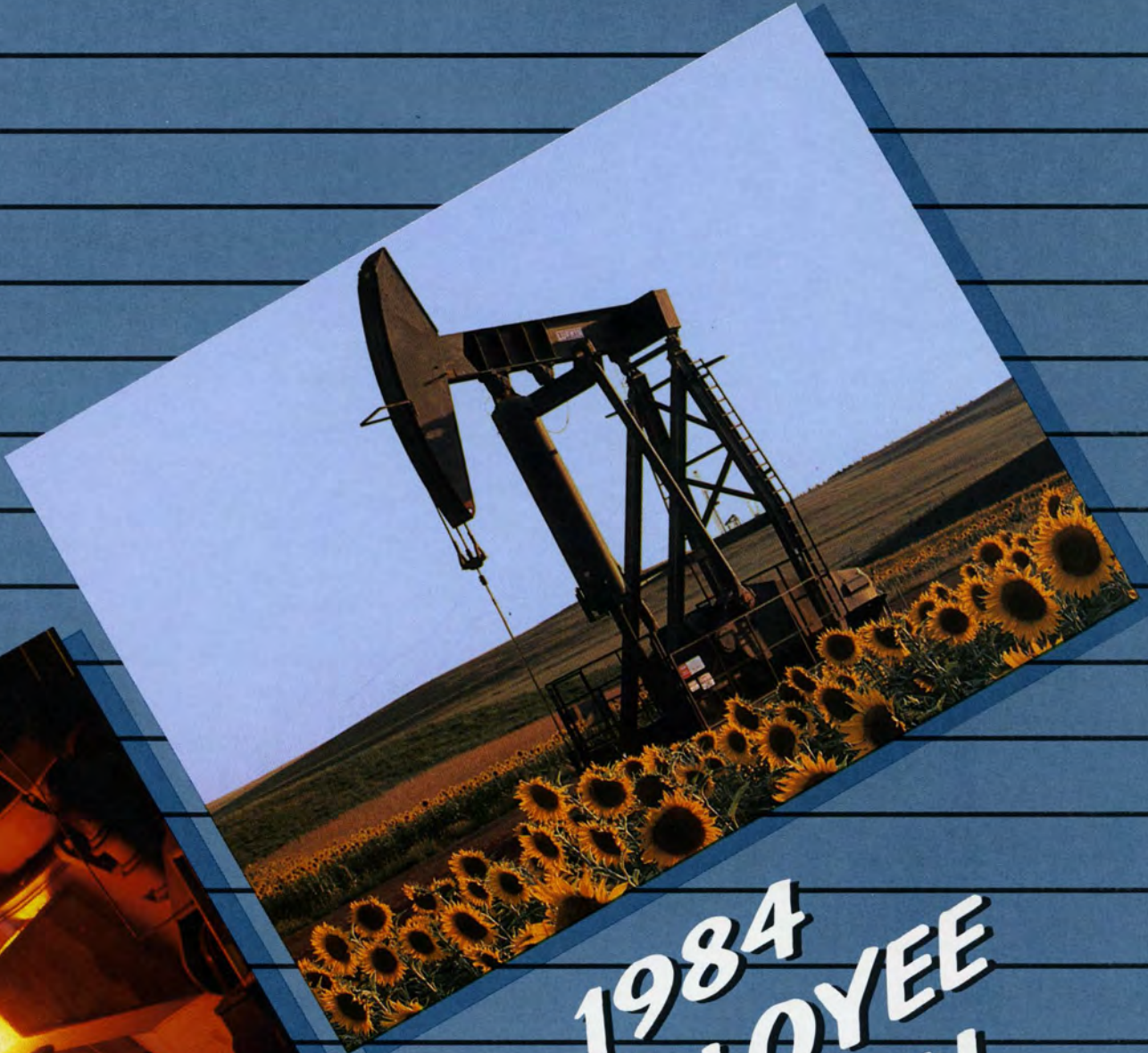


LUFKIN ROUNDUP

MARCH, 1985



**1984
EMPLOYEE
ANNUAL
REPORT**



(EDITOR'S NOTE: The following is a condensed version of an address Lufkin Industries' Chairman and Chief Executive Officer R.L. Poland made in mid-February at an American Gear Manufacturer's Association meeting in Atlanta, Ga.)

There is an old saying: "Build a better mousetrap, sell it cheaply enough, and the world will beat a path to your door."

Prior to and immediately following World War II, anything built in America or carrying the age-old mark—"Made in U.S.A.—was considered the very best in the world and well worth its price. For the first half of this century, we here in the Land of the Free and Home of the Brave enjoyed a prolific and profitable world market in selling nearly all of our commodities, whether consumer goods, machinery or materials.

Today, though, we are forced to view an entirely different picture.

For many of our key products, excluding foodstuffs, imports have replaced 25 to 90 percent of the domestic sales in this country. Imports of manufactured goods have been climbing twice as fast as the increase of our Gross National Product.

March Cover:

For company employees, 1984 was a year of recovery, change and "new frontiers." See the Employee Annual Report, pages 2-10.

■ FROM THE CHAIRMAN'S DESK

It has been estimated, one half of this trade deficit for the past year or so has been brought about by the high value of our dollar in relation to other countries' currencies. Of course, the other half of this alarming deficit that is not currency-related, must be attacked directly by United States businesses.

This same relationship has been true within the gear manufacturing industry. For the past several years, we have been struggling to keep our heads above water, so to speak, due to imported gears.

If we are to win this struggle, if we are to remain strong within the world marketplace, I do not believe our government's barriers or tariffs are the end-all answer to our problems. I am, however, firmly convinced we must hit foreign competition head-on; prepare ourselves to better compete with foreign manufacturers in both the domestic and the world markets.

Other than levying import duties, our government can stabilize and also enrich business in this country with the implementation of many other methods.

Our government must direct itself toward creating a more business-like environment in certain fields, such as taxes, strangling regulations, consideration for American-made products in government procurement, and a stronger support of American industry in a manner similar to the procedures of support supplied by Japanese and German governments to their industries.

The proper role of government in relation to business is the creation of conditions that will support, without direct involvement, industrial efficiency.

Levying import duties, or completely curtailing imports, would only eliminate the need for American producers to improve their operations and plants. This, of course, could lead to more severe troubles.

How do we combat these disturbing trade deficiencies within our gear business? Without destroying our free and fair trade practices, it would be most difficult. Unless we prepare ourselves to face foreign competition, many of our small manufacturing concerns, those that

strictly rely on making and selling gears, stand slim chances of succeeding.

We must prepare ourselves to offer a better quality gear that can be delivered anywhere in the world on swifter delivery schedules. We must set high goals in quality and efficiency and strive for nothing less than pure perfection in reaching those goals.

We must have the best equipment in the world, including heat treatment, gear cutting, finishing, and measuring. We must train our production people to fully realize that quality and efficiency is the hallmark of our business.

