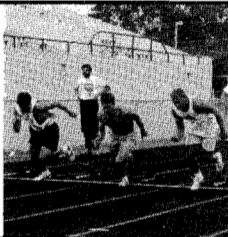


A Look INSIDE



**3rd Corporate
Olympics held
in August**

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**Houston
employees
visit
Sterling**

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**Salaried
employees
tee up for
golf outing**

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The Owners Manual

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

August, 1991

Physical inventories require fewer people

Efficiency steadily improving in NSW inventories

An enormous task is taken on at least once a year in every department at Northwestern in order to abide by Securities and Exchange Commission and Public Accounting rules. That task is a physical count of the company's entire stock of inventory. This count requires a large number of NSW's workforce to physically count every box of nails, bale tie, structural beam, angle, channel, etc., while that department's operations are entirely shut down - including both production and shipping.

Overseeing these physical inventories are Kermit Reins and Dave Knutti, Accounting. Kermit noted that the company's financial position is directly related to the accuracy of physical inventory counts Northwestern performs.

"It has become even more critical because day to day, we are limited on how much money we can borrow based on our inventories and receivables. So our inventories have to be up to date and we have to have good control on them," Kermit said.

In the past year, a task force of finance and operating personnel have improved the accuracy of the company's inventory records in the Wire Division, reducing NSW's monthly expense from \$100,000 to \$10,000. The expense came from the amount of inventory "missing" at the end of the physical inventory, and since inventories were physically being counted only once

or twice a year, the actual count was often off by a large amount.

The missing inventory was not actually stolen or missing in the physical sense. Rather, inaccurate reporting or the lack of any reporting at all, resulted in inventory discrepancies. By shoring up the reporting procedures in the division, the discrepancies no longer exist.

Kermit and Dave have begun to keep tighter control of the inventory without actually counting it. They try to make sure production is keeping accurate records and that they match up closely with Accounting's monthly records.

The physical inventory count is where the monthly records are tested, and these inventories are such a large undertaking, they can involve as many as 100 employees.

The Wire Division is having two physical inventories taken each year because of the nature of the problems and volume of transactions. Kermit noted, "It's easier to lose a box of nails than it is a 60-foot beam."

While 150 foremen and hourly workers were formerly required to help do a physical inventory of the East Plant, with the new nail racks and shipping facility, the number needed has dropped to roughly 100. Kermit and Dave say the racks have improved Wire Division physical inventories drastically. They say it is possible one of the two inventories will be eliminated soon, so there will only be one performed annually, as



The new nail racks and East Plant Shipping facility, as well as the sophisticated shipping system in the 14-Inch Mill, have been major factors in the accuracy improvements of the physical inventory process.

in the West Plant.

In one eight-hour day, the NSW employees count each piece of inventory in the entire East Plant. They work in crews of two or three people, and every piece of inventory is counted twice by two independent crews to make sure an accurate count is taken. The Accounting personnel involved take test counts of various pieces of inventory, as well as review every ticket the crews fill out for their counts.

The following day, six to eight people take about six hours to review all tickets from the East Plant inventory count to make sure they are ready to be key punched into the computer system.

The improvement in the Nail Department is similar to the improvement at the 14-Inch Mill since their racks were installed. The computerized racks have made the process as simple as making computer printouts of the current inventory.

The process of the West Plant physical inventories is similar to the East, although fewer people are needed. Besides the 14-Inch, another simple area to complete in the West Plant is the semi-finished, because

very accurate perpetual inventories are kept on semi-finished pieces. "We already have people whose job it is to track semi-finished, so we actually just take a computer printout of their stock and make test counts," Kermit explained.

There have been four physical inventory counts taken in Houston since their start-up last July. Kermit and Dave attribute this to the newness of the employees there, and simply, the start-up of the mill.

Another aspect of the annual physical inventories is the presence of auditors from Coopers & Lybrand, the auditing firm hired by Northwestern. Coopers' employees accompany NSW employees in the physical counts so that they can observe, make sure the products being counted are real saleable products, and make sure the inventory is not double counted.

Coopers & Lybrand uses the information acquired during the physical count to attest to the validity of Northwestern's inventory in future accounting reports which must be filed with the Securities and Exchange Commission.

Shinville named Vice President



Jerry Shinville

Gerald Shinville was appointed Vice President of Quality Assurance and Technology in August. Jerry will

now report directly to Mr. Gurnitz, and he will be responsible for assuring quality and technology excellence throughout the company.

Jerry began his career with Northwestern as a chemist in 1958. Since then, he has held various metallurgical and quality assurance management positions, including his most recent position as General Manager of Quality Assurance.

A voting member of the American Society for Testing and Materials (ASTM), the American Society for Quality Control (ASQC), The Metallurgical Society (TMS) and the American Society for Metals (ASM), Jerry had a major role in Northwestern's acquisition of the JIS certificate.

Listed in both the Business and Technology sections of *Who's Who in America*, Jerry holds a Bachelor of Science Degree in Chemical Engineering from the University of Illinois.

ESOP stock valued higher in 3rd quarter

The Fiscal 1991 third quarter valuation for Northwestern Steel and Wire ESOP stock was received at the end of July. NSW's ESOP stock was valued at \$22.97 by the appraisal firm of Houlihan, Lokey, Howard & Zukin.

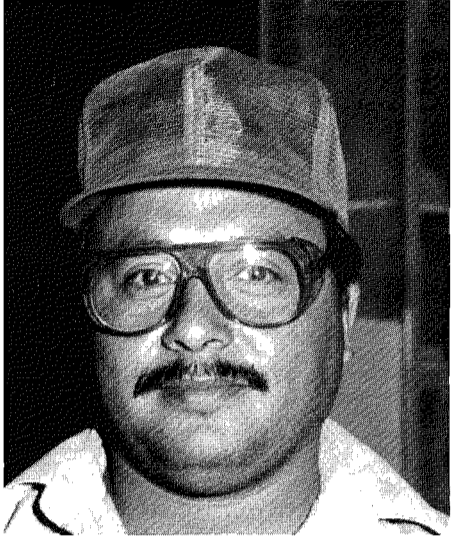
This value is an increase of \$.69 from the second quarter valuation. The 3% increase compares to an increase of 12% in the value of

comparative steel companies traded on the stock market.

Because this is an interim valuation, the figure of \$22.97 will not be used for redeeming ESOP shares. The valuation the company receives in October, for the fourth quarter ended July 31, 1991, will be used to redeem ESOP shares during Fiscal 1992.

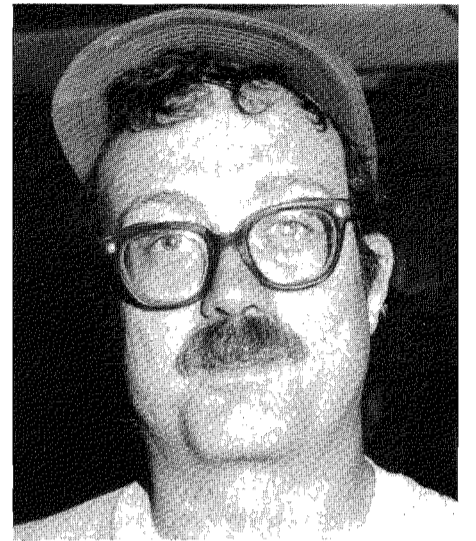
(See ESOP, page 3)

Viewpoint



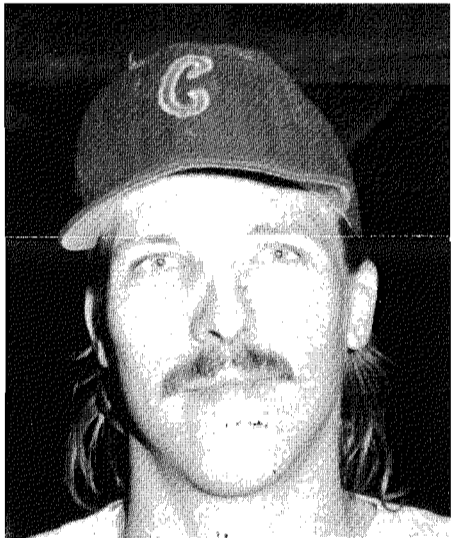
"Helping in any way they can in the kids' programs, such as donating lights for the Little League."

