW flew another driver, Ronald Tiesman, to Clarksville to deliver the supply to Northwestern.

Driver beats accident and keeps on truckin'

When employee/owner Elwin Janssen reported to work November 20, he had to pass a number of tests -- from untarping a trailer to releasing binders from a steel load.

Sounds simple enough, right? Not so for the recent traffic accident amputee victim.

Janssen, 53, an intra-plant driver, lost practically all of his left arm during an auto accident one and a half years ago. He was the victim of a drunk driver's tragic mistake. Janssen's family members were also injured in the mishap.

Doctors were able to reattach Janssen's arm during surgery at Rockford Memorial Hospital with the help of muscle tissue taken from the victim's chest.

Despite the disability, Janssen returned to work in lieu of the mill's workman's compensation policy.

Craig DeWitt, Leased Fleet Supervisor, and several others, subjected Janssen to a series of work-related tests when he returned to work.

"All of the jobs -- untarping the trailer, rolling up the tarp, removing a tailgate and two sideboards, removal of four tarp bows and release of the steel load binders -- were accomplished with a reasonable effort by Elwin," DeWitt said.

Once all the same tasks were accomplished in reverse, the team, headed by DeWitt, found the damaged arm "not nearly the detriment expected."

After an over-the-road driving test was completed, Janssen was determined fit for work. Since November 20, he has been working for the third shift Rod Train.

Owners Manual and his fellow workers commend Janssen for his perseverance and loyalty to NSW.

Intra-plant Driver Elwin Janssen (pictured above) showed perseverance and loyalty to Northwestern when he chose to return to work following a freak accident which left him with a disability.

Maintenance workers who installed new ladle cars on the casters at NSW this winter had to brave sub-zero temperatures to get the job done, however, the team effort resulted in an installation target date being met.

Sub-zero temperatures don't freeze up output

When the mercury dipped into negative double-digits, maintenance workers donned some extra long-johns and still got the job done.

"It was fantastic. These guys came through like champions," said Dave Koncsics, Manager of Primary Metals. When the temperature was 10 below and lower, workers installed two new ladle cars on the casters, new transformers in No. 6 and No. 7 furnaces, and current conducting arms on No. 6 furnace, while the electric furnaces and casters were shut down. The down time also allowed workers to rebuild spray chambers and do other safety and maintenance work on the casters.

But with the furnaces and casters down, temperatures inside matched the arctic air outside. "They had some salamanders, but at temperatures of -10 degrees and lower, you can sit on a salamander and its not going to keep you warm," Norm Woost, Assistant Manager of Primary Operations, quipped.

The most amazing thing, Koncsics noted, was that the team effort allowed all the jobs, except for the current conducting arms which suffered a design clearance problem, to be completed by the target date. Workers not only braved the frigid temperatures, but also worked "enormous overtime" during the holiday season to get the job done.

Hearts, wallets opened to help fellow workers

More than $2,800 has been collected so far during a plant-wide drive to assist longtime employee/owner Wayne Volkmann.

Volkmann, who underwent double hip replacement surgery January 5 in Rockford Memorial Hospital, is currently recovering.

The Plant No. 2 welder was given financial assistance by steelworkers and retirees of Northwestern Steel and Wire Company.

The fundraiser, coordinated by Volkmann's co-worker, Glenn Hendryx, involved volunteers at both the salaried and hourly levels.

Volunteers manned buckets at all NSW plants, including Plant 4 in Rock Falls, as well as the Main Office and Office Annex.

Contributions began coming in November 28, and assistance continues, even from plant retirees, Hendryx said.

"I'd like to thank everyone for the overwhelming cooperation in the bucket brigade," Hendryx said. "It is greatly appreciated. I want to give a special thanks to the volunteers who helped make the bucket brigade a success."

Volkmann, according to Hendryx, has been an active Northwestern employee. "He's done a great deal for the mechanical department and its retirees. Wayne organized the first annual picnic for retirees and now the event is held every July," Hendryx said.