We must select the proper material and give it the proper treatment.

We must be able to deliver the gear when the customer needs it and be certain, beyond the slightest doubt, the customer is well-satisfied with the complete performance of what he receives.

We must stand behind a worthwhile warranty and be every-ready to assist the customer with any service problems.

We must integrate the newest of technology into every facet of our manufacturing operation.

As Americans, we must realize we are the envy of the world. But still, a target for those outside the United States who harbor huge dreams of further cracking our markets.

Too many times, we Americans forget an important intangible about this world in which we live and do business. We forget the vast majority of the world maintains a different set of moral standards from those by which we live and work. We forget much of the rest of the world attempts to do commerce with a different set of ethical and business values.

If we are honest with ourselves and our customers, we will indeed win over the long run. However, some of us will know hurt before the long run is finished. This, we must also prepare ourselves to confront.

1984: NEW FRONTIERS

By DAVID WILLMON

If 1983 was a year of change, as characterized in last year's Employee Annual Report, the year 1984 was a year many changes made throughout the plant were put into effect, ushering in a new era of manufacturing technology.

"On the whole, 1984 was a year of recovery for the total company," says Lufkin Industries president, Frank Stevenson. "More than 500 new employees were added to the payroll last year and that is wonderful progress."

The company's Trailer Division broke practically every record set during its 45-year history and entered 1985 with a substantial \$14 million backlog of orders.

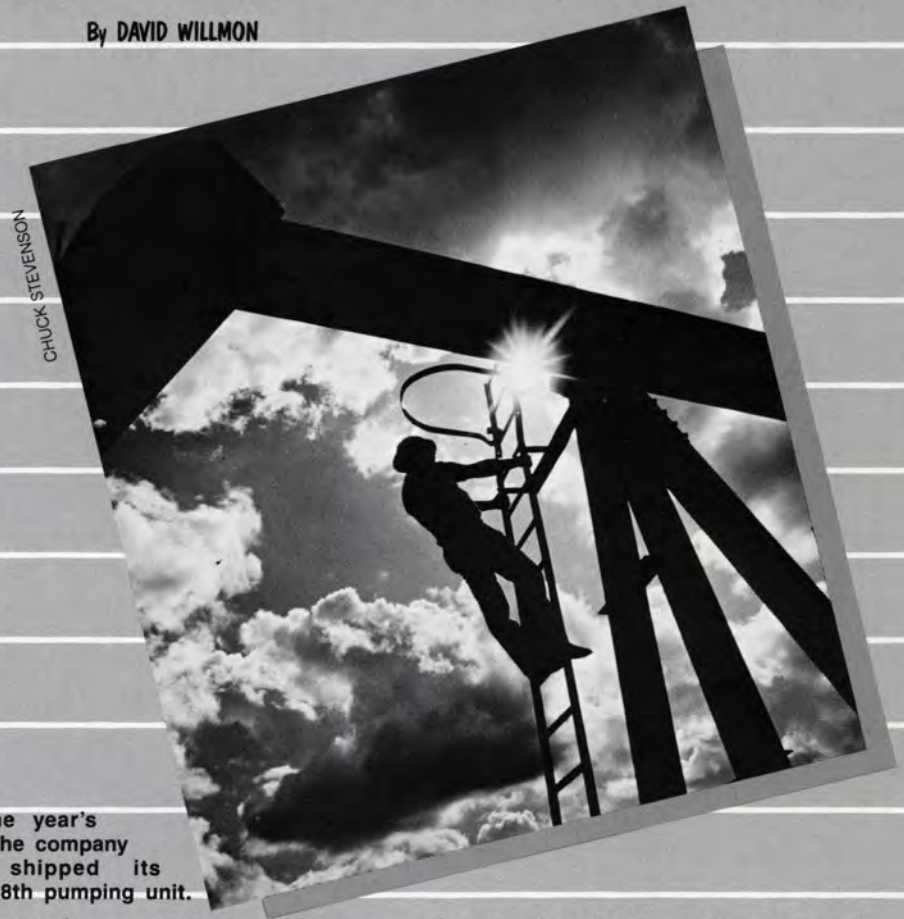
Markets for the Machinery Division's products were relatively strong all year, making recent changes in manufacturing technology were remarkably well-timed. More than ever before, the marketability of LUFKIN products was based on price and quick delivery, as well as quality. New manufacturing changes initiated in 1983 and brought to completion during 1984, were directed at reducing manufacturing costs and providing faster response to customer needs.

By the year's end, the company had shipped its 159,388th pumping unit.

As employees put to use the new manufacturing processes, machining cells, and assembly lines, "never-before-possible" costs savings, flexibility and response times were realized. It was more than enough evidence that the company's efforts during years to come will be directed toward further manufacturing efficiency.

"We face increased competition

from foreign and domestic manufacturers," says Stevenson. "Competition has always been good for the strong, progressive companies. They find better ways to do everything. The LUFKIN team has always met the challenge of competition. Our employees have always shown the initiative and imagination to meet whatever challenges we face."



FINANCING NEW FRONTIERS

Re-investing profits creates new opportunities

With relatively strong markets in most of the company's product lines, Lufkin Industries' sales climbed to \$258 million in 1984. As we see how this income was distributed to employees, stockholders, vendors, plus federal and state governments, we can better understand how many individuals are affected by this company's performance each year.

As a major manufacturer, the company's largest expense each year is the raw materials, energy and supplies necessary for its operation. During 1984, the company's largest purchases were for structural steel, castings, bearing and steel alloy from outside vendors.

The second largest expense is the compensation and benefits provided company employees. To attract and retain a skilled work force, the company must offer good wages and benefits such as paid holidays, vacations, retirement programs and health insurance. The company pays 60 percent of the cost of group insurance for its employees, an expense of \$2.6 million during 1984. An employee's pension plan is funded 100 percent by the company. This alone meant an expense of \$4.7 million last year.

Among the benefits available to employees are opportunities to improve their skills and education. The company sponsors classes in blueprint reading, shop math, and other self-improvement courses. It offers educational assistance to employees who satisfactorily complete accredited college courses.

"We encourage every employee to take advantage of this program," says Frank Stevenson, company president. "Computer technology is creating an information explosion in the workplace. We must realize that the new technology itself, the personal computers, the NC machine tools, does not within itself produce anything. It is up to us to make the most use of it. We must continually upgrade our skills and abilities to take advantage of this new technology, and the opportunities for advancement it creates."

The income left after all company expenses are paid is the company's profit. Part of this profit is returned to stockholders as a return on their investment. But, a major portion of the profit is reinvested in the

company to upgrade its facilities and equipment.

Capital improvements made during 1984 were double the amount of capital improvements made during 1983. For all those affected by this company's success or failure either directly or indirectly, such as the employees, the community's tax-supported institutions, and suppliers, these capital improvements assure the company will remain competitive and profitable in the future.