Alex Barajas
Annealer Operator
Plant 1 Annealers



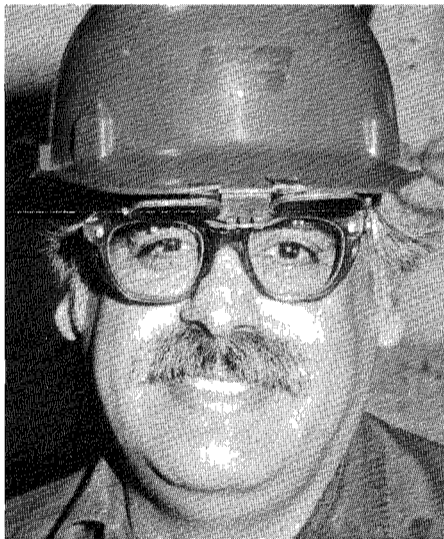
"Donating more money and maybe more time."

Richard Irion, Jr.
Roll Thread Operator
Nail Department



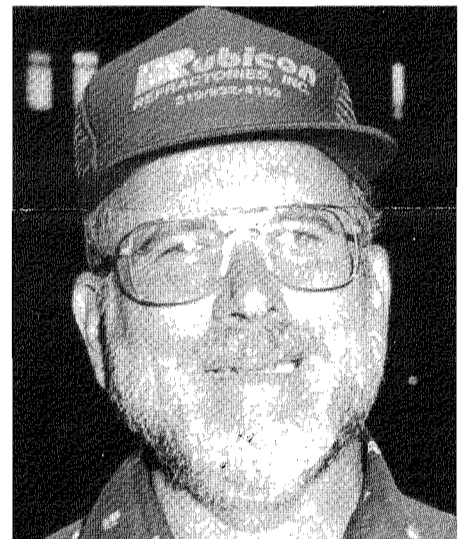
"I think they're doing a pretty fair job already with that drug assistance program. Seriously, I think it's probably going to help a lot of people as far as getting them more involved in community stuff."

Jim Anning
Stamper
Caster



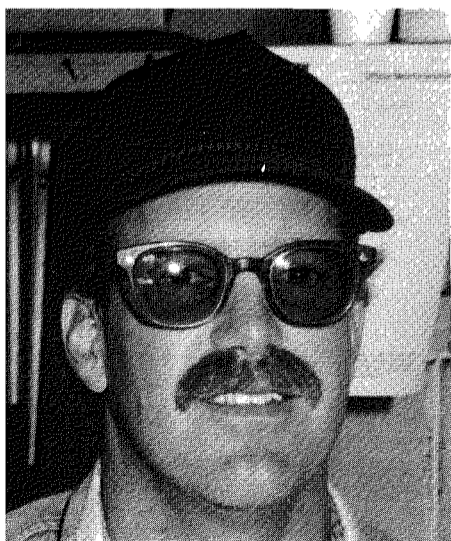
"Well, they have that Gus Macker and a lot of people from Northwestern play there. Maybe Northwestern should back some people that play there."

Ruben Garcia
Gauger
14-Inch Mill



"Well, I think they could buy more banners and maybe help support things like that. They do have active summer months here with things to do almost every weekend."

G. Richard McKee
Shipping Supervisor
24-Inch Mill



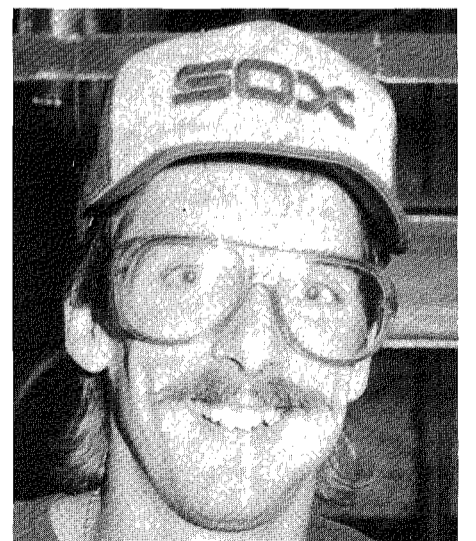
"I think the company has a pretty active role in the community. I think it's up to the employees now to participate more."

Dan Grater
Track Repair
Scrap Yard



"Our company needs to set goals for things such as food drives, recycling, memorial funds and scholarships."

Kent Lowe
Plant Technician
Houston



"I think Northwestern should sponsor more activities. Like sponsoring a volleyball team or a baseball team."

Larry Dessing
Machine Operator
Electroweld

The President's Corner

Robert N. Gurnitz,
President &
Chief Executive Officer

Dear Fellow Employees:

I am pleased to report some very positive results for the Company. During the month of August, our Houston operations showed very significant improvements. Overall production was up significantly, productivity as measured by tons/hour was up, and yield showed a very significant improvement. Thank you to all that made such improvements possible. While we still have a ways to go to meet our longer term objectives at Houston, the direction set at Houston during August was very rewarding.

The progress at Houston is most timely as we continue to work with our bankers to improve our financial

structure. In that regard, we are also making good progress. We have our bankers' support and look forward to finalizing these improvements in the months ahead.

Our outside economic forecasting services tell us that we are at the bottom of the recession as it affects our major markets. In fact, we are beginning to see at least tentative signs that this is so. Volumes in a number of our product areas have shown improvement, and we look forward to some improvements in pricing as well.

Despite these positive signs, we still have a very difficult road ahead of us, at least for another six months. By that time, we hope to have our improved financial structure in place, Houston much

further along operationally, and a consistent upward trend in our markets. Until we achieve these goals, we will have to continue to very tightly control our cash. Thank you for your ongoing

support as together we prepare our Company for progress in the years ahead.

Robert N. Gurnitz
President & CEO

Salaried employees elect ESOP Contact Committee

Elections were held recently for the salaried employees' ESOP Contact Committee. This committee meets regularly to discuss matters of the company which affect salaried employees. The committee also meets with Mr. Gurnitz monthly and the Board of Directors before and after their scheduled meetings.

Each area elected both a representative and an alternate to fill in for the representative when he or she cannot attend the meetings. Below, the representative is listed first with the alternate following.

To represent the 12-Inch Mill and Plant 2 Maintenance, Noel Gillette, General Supervisor of Maintenance, and Bob Elsasser, General Supervisor of Finishing/Shipping/Inspection, were elected. Dave Bushman, Assistant Chief Inspector of Scrap, and John Smith, Superintendent of Scrap Yard, will represent the 24-Inch Mill and the Scrap Yard employees. Dave will also serve as the Chairman of the Contact Committee.

The Primary Department and Lab will be represented by Mark Babin, General Supervisor of Pit Operations, and Larry Rosenberg, Caster Foreman, while the 14-Inch Mill elected Jim Hardt, Shipping

Foreman, and John Johnson, Supervisor of Operations, as their representatives. The Sales and Credit departments elected Mike Murphy, Inside Sales-Wire Division, and Roger Wait, Office Manager - Wire Division.

