



# Producer

ISSUE NO. 3  
March, 1967



*This brown sandstone warehouse at the corner of Bluff and Front Streets in Marquette was one of the first buildings of James Pickands & Co. The building is still standing today. (Date of photo unknown.)*

**ONE HUNDRED YEARS AGO**

*(see back cover)*

# Should the government guarantee your income?

An idea that has been getting a lot of attention lately is a proposal that the government should guarantee every citizen a minimum income.

If a person's earnings fall short of this amount, he would get a supplementary cash payment from the government. This payment would be a matter of right—with no questions asked about whether he had made a reasonable effort to provide for himself, or about what he intended to do with the money. The "negative income tax" proposal is one form of this idea.

The idea has its supporters among both liberal and conservative social thinkers. The two groups give different reasons for their support of it.

The liberals feel technology is advancing so fast that we can now afford to relieve everyone of the concern, and the responsibility, of supplying his own basic needs. Also they claim, the traditional relationship between the value of work

performed and the compensation paid for it has become obsolete, now that machines can turn out goods almost without human assistance.

The conservatives supporting this idea point out that modern society is committed in any case to taking care of those who cannot provide for themselves. We are doing this, they say, by a hodgepodge of expensive and inefficient schemes for social welfare. They feel it would be cheaper and more effective to replace this with a simple system of cash payments to supplement inadequate incomes.

An obvious objection to this idea is its destructive effect on individual incentive. The only income society can distribute is that which comes from productive activity. With everyone guar-

anteed a minimum income—no strings attached—fewer would feel the economic pressure that seems essential to bringing out their most productive efforts.

Another objection is that a guaranteed minimum income would fail to meet one of the most distressing problems of poverty—the feeling of some groups that they have no share in our national way of life. It is hard to see how a guaranteed income plan would help this problem. Instead, it would bring about an even sharper division between those getting a subsidy from public funds and those paying the taxes to provide it.

Those who support the plan can argue that the present system hasn't got around these difficulties either. Welfare payments severely impair incentives. And the urban poor already feel alienated from our way of life.

There is some justice in this argument. Neverthe-

less, making welfare a basic civil right that can be obtained by filling out a government form is not as simple a solution as it sounds. For one thing, the system would be too easily expanded. Who would determine, for instance, exactly how much constitutes a minimum adequate income? In practice, this would probably have to be done by political horsetrading. And imagine the administrative task of auditing millions of claims for income supplements!

No one knows the answer to the problems of poverty and alienation. Very likely there is no one single answer. Instead, the approach must be a many-sided one, aimed at helping people find useful roles within our national life, rather than guaranteeing them an income while they remain outside.



## industry notes

### RECORD SHIPMENTS

The Lake Carriers Association reports record shipments of iron ore, coal, grain and limestone on the Lakes in 1966. Total shipments were over 210 million tons; more than 10 million tons over the previous high in 1953. Iron ore cargoes were up 6.6 million tons over 1965; coal almost a million tons; limestone, 3.2 million; and grain, 3.2 million.

### CLEAN AIR COSTS

The ultimate cost of air pollution control will be borne by the public through increased taxes, prices, and possibly welfare loads, warns a National Coal Association spokesman. He urged state and local governments to study their problems and recognize technical limitations before rushing to pass unrealistic laws.

### CZECH MINES LAY OFF

In the "workers' paradise" of Communist Czechoslovakia, 25,000 to 30,000 iron miners are being displaced by a decision of the directors of all Czech mines to cut production and import 95% of total ore requirements. 80% will come from the U.S.S.R. and the balance from the West.

### RUSSIAN IRON EXPORTS UP

Soviet trade statistics for 1965, reported late in 1966, show intensive penetration into the international raw materials market, with iron ore and pig iron up 10% over 1964. Soviet purchase of foreign mining equipment rose almost \$22 million from 1964 to 1965.

### NEED FOR SKILLED MINERS

A statement by the National Coal Association stresses the industry's shortage of skilled miners. Producers could sell more coal if they could get the skilled labor to mine it, said the NCA. About 75% of bituminous coal produced in the U. S. last year came from Appalachia, and the industry's future depends on that region's ability to supply the skilled manpower needed.

### CANADA MAY IMPORT MINERS

A Canadian mining publication reported in December that Canada may employ Korean miners to ease its mining labor shortage. A Korean official was to come to Canada to negotiate for the export of Korean miners. German coal mines employ 2,500 Koreans.



**Producer**

is published four times a year, in March, June, September, and December, by Pickands Mather & Co., 2000 Union Commerce Building, Cleveland, Ohio 44115, for employees of Pickands Mather & Co., its subsidiaries, and operations under its management.

## 1966 Annual Report to Employees

*The year 1966 was an important one in the eighty-three-year history of Pickands Mather & Co.*



John Sherwin

K. S. Benson

THE YEAR'S HIGHLIGHTS	1966	1965*
Sales of products and operating revenues . . . . .	\$72,165,000	\$69,497,000
Depreciation and amortization . . . . .	2,370,000	2,198,000
U. S. and foreign income taxes . . . . .	3,507,000	3,417,000
Net income:		
Amount . . . . .	6,466,000	5,802,000
Per share of Common stock (average outstanding) . . . . .	3.09	2.82
Dividends paid:		
Combined Preferred and Common stocks . . . . .	2,018,000	1,603,000
Per share on Common stock . . . . .	.75	.50
Capital expenditures and investments (net) . . . . .	15,348,000	3,251,000
At Year End		
Working capital . . . . .	10,935,000	17,453,000
Long-term debt . . . . .	6,674,000	5,401,000
Shareholders' equity . . . . .	61,662,000	56,541,000
Common shares outstanding . . . . .	1,979,301	1,901,721
Average in year . . . . .	1,944,137	1,897,771

\* Includes both Pickands Mather & Co. and The Interlake Steamship Company on a pooling of interests basis.

Organized as a partnership in 1883, Pickands Mather & Co. was operated as such for some seventy-odd years, and became a corporation in 1960. Last year The Interlake Steamship Company, which the partners of PM were instrumental in organizing and which had been managed by PM throughout its existence, was consolidated into PM. The cycle from private partnership to publicly owned corporation was thus completed in 1966.

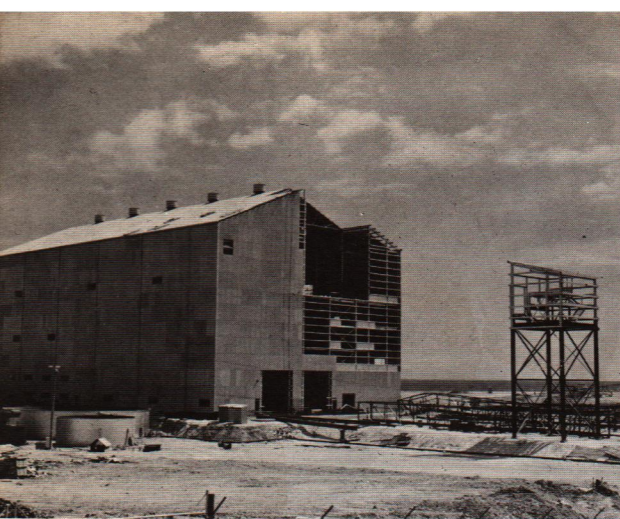
All areas of PM's business were active in 1966 and contributed to making it the best year for the combined companies since 1960.

Profits amounted to \$6,466,161, equivalent to \$3.09 per share of Common stock, compared with \$5,801,574, or \$2.82 per share, in 1965.

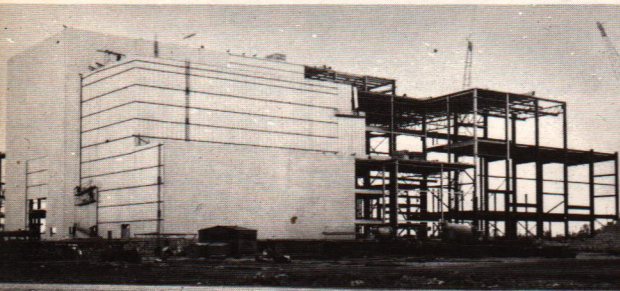
### OPERATING MINES

During 1966, the six mines managed by PM produced a total of 16.1 million tons of iron ore, of which 13.3 million tons were high grade pellets. This compares to total production in 1965 of 14.7 million tons from mines then operating, of which 11 million tons were pellets.