"Each year this company makes tremendous investments to provide the most efficient tools for its employees," says Stevenson. "The challenge each of us faces is to make the most of this new technology."

As we look at the performances of the company's divisions during 1984, we will see how important recent capital improvements were to the company's performance in 1984.



1984 EMPLOYEE ANNUAL REPORT

Employee Benefits



Vacations & Holidays:
\$2,250,918

Payroll Taxes:
Social Security
\$3,917,962
Unemployment
\$1,821,934
Workmen's Compensation
\$1,313,336
Group Insurance
\$2,618,728
Pensions
\$4,617,571
Bonus
\$1,809,397

Wages
\$53,937,522

Profits



During 1984, the company reinvested \$12.6 million in capital improvements and new machine tools that will keep the company competitive and provide more opportunities for its employees.

Profit (15.2%)

Depreciation (3.3%)

Taxes (7.6%)

Employee Benefits (27.1%)

Raw Materials (46.8%)

MILLIONS

300

200

100

79

80

81

82

83

84

Sales

THE FRONTIERS OF PRODUCTIVITY

Staying competitive with manufacturing efficiency

During 1984, the Machinery Division produced 5,240 pumping units which accounted for 62 percent (\$162 million) of the company's total sales. And, in the manufacturing of pumping units more than any other product, past efforts to bring efficiency and faster response produced significant results.

As world-wide customer demand for pumping units returned, there was intense price competition, according to Ben Queen, vice president and manager of Machinery Division sales. Manufacturers who had raised prices during the boom years, cut prices of their 1984 equipment. LUFKIN equipment remained competitively priced as the company had not raised pumping unit prices since October, 1981.

"Our policy has been to establish a fair price for our product that allows us to do the things we need to do to remain the leader. We do not participate in price wars and short term market prices that would hurt us in the long run," says Queen.

"We have been able to maintain this price structure because of the significant advances that have been made in reducing manufacturing costs without sacrificing quality."

The customer has sometimes been able to purchase a cheaper unit than one built by LUFKIN, but never a better one, says Frank Stevenson, company president.

"The success we had during 1984—not a good year for many manufacturers in the oil industry—is evidence that the customer prefers our equipment. We have a reputation for providing the highest quality at a reasonable, fair price."

Many of the major projects designed to cut manufacturing costs and production lead times were made in the Machine Shop's pumping unit gear reducer assembly area. During 1984, projects were completed which grouped machining operations into "machining cells," link-

ing them to assembly stations with conveyors. A new assembly line for pumping unit gear reducers was also completed. These projects were designed to eliminate overhead costs such as excessive material handling and scheduling, with improved quality control.

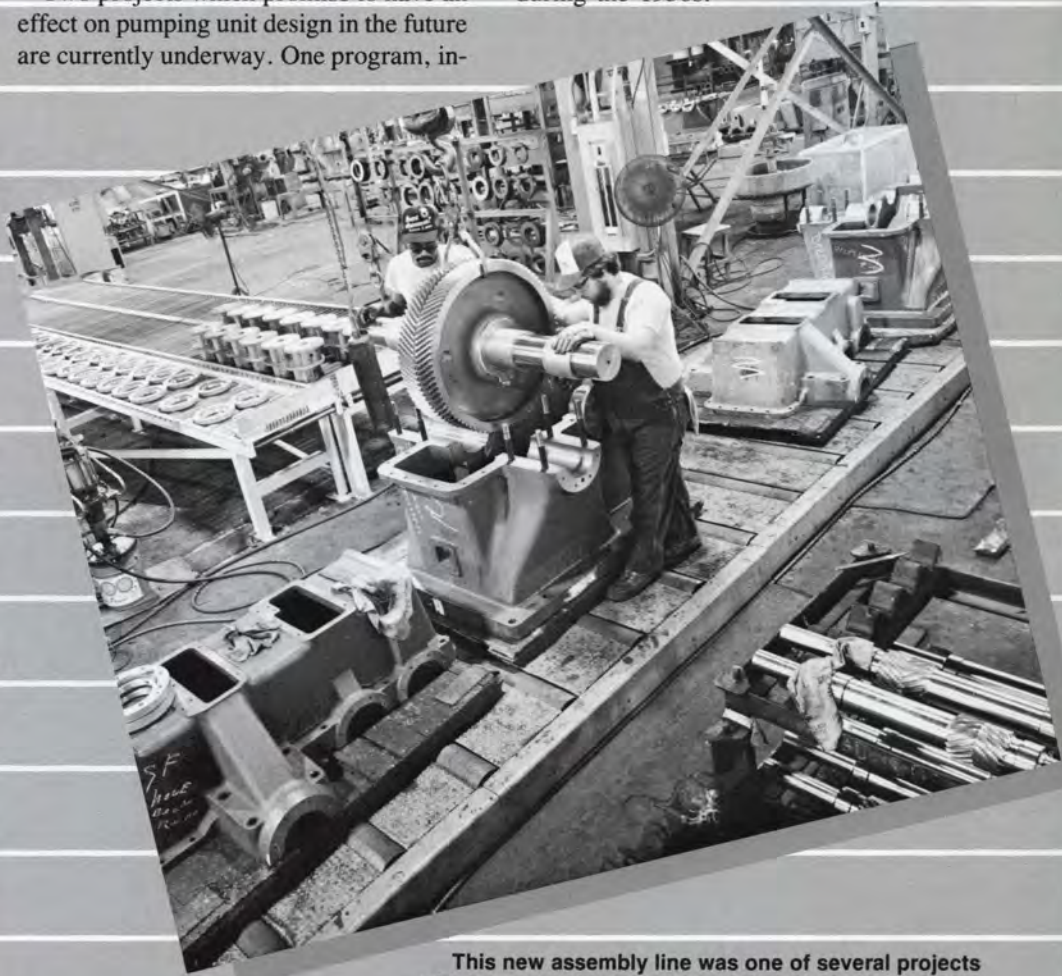
"We've cut the lead time on producing housings from 20 days to one day," says Mike Penn, vice president, machinery operations. "We've cut manufacturing costs in the machine shop significantly, but we must continue to search out areas where costs can be reduced."

Two projects which promise to have an effect on pumping unit design in the future are currently underway. One program, in-

volving a joint effort of the engineering and foundry departments, is the development of a new gear material called "aus-tempered ductile iron."

"This will no doubt favorably impact the profitability of the company in future years," says Fred Griffin, vice president, engineering. "Early test results indicate the gear tooth wear and gear toughness of this new material is much superior to presently used gear material."

The standard gear material throughout the pumping unit industry, ductile iron, was first pioneered by LUFKIN engineers during the 1950s.



This new assembly line was one of several projects which cut manufacturing costs and reduced lead times in the production of pumping unit gear reducers.