Tom Baker, General Supervisor of Plant 4, and John Stauter, General Supervisor of Galvanizer/Agri-Products, were elected by the employees in the Wire Mill and Rock Falls. Tom was also chosen to serve as Co-Chairman of the committee.

The Pentagon and First Aid representatives will be Chuck Bennett, QIP Facilitator, and Beth Lancaster, Executive Secretary. The employees in the Main Office, first floor of the Office Annex and the Print Shop elected Don Simpson, Employment, and Margaret McCormick, Purchasing, as their representatives.

Accounting, Payroll, Data Processing and Transportation employees will be represented by Faith Dunn, Benefits Coordinator, and Julie Massey, Pricing.

The above employees will represent their respective departments on the ESOP Contact Committee for the coming year.

More employees benefit from plan

Hourly 401(k) growing as 1st Anniversary approaches

Employee/owners at Northwestern like the way their weekly payroll contributions have been growing lately. Apparently the good news is being passed on, because participation in the hourly 401(k) retirement savings plan has steadily increased since the plan's October 1,

New enrollments or contribution rate changes can be made in either the hourly or salaried 401(k) plans by September 13th and will become effective on October 1st.

The chart below outlines the long-term benefits a 401(k) savings plan may yield.

LONG RANGE RESULTS OF A 401(k) PLAN			
INTEREST RATE: 10%	PRIVATE SAVINGS	INDIVIDUAL RETIREMENT ACCOUNT	401(k) SAVINGS PLAN
TOP PORTION OF INCOME	\$2,000	\$2,000	\$2,000
TAX ON INCOME	TAXABLE @ 30%	NONE	NONE
AMOUNT AVAILABLE FOR SAVINGS	\$1,400	\$2,000	\$2,000
ACCOUNT BALANCE AFTER 20 YRS.	\$57,160	\$146,194	\$146,194
LUMP SUM WITHDRAWALS	TAXES ALREADY PAID	ORDINARY INCOME TAX	FIVE-YEAR INCOME AVERAGING
AFTER TAX ACCOUNT BALANCE	\$57,160	\$104,716	\$119,538

1990 start-up.

In addition to an increasing number of participants, some have also earmarked a portion of their recent 4% increase in the job class table for raising their 401(k) weekly contribution rate. For these employees, their rate change will go into effect October 1, 1991.

Union organizers and administrators of the hourly savings plan continue to recommend 401(k) participation for employee/owners. They have been quoted as saying, "Any steelworker at Northwestern who wants to save money for retirement should be at the maximum 15% contribution rate before any other investment vehicle is even considered. No other investment makes a small weekly contribution grow over a period of time like a 401(k) tax deferred savings plan can."

Members of the Union/Pension 401(k) Committee are available at the hall for assisting the membership in 401(k) business, and they are always happy to explain the plan or answer your questions.

ESOP

(continued from page one)

The ESOP began its fourth year in mid-August, and although the ESOP stock value at this point is lower than the 1989 and 1990 values at which the shares were cashed out, NSW employee/owners are still getting a large return on the money they have given up to form the ESOP.

Shares are released for allocation to participants based on repayment of the ESOP loan which is scheduled for one payment each quarter for twenty-six consecutive quarters.

In 1989, six payments were made on the ESOP loan, rather than the required four. Because more payments were made, more shares were allocated to employees at the end of that fiscal year. The larger number of shares allocated meant employees were getting more for their money, and as a result, ESOP

shares in 1989 "cost" employees an average of \$7.03 per share.

Only the four scheduled quarterly loan payments were made in Fiscal Year 1990, so fewer shares were released for allocation to participants in that year. Still, employee/owners paid only \$10.81 per share, making a two-year average cost of \$8.54 per share. In comparison, the redemption prices paid to retiring employees were \$29.60 in 1989-90 and \$29 in 1990-91.

Although final figures for fiscal 1991 won't be calculated until October, it is known that five and one-half quarterly loan payments were made in this year. The extra one and one-half payments will release additional ESOP shares for allocation to participants, bringing down the cost of allocated shares in fiscal 1991 to approximately \$8 per share.

Fundraisers for Dahlquist to be held in September

Two fundraisers are being organized to assist Duane "Duey" Dahlquist and his family with the cost of medical bills incurred during his fight against cancer. Duey worked in Plant 1 Shipping until March when he had to take a leave of absence because of his illness.

The first fundraiser will be a group rummage sale on Saturday, September 21st at the Moose Lodge in Sterling. The rummage sale will be held from 8 a.m. until 2 p.m.

Also, on September 28th, there will be a dance held at Emerald Hill Country Club with music provided by Joel Ramirez and the All Stars.

Refreshments will be available and drawings held for door prizes at the dance. Doors open at 7 p.m. and the dance will be from 9 p.m. to 12 a.m. Tickets are \$5 in advance and \$7 at the door.

Advance tickets may be purchased at the Sterling-Rock Falls Clinic, Ken Nelson-Nissan in Sterling, Amcore Banks in Sterling and Rock Falls and First National Bank in Sterling. Also available for sale at these locations are raffle tickets for \$1 per chance. The raffle for cash prizes will be held on the 28th during the dance.

These fundraisers are being organized by friends and co-workers of Duey's wife, Kandy, who is employed by the Sterling-Rock Falls Clinic.

The Owners Manual

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Story ideas, comments and suggestions are appreciated and may be sent through inter-office mail to:

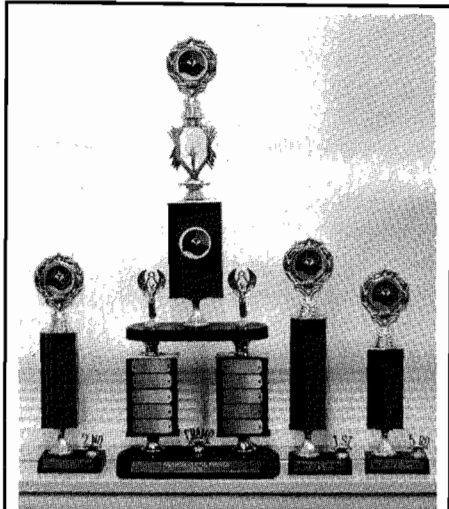
Maureen McKenna
Communications/OA

CORPORATE OLYMPICS

40 and over team reclaims title

Northwestern brings home 1st, 2nd and 3rd place trophies

Fifty enthusiastic athletes represented Northwestern in the 1991 Corporate Olympics held at Roscoe Eades field in early August. Employees and their spouses made



NSW employees and their spouses earned a first, second and third place trophy, as well as the traveling trophy for first place in the 40 and over age category.

up the NSW team which placed first, second and third in the three age categories.

In the 29 and under age group, Northwestern placed third with 117 points, while the 30 to 39 age category brought back a second place trophy by earning 124 points. The pride of Northwestern, though, was the 40 and over age group which brought the traveling trophy for first place back to NSW. These winners tallied a total of 200 points in the various track and field events.

The highlight of the day came in the late afternoon with the 4 x 100 Relays and the Mile Medley Relays. Northwestern took charge of these events, winning six races and placing second in a seventh. The men's 29 and under 4 x 100 relay team, consisting of Wes Anderson, Shawn Wharff, Tim Stickel and Jim Hall, sprinted to a second place finish with a time of 49.02 seconds.

The 30 to 39 age division had three relay team champions. The women's 4 x 100 relay team of Rhonda Banes, Julie Massey, Deb Cushman and Karen Freres took the

first place title with a time of 1:07.43. On the men's side, the team of Ross Feger, John Howard, Albert Benson and Sonny Russell won the competition at 49.34. In the Mile Medley Relay for this age division, the team of Chris Edmondson, Karen Freres, Sonny Russell and David Hernandez had a winning time of 4:40.94 to claim first place.