At Erie Mining Company, the largest single mine under PM management, the program to expand production capacity from 8 million tons of pellets per year to 10.3 million tons per year is proceeding well, and at the end of the year approximately 86% of the estimated con-



*Savage River Mines' iron ore pelletizing plant on the coast of Tasmania will have five shaft-type furnaces. Pellet storage and handling facilities and an off-shore ship loader are being built nearby. Total cost of the project is over \$70 million.*



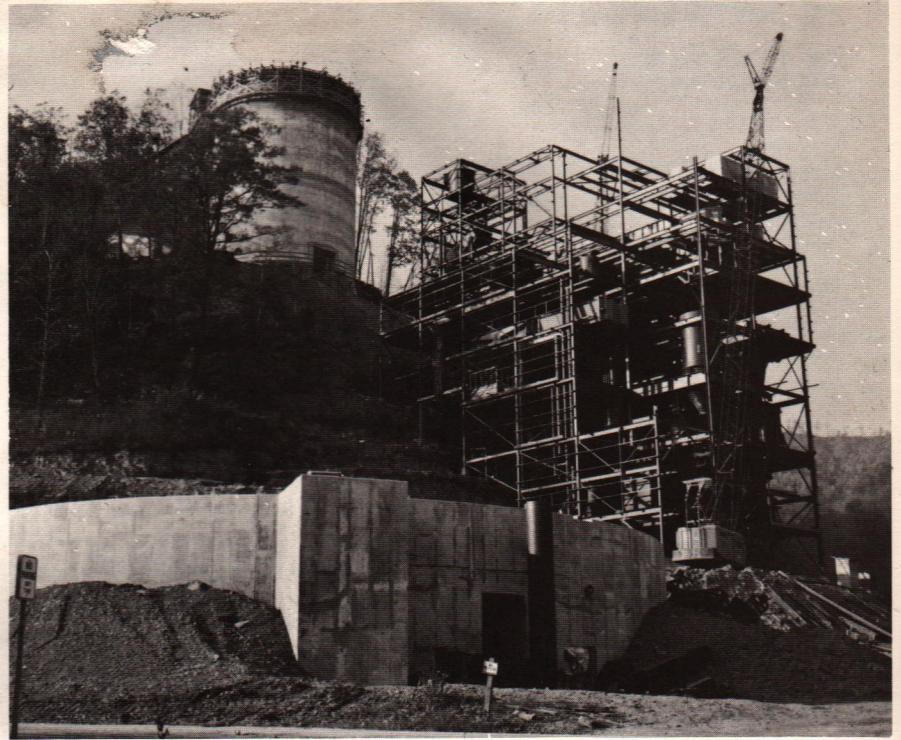
*For maximum efficiency at The Griffith Mine, now under construction in northwestern Ontario, the iron ore processing and the maintenance facilities are in the same building. The mine will produce 1.5 million tons of pellets per year.*

struction cost of \$54 million had been expended. During 1967, Erie is scheduled to produce at its new rated capacity.

Recovery by the Scully Mine, Wabush, Labrador, from the serious fire that took place there in February, 1966 was much faster than initially believed possible, through the ingenuity and hard work of the Wabush operation and many others who helped. However, shipments were curtailed later in the year because of labor difficulties and reduced operations due to floods on the Quebec North Shore & Labrador Railway, which transports the concentrates from the Scully Mine to the Arnaud pellet plant at Pointe Noire, Quebec.

Due to a realignment in the ownership of Wabush Mines and a decision by the companies participating in the project, including PM, to expand the productive capacity of the mine and pellet plant to 6 million tons per year, the tonnage of Wabush pellets available to PM each year will be increased about 22% and PM's investment in Wabush Mines will increase approximately \$325,000.

Iron ore pellets are today's leading blast furnace feed. Expansion at Erie and Wabush and new construction now under way will increase the total pellet producing capacity of PM-managed mines to over 20 million tons annually.



*At the Chisholm Mine, raw coal will come up from underground to the circular storage silo and then, with the help of gravity, flow through the cleaning plant. Annual production capacity will be one million tons.*

During 1967, this reorganization and expansion program will be under way. Production is expected to reach its new rated capacity early in 1968.

The Mahoning, West Hill, and Danube mines in Minnesota and The Hilton Mines in Quebec operated at their normal production capacities.

#### **NEW MINES**

Construction of the Savage River Mines project in Australia continues according to schedule and, at the end of 1966, about 44% of budgeted expenditures had been made. This mine, which will eventually produce 2¼ million tons of high grade pellets for the Japanese market, will begin shipments in early 1968.

In accordance with the original financing plan, PM, together with the other United States organizers, sold part of its investment in the Savage River Mines project to five financial institutions and two corporations in Australia. It is felt that these strong Australian partners will benefit the Savage River project and will be important to the future of PM

operations in Australia. After giving effect to these sales, PM's interest in the project is approximately 12%.

Construction of The Griffith Mine, located in northwestern Ontario, is proceeding according to schedule. Expenditures at the end of 1966 totaled approximately \$22 million out of a total budgeted capital cost of over \$56 million. This mine, which will ultimately produce 1½ million tons of high grade pellets for its owner, The Steel Company of Canada, Limited, is scheduled to start deliveries in early 1968.

Also under construction for Stelco is the Chisholm Mine, an underground coal operation located in eastern Kentucky. The construction program will be completed and first shipments to the owners will be made before mid-year.

#### **MARINE OPERATIONS**

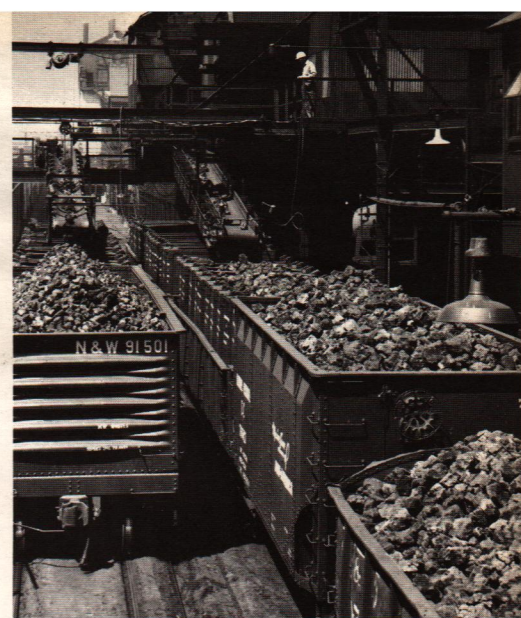
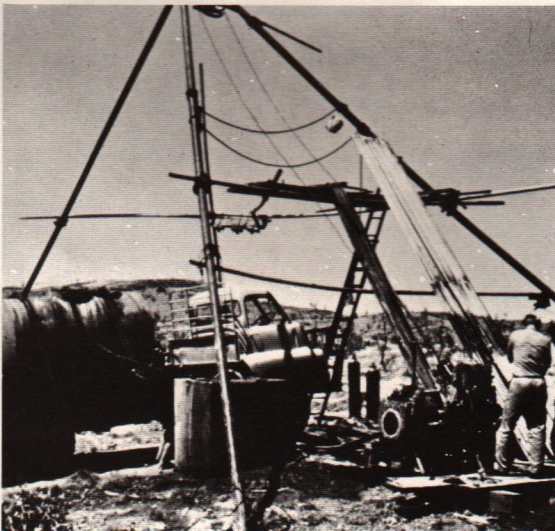
While earnings of the Interlake Steamship fleet were relatively satisfactory last year, it was the result of full operation of our larger vessels under excellent conditions during most of the season. Wages and other costs of operating the



*Massive Manganese is tapped from one of 15 cells that electrolytically produce the high-purity metal in massive form at PM's Manganese Chemicals Division plant, Kingwood, West Virginia.*



*The 250-foot conveyor boom of the Interlake Steamer Frank Purnell can swing to either side of the ship and discharge up to 14,200 tons of cargo at 5,000 tons per hour.*



*After screening to rigid size specifications, about 300,000 tons of highest-quality foundry coke are shipped by rail and truck annually from the 200-oven plant of PM's Milwaukee Solvay Coke Division.*

*A temporary driller's tripod is typical of mineral exploration the world over. Easily moved and erected, it supports the tools that take a continuous rod-shaped sample of the earth. Here one is used in checking an interesting area located by geologists carrying on PM's non-ferrous exploration program in Western Australia.*

fleet have increased substantially each year since 1957, when the freight rate structure was the same as in 1966. This condition cannot continue if a modern Great Lakes fleet is to be maintained to serve the steel industry.