1984 EMPLOYEE ANNUAL REPORT

During the year, engineers from the engineering department's oilfield design group, manufacturing engineering and foundry engineering and representatives from the machine shop and structural shop, frequently were involved in joint efforts to re-design pumping unit components to take advantage of new foundry and machining technology in hopes of improving product quality and reducing production costs.

As a result of this teamwork, significant improvements were made in the design of counterweights and Conventional cranks during 1984. The new counterweight design enables the use of "ram-up cores" for sizeable savings in foundry production costs. The shape of Conventional cranks was changed from tapered sides to parallel sides to speed machining operations and cut costs.

A new counterweight cleaning positioner, designed and built by LUFKIN, reduces production times for counterweights by 40 percent. The new positioner, the first of its kind in the world, is part of a counterweight manufacturing cell which eliminates 13 of 28 separate manufacturing operations performed on counterweights.

"We also increased our main bay production by 28 percent during the year," says Rod Pittman, vice president, foundry operations, "by staggering coffee and lunch breaks, and shift changes so that our no-bake molding lines run continuously. We call it 'Non-stop Production' and this increase in production is due entirely to the fine cooperation of our employees who made it work. We believe additional modifications in this program will further increase our production."

In the company's Steel Fabrication, Final Assembly and Shipping plant, efforts were made to further improve response times and cut manufacturing costs in the production of fabricated structures for

pumping units.

"Our efforts during the year were directed at utilizing more effectively our present manufacturing facilities rather than adding new machines," says Bill Pennington, vice president, structural steel operations.

An intensive effort to more accurately plan and forecast the production of the most frequently used structural components drastically reduced work in pro-

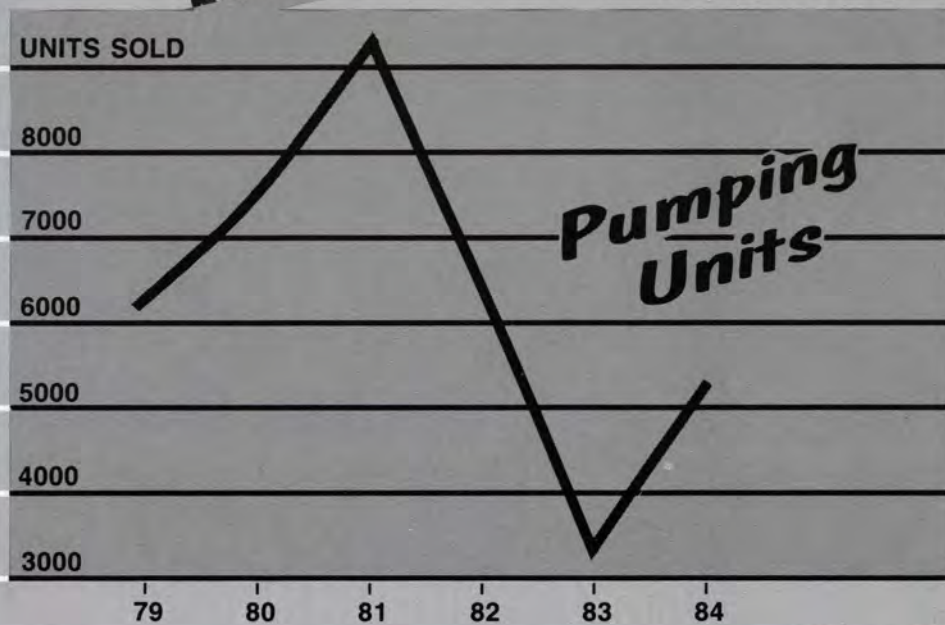
cess, and finished goods inventories, while improving response time.

Changes in manufacturing methods and product design were aimed at reducing manufacturing costs.

"In 1981 it took 244 man-hours to build and ship a LUFKIN pumping unit," says Pennington. "Last year, our average was 178 man-hours per unit."



One of several "machining cells" served by conveyors which eliminate excessive handling.



RECORD BREAKING FRONTIERS

The best year in the Trailer Division's 45-year history

When the Trailer Division's sales turned up sharply during the last half of 1983, it was the beginning of a strong market for truck-trailers that would continue through 1984. Demand for truck-trailers is still strong and the division entered 1985 with an order backlog of approximately \$14 million. During 1984, trailer production at LUFKIN remained at a record-breaking pace all year. It was a welcome change for skilled trailer employees who had experienced several years of poor market conditions.

During the years 1980, 1981, and 1982, the trailer industry nationwide slumped further and further each year, until by 1982 trailer production nationwide was down 60 percent from 1979 totals. Production in LUFKIN's plant in 1982 was less than half that of 1979.

LUFKIN maintained a strong, viable role in the trailer industry despite the poor demand for its product during the early 1980s. Trailer sales and service facilities

were upgraded in several cities and the division introduced several new designs. Locally, every effort was made to cut costs. The plant produced a variety of products to provide work for skilled employees.