Perhaps one of the more exciting age divisions for Northwestern, the 40 and over group, came away with three first place relay teams. The women's 4 x 100 relay team made up of Connie Helms, Andra Bielema, Sandy Loos and Nancy Anderson clocked in at 1:10.35 for a first place finish. The men didn't let the women have all the glory, as they took first with a time of 54.61. Rich Steder, John Tomczak, Jim Naftzger and Dennis Anderson ran the 4 x 100 Relay in this division. The mile medley team made it a sweep for this age group, with Connie Helms, Sandy Loos, Ron Hughes and Steve

Clark coming in at 5:19.88 for the championship.

Other events at the Olympics included a waterballoon toss, wheelbarrow race, 3-legged race, target golf and volleyball. A few members of NSW 2 (the volleyball team with the "older" players) wanted to be sure it is mentioned that they beat NSW 1 (the "younger" volleyball team which represented Northwestern).

There was an event for everyone at the Corporate Olympics, and the only improvement that could be asked for is that more people participate next year.

The full roster of the Northwestern team, with their placings and departments is listed below. Although only first through third place finishers received medals and ribbons, first through sixth places earned points which were tallied in each age division to determine the first, second and third place companies.

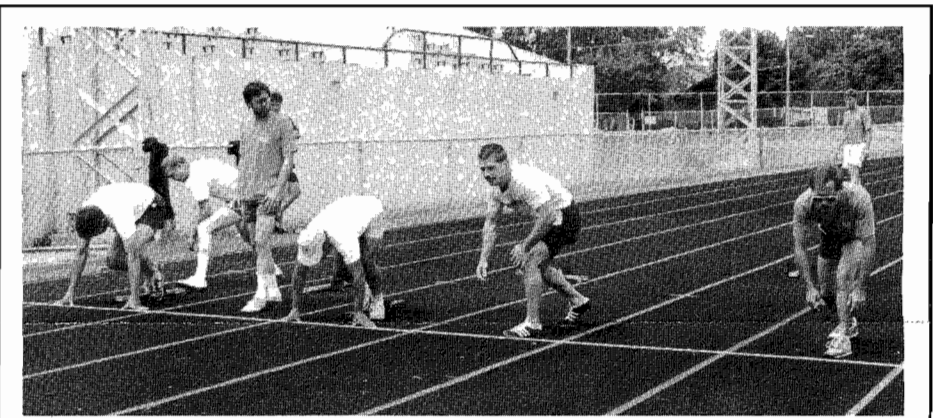
Men's 50m Dash:
Men's 100m Dash:
Women's 100m Dash:
Men's 4 x 100 Relay:

29 and Under

Wes Anderson, Electroweld	3rd
Wes Anderson	3rd
Maureen McKenna, Communications	4th
Wes Anderson	
Shawn Wharff, Electroweld	
Tim Stickel, Mats	
Jim Hall, Electroweld	2nd
Diane Last, Industrial Engineering	
Leah Ann Stutzke, Transportation	
Jim Hall	
Shawn Wharff	5th
Alan Bollman, Accounting	4th
Shawn Wharff	1st
Tim Stickel	2nd

Mile Medley Relay:

Men's 5K Run:
Men's Long Jump:



Sonny Russell (second from right) gets ready to run the 50m Dash, in which he ended up placing second.

Many NSW employees participate in Bix 7 run

The *Quad City Times* Bix 7 Victory Race has become an extremely popular event in recent years. Several employee/owners from Northwestern ran or walked in the seven mile race held in Davenport, Iowa at the end of July.

Listed below are the 15 NSW employees and retirees that participated in this event. The *Owners Manual* apologizes to anyone who may have been inadvertently omitted.

Don Bielema, QIP Facilitator, 58:42; Alan Bollman, Accounting, 63:26; Isidro Castillo, Scrap Yard, 52:39; Steve Clark, Primary Clerk, 51:30; John Crady, Plant 2 Millwrights, 48:11; Karen Freres, Human Resources, 79:48; Jerry Frump, retiree, 60:25; David Hernandez, Electroweld, 45:26; Joe Judd, Plant 3 Pipefitters, 50:57; Steve Lauff, Plant 4, 47:00; Mary Kay McCue, Human Resources, 1:00:53; Manuel Rascon, 14-Inch Finishing, 62:04; Mike Sanders, 12-Inch Finishing-Bars, 50:34; Phil Smith, Billet Caster, 46:47; and Bruce Terveer, Electroweld, 56:25.

Retiree Notes / Updates on three Northwestern retirees from the West Plant

Three Northwestern retirees wrote to the *Owners Manual* in August. The *Owners Manual* is happy to pass along the information they provided about what they have been doing since they left NSW.

Harold Balk, retired from the 24-Inch Mill Pipefitters after 30 years, says that he keeps busy with his garden. He raises red raspberries, carrots, parsnips, muskmelons and tomatoes. He treats his tomato plants with extra special care, as he grows sunflowers in between each plant for shade.

Unfortunately, Harold suffered a heart attack in July and spent time in the Sterling, Dixon and Rockford hospitals. He is currently undergoing rehabilitation at CGH Medical Center in Sterling.

Harold lives in Erie for most of the year and spends his winters in Apache Junction, Arizona. He is anxious to hear from any of his co-workers and friends. Harold's address is P.O. Box 18, Erie, IL 61250.

Donald Maycher is another former NSW employee who wrote to the *Owners Manual*. Donald retired seven years ago from the Electric Furnace Department and now lives and works in the Atlanta, Georgia area. He is covering the Southeast in a sales position and is looking forward to a full retirement in three years when his daughter graduates from college.

Donald added thanks to North-

western's Insurance Department for assisting him last year.

To all Donald's friends and co-workers, he has extended an invitation to write or call if traveling through Atlanta. Donald's address is 1707 Millford Creek Ct., Marietta, GA 30060. His phone number is (404) 435-4087.

Thomas Hughes, retired from Plant 2 Electrical Department, is now residing in Zephyrhills, Florida. Thomas says he was glad to escape the Illinois winter after his retirement last August.

To keep busy, Thomas says he does a lot of work in his yard trying to get his grass to grow. As for the hot weather in Florida, Thomas says it is cool compared to working around the furnaces!

The winter is a favorite time of year for Thomas now because he says it is like early spring or late fall in Illinois. Thomas won't be able to escape the Illinois winter entirely this year, though, since his daughter, Dawnita Samuels, will be getting married here in late February.

Thomas passes along his "hellos" to all his buddies in the Electrical Department and Furnace Department. He and his wife, Amanda, and daughter, Melinda, would love to hear from anyone if they are visiting Florida. Thomas says he is located about an hour from Tampa and an hour and one-half from Disneyworld.

The address for Thomas is 40813

Melrose Avenue, Zephyrhills, FL 33540. His phone number is (904) 567-5972.

All retirees are encouraged to write to Leona Richards, Communications Manager, 121 Wallace Street, Sterling, IL 61081, so the *Owners Manual* can report on your retirement activities.

Four begin retirement in August

The following employee/owners retired effective August 1, 1991. The *Owners Manual* wishes these people the best of luck in their retirement years.

35 Years

Don Nehrkorn, General Manager of Wire Mill Operations.

32 Years

Glen Richmond, Plant 2 Welders.

31 Years

Stacey Morehead, Mobile Mechanics.

17 Years

Lawrence Farthing, Deferred Vested.