During 1966, PM's Canadian subsidiary, Labrador Steamship Company Ltd., operated three ships in the Canadian iron ore, coal, and grain trade. The *M. V. A. S. Glossbrenner* was launched in May and was placed in service during the latter part of July. Operations of this new maximum-size ship equaled all expectations.

On March 1, 1967, the company purchased the Steamer *Shanango II*, a modern 25,000-ton capacity bulk carrier. In December of 1966, the Steamer *William P. Snyder, Jr.* was acquired from The Shenango Furnace Company. These acquisitions were made for the Interlake fleet to help take care of anticipated increases in iron ore floating requirements in the years ahead.

Labrador Steamship has taken delivery of a maximum-size Canadian vessel which the company had pre-

viously agreed to purchase. It will be named the *V. W. Scully*, in honor of the Chairman of the Board of The Steel Company of Canada, Limited. This ship was operated under a joint venture with a Canadian shipping company during the year. It will be under Labrador Steamship operation hereafter.

To provide for these vessel acquisitions, as well as for future capital requirements, arrangements were made with the banks presently participating in PM's \$10 million revolving credit and term loan agreement to increase the amount of the credit to \$17½ million.

With these additions and PM's continuing program of modernization, the company's fleet is today as modern and efficient as any on the Great Lakes and St. Lawrence Seaway.

About mid-season in 1966, the company's Steamer *Frank Purnell*, which was converted into the first self-unloader in the Interlake fleet, was placed in this service. Operations of this ship were completely up to expectations.

Negotiations are currently under way

to dispose of the Steamer *Harry W. Croft*, as part of a plan to eliminate older, less profitable ships from the fleet while acquiring newer, more economic units.

At the present time, it appears that 1967 will be another active year for the Interlake fleet. However, this early in the year floating commitments are only tentative and are always subject to change, depending on the steelmaking rates of the fleet's customers. The Canadian fleet is now composed of two new maximum-size vessels and two medium-size, efficient vessels which can go to docks with limited draft. The outlook for 1967 indicates a busy year from this operation, subject to changing conditions in the industry.

#### MILWAUKEE SOLVAY COKE

During 1966, the demand for foundry and by-product coke was strong, resulting not only in near-capacity operation of the Milwaukee plant, but also in cleaning up an excess inventory of by-product coke. However, 1967 may bring some reduction in sales, depending on

PM will be pleased to furnish a copy of its 1966 Annual Report to any employee who wishes to have one. To obtain your personal copy, please fill out and mail this coupon:

**Public Relations Department**  
**PICKANDS MATHER & CO.**  
2000 Union Commerce Building  
Cleveland, Ohio, U.S.A. 44115

Please send me a copy of the  
1966 Annual Report of Pickands Mather & Co.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zipcode \_\_\_\_\_

Employed at \_\_\_\_\_

the requirements of the automotive industry, which is an important direct and indirect customer of this plant.

#### **MANGANESE CHEMICALS**

Production and sales for this division were the highest in its history. Demand for all of the chemical and metal products was strong during 1966, and it appears that this situation will continue through 1967. The many problems of bringing the hydroquinone operations on stream have been essentially solved.

The SEDEMA plant in Belgium, of which PM owns one-third and which produces a limited number of manganese chemical products, fell short of sales projections in 1966 as a result of delays in installation of equipment. However, its products were well received in the Common Market and 1967 should bring substantial improvement in sales.

#### **DOCK OPERATIONS**

Tonnages handled at the coal and iron ore docks managed by Pickands Mather were reduced somewhat from the previous year, but operations were generally satisfactory.

#### **AGENCY AND BROKER SALES**

PM's Coal Division sold or acquired for the company's own use about 11 million tons of coal during the year, which was approximately equal to the tonnage in 1965. During 1966, PM became exclusive sales agent for four more coal operators. Assuming that business conditions remain good, total demand

for coal should be strong during 1967. Fuel oil sales by this division again increased substantially in 1966 and the outlook for further growth in this field continues to be favorable.

The company's share of production of iron ore from The Hilton Mines and the Wabush project was sold during the year. Brokerage sales of other ores were at a lower volume than 1965.

Sales of pig iron and ferroalloys, as well as some foundry coke, are made as exclusive sales agent for Interlake Steel Corporation. During 1966, pig iron sales were under severe competition from scrap and imported, low-priced pig iron. Ferroalloy sales held up well during the year, as a result of continued high demand from the steel industry. During 1967, the intense competition with pig iron will continue, but the sales of ferroalloys and agency coke should be at satisfactory rates.

Last year, Preenco unit sales efforts were increased. Sales of these industrial waste incinerators take longer to develop than was originally expected and, consequently, were not as high as projected. Several important installations have been in operation for some time and have conclusively proven the effectiveness and efficiency of the unit. With the continually increasing attention to water and air pollution problems, an expanding market for Preenco units seems assured.

#### **EXPLORATION, CONSULTING AND DEVELOPMENT**

Intensive field work continued in the

two major non-ferrous exploration programs in Australia which are managed by the company. Geological work on the surface and prospecting developed several areas of interest which warranted drilling. Although no significant ore bodies have been discovered, the prospects for these programs continue to be good and the participants have authorized field work to continue this year at rates comparable to 1966.

During 1966, company geologists continued to investigate several ferrous and non-ferrous mining possibilities in North America, South America, and Africa.

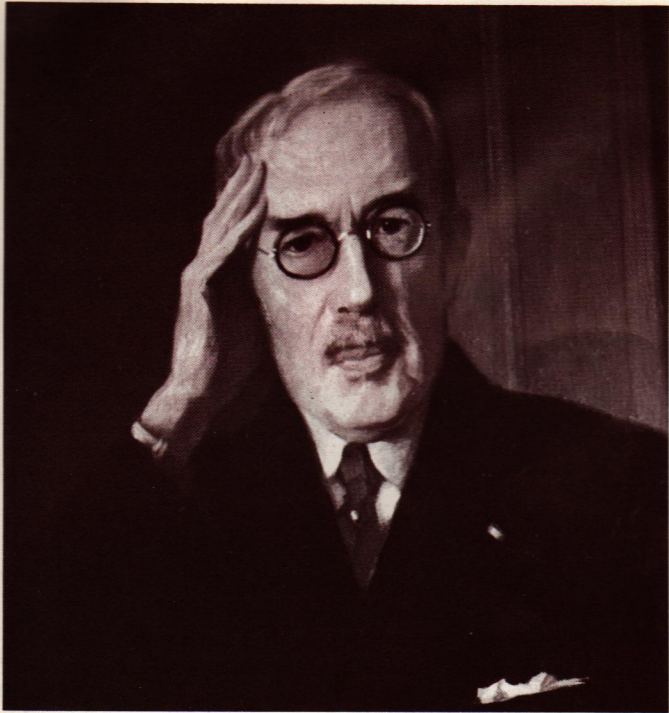
Total expenditures in 1966 for exploration, investigation, and research amounted to approximately \$1,550,000, of which \$874,000 was for the account of the company itself and the balance was borne by other companies participating in these programs. In 1967, these expenditures are expected to be some 25% greater, due to demands of projects now under way. While these expenditures are large for this company, it is believed that the prospects in the areas being covered are sufficiently good to justify programs of this magnitude, at least through 1967.

#### **INVESTMENTS**

Interlake Steel Corporation, in which PM has a 9.1% stock interest, reported a record year, further demonstrating the advantages which were obtained by Interlake Iron Corporation and Acme Steel Company when they merged in December, 1964, to become Interlake Steel Corporation. Published earnings for the year 1966 amounted to \$16,481,000, or \$3.68 per share, compared with \$13,861,000 and \$3.02 per share in 1965. The 405,877 shares of Interlake Steel Corporation stock owned by PM represent a major asset of the company, producing an annual dividend income of about \$730,000.