Contributions can still be mailed to Volkmann at P.O. Box 13, Sterling, Illinois 61081.

Bucket brigade aids stricken Grennan family

When the Daniel Grennan family home burned down recently and the family lost all their possessions, the workers at Northwestern rallied to help. Daniel's father-in-law, Gerald Grove, is employed in the Cleaning House at Northwestern.

The Bucket Brigade gathered collections of $1,230.46 from donations at all gates and offices, according to Larry Rosenberg, Supervisor in the Galvanizer Department. Rosenberg sends thanks to all Northwestern employee/owners for their assistance and generosity.

"It reflects a joint effort of management and union," Rosenberg commented on the contribution, adding that it reflects the "spirit" of Northwestern.

The Grennan family, consisting of mom, dad, and three children, is doing well, Rosenberg reported.

Rolls help shape up NSW products

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.

"The process of providing rolls to the mills is an integral link between the semi-finished sections coming from the caster and the finished product produced by the 12-Inch, 14-Inch and 24-Inch Mills," said Jack Cox, Manager of the Roll Shop.

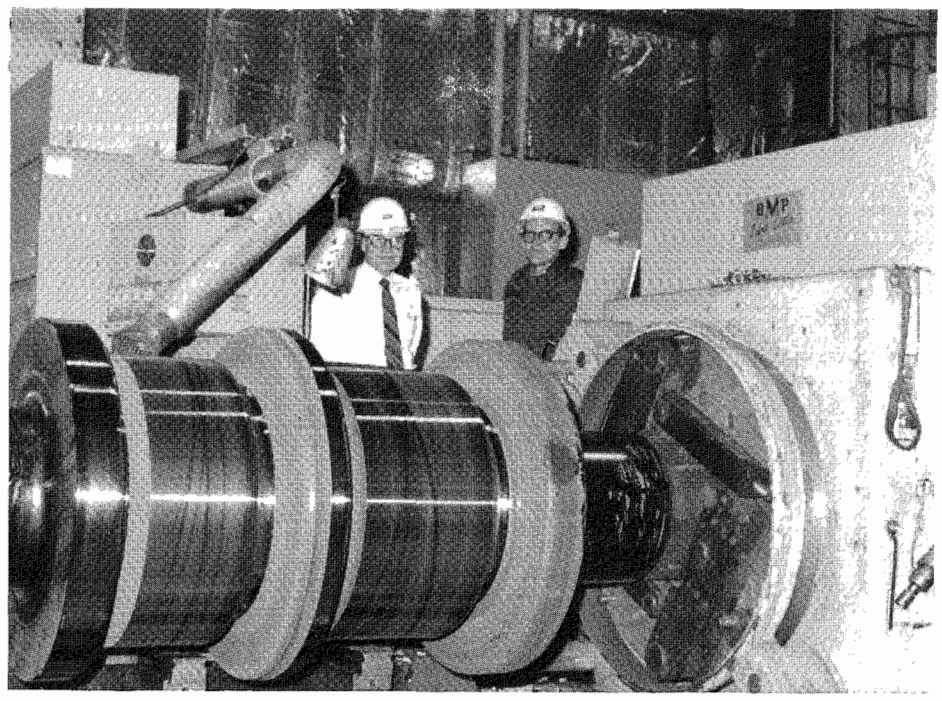
"Our main function is to design passes and provide rolls for our mills to roll all the sections as required, using varying semi-finished sections designated for a particular section," he explained.

Passes are designed to produce a certain section in a given number of stands. Therefore, by calculating reductions, starting with the finished section back thru the mill, the semi-finished section area and the shape are determined.

The function of providing the rolls to the mills machined according to the prints for each stand is a team effort of all the Roll Shop employees. "The last step, but in no way the least, is the machining of the rolls accurately to print dimensions which is the responsibility of the different machine operators," Cox said, adding, "Not only do the operators machine the rolls new but they also redress these rolls back to print dimensions after the passes have been used in the mill."

