PLAINTIFF'S EXHIBIT FOS-478

FOSECO, INC.

MANUFACTURING DIVISION

MONTHLY REPORT - SEPTEMBER, 1973

Cleveland Plant

Steel Mill Products Division

LOSS OF OVEN CAPACITY DUE TO FULL PRODUCTION OF NEW BINDER RECIPES CAUSES COSTLY REDUCTION IN PRODUCTIVITY.

Total PROFAX production dropped from 1607 tons in August to 1398 tons in September due to reduced sales demand, less working days in the month and the binder recipes which have had a serious effect on oven curing times and temperatures. Oven temperatures have been raised 20 to 25° in order to properly cure these new recipes and curing times have been lengthened by up to 20%. This has had an overall effect of seriously reducing productivity from 9.1 man hours per ton in August to 9.6 man hours per ton in September. Greatest effect, of course, was in multi-piece which went from 9.0 man hours per ton in August to 10.1 man hours per ton in September.

The Technical Department continues to work on debugging of these recipes with some encouraging results, especially in the area of development of non-asbestos recipes. In the meantime, however, these productivity losses have cost over $5,000 in lost labor efficiency in the month of September alone in the PROFAX departments.

Foundry Products Division

LOW SLEEVE SALES HAMPERS PRODUCTIVITY IMPROVEMENT GOALS. POWDERS, TABLETS PASTES AND LIQUIDS KEEP PACE WITH ACCELERATED SALES REQUIREMENTS.

Overall Foundry Products productivity improved from 6.2 man hours per ton in August to 5.5 man hours per ton in September. Although productivity improved in production of both KALMIN and KALMINEX, higher sales requirements pushing the production departments would have ensured greater improvement. Scheduling has become difficult due to high inventories and very little product requirement with backlogs as low as one half day. All of the other foundry departments have felt substantial improvements in productivity which is resulting in gains against labor standard.

Total direct and indirect man hours have gone favorable in all foundry departments, a total of close to $3,700 in the month of September, due to the programs described in the August report. It is anticipated that October will see all foundry departments running favorable against labor standard for the first time in about five months.