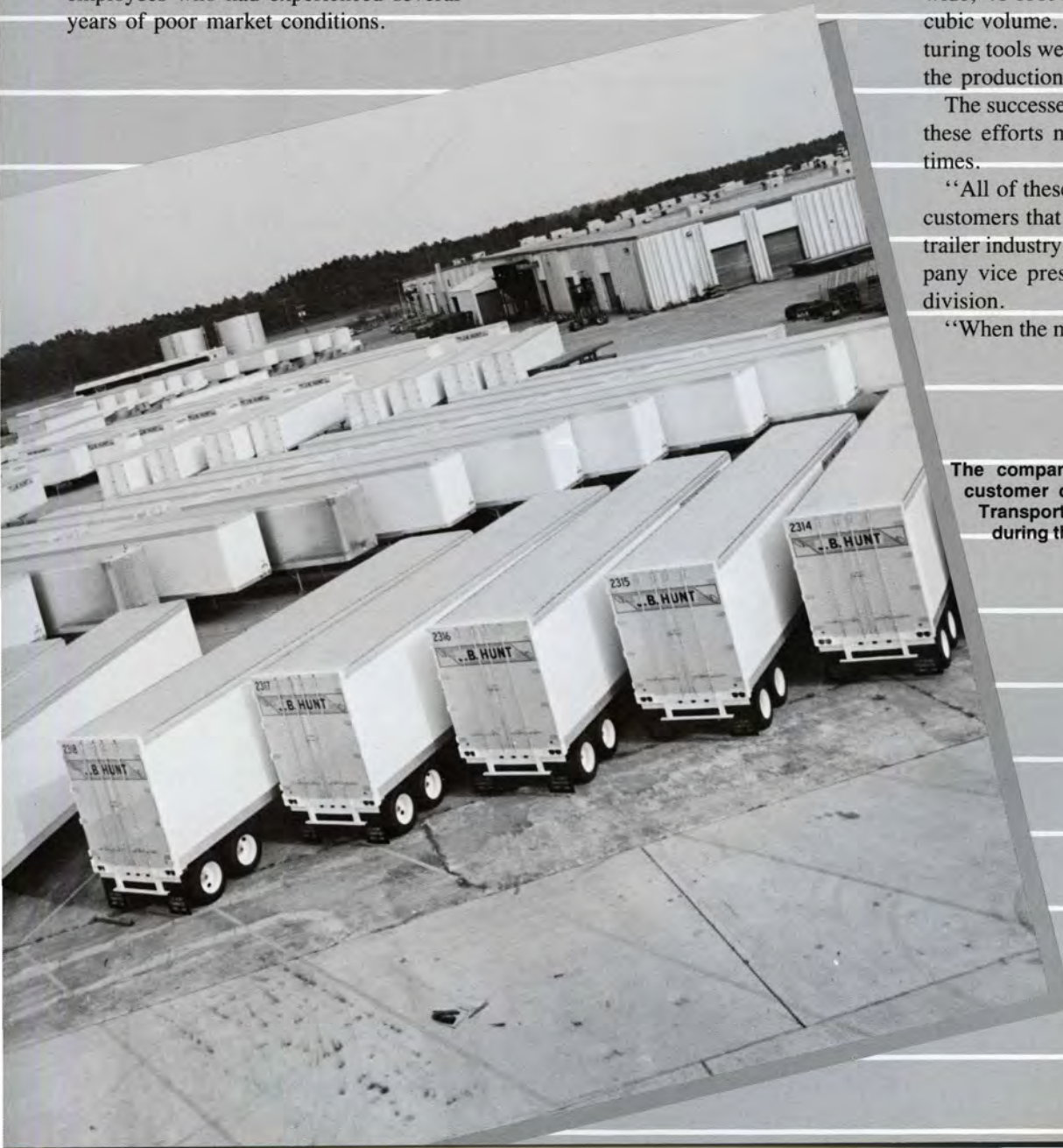
During the late months of 1982, in anticipation that Congress would pass legislation allowing longer, wider trailers on the nation's highways, the Trailer Division's engineering department designed 102-inch wide, 48-foot long trailers for maximum cubic volume. Modifications to manufacturing tools were also made to prepare for the production of longer, wider trailers.

The successes of 1984 were the fruits of these efforts made during the leanest of times.

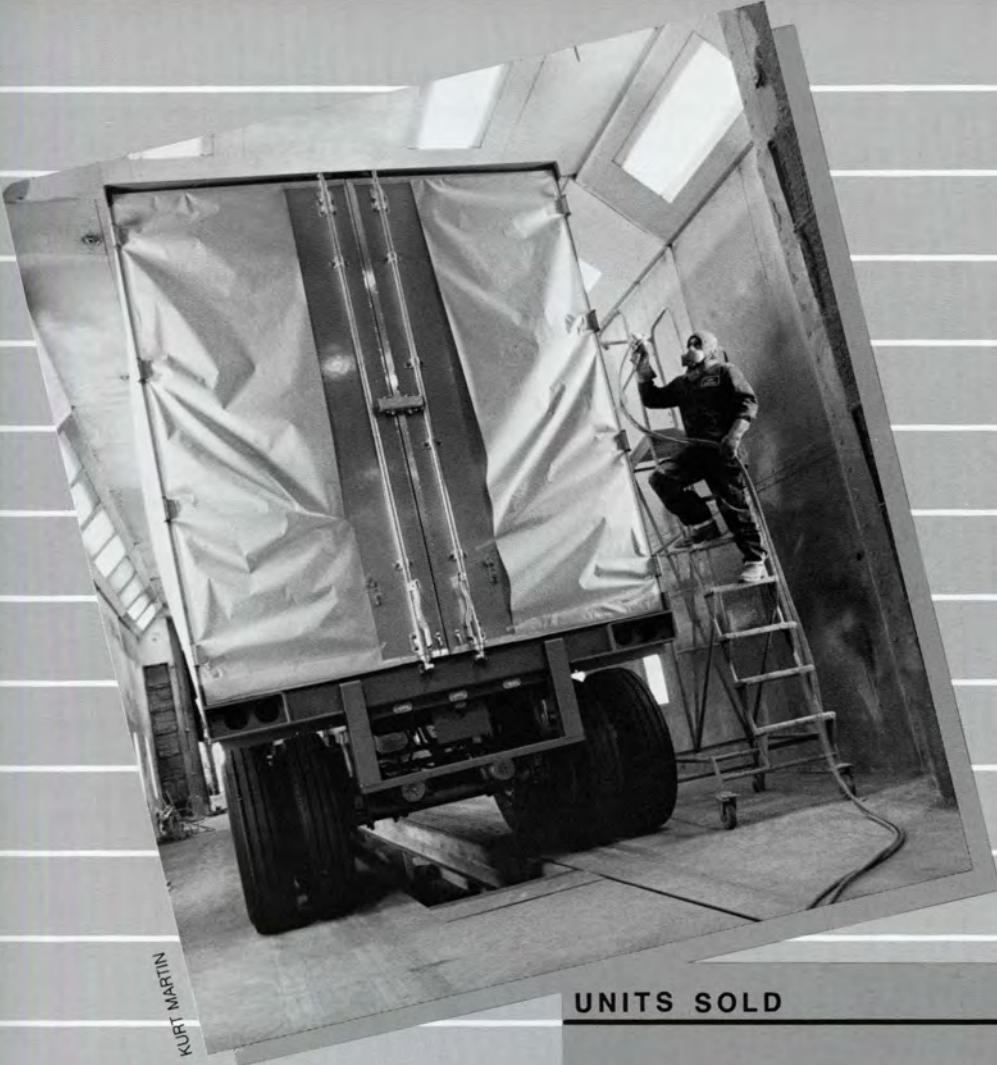
"All of these things were a sign to our customers that we were committed to the trailer industry," says Dick McKay, company vice president and manager of the division.

"When the market returned, we were in

The company's highest dollar volume customer during 1984 was J.B. Hunt Transport whose trailer purchases during the year totalled \$15.7 million.