Enhancing the department operation is a computer controlled Binns Lathe that was put into operation a little over a year ago. According to Cox, the lathe cuts the time in turning rolls from one half to five times less than before. Other equipment routinely used by the Roll Shop Department includes Tracer and Block Lathes for machining rolls.

Cox, who has been with Northwestern for 35 years, is also involved in the revamp operations at the Houston facility.



Jack Cox (left), Manager of the Roll Shop, and Ron Bucher, a Binns Lathe Operator, are pictured above as they prepare a roll to be machined on the computer controlled Binns Lathe which was put into operation last year.

Ambition, pride keys to peak performance

Do you find yourself committed to job excellence? Do you view failure as only a temporary setback? Are you challenged by opportunities that show barriers can be overcome?

If your answer is yes, you may be what is described as a peak performer, an asset highly regarded in today's competitive employment market. According to an article, "Moving Toward Peak Performance," in the *Office Professional* magazine, at least one expert in the field believes American workers are as good now as they ever were.

He also believes, however, that the rest of the world is getting better and is setting a new standard that America must keep up with. Studies show illiteracy is an American handicap, 13 percent compared to Japan's .5 percent. In this country, 72 percent of young adults graduate from school. In Germany, the rate is 92 percent.

Although education plays a major role, there are other qualities inherent to peak performers. High IQs aren't restricted to top executives. Many intelligent people hold clerical and factory positions. Pride, ambition and determination are also needed.

Author Charles Garfield says, "The difference between peak performers and their less productive co-workers are much smaller than people think -- extra-ordinary achievers are ordinary people who have found ways to make a major impact."

Peak performance benefits your employer, and in the long run, enhances the reputation of this country's workforce. It can also be your path to personal success. The following tips can help you improve your own performance.

Deciding to excel is an important first step. People perform at their best after making the decision to do so. Remember to keep this commitment, though. Success depends on steady effort.

Don't let problems get you down. Try to view troubles as a temporary set-back and take the initiative to move on. Define your goals and take pride in them. Don't delay your quest for excellence, even if those around you aren't ready to move along with you, and persist at reaching your goals.

Southpaw nets perfect game; no pins are left

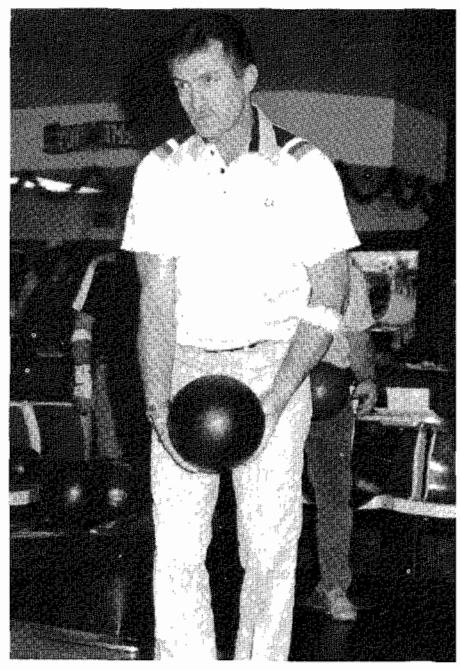
The pins didn't stand a chance recently when NSW's Ed Handel came up to bowl. Handel, a foreman in the 12-Inch Mill, bowled a perfect 300 game on November 21st at Paones Blackhawk Bowling Lanes.

The southpaw threw his 12 in a row during the last game of the night. In retrospect, Handel noted, "I was really nervous as the crucial last frame came up."

In his 20 years of bowling, this was Handel's first perfect game. Being a modest person, Handel credited his success on "just a lot of luck."