#### **OUTLOOK**

While the year 1967 commences with many uncertainties in the business outlook, present indications are that PM's business should be comparable in volume and profits to 1966. Obviously, any major variations in the level of operations of the industries on which the company is dependent will reflect in its operations as well; however, no major changes in the activities of these industries are evident at present.



Samuel Mather (1851-1931)

## Charitable Works... IN THE TRADITION OF SAMUEL MATHER

Employees of the PM organization have a tradition of unselfish devotion to worthy causes that dates back to Samuel Mather, one of the company's original founding partners. A tireless worker, Mr. Mather was in his lifetime known at least as well for his civic and charitable good works as for his business acumen. The best known of his charitable activities was his connection with the beginnings of the united fund concept.

During World War I, Mr. Mather took the lead in forming a Red Cross and war relief chest to raise 10 million dollars in his home city of Cleveland. Through his chairmanship of these campaigns, he saw the continuing need for private support of civic charities and the wisdom of an annual united appeal for them. He brought this idea into reality through the formation of The Cleveland Community Fund, the first of its kind in America.

Through the 1920's Mr. Mather was honorary chairman of this organization and its largest contributor. At his death in 1931, his will made provision for its continuing support, along with bequests to some 55 other charitable and educational institutions, and gifts to hos-

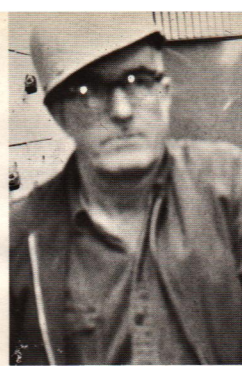
pitals, churches, and museums.

The Cleveland Community Fund idea caught on in other cities throughout North America, and today millions of people share their good fortune with the destitute and needy through the united way of giving.

After Mr. Mather passed away, the spirit of his generosity lived on in the company. PM people have always responded warmly when the hat is passed for a worthy cause.

But charitable agencies and organizations engaged in civic good works generally have a pressing need for volunteer assistance as well as financial contributions. PM's policy is to encourage participation in such work by employees at all levels. And, as might be expected, there are today many PM people who are doing their part to keep the Samuel Mather tradition of community service alive in the many parts of the world where PM operations are now located.

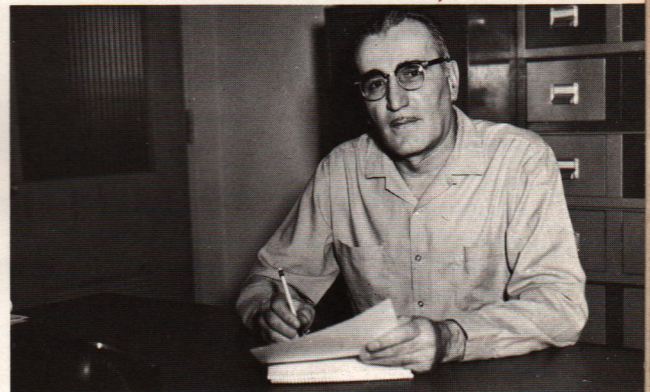
While it would be impossible to give recognition here to all employees who give generously of their time and talents in volunteer good works, the cross-section pictured here symbolizes the good citizenship of all our people who are engaged in volunteer work.



Gordon MacMillan, Mill Operator, The Hilton Mine. Director of the Pontiac (Quebec) Medical Association for eight years.



Robert J. Surbella, Tractor Shovel Repairman, the Ashtabula and Buffalo Dock, and President, The United Steel Workers of America, AFL-CIO Local 4713. Active for 13 years with the Ashtabula County (Ohio) Physical Therapy Association.



J. O. Theodore, Material Control Assistant, Erie Mining Company.

Four years as Committee Chairman of Boy Scout Troop No. 161, Hoyt Lakes, Minnesota.



Russell P. Schroeder, Director of Industrial and Public Relations, Milwaukee Solvay Coke Co. Division.

Leadership positions with United Fund of Milwaukee for the past 15 years.



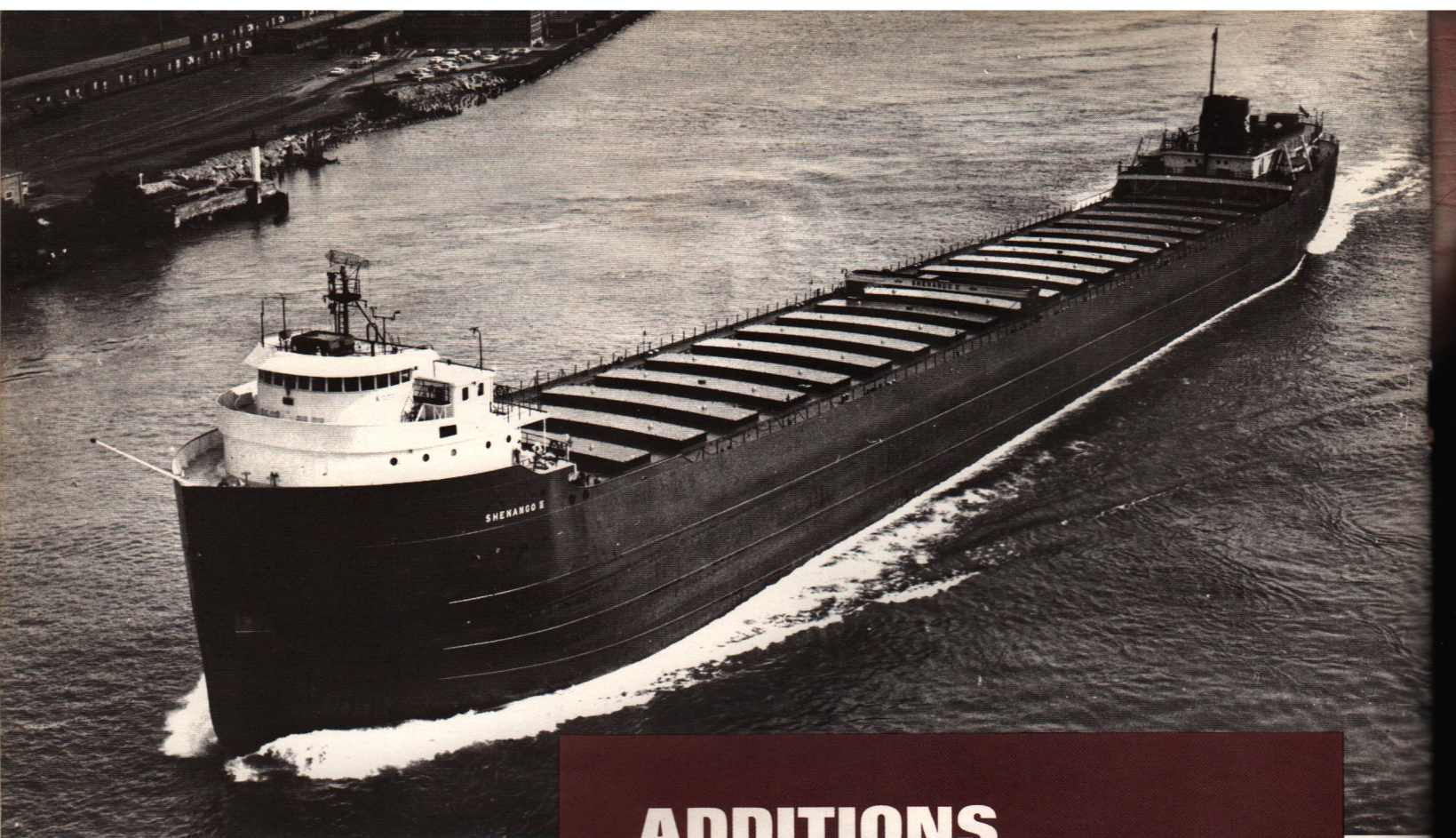
Roger Bisonette, Buyer, Pointe Noire Office, Wabush Mines.

Member and officer for the past 12 years, of the Sept Iles (Quebec), Lions Club.



Edward Helmink, Manager, Ore Traffic Department, PM Cleveland Office.

Volunteer worker, Cleveland Lutheran Hospital, five years.