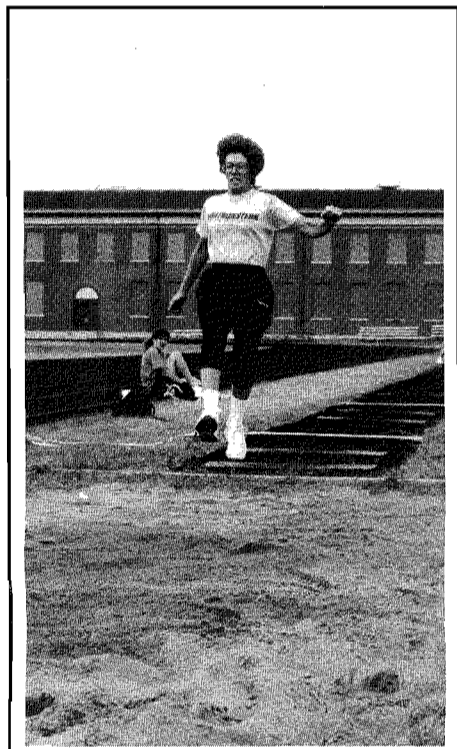
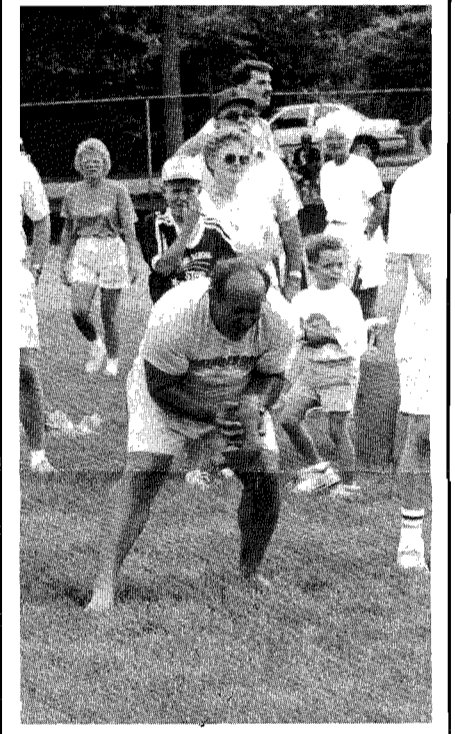
More Olympics results

Men's 50m Dash:	Sonny Russell, 14" Mill	2nd
Men's 100m Dash:	Sonny Russell	1st
	Ross Ferger, Trucks	6th
Men's 400m Dash:	Albert Benson, Bale Tie	1st
	David Hernandez, Electroweld	6th
Men's 4 x 100 Relay:	Ross Ferger	
	John Howard, 24" Mill	
	Albert Benson	
	Sonny Russell	1st
Women's 4 x 100 Relay:	Rhonda Banes, c/o John Tomczak	
	Deb Cushman, Credit	
	Julie Massey, Data Processing	
	Karen Freres, Human Resources	1st
Mile Medley Relay:	Chris Edmondson, Galvanizer	
	Karen Freres	
	Sonny Russell	
	David Hernandez	1st
Men's 5K Run:	David Hernandez	3rd
Women's 5K Run:	Chris Edmondson	1st
Mile Team Run:	Chris Edmondson	
	Steve Clark, Primary	
	David Hernandez	3rd



The volleyball games were a big attraction with more than twenty games going on at once between noon and almost 5 p.m. In the photo at the left, Dave Long prepares to block a shot made by a woman on the Wahl Clipper team. Dave and his teammates, NSW 2, wound up their volleyball competition in 6th place. Below,

John Tomczak barely hangs onto a waterballoon tossed to him by his partner, Rhonda Banes. John and Rhonda did very well in this popular competition with a third place finish.



Connie Helms leaped to a second place finish in the Women's Long Jump. The 40 and over age group had some fierce competition, but Northwestern's team came out on top capturing the first place traveling trophy.

Men's 50m Dash:	John Tomczak, RF Millwrights	4th
Women's 50m Dash:	Nancy Anderson, c/o Darrell Anderson, EP Millwrights	2nd
	Connie Helms, Timekeeping	3rd
Men's 100m Dash:	Dennis Anderson, Caster	2nd
	John Tomczak	4th
Women's 100m Dash:	Nancy Anderson	2nd
	Val Gassman, c/o Joe Gassman, Plant 2 Electricians	4th
Men's 400m Dash:	Rich Steder, Drawing Room	1st
	Ron Hughes, EP Inspection	3rd
Men's 4 x 100 Relay:	Rich Steder	
	John Tomczak	
	Jim Naftzger, Trucks	
	Dennis Anderson	1st
Women's 4 x 100 Relay:	Connie Helms	
	Andra Bielema, Accounting	
	Sandy Loos, Timekeeping	
	Nancy Anderson	1st
Mile Medley Relay:	Connie Helms	
	Sandy Loos	
	Ron Hughes	
	Steve Clark, Primary	1st
Men's 5K Run:	Pablo Vazquez, Drawing Room	4th
	Steve Clark	5th
Mile Team Run:	Nancy Anderson	
	Rich Steder	
	Pablo Vazquez	1st
Men's Long Jump:	Rich Steder	1st
	Alan George, RF Millwrights	3rd
Women's Long Jump:	Connie Helms	2nd
	Freda Last, Employment	3rd

Softball game and raffle huge success

The eighth year of the Needy Children's Christmas Fund began in June with a raffle and softball game featuring NSW employees against vendors of Northwestern.

Raffle tickets were sold for \$5 each prior to the softball game, and ticket buyers were entitled to a free

Two of the winners of the raffle donated at least part of their winnings back to the fund.

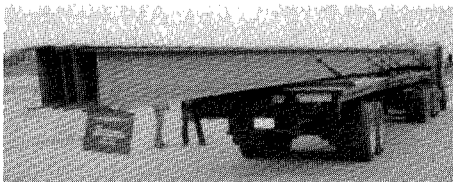
beverage and sandwich at the game. After the raffle ticket sales and food expenses, the Christmas Fund profited more than \$4,100.

Two of the three winners of the raffle donated at least part of their winnings back to the Fund. Rosemarie Russell of Chicago donated half of her \$500 prize money to the Christmas Fund, while the General Millwrights gave all of their \$250 winnings back to the Fund proceeds.

Each year the Millwrights buy a large number of raffle tickets with the profits they make from their "pop fund," under the condition that any prize money they receive will be donated back to the Christmas Fund.

Bill Boesen, retired from the Primary Department, and his wife, Bev, are the former organizers of the Children's Fund. Bev says many volunteers will be needed this year to find names of needy families, decide how much money to spend on each family and find volunteers to do the shopping for the families.

These two photos are of the longest beams shipped out of NSW-Houston. Four W21 x 101



beams, each measuring 90 feet, 8 inches, were shipped out of Houston by truck to Steel Inc. in Scottsdale, Georgia. Each beam weighed about 9,157 pounds for a total weight of 36,629 pounds. The beams will be used in the Georgia World Congress Center being built in Atlanta. This building will be an exhibition center.

No Age Bracket Events		
Men's Tennis:	Barry Jacobs, 14" Furnace	2nd
Men's Softball Throw:	Shawn Wharff	1st
	Steve Harris, Truck Scales	6th
Women's Softball Throw:	Colleen Stauffer, Transportation	6th
Men's Target Golf:	Alan Bollman	1st
	Steve Harris	2nd
Women's Target Golf:	Vella Simpson, Steel Div. Sales	4th
	Sandy Loos	5th
3-Legged Race:	Wes Anderson	
	Diane Last	2nd
Waterballoon Toss:	John Tomczak	
	Rhonda Banes	3rd
Volleyball - NSW 2:	Denny Fritz, First Aid	
	Richard Mocklin, Plant 4	
	Mary Mocklin, c/o Richard Mocklin	
	Dave Long, Environmental Engineer	
	Jim Hall	
	Ruth McBride, Purchasing	
	Suzanne Edwards, Transportation	
	Dennis Anderson	
	Colleen Stauffer	6th

Other participants representing Northwestern in the Third Annual Corporate Olympics were Lori Carbaugh, 50m Dash and Volleyball; Bobby Carbaugh, Volleyball; Craig DeWitt, Volleyball; Larry Frederick, Tennis; Sharon George, Tennis; Dave Janssen, Volleyball; and Craig Massey, Volleyball.