1984 EMPLOYEE ANNUAL REPORT



KURT MARTIN

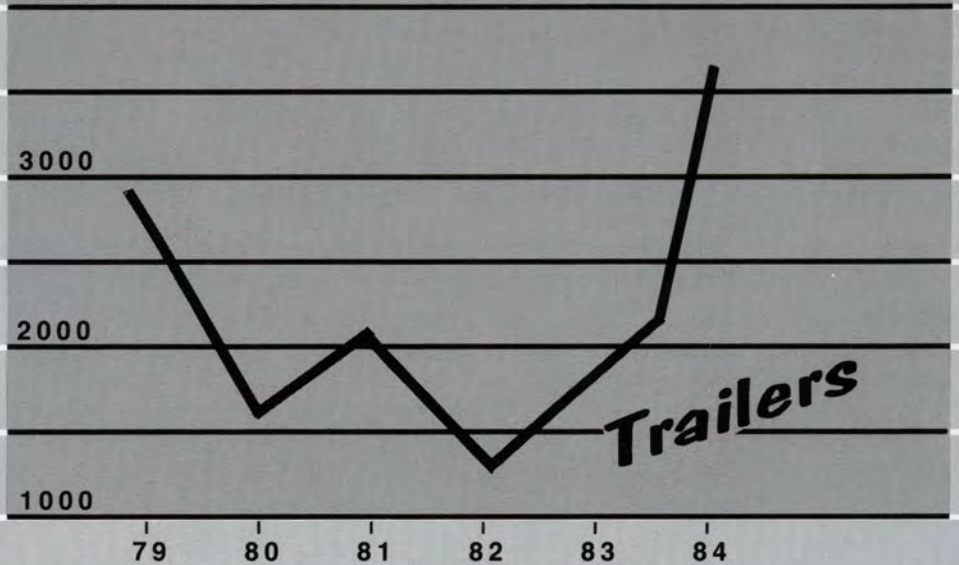
a better position to take advantage of it. We had designs for high-cube trailers, we had skilled employees still on the payroll, and our sales force had been out there all along staying in contact with our customers. In 1984, it all came together for us.”

During 1984, the trailer division broke practically every record set during its 45-year history. Sales for the division were a record \$61.5 million. Other records broken were: sales for new trailers in one year, \$47 million; sales of used trailers in one year, \$8.7 million; sales of vans in one year, \$38.6 million; largest number of vans built in one year, 2,693; and largest single month’s billing, \$10.3 billed during December. The Memphis trailer branch also broke the old record for the largest volume of parts and service sales with \$1 million for the year.

Consequently, 1984 became the best year in history for the employees of the Trailer Division.

A new \$399,000 painthouse facility completed during 1984 doubled the number of trailers painted in each shift.

UNITS SOLD



Trailers

FRONTIERS IN PRODUCT DESIGN

Introducing new industrial and marine gear designs

The market for industrial and marine gearing remained in a slump during 1984, a reflection of the slump nationwide in industrial expansion and renovation. Furthermore, the company faced fierce competition for the gear business that was available from both domestic and foreign gear manufacturers.

"It's a tough market," says Ben Queen, company vice president and sales manager. "Gears are a stable part of our business, but when there's just so much business and too many people attempting to get that business, then it means there's a lot of price quoting. Every day we have to be thinking, selling, talking LUFKIN."

The Machinery Division shipped 482 industrial and marine gear units during 1984 for a total of approximately \$12.5 million. Sales of parts for industrial and marine gears totalled \$8.7 million, bringing total gear sales to roughly \$21.2 million.

Still, 1984 was a year of notable achievements and progress for sales, engineering and manufacturing personnel involved in gearing. New designs for both industrial and marine gears were completed during 1984.

A 67,050 HP industrial gear, the largest ever designed and built by LUFKIN, was completed during October. The project effected major renovations of the company's relatively new gear testing facility.

During the year, projects designed to shorten the delivery times, reduce manufacturing costs and improve the quality of industrial and marine gearing were initiated. A new 40-inch Hoefler gear grinder was purchased during 1984 at a cost of \$350,000 as a result of increasing demand for carburized and ground gearing. Projects similar in design to those used in the manufacture of pumping unit components are now underway. Machining cells linked to assembly stations by conveyors will improve quality, shorten lead times and reduce manufacturing costs

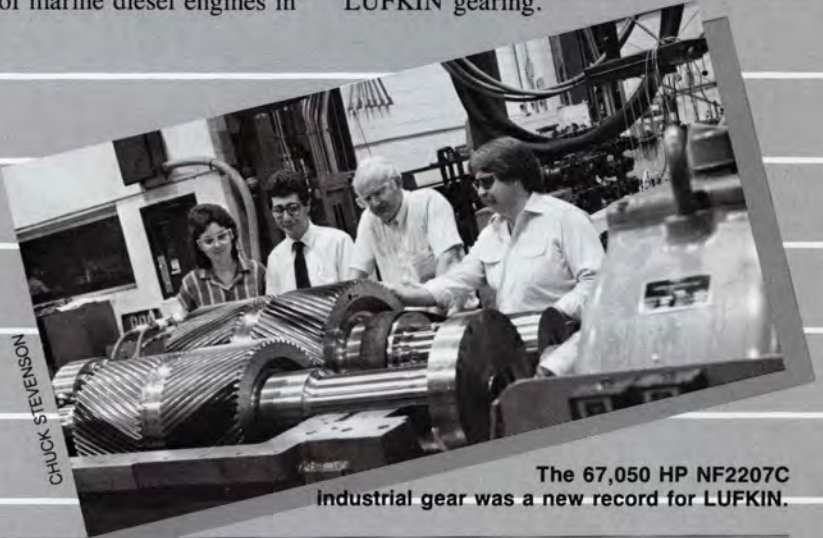
in the production of small industrial gear components, such as bearing carriers, seals and small gear blanks.

"Delivery, costs, and quality go hand-in-hand when we're looking at improvements," says Penn. "We never make compromises in quality to reduce lead times or manufacturing costs, or vice versa. We never lose ground in one area to make progress in another."

Last year, company engineers designed a new marine gear compatible with the latest models of marine diesel engines in

the 1,250 to 1,700 HP range. The gear incorporates features representing recent gearing technology: carburized and ground elements, and new internally mounted, oil-cooled, air-actuated friction clutches developed for LUFKIN by a major clutch manufacturer.

Although sales of marine and industrial gearing remained at basically 1983 levels, 1984 was a challenging and fulfilling year for Machinery Division employees involved in the production and sales of LUFKIN gearing.



CHUCK STEVENSON

The 67,050 HP NF2207C industrial gear was a new record for LUFKIN.



FINDING NEW FRONTIERS

Breaking into a new market for industrial supplies

Although the Industrial Supplies Division fell short of the record \$12 million year it had in 1982, manager Elton Fenley was pleased with the division's performance last year. "We had a good year and I think this year (1985) we'll break that 1982 record," Fenley said.

The Industrial Supplies Division's performance in 1984, falling \$500,000 short of its record year, is more outstanding than it appears. Historically, the division's sales follow closely those of its largest customer, LUFKIN's Machinery Division. Last year, the Machinery Division's total sales were \$100 million short of its 1982 sales. The year may be remembered as the year the trend began to change.

The division's biggest efforts during the year were directed at finding new markets and reassessing what products the market is buying, says Fenley. And, sales to a new customer, The Texas Department of Corrections (TDC), may prove to be the biggest success of the year.

"Under the right circumstances, TDC could become one of our best customers," says Fenley. "Throughout their system of prison work farms, they have a tremendous amount of industry each year. There's a potential of a large, stable market for valves, PVC pipe, plumbing fixtures, and other types of industrial supplies. There are 23 TDC work farms and all but four or five are in our market area."