*Steamer WILLIAM P. SNYDER JR.*

*Steamer SHENANGO II*

**ADDITIONS  
TO INTERLAKE,  
LABRADOR FLEETS**



When the shipping season opens on the Great Lakes and St. Lawrence Seaway this spring, some newly acquired ships will be wearing the colors of PM's Interlake and Labrador fleets.

#### Two New Interlakers

The black stack and orange band of PM's Interlake Steamship Co. division will be seen this year for the first time on the newly purchased Steamer *Shenango II*. The *Shenango II* is to be renamed in honor of Charles M. Beeghly, Chairman of the Board of Jones & Laughlin Steel Corporation. PM has also purchased the Steamer *William P. Snyder, Jr.*

#### Sister Ship of SHERWIN

The *Shenango II* is the sister ship of Interlake's present flagship, the Steamer *John Sherwin*. Both were built by the American Shipbuilding Company at Toledo, Ohio, the *Sherwin* in 1958 and the *Shenango II* in 1959. Constructed to the same basic design, both measure 710 feet in overall length and 75 feet across the hull at the widest point.

These dimensions put them in the largest class of American ships presently operating on the Lakes.

The chief difference between the *Shenango II* and the *Sherwin* is in their power plants. The 8,500 shaft horsepower engine of the *Shenango II* receives its steam from oil-fired boilers. While its engine is equally powerful, the *Sherwin's* boilers are coal-fired.

Both ships have a loaded speed of 17 miles per hour, which enables them to make the trip from the head of Lake

Superior to lower Lake Erie in about 2½ days.

#### WILLIAM P. SNYDER, JR.

The *William P. Snyder Jr.* is 617 feet in overall length by 64 feet in beam (width). Her coal-fired boiler and 5000 horsepower engine, renewed in 1950, will move her along at a loaded speed of 14 m.p.h.

PM took title to the ship after it had completed a special drydock inspection in Chicago, during the winter, to ensure that its hull and structure were in ship-shape condition.

Modern in all respects, the *Snyder* is equipped with a bow-thruster—a reversible, diesel-powered propeller in a tunnel across the ship's bow under the waterline. The device, an innovation on the Lakes within the last few years, results in safer and more efficient operation at lower speeds in close quarters, by making it possible to shift the bow to one side or the other. The *Snyder* brings to 15 the total of Interlake ships equipped with bowthrusters.

#### Dispose of CROFT

Another change in the lineup of the Interlake fleet this winter came about with the decision to dispose of the Steamer *Harry W. Croft*. The *Croft*, with its cargo capacity of 10,300 tons, was Interlake's smallest and least efficient vessel, and had not sailed since 1960.

#### Labrador Fleet Grows

Joining the fleet of PM's Canadian subsidiary, Labrador Steamship Com-

pany Ltd., this spring will be another modern 25,000 ton steamer, to be called the Steamer *V. W. Scully*, in honor of the board chairman of The Steel Company of Canada, Limited. Stelco, which has been a close associate of PM for many years, is the largest stockholder in the Wabush Mines iron ore complex, and one of the owners of the PM-managed Erie Mining Company.

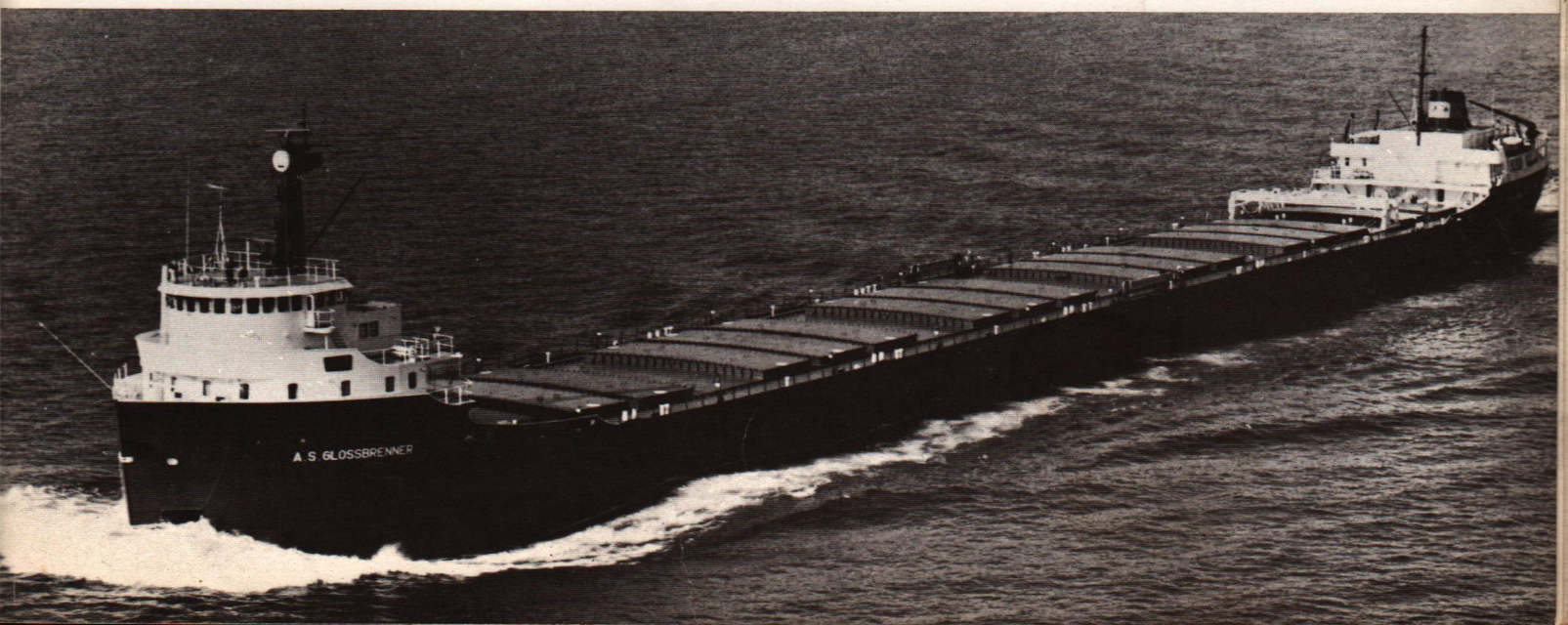
This vessel is a maximum-size Seaway class bulk carrier, 730 feet in overall length and 75 feet wide. Oil-fired, its engine develops 9,000 horsepower, giving it a loaded speed of over 17 m.p.h. This means that the *V. W. Scully* will be able to make the round trip from the PM-operated pellet loading dock at Pointe Noire, Quebec, to Lake Erie ports and back in about 8 days, plus time for loading and unloading.

Built in 1964, the ship is equipped with a bowthruster.

Addition of the *V. W. Scully* to the Labrador fleet will raise to four the number of vessels that will sail under Labrador's orange-band, circle-L stack insignia this spring. Total trip capacity of this fleet will be increased to 75,900 tons.

The formation of Labrador Steamship Company Ltd. was announced by PM in 1965. In the summer of that year the Labrador fleet began operations with one ship, the Steamer *Pointe Noire*, carrying ore in the seaway trade from eastern Canada. When the 1966 season opened, a second ship, the Steamer *A. B. Wolvin* had joined the Labrador fleet, and last summer the brand-new Motor Vessel *A. S. Glossbrenner* became the third ship to wear the Labrador colors.

Motor Vessel A. S. GLOSSBRENNER





**Watch  
the  
Birdie!**

**PM AD SERIES**

**FEATURES**

**COAL AND**

**PIG IRON**

**SALESMEN**

PM salesmen John Blecha, Woody Holden, and Cal Tayerle, of the company's Pig Iron, Ferroalloys and Coke Sales Division, report that PM's new trade magazine advertising series has provoked a lot of comment among customers and other industry contacts.