Two NSW-Houston employees get their first look at the Sterling plant

Patsy Klenk finds much more than expected in Sterling



Patsy Klenk

NSW-Houston's QIP Facilitator, Patsy Klenk, made a nine-day visit to the Sterling facilities in August. As well as spending much of her time sitting in on Steering Committee meetings, QIP/LMPT team meetings and two presentations, Patsy also took the grand tour of the entire mill.

Patsy had certainly pictured what the Sterling facilities would be like, but she was amazed to find so much more than she had imagined. "The most surprising thing that struck me first was the area that the mill covers," Patsy said. "The layout is just so long. I didn't anticipate that at all. Instead, I had this picture of a very small place."

Patsy had an array of hosts to keep her busy every day and evening she spent in Sterling. Roy Sheldon, SPC Coordinator, conducted West Plant mill tours for Patsy, while Lanny Munz, QIP Facilitator, showed her the East Plant operations.

Bob McDonald, 14-Inch Mill Roller Builder Foreman, and his wife, Marge, returned a favor to Patsy by showing her the mill and other sights in Sterling. Earlier this year, Bob and Marge had vacationed in Houston, and Patsy had given them a tour of Northwestern's facilities there.

"A lot of people I've talked to had questions about Houston...One key to our turnaround has been the experience of the people from Sterling who have come down to help..."

Jerry Shinville, Vice President of Quality Assurance and Technology, and his wife, Ann, also entertained Patsy on a couple of her evenings in Sterling, and she received a detailed understanding of Northwestern's Quality Assurance Department from Jerry.

While spending all this time in Sterling, Patsy got a number of chances to talk with employees. "A lot of people I've talked to had questions about Houston. They wanted to know what the problems are and why it's taking so long," she commented.

Patsy took the time to answer everyone's questions and was happy to be able to pass on some good news about the recent improvements

in Houston's operations. "One key to our turnaround," she noted, "has been the experience of the people from Sterling who have come down to help."

Of course, Patsy spent much of her time in Sterling with the QIP Facilitators and Frank Rausa, Manager of Training and Development. Frank and his wife, Charron, hosted a cookout at their home for Patsy and all the facilitators.

The QIP/LMPT process in Sterling was of great interest to Patsy since she finally had something to compare to Houston's QIP. "I've seen some areas we can work on and I've seen that we're doing okay in areas that I wasn't sure if we were or not." She continued, "The facilitators have been real helpful with their advice, and the people on the teams, as well as some people that aren't even on the teams, have talked to me about things that might be done differently in Houston than in Sterling."

Another topic which caught Patsy's attention right away was the history of former NSW President and CEO, P.W. Dillon. "I came up here not really knowing what the man was like, and I found out that the community and the employees loved him," she commented. "I've heard many wonderful stories about him which I found very interesting."

With the start-up problems Houston has had, Patsy wasn't sure of what to expect from Sterling's employees. She was happy to find that everyone in Sterling welcomed her warmly. "I came expecting to be questioned and maybe hear some really bad things about Houston. But, instead, everyone here was real

nice. There isn't one person that I wouldn't enjoy talking to again. Everybody here is very involved, and I've had a wonderful visit," she concluded.

Borchardt meets his Sterling co-workers

Greg Borchardt visited Sterling following his recent promotion to PC/IC Production Coordinator in Houston. Greg came up to Illinois to meet many of the people he will be dealing with on a daily basis, such as the salespeople for the steel division, and Paul Lester, who coordinates the rolling schedule.

Another area Greg will have close contact with is Sterling's PC/IC Department. Greg met several of Sterling's employees in this department, including Ken Boesen and Howie Ellis.

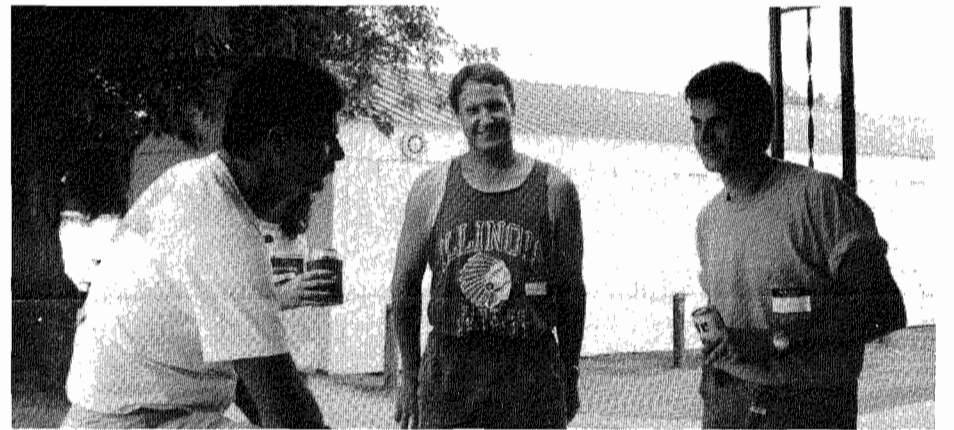
In his short four-day stay, Greg was given a tour of the 24-Inch Mill, 12-Inch Mill, Wire Mill and Primary Department. Greg found his tour of



the caster to be very helpful. "I got an idea of what it takes to change molds and also a better idea of lead time," Greg commented.

Greg says he heard so much about the Sterling facility, he wasn't surprised by too many things. One thing, though, that caught his attention was the difference between the 24-Inch Mill and Houston's 48-Inch Mill. He expected them to be very similar but found that the large number of stands in the 24-Inch causes that mill to be run much differently than the 48-Inch.

Graduating from Texas A & I University, Greg earned a B.S. in Industrial Technology and a B.B.A. in Management.



Greg Borchardt (far right) got a chance to meet many NSW-Sterling employees and retirees at the Annual Salaried Golf Outing which was held at Lakeview Country Club during his visit to Sterling. Above, Greg is chatting with Randy Johnson (far left) and Alan Bollman (center).

Northwestern career benchmarks to be celebrated during September

Congratulations to the following employee/owners who will be celebrating company anniversaries with Northwestern in September.

35 Years

Ronald L. Fulton, 9/19/56, 12-Inch Finishing-Bars.

Carl L. Huffman, 9/26/56, 12-Inch Mill.

30 Years

Ignacio Rodriguez, Jr., 8/8/61, Plant 2 Electrical.

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

Jack Rippy, 9/20/61, Conditioning.

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

Darwin G. Holldorf, 9/29/61, General.

25 Years

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

Elmer Last, 9/5/66, General Millwrights.

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

Leonard A. Lench, 9/12/66, Nails.

Ronald Shook, 9/12/66, Nails.

Jan A. Weinrich, 9/12/66, Furnace Cranes.

Bonnie J. Anderson, 9/19/66, Brickmasons.

Eugene D. Bollman, 9/19/66, Die Reaming.

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

Nails.

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

Dennis J. O'Brien, 9/19/66, Nails.

Alvin Russell, 9/19/66, Scrap Yard.

John B. Schutz, 9/20/66, Trucks.

5 Years

Nathaniel Terry, 9/1/86, 24-Inch Mill.

Curtis L. Deets, 9/2/86, 24-Inch Mill.