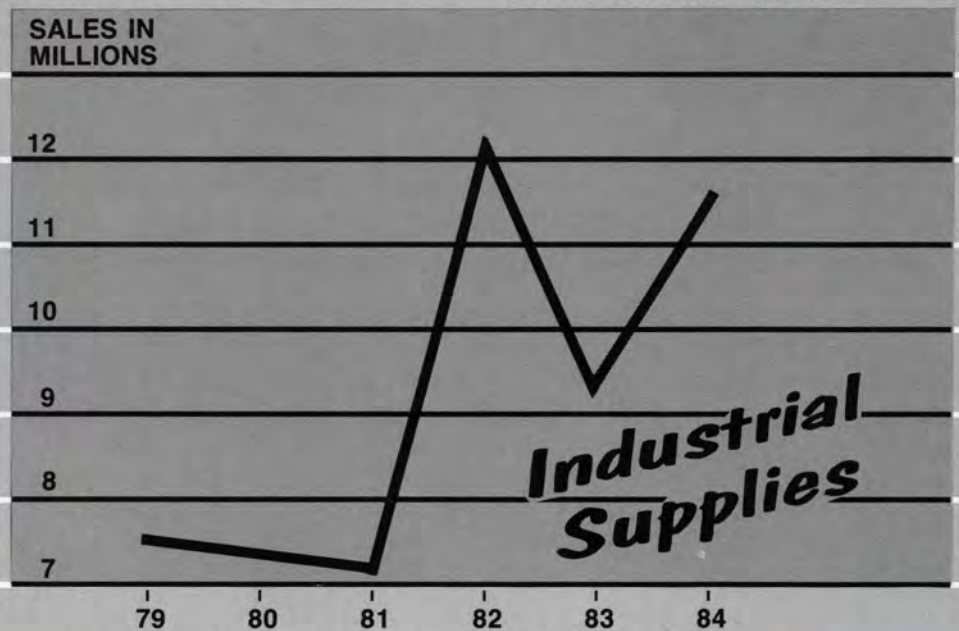
Efforts were also made during 1984 to reassess the product lines the division carried to eliminate slow moving products and upgrade the quality of products the division stocked.

"We reduced our inventory significantly, and yet we added new lines and more products," says Fenley. "For the first time in many years, we went over our complete inventory and discontinued items that haven't sold in four or five years, then added products or product lines that customers have been requesting."



CHUCK STEVENSON

Industrial Supplies employees spent 1984 reassessing much of the division's 30,000-item inventory.



PUNCHING THE CLOCK EVERY DAY

Last year, ninety-one company employees had perfect attendance



Dedication, loyalty, money and habit are several factors which motivate Lufkin Industries employees with good attendance records.

Several LUFKIN employees have maintained perfect attendance records for three or more consecutive years. Perfect attendance records are accomplished with no absences, except for vacation time, and no tardiness. The following comments are from a few perfect attendance employees.

Foundry

Leo Cranford, core knocker, three-year perfect attendance record: "I'm proud to work for LUFKIN. I want to help the company like it has helped me. I like to work. I don't stop working for a little head cold. Sometimes you feel better after you get to work."

Clyde Grisham, class A coremaker, four-year record: "I like my job. I consider it a challenge. I try not to let other things interfere with my job. I've not been sick very much during my 40 years of ser-

vice. What people need is a willingness to work and a good attitude."

Frank Minton, crane operator, five-year record: "I have never laid off work much. Besides the older you get the fewer excuses you have for laying off. I had surgery in 1979, but other than that I've been healthy. I've come to work when I didn't feel like being here, but I was determined to work."

James Basham, crane operator, three-year record: "I needed the money, and being here every day just gets to be a habit. If you miss a day's work, you miss a day's pay. Then you can't pay bills. I have been fortunate that I've not been sick."

Machine Shop

Michael Shuell, inspector, five-year record: "I have an obligation to my family and my employer. I've been lucky that I seldom get sick."

Archia McDougald, blacksmith, nine-year record: "I've never missed a day at any job I've held. It was the way we were taught. My parents believed in honesty and

a good day's work. I feel bad some days, but I know I'd feel the same at home."

Eldon Newton, inspector, four-year record: "They hired me to do a job, and I can't do it if I'm at home. Lufkin Industries is not paying me to stay home. Even when I have a little cold, I feel just as good here as at home."

J.D. Robinson, material handler, four-year record: "I just feel I should come to work every day. My mother brought us up to do good work. I want to do my job just right."

Trailer Division

Charles Kendrick, class A maintenance mechanic, four-year record: "I discipline myself not to take off work. If I have to be off for some reason, I take a vacation day. I need the money, and they need me to work or they wouldn't have hired me. The only time I was ever late for work was when our power was off for a few minutes. I didn't know the time was wrong on our clocks."

Employees with Perfect Attendance

Ninety-one Lufkin Industries employees have been recognized for perfect work attendance in 1984. They are:

FINAL ASSEMBLY AND SHIPPING — Linwood Johnson, truck operator, and F. Kemp McKinney, inspector.

STRUCTURAL STEEL OPERATIONS— Noel Marshall, beam line anglematic; Robert Newton, class A welder; and Hipolito Tierrablanca, beam line anglematic.

INDUSTRIAL SUPPLIES DIVISION — Charlene Cortines, secretary; Harvey Graham, clerk; L.J. Loving, warehouse clerk; and Jesse Morgan, local truck driver.

FOUNDRY—Bernardino H. Acevedo, molder finisher and coresetter; James C. Basham, crane operator; Freeman J. Berry, molder finisher and coresetter; Judge Burrell, retired; Willie J. Bryant, shotblast operator; Ira V. Christopher, retired; William R. Cole, crane operator; Henry Credit, cupola and electric furnace operator; Leo Cranford, core knocker; Zeferino M. Cruz, chipper grinder; Roman S. Cardenas, chipper grinder; James L. Durham, iron pourer; James C. Evans, class A welder; Edward Flemon, molder finisher and coresetter; Cloyce L. Fussell, class A core machine operator; Lester H. Gilder, molder finisher and coresetter; Clyde Grisham, class A coremaker.

Also, Harold L. Hicks, class A muller operator; Raymond Hulett, pattern/molder car oper-

ator; Melvin C. Harris, shakeout operator; Rex Jones, class A molding machine operator; William J. Jefferson, pattern/mold car operator; Donald W. Kuehl, class A pattern maker; James Larue, crane operator; Frank C. Minton, crane operator; Gustavo E. McCoy, core finisher and checker; Wilbur J. Painter, class A mechanic; J.D. Rodgers, crane operator; Anselmo C. Rodrigues, core finisher; Bobby O. Strange, cupola and electric furnace tender; Jessie L. Wade, molder finisher and coresetter; and George Yarbrough, Jr., chipper grinder finisher.