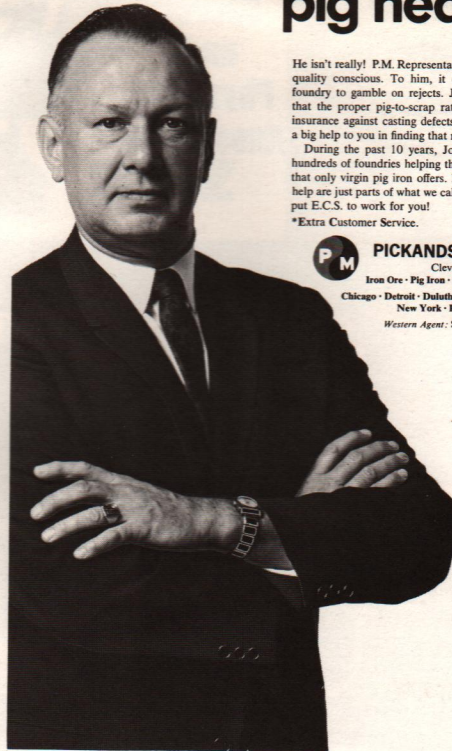
John Blecha, a PM Chicago Office metallurgist since 1957, says he likes the ads because new contacts recognize him from his photo. "In sales the personal touch means a lot," he says.

"I've had phone calls from people I haven't seen in years," reports Woody Holden, who has been a Cleveland foundry service representative since 1960. "They call to say it's a good thing the photo shows my pipe . . . they wouldn't know me without it!"

Cal Tayerle says his friends kid him about the ad by pinning it up in their offices. "One fellow even put it up on his dart board!" he told us. Cal started with PM in 1949, in the pig iron billing department. He joined the St. Louis sales staff in 1951, moved to the Chicago Office in 1958.

A similar ad series is being prepared for PM's Coal Sales Division. Photo at left shows Cleveland fuel engineer Mel Dadd being "shot" for an ad that will carry the headline: "When there's trouble, they call for Dadd." Other coal sales personnel to be featured in PM coal ads are: Ray Brown, Indianapolis; Dick Mayberry, Washington; Bob Power, Chicago; Joe Racey, Detroit; and Page Swing, Cleveland.

## Who says he's pig headed?



He isn't really! P.M. Representative John Blecha is just plain quality conscious. To him, it doesn't make sense for any foundry to gamble on rejects. John knows from experience that the proper pig-to-scrap ratio is the foundryman's best insurance against casting defects. And, of course, he can be a big help to you in finding that ratio!

During the past 10 years, John Blecha has worked with hundreds of foundries helping them get the quality assurance that only virgin pig iron offers. His experience and desire to help are just parts of what we call E.C.S.\* Let your P.M. man put E.C.S. to work for you!

\*Extra Customer Service.



**PICKANDS MATHER & CO.**

Cleveland, Ohio 44115

Iron Ore • Pig Iron • Silvery • Coal • Coke • Ferroalloys

Chicago • Detroit • Duluth • Erie • Greensboro • Indianapolis

New York • Pittsburgh • St. Louis • Washington

Western Agent: Stan Brand Co., Tustin, California

## Insurance salesman.

Chances are you already know Calvin Tayerle, one of P.M.'s foundry representatives. Actually, he sells you pig iron and insurance . . . the quality insurance you get with the proper pig-to-scrap ratio.

When you stop to think about it, virgin pig iron in your charge is a lot like an insurance premium. It may cost a little more, but it pays off in the protection you get against tramp elements causing casting defects.

Cal has been selling his P.M. brand of insurance for some 15 years. His experience and desire to help are just parts of what we call E.C.S.\* Let your P.M. man put E.C.S. to work for you!

\*Extra Customer Service.



**PICKANDS MATHER & CO.**

Cleveland, Ohio 44115

Iron Ore • Pig Iron • Silvery • Coal • Coke • Ferroalloys

Chicago • Detroit • Duluth • Erie • Greensboro • Indianapolis  
New York • Pittsburgh • St. Louis • Washington

Western Agent: Stan Brand Co., Tustin, California



## He works hard to avoid tramps.

He's Woodrow "Woody" Holden, one of Pickands Mather's foundry service representatives. His experience in practically every side of the foundry business adds up to some 30 years. In that time you can get pretty quality conscious. And that's the way Woody feels about pig iron. To him, it's certainly no economy to increase the scrap ratio in your charge when you end up by increasing your rejects. That's why he feels so strongly that virgin pig iron is the best protection you can get against tramp elements causing casting defects.

Woody Holden is only one of many P.M. foundry men who work hard at solving customer problems. Their experience — and desire to help — are just parts of what we call E.C.S.\* Let your P.M. man put E.C.S. to work for you!

\*Extra Customer Service.



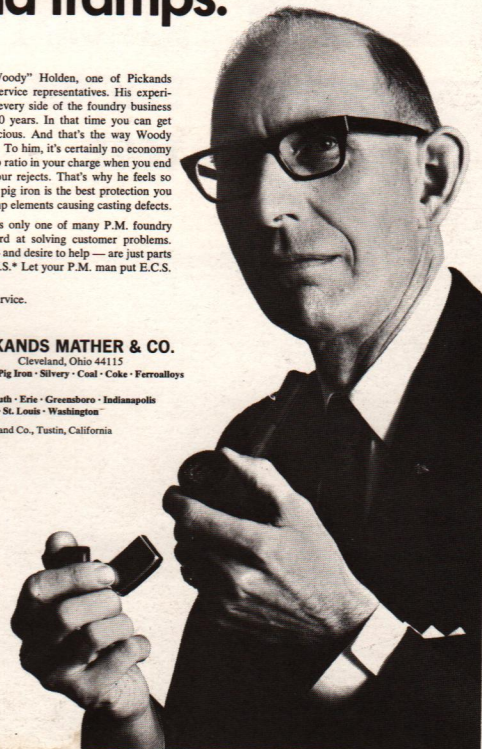
**PICKANDS MATHER & CO.**

Cleveland, Ohio 44115

Iron Ore • Pig Iron • Silvery • Coal • Coke • Ferroalloys

Chicago • Detroit • Duluth • Erie • Greensboro • Indianapolis  
New York • Pittsburgh • St. Louis • Washington

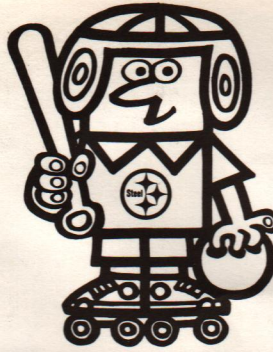
Western Agent: Stan Brand Co., Tustin, California



**DID YOU  
ENJOY...**

**LAST OCTOBER**

**The National  
Sports  
and  
Physical  
Fitness Test**



**AND...**

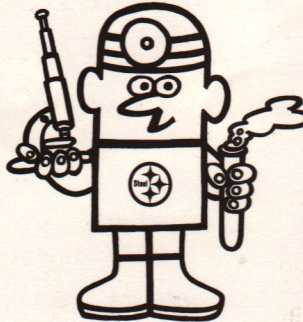
**IN JANUARY?**

**The National  
CURRENT  
EVENTS  
TEST**

**THEN  
DON'T MISS...**

**COMING  
NEXT MONTH**

**THE  
NATIONAL  
SCIENCE  
TEST**



How high did you score on "The National Current Events Test," sponsored by the American Iron and Steel Institute and its member companies on nationwide TV early in January? How well did you do on "The National Sports and Physical Fitness Test" last October?

Employees of the PM organization in the U.S. had the opportunity to match their knowledge on these two subjects with that of millions of other Americans when these programs were broadcast on nationwide TV. By keeping track of their answers on the scorecards provided by the company, employees could compare their own scores with those registered by a representative cross-section of their fellow Americans and by the CBS-TV live studio audience, as announced at the end of each program.

If you enjoyed these programs, be sure not to miss "The National Science Test," scheduled to be broadcast over CBS on April 4, 1967, also under AISI sponsorship. (Consult your local papers for time and channel.)

This program, which for the most part will deal with scientific explanations for everyday phenomena, will be keyed to the interest of the whole family. (And don't be surprised, Dad or Mom, if your school-age sons or daughters give you a real run for your money on this one!)

PM is again planning to make special scorecards for this test available to employees. To obtain these, contact the Public Relations department or the office at your operation.

Employees who saw the last two AISI TV tests report that the "commercials," which covered new developments and new products in the steel industry, were well worth watching in themselves.