Handel bowls in the Business Men's A League and carries an average of 188. He has been employed at Northwestern for 21 years, the last 19 of them as a foreman. In addition to bowling, Handel said he enjoys golfing and fishing.

He and his wife, Janie, have five children: Michelle, 13, and Al, 20, both at home: two married sons, Ed, Jr. and Tim: and a married daughter, Neomi. They also have two granddaughters.



Ed Handel

Redesign idea saves NSW time and money

Savvy suggestion earns big bonus

A suggestion made in 1988 for redesign of a barrel feed hose near the company's furnace has earned one employee/owner an award of $5,000.

James Norman, a Furnace/Caster Repairman, suggested that ten feet of stainless steel flexible tubing be put around the furnace side of the feed hose to keep the hose from burning up. Doing this, he believed, would increase production and service.

The idea was successfully implemented throughout 1989 and resulted in great cost savings for the company by way of a reduction in need for new hoses and less downtime.

In 1988, prior to Norman's suggestion, 17 water discharge hoses were used at a total cost of $19,051. Downtime was 25½ hours. In comparison, four old hoses and four new ones were used in 1989 at a cost of $12,226. Downtime was only 12 hours, less than half of what it was in 1988.

The suggestion has long-reaching impact as well, as there have been no failures and cost savings are expected to continue.

The award amount reflects an approximate ten percent of last year's total savings by implementation of the suggestion.

Jim Hale (left), Supervisor of Plant Services is pictured above as he presents Furnace/Caster Repairman James Norman with a $5,000 check for his redesign suggestion which saved NSW a substantial amount of money last year.

Ladle changes put safety first

Recent changes in ladle procedures during the casting process are resulting in less wasted time and material and improved safety conditions.

Concern over ladles that at times do not free open over the tundish, resulting in strand losses and quality problems, led QIP Caster Team No. 1 to investigate means of improving the procedure.

Among recommendations successfully implemented are use of a synthetic, less costly packing material to eliminate heavy crusting in the upper nozzle (testing has shown 85 percent free opens with this material) and the building of a new sanding station. This means employees no longer have to stand under a free-hanging ladle to clean out the bore. Additionally, it helps prevent slag from falling into the bore when the ladle is set in the sanding station. A retractable funnel has also been implemented to get sand to the nozzle.

A third recommendation in use concerns a minimum three-inch opening when welding the well block openings, allowing for better pressure on the packaging material and resulting in better free opens.

The team also suggested a set of standard operating procedures for sanding and opening ladles so that this work is performed the same by each crew, and outlined the need for better communication and coordination between the Caster and Electric Furnace Department in an effort to reduce holding times.

Projected cost savings by implementing these measures is $178,137, while cost to implement is $53,400, resulting in an estimated first year savings of $124,737. Additionally, the team reports, "The intangible benefits derived from this project would be improved morale due to a more efficient operation and a reduction in accidents.

Members of Caster Team No. 1 are Co-leaders Norm Nelson and Pete Barajas, Co-recorders Larry Tichler and Larry Colberg, Jerry Dunning, Jim Dawson, Marvin Tichler, Richard Floto, Mike Thomas and Virgle Onnen.

The Sterling Committee consists of Dave Koncsics, Lyle Meiners, Lee Wolfe, Norm Woost, Jack Buchanan and Art Gillihan.

Bennett joins Wire Products Division

New Project Engineer on board

A long time business associate of Northwestern Steel and Wire Company's Wire Products Division has joined the Sterling team.

Richard Bennett, former owner and manager of DSR Inc. in Cincinnati, Ohio, was named the new Wire Products Division Project Engineer on December 1, 1989, according to Ron Leuschke, Manager of Maintenance and Engineering.

"We'd done business with Richard Bennett for many years and were quite familiar with his electrical and mechanical expertise," Leuschke said.

Richard Bennett

"So, when he submitted his resume to us after deciding to close down his nail packing equipment company, we welcomed him to our team," he noted.