Steven C. Eads, 9/2/86, Nails.

Barry A. Hassell, 9/2/86, Plant 2 Electrical.

Jesse P. Lopez, Jr., 9/2/86, 20/24-Inch Shipping and Finishing.

Don L. Porter, 9/2/86, Plant 2 Electrical.

Eric J. Rubright, 9/2/86, Plant 2 Electrical.

Lazaro C. Sifuentes, 9/2/86, 12-Inch Mill.

Kevin D. Smoot, 9/2/86, 20/24-Inch Shipping and Finishing.

Carl L. Throop, 9/2/86, Bundling.

Michael G. McDuffy, 9/3/86, Bundling.

Jerry S. Fullmer, 9/4/86, 12-Inch Mill.

Donald E. Kuehl, 9/5/86, WM Millwrights.

Todd E. O'Brien, 9/5/86, Nails.

Kenny R. Trobaugh, 9/5/86, Plant 2 Electrical.

Riverboat discount tickets available through NSW

FREE discount cards are now available to Northwestern employees from the Steamboat River Cruises V.I.P. Club. The discount



cards represent savings of up to \$3 on various cruise packages aboard the Diamond

Lady and Emerald Lady.

The Diamond Lady sails from Bettendorf and Muscatine while the Emerald Lady visits Burlington, Ft. Madison and Keokuk.

Pick up your free discount card today from Karen Freres, Human Resources, Ext. 2275.

Watch the bulletin boards for further information, and to make your V.I.P. Club reservations, call 1-800-LUCKY 77.

Nail Pack Team finds that sorter will solve many problems

The Nail Pack Team No. 13 made a presentation on the mixing of nail specs in the Nail Galvanizer Department. They said the causes of this problem include employees doing a rush job which often results in carelessness in the checking of specs, as well as employees not having the training to check specs.

For the main solution to this problem, the team looked into three different types of sorting machines. Two were very expensive and did much more than the team thought the Nail Department actually needed. The machine they feel will best suit Northwestern's needs was studied at R B & W in Rock Falls. Team No. 13 said in their presentation that they believe NSW personnel could build this nail sorting machine for a total cost of \$16,090.

Other solutions the team made to aid in the problem of mixing nail

specs were to put a chart listing nail specs in a visible location in the Nail Galvanizer Department, designate one person to dump nails because several people dumping the nails results in confusion and the mixing of specs, and to install a stop/start switch at the top platform and at a floor level location by the dumper.

The team estimates a savings of approximately \$57,800 over one year if their recommendations are implemented. These savings are based on the costs of scrapped nails due to mixing and long, short, headless, small heads or bent nails. The team says the nail sorter should eliminate the scrapping of these kinds of faulty nails. After the cost to implement the team's suggestions, net savings to the company will be roughly \$41,700 annually.

Members of the Nail Pack Team

No. 13 are Dick Barnum, Jeff Corwell, Dick Hains, Jim Hicks, Sylvia Lane, Bob Lehman, Roger

Lubbs, Bill Mandrell, John Ordean and Kim Shaefer. The team's facilitator is Lanny Munz.

Checking the stats July, 1991

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	131,178	N/A
Billets Cast	53,133	83.8%
Blooms Cast	46,161	109.3%
Jumbo Beams Cast	21,055	66.8%
Wire Division		
Rod/Wire	3,485.5	N/A
Plant 1	9,681.7	101%
Plant 4	5,384.6	102%
<u>48-Inch Mill</u>	13,835	80%
<u>24-Inch Mill</u>	24,923	94%
<u>14-Inch Mill</u>	19,784	113%
<u>12-Inch Mill</u>	34,622	100%
	Shipped (tons)	Plan vs. Actual
Total Rod/Wire	22,874.5	+ 5,384.5
12-Inch Mill	12,193	+ 1,193
14-Inch Mill	20,680	- 970
24-Inch Mill	24,921	+ 154
48-Inch Mill	16,514	- 4,486
Semi-Finished	11,812	+ 4,812

COMPLAINTS

Wire Division Products				
Number Recorded	Reason	By Costs		TOP FOUR COMPLAINTS = 90% OF TOTAL
		\$	%	
117	Service	\$32,911	65.53%	
	Short	5,840	11.63%	
	Vendor Defect	3,822	7.61%	
	Misc.	2,621	5.22%	
Steel Division Products				
Number Recorded	Reason	By Costs		TOP FOUR COMPLAINTS = 81% OF TOTAL
		\$	%	
93	Service	\$27,658	42.78%	
	Price	14,725	22.77%	
	Lap	6,363	9.84%	
	Camber	3,433	5.31%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% June, 1991
436,018	31,080	7.13%	6.66%

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

OSHA RECORDABLE INJURIES

38 OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc.	Rate 17.43% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - July, 1990 12.71%
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QIP gets active at fiscal year's end

Several QIP presentations were made in late July and early August as teams made their final attempt to get their suggestions put on the Fiscal 1992 budget.

Shipping Team No. 7 presented a solution to the handling, storage and



Drawing Team No. 11 developed a four-week training program for new employees in the Drawing Room.

shipping of field fence. Because field fence is so large and shaped awkwardly, it is very difficult to store in an efficient manner. The team found that the fence rolls are often damaged in the process of being taken out of inventory to load onto the truck for shipment. This is primarily because of the distance between the inventory and shipping areas.

The team came up with eight different solutions, although they feel all are merely "band-aid" solutions and would not suffice for long. Thus the team recommended that the storing and shipping of field fence continue to be handled in the same way until an addition can be built onto the west end of the new shipping facility. They suggested that the addition be used to move not only field fence, but all agri-products departments in Plant 1.

In the meantime, the team suggested that bins be built to store field fence in the new shipping area. Presently, pallets are used, but these are inconvenient because they often have to be torn apart in order to fill an order. The team also mentioned in their presentation that when bins replaced pallets in the old shipping dock area, shipping went from 50 to 70 tons per day.

Office Team No. 2 made their third presentation on the working hours of office personnel. The team sent a survey to all office personnel to get feedback on how employees feel about their working hours. 81% responded to the survey, which the team felt showed that although most employees are happy with their hours, there is room for improvement.

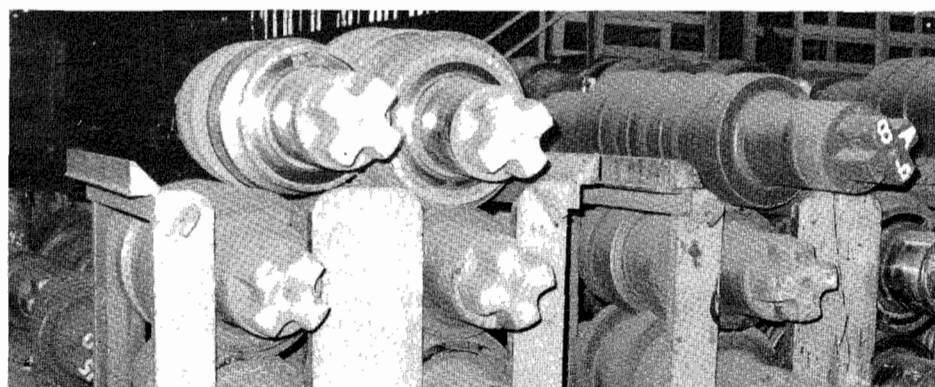
The team's recommendation was for department managers to answer a set of questions which would determine how flexible that department could be in their working hours. After this determination is made, the team suggested that the Human Resources Department implement the changes into the policy manuals.

14-Inch Mill Team No. 4 presented their solutions to the problem of excessive time being spent loading and unloading rolls on company trucks. A long list of causes of the problem was given in the team's presentation, which included a lack of the number of portable roll racks, an inefficient layout of the storage floor and various problems associated with the AC crane which loads and unloads the rolls.