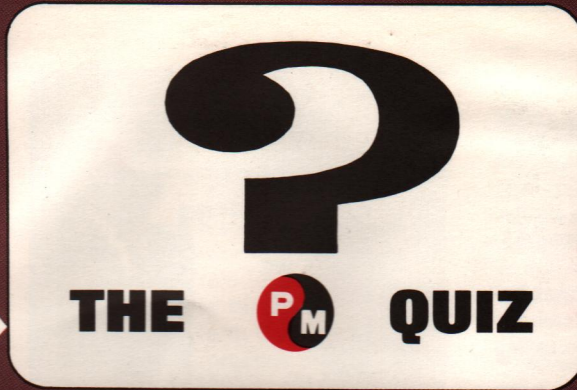
This national TV test series is just one of the many ways in which the American Iron and Steel Institute is telling the Steel Industry's story to the American public. As a participating member of the AISI, PM is proud to be one of the "sponsors" of this series, and every member of the PM organization can be equally proud to be part of this important industry.

In Canada, in place of this series, the AISI sponsored "The Canadian History Test," part of a day-long special broadcast over CBS on New Year's Day, commemorating Canada's 100 year of Confederation. "The Canadian History Test" gave Canadian members of the PM family an opportunity to test their knowledge of important events in Canada's history.

**Answers to PM Quiz**

1. C 2. B 3. C 4. False (Children of principal officers and directors of PM and subsidiary companies are not eligible.) 5. False (RFE is a private organization, supported exclusively by contributions from businessmen and private individuals.) 6. True 7. A 8. C 9. C 10. B 11. B 12. B 13. True (PM became a public corporation on August 31, 1966. Shares are traded over-the-counter.) 14. C 15. B 16. C 17. B 18. A 19. False (The Interlake fleet placed its first self-unloader, the converted Steamer Frank Furnell, in operation last year.) 20. False (Employees with less than one year of service may enroll in courses under the program, but reimbursement is delayed until after completion of the first year.)

... YOU MAY  
ALSO ENJOY...



The questions below are based on information in the September and December, 1966, issues of the PM PRODUCER. Answers are on page 12.

1. Total tonnage produced by the PM-managed Mahoning Mine from the time it began operation in 1895 through the end of the 1965 season was:  
A. About 30 million tons B. About 60 million tons C. About 120 million tons
2. More than . . . % of the people employed in the PM organization have over 10 years' service.  
A. 10% B. 25% C. 50%
3. The PM Board of Directors has . . . . . members.  
A. 4 B. 8 C. 12
4. Sons and daughters of all employees in the PM organization are eligible to compete for Harry Coulby Scholarships. (True or False)
5. Radio Free Europe is a U.S. Government agency that broadcasts the truth behind the Iron Curtain. (True or False)
6. The PM-marketed Prencro Pyro-Decomposition system has been described as capable of burning "dirty water." (True or False)
7. To eat a Christmas meal called the "Six Pates," you would probably have to visit the home of a PM employee at:  
A. Pointe Noire, Quebec B. Burnie, Tasmania C. Tokyo, Japan
8. A fan letter to "Joe Merry" should be addressed to:  
A. Baltimore, Maryland B. Short Hills, New Jersey C. Paris, France
9. The present taxation rate for U.S. Old Age and Survivors Insurance (Social Security-Medicare) is:  
A. 2.1% B. 3.2% C. 4.4%
10. Most of the ships in PM's Interlake fleet are . . . . . powered.  
A. Oil B. Coal C. Diesel
11. During its first year of general distribution, the American Iron and Steel Institute movie "Steel and America" was seen by close to . . . . . people.  
A. 13 million B. 21 million C. 54 million
12. According to an industry publication listing, PM ranks . . . . . in size among the free world's iron ore producers.  
A. 2nd B. 4th C. 9th D. 22nd
13. Shares of Pickands Mather & Co. stock may be purchased by the general public. (True or False)
14. PM sales of coal total about . . . . . tons per year.  
A. 2 million B. 7 million C. 11 million D. 18 million
15. After its fire, early in 1966, the PM-managed Scully Mine, Wabush, Labrador, was back in production in . . . . . days.  
A. 54 B. 72 C. 100
16. The 1965-66 expansion program at the PM-managed Erie Mining Company cost approximately . . . . . dollars.  
A. 5 million B. 25 million C. 50 million
17. Beginning this year, long service employees of the PM organization will receive their service awards on . . . . . in the year in which they become eligible.  
A. The first working day B. Their service anniversary date C. The last working day before Christmas
18. A hard hat that cracks when struck by a falling object can:  
A. Save your life B. Inflict a nasty scalp wound C. Be returned to the manufacturer for a free replacement
19. All of the Great Lakes vessels operated by PM must be unloaded by special dockside cargo handling machinery. (True or False)
20. Employees are not eligible for participation in the company's educational reimbursement program until after they have completed one year of service. (True or False)

### SAFETY AWARD AT HILTON

The PM-managed Hilton Mine, Shawville, Quebec, has received the National Safety Council's highest recognition, the Award of Honor, for operating a million man hours without a disabling injury, during the period from September 13, 1965 to November 23, 1966.

About 25% of the companies that belong to the National Safety Council are Canadian, which makes this organization international in scope.

A plaque symbolizing the award was presented at the mine on February 7, 1966, by PM Safety Director Glenn M. Hostetter.

Accepting the award on the behalf of Hilton Mines was Mine Manager W. H. Muloin, who commented, "Records are not the important thing. What really matters is that people have retained their income . . . family life is more happy . . . individuals enjoy good health."

Muloin has been Mine Manager since September, 1965.



*Union Safety Committee representative Earl Cooney and Mine Manager Bill Muloin pose with Award of Honor plaque and handshake symbolizing teamwork that contributed to Hilton Mine's outstanding safety record.*

*Hilton men are proud of their safety score-board.*



### APPOINT FIVE NEW VICE PRESIDENTS

The PM Board of Directors recently announced the election to Vice President of the following members of the PM Board of Managers:

R. P. Batchelor, Jr., Manager—Engineering and Construction

B. F. Borgel, Manager—Operations  
J. S. Crawford II, Manager—Coal Division

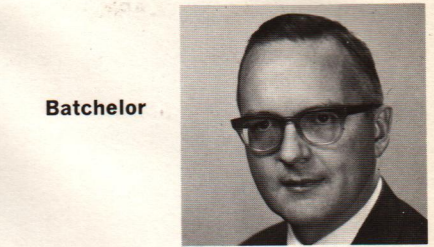
F. R. Dykstra, President of Manganese Chemicals Co. Division  
Elton Hoyt III, Manager—Pig Iron, Ferroalloys and Coke

Batchelor, who is 45, joined PM's mining department in 1952. In 1958 he

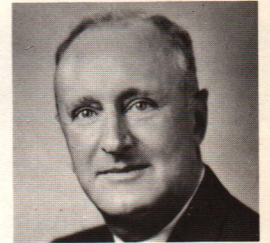
was transferred to the construction and development department, and became its manager in 1962. He is a graduate of Princeton University.

Borgel, 56, joined the staff of Erie Mining Company in 1956 as superintendent of the power plant at Taconite Harbor, Minnesota. He became works manager of Erie in 1961, and was named manager of operations for PM early in 1965. He is a graduate of the University of Detroit.

Crawford, 47, joined PM's coal accounting department in 1947. Serving in the company's coal department for nearly



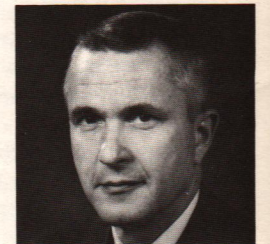
Batchelor



Borgel



Crawford



Dykstra



Hoyt

20 years, he became its manager in 1965. He is a graduate of Wesleyan University.

Dykstra, 46, joined PM in 1965. He was formerly associated with E. J. Lavino and Company of Philadelphia, where he was vice president in charge of alloy, ore, and chemical sales in the U. S. and abroad. He is a graduate of the University of Wisconsin.

Hoyt, 46, joined PM in 1955 in ferroalloy sales. He was named manager of the pig iron, ferroalloys, and coke sales department in 1963. A graduate of Westminster School, Simsbury, Connecticut, he attended Yale University.

## APPOINT COULBY SCHOLARSHIPS COMMITTEE

Announcement has been made of a committee to judge applicants for the Harry Coulby Scholarships for sons and daughters of PM people.

Appointment of the committee was made by The Cleveland Foundation, upon recommendation of PM's Chairman and President. Committee members are required to be prominent professional persons not employed by or otherwise affiliated with PM.