Leuschke said several interviews with NSW employee/owners were conducted for the position vacated by John Reynolds.

Reynolds, the previous project engineer, now serves the Wire Division as Manager of the Shipping Department.

"Richard Bennett fills the post of Engineer quite nicely," Leuschke said. He explained that as project engineer, Bennett is responsible for coordinating projects taken on by various maintenance groups. "Dick will see to it that projects are developed and brought to completion," he said.

"As project engineer, Dick has already made a tremendous contribution to making things more efficient -- and thereby more cost effective -- around here," Leuschke said, noting, "He recently completed an electronics project in our Plant 1 pollution facility. He saw to the updating of some of the equipment there and things are operating much more efficiently now."

Leuschke noted Bennett's value to the company, saying, "We're looking forward to working with Dick. He's a tremendous asset and has a lot to offer the organization. His background is both wide and varied."

Bennett is currently moving his family from Cincinnati to the Sterling area. A native of Great Britain, Bennett moved to Cincinnati 15 years ago. He received his electrical engineering degree in Great Britain. "I'm truly enjoying my work at Northwestern because challenges are coming in from so many areas. It's been fun so far," Bennett said.

Interested in a 401(k)? Return the form below

The represented employees of Northwestern Steel and Wire Company have expressed interest at various times in having a 401(k) plan put in place for their use. The plan is similar to an Individual Retirement Account (IRA), but uses payroll deductions and is administered by the company.

However, the 401(k) plan generally has several features not always available in an IRA, including professionally recognized investment choices, loan provisions and higher investment caps.

A 401(k) savings plan also offers several advantages over traditional savings methods, such as before-tax savings; convenient payroll deductions for savings; at least three distinct investment choices, such as money market fund, an equity (stock) fund and a guaranteed fund offering guaranteed rates of return; and tax-deferred growth of savings.

The board of directors has authorized a 401(k) wage deferral plan for hourly employees if there is sufficient interest. Anyone interested in such a program is asked to fill out and return the coupon below to the Payroll Department. Filling out and returning the coupon in no way obligates employees to participate in the program. The intent of the coupon is to gauge the amount of interest in starting the plan.

Name: _____

Clock Number: _____

Address: _____

City: _____ State: _____ Zip: _____

_____ Yes, I am interested in a 401(k) plan

Return to: Payroll Department

Nineteen end careers with NSW on January 1

Nineteen NSW employee/owners with an accumulated total of 595 years retired effective January 1. *Owners Manual* commends these individuals on their longtime dedication to the company and extends best wishes for a happy and productive retirement.

39 Years

Joseph R. McLaughlin, 24-Inch Shipping.

37 Years

James Forbes, Plant 3 Crane Mechanic.

Julian Barajas, Electric Furnace Cranes.

35 Years

Darrel C. Gorman, Caster.

Darrell Kitzmiller, Nail Room.

34 Years

Tony Torres, Plant 2 Mechanical.

33 Years

Chester Alender, Plant 3 Mechanical.

Don R. Wiemken, Electric Furnace.

30 Years

Harold Balk, Pipe Shop.

James E. Branch, Salaried, Engineering.

James R. Norman, Electric Furnace Repair.

Richard Taets, Drawing Room.

Ronald Kuykendall, Plant 3 Welding.

Jack Wilson, Brick Mason.

28 Years

Keith Francis, Plant 2 Millwright.

James L. Seeley, Sr., 24-Inch Mechanical.

David Cramer, Electric Furnace.

25 Years

Wayne Volkmann, Plant 2 Welding.

23 Years

James M. Lancaster, Salaried, 14-Inch Shipping.

Simpson thanks NSW co-workers

NSW buyer Don Simpson expressed special thanks to all who offered their sympathy to him and his family during the recent passing of his father. The abundance of flowers, cards, memorial money and personal support will never be forgotten, Simpson said.

Northwestern Steel and Wire Company
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Sterling, Illinois 61081

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