The team presented six possible solutions to the problem. One is to repair the damaged permanent roll racks, and another is to build six more permanent roll racks. They also suggested an additional permanent roll rack be built to hold edger rolls only and that two portable edger roll racks be built. The team also came up with a new floor plan, and they recommended that certain crane wheels be moved to an area where they would be more accessible when needed for replacement. Finally, the team suggested that the big hook on the AC crane always be kept in working order to prevent unnecessary delays.

Drawing Team No. 11 made a presentation on the need for a quality standardized training program for wire drawers. The team sent out a questionnaire to which 34 wire drawers responded. From the answers and comments the team received in the questionnaire, they felt the best solution to the problem was to create a standardized training program with the objective of

(See QIP, page eight)



14-Inch Mill Team No. 4 suggested that two portable roll racks similar to those pictured above be built to hold edger rolls.

Salaried Golf Outing attracts 'pros and amateurs'

The 12th Annual Salaried Golf Outing was a big success this year with 65 employees and retirees taking part in the 18-hole tournament held at Lakeview Country Club in Sterling. Several prizes were awarded after the results were tallied, and because the main goal of the tournament is for everyone to have fun, even those golfers who fared the worst were acknowledged.

The men's low score was earned by Don LaFavre, East Plant Maintenance, who shot a 77. Jeannie Hall, First Aid, had the lowest women's score with a 93.

After all the foursomes had teed off, the outing organizers drew blind partners. The partners earning the lowest score were Jim Henry, PC/IC, and Randy Johnson, 24-Inch Mill Operations. Their scores were 83 and 82 respectively, for a partner score of 165.

The second low score of partners went to Lyle Partridge, retiree, and

Dan Willman, Furnace Operations, who shot 85 and 82 respectively. Chuck Murphy, retiree, and Keith Kimball, retiree, shot 83 and 86 to earn the third lowest score honors. Also awarded was the team of Don LaFavre and Mark Babin, Furnace Pit Operations, who shot 77 and 96 for the fourth lowest score.

Everyone kept track of their putts during the tournament, and the individual with the lowest putts was Don Nehrkorn, retiree. The three partner teams with the lowest putts were Paul Lund, retiree, and Jim Fitzgerald, retiree; Don LaFavre and Mark Babin; and Don Nehrkorn and Ted Lightcap, Drawing Room.

Earning an unusual award was Lori Carbaugh, Payroll, for the highest individual score. Lori shot a 144, and she and her partner John Asumendi, Outside Sales, who shot a 109, combined for a high partner score of 253.

Lori and John also combined for a third prize of highest number of



First time golfer Lori Carbaugh (right) watches the form of Carl Fisher very closely. If Lori was looking for pointers, Carl was the right person to ask; he shot an 80 in the outing.

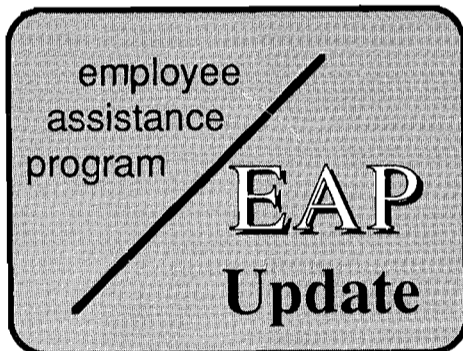
putts for partners, although they were joined by Denise Frey, East Plant Executive Secretary, in this category as she earned the award for highest individual putts.

On various holes throughout the course, prizes were also given for

the longest drives, putts, and the closest shots to the pin. These awards were given to Dan Willman; Jeannie Hall; Keith Kimball; Carl Fisher, Information/Services; Ken Haverland, retiree; and Carl Paxton, Nail Department.



Gerry Hunsberger (left) puts in his last shot of the day as two others in his foursome look on. Terry Wike is on the far right, and retiree Lee Sell is in the center.



The following support groups' phone numbers are listed for your convenience:

Alcoholics Anonymous

625-5475 - 24 Hr.
772-4368
288-1616
589-3936 (Fulton)

Alcoholics Anonymous (Spanish)

626-1655 After 5:00 PM

Alanon

625-5475 - 24 Hr.
772-4368
288-1616

Narcotics Anonymous

964-5959 - 24 Hr.

Cocaine Anonymous

312/202-8898 (Chicago)

Adult Children of Alcoholics

284-1959

Overeaters Anonymous

284-3796
857-2412

12-Step Meeting Schedule: (Held at First Aid Building)

Closed Men's AA - Tuesdays and Fridays at 3:30 p.m.

Adult Children of Alcoholics (ACOA) - Mondays at 7:00 p.m.

The control money has on your life

"I always go shopping when I feel depressed. I get a high from all the beautiful clothes. I spend. Then I feel guilty. I promised myself I would pay off my charge card and stop there. But I couldn't. One time I paid off \$68 on one card and walked out having spent \$750 on another card. I was out of control...and all of this was precipitated by depression after an argument with my ex-husband."

Sound familiar? You're not alone. Money is a major controlling factor in our daily lives. Survival in today's society involves money, having lots of it, making more, saving more and buying more to attain a better way of life.

There are those of us who can't hold on to our paychecks and some of us who can't let go. For many of us, money is more than just the basis for financial security; it has become a weapon of control used to tempt, to create guilt, to reward and to manipulate.

Where did our attitudes about money stem from? The misuse of money - either overspending or underspending - has a direct connection with our childhood experiences. We learn the value of money at an early age from our role models.

If you can relate to this, maybe we can help. Please call:

EMPLOYEE ASSISTANCE PROGRAM
625-8849, Ext. 2460 or 2489

QIP

(continued from page 7)

having wire drawers who are better qualified, more knowledgeable and more safety conscious.

The team came up with an extensive and detailed training program to be followed for the first four weeks a new wire drawer is on the job. The team also edited two training videos to be shown to new employees. They also plan to give the newly trained employees the same questionnaire they had previously sent out to see if there is an improvement in their understanding of the wire drawer job.

Galvanizer Team No. 9 presented their solutions to the problem of the time consuming procedures used to dress the galvanizer pans. The team recommended that a solution which was discussed in 1989 be implemented with adjustments to correct

the problems which caused it to be tabled. The solution is reverse electrolysis and the result is an overall reduction in the amount of dross produced.

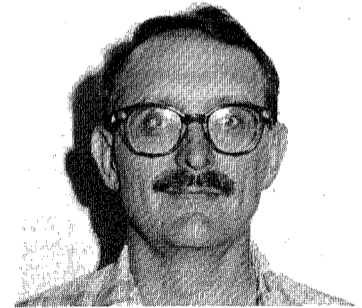
Other recommendations the team suggested were to use a tractor/hoist for dressing out of the zinc pans and to continue the use of bigger dross out pans which have been used since April 1989.

Machine Shop Team No. 14 made their presentation on the need for heat treating facility improvements to reduce energy loss and hazardous waste. The team recommended that the company purchase new or used heat treating equipment in order to provide for a better, more consistent quality of heat treated products, to eliminate hazardous waste and to allow for an energy savings in gas and electricity.

EAP Profile

John Stauter is an EAP Contact Person in the Wire Galvanizer. John, who is a General Supervisor, has worked in the Wire Galvanizer for 24 years, while he has been with Northwestern for 27 years.

John and his wife, Carol, have two sons, Jeff (24) and Jason (19). Residing in Sterling, John says his hobbies include sailing, golf and softball.



John Stauter

Northwestern Steel and Wire Company
121 Wallace Street
Sterling, Illinois 61081

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