Appointed were Dr. Harry M. Broder, Assistant Professor of History, Case Institute of Technology; Benjamin F. Fiery, Senior Partner, Baker, Hostetler & Patterson; and Dr. James A. Norton, President of the Greater Cleveland Associated Foundation; all of Cleveland.

Dr. Broder received his doctorate in history at Western Reserve University. He has been a member of the Case Institute of Technology faculty since 1956 and is former Associate Dean of Students at Case.

A trustee of the Shaker Heights, Ohio, Public Library, he is also a member of the State Executive Board of the Ohio Library Trustees Association. Dr. Broder is in addition, a member of the PACE Association, a Cleveland citizens' organization interested in the advancement of primary and secondary education. A combat infantry veteran of World War II, he is a holder of the Purple Heart for

wounds received in action in the European Theater. Prior to his graduate work, Dr. Broder worked in industry for five years.

Mr. Fiery graduated from Washington and Lee University in 1913. Following his graduation from Harvard Law School in 1916, he joined the law firm of Baker, Hostetler & Sidlo in Cleveland. He was admitted to the practice of law in West Virginia in 1916 and in Ohio in 1917. After service as an Army Pilot during World War I, he was private secretary to Newton D. Baker, who was the Secretary of War until March, 1921.

In 1921 Mr. Fiery returned to his firm, Baker, Hostetler & Patterson, and since that time has been actively engaged in the practice of law. He is a Director of Buckeye Pipe Line Company, a Trustee of The Cleveland Clinic Foundation and The Cleveland Law Library Association.

Dr. Norton holds a doctorate in government from Harvard University, and he has taught at Harvard, Louisiana State, the University of Texas, Florida State University, Western Reserve University, and Case Institute of Technology.

Dr. Norton came to Cleveland in 1956 to direct the Metropolitan Services Commission, known popularly as METRO, which won nation-wide attention for the Cleveland area. Over the years he has worked with city and state governments

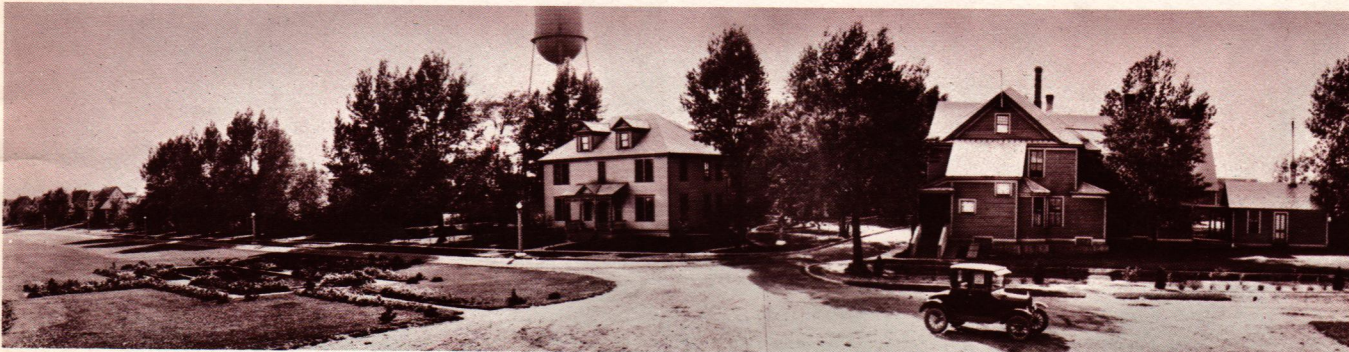
## BULLETIN

As this issue went to press, more than 60 applications for HARRY COULBY SCHOLARSHIPS have been received from sons and daughters of PM people. It is expected that scholarship winners will be notified before May 1.

in several states as consultant on planning and management problems, and has published articles and books on public administration.

He has been President of the Greater Cleveland Associated Foundation since it was founded in 1961. Unrelated to the Cleveland Foundation, which sponsors the Harry Coulby Scholarships, Dr. Norton's organization works to assess community needs, establish priorities for action, support experiments for solving problems, and encourage other philanthropies to join programs for solution of basic community problems.

Among his civic activities, Dr. Norton serves as Chairman, Research Committee, Greater Cleveland Growth Board; Chairman, Economic Research Committee, Department of Development, State of Ohio; Chairman, Metropolitan Goals Advisory Committee, Committee for Economic Development. He also serves as a consultant to foundations in different parts of the country.



Taken sometime before 1930, this view of the Mahoning Location shows the former mine office (large building in front of the water tower). This area is now incorporated into the mine pit.

## MAHONING LOCATION REUNION

Former residents of the Mahoning Location are planning a reunion in Hibbing, Minnesota, on July 15 and 16, 1967. Formerly the townsite for the PM-managed Mahoning Mine, the Mahoning location was built in the 1890's and abandoned in 1961.

In a letter to E. R. Tyler, the Mahoning Mine's present superintendent, Helmer "Ham" Johnson, chairman of the re-

union committee, writes that many former residents have expressed a desire for a reunion.

*"The fact that we lived in a remote area and had a common employer gave . . . a special feeling of togetherness, sharing joys and sorrows. We all took pride in our location; our men were close to their work, our homes were well kept, and our children were safe with many recreational advantages.*

*". . . each time a group of us former Mahoningites gathered, with nostalgia, we remembered the good years we had as friends and neighbors at our old home."*

The reunion plans include a social hour, banquet, and dance on the 15th and a picnic at Hibbing's Bennett Park on the 16th.

Former residents are invited to contact "Ham" at his present address: 1962 East 26th Street, in Hibbing.



# Producer

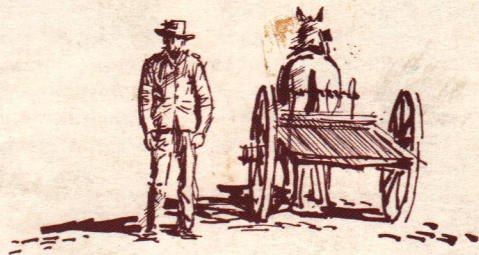
PICKANDS MATHER & CO.  
2000 Union Commerce Building  
Cleveland, Ohio 44115 U.S.A.

Return Requested



10002 MISSON  
P.O. BOX N-636  
WABUSH, LABRADOR. LEO

## ONE HUNDRED YEARS AGO...



... in the spring of 1867, Colonel James Pickands and his brother, Henry S. Pickands, sailed north from Cleveland for Marquette, Michigan.

We have no way of knowing just what hopes or dreams sent these two young men forth to the iron country. We do know that Colonel James Pickands had worked, for the two years since his discharge from the army, for a Cleveland company active in Lake Superior iron mining. And in 1867 the Lake Superior iron country had a magnetic attraction for young men of enterprise and imagination.

We also know that some time before, seated in front of a campfire on a bitter cold night in the mountains of eastern Tennessee, the two brothers had discussed the possibility of some day forming their own business partnership. Shortly after the battle of Missionary Ridge, their regiments had been en-

camped close to each other, and Captain Henry Pickands paid a visit to his higher-ranking brother.

He described this visit in a letter to their mother on January 6, 1864. The brothers, separated for nearly two years, talked of home and their family, and of their younger brother Sammie, who had died of fever in another regiment, in West Virginia. They also talked of the uncertain future, and of what they might do when the war was over. Henry wrote his mother that:

*... we found ourselves talking of a small business house with "Pickands Bros." over the door, or a small farm in the country and I don't know how many more absurdities. But strange things happen sometimes, and who knows—we may realize it yet...*

Perhaps this conversation was in their minds as they sought the challenge and promise of the new iron country.

One of James' first friends in Mar-

quette was Jay C. Morse, who was already established in iron enterprises. When Pickands talked about opening a hardware store, he and Morse became partners. They founded James Pickands & Co. and began selling hardware, mining machinery, implements, and supplies.

James Pickands started this business at twenty-eight, with no money but with great energy, a bold imagination, and boundless belief in the future of the Lake Superior country.

The business led him and Morse, sixteen years later, into another partnership, this one with Samuel Mather, who was already in the iron business in Cleveland. Thus, in 1883, Pickands Mather & Co. was founded.

Today, a hundred years from its beginning, James Pickands & Co., the forerunner of PM, is still a part of our business. Now a subsidiary, it is a thriving part of our coal sales organization.