MACHINE SHOP—William D. Barnett, machinist; Darrel W. Powers, class A machine operator; F. Mike Berquist, machinist; James H. (Pat) Watson, class A assembler specialist; Billy J. Smith, setup man; Raymond E. Solly, class B machine operator; Archia L. McDougald, blacksmith; John H. Cole, machinist; Marion F. Ferguson, class A machine operator; Kenneth D. Burke, class A assembler specialist; William (Pete) Yount, class A assembler; Dale B. Wigley, class A machine operator; Alexander Koshy, class B machine operator; Vernon M. McAdams, class A assembler.

Also, Clarence J. Thorn, class A assembler specialist; Jerry D. Brock, commercial gears assembler; Edward J. Butler, commercial gears assembler; Bobby J. Landrum, class C mech-

anic; Johnnie W. Smitherman, jig and commercial gear welder; August G. Kulms, class A machine operator; Steven D. Langston, class A tool grinder; J.D. Robinson, material handler; Linwood D. Havard, Jr., class A maintenance mechanic; Kenneth R. Brasher, maintenance mechanic specialist; Langston F. Martines, class A maintenance mechanic; Horace L. Hill, class A maintenance mechanic; Joe B. Hood, class B maintenance mechanic; Richard L. Dennie, electric specialist; Mike W. Shuell, inspector; Eldon L. Newton, inspector; G.B. Landrum, inspector; H. Jerry Warren inspector; and Jim Sharp, inspector.

TRAILER DIVISION—Winston Richard, machine operator specialist; Kirby L. McAdams, class A trailer builder; Ewell A. Jackson, class A machine operator; Fred Nash, inspector; Thomas E. Coutee, laborer; Winfred P. Molandes, class A trailer builder; Dean E. Brown, class A maintenance mechanic; Oran L. White, class A welder; and Leo Molandes, Jr., class A machine operator.

Also, Joe T. Jumper, class A maintenance mechanic; James R. McDuffie, machine operator specialist; J.C. Malnar, class A trailer builder; Charles B. Kendrick, class A maintenance mechanic; Eugene L. Huntsman, class A trailer builder; Otis Alexander, inspector; Curtis C. Grimes, trailer builder specialist; and Kenneth R. Rich, class A welder.

South of Rio Bravo



'Down There' they work for pebbles and peaches — not pesos

By Rick Pezdirtz



“Once you cross that river, it's like going backward in time. You step into another world,” Dr. William D. Thames was saying the other afternoon. He knows. He has traversed the murky, cocoa-colored waters of *that river* many times.

The Mexicans refer to it as the Rio Bravo del Norte. Anglos north of the Rio Bravo squiggle it along their maps as the Rio Grande.

“When we first went down there ten years ago, into an area where Francisco Poncho Villa once rode and raided, we were called *gringos* (foreigners). When the people there realized exactly why we had come, we were called *amigos* (friends). Now, they welcome us and call us *hermanos* (brothers),” Dr. Thames says.

“Down there,” for Thames, a friend and physician of Lufkin Industries—he's performed over 8,000 physical examinations on LUFKIN employees during the past decade—is the border country of northern Mexico. This is a rough and rocky land sandwiched between the Sierra Vieja, Sierra del Hueso and Chianti Mountains where ground elevation climbs to the clouds (altitude 8,560 feet).

Dr. Thames and company structural steel worker Martin Reyes are volunteer members of the Rio Grande River Ministry program of the Baptist General Convention of Texas.

Three months ago, they led 13 other East Texans, including doctors Nash Hogue, an optometrist, and Ned Barrett, a dentist, to San Antonio de Bravo. This was a combined medical and Christianity mission of mercy to the impoverished farmers across the Rio Bravo (Grande).

For Dr. Thames, it was his 17th such visit. For Lufkin employee Reyes, it was his first trip.

“But, not my last,” says Reyes who took vacation time to contribute to the cause as an interpreter and handyman in the land of his birth. Reyes, three years with LUFKIN, was born 22 years ago on the northern Mexico border at Matamoros.

“There are so many poor people down there that need help. I'll return again in December and do what I can for them,” says Reyes.

“We need strong, Spanish-speaking men like Martin Reyes to help with all the medical and everyday-living equipment we take down there,” says Dr. Thames. He plans early June and December visits this year to what he describes as an arid area the Mexican government has all but forgotten . . . a stretch of land where gentle people scratch the earth for what food they can grow.



“There are no newspapers, no radios or televisions because there is no electricity in most of the areas we reach,” says Thames. “We carry along a portable generator. Sometimes we’ll show Christian movies with Spanish dialogue and the people will sit there watching just as long as there is something moving on the screen.

“The greatest difficulty we confront is a lack of proper sanitation. The people have nutritional problems, parasitic conditions, lung disorders from working long hours in the dusty farm fields, skin cancers from toiling beneath a scorching sun. There is also heart disease, diabetes and a multitude of other ailments.”

According to Dr. Thames, some of the younger generation have high blood pressure, possibly caused by the stress of such a hardscrabble existence when they know a better life lies just north of the Rio Bravo.

If life expectancy in the United States has now reached 74.6 years, it still remains at about 50 years just south of the river. “Remember, there are no doctors to deliver the babies. We’ve taught the women (midwives) about boiling water and sterilization. But, there is still a 50 percent infant mortality rate in that area of Mexico,” says Thames.

For those that manage to survive to adulthood, their existence is somewhere short of mediocrity by our standards.

“Fresh meat is a seldom seen luxury. Their staples are beans, rice and corn. The river is usually too low for any kind of fishing. Once, we were invited for a meal that would include meat. I saw a skunk hide hanging from a post, figured this was the meat they would serve, and declined supper that night,” recalls Dr. Thames.

“We took them some rabbits one time but their hunger and impatience caused them to eat the breed stock. There are a few goats they use for goat milk and goat cheese and it doesn’t taste too bad.”

Lufkin Industries’ structural plant employee, Martin Reyes, left, and Dr. William D. Thames look over a blood pressure testing device in preparation for their recent trip to aid poor farmers in Mexico through the Rio Grande River Ministry program.

Dr. Thames and his colleagues have worked 150 miles along the border, sometimes venturing as far as 100 miles into Mexico’s interior to treat the ill and infirmed. The medical-missionary group from East Texas travels by van and truck (1,700 miles round-trip).

“We usually ford the Rio Grande without difficulty but last December the river was nearly flooded with water. We had to unload all our equipment, carry it across a swinging cable-bridge, then portage it a mile or so to San Antonio de Bravo,” remembers Dr. Thames.

For his Spartan life in northern Mexico—“we sleep on the ground and I remember awakening one morning with ice on my sleeping bag”—Dr. Thames neither asks nor receives monetary remuneration.

“Oh sometimes, I’ll be asked to accept some pretty rocks or crystals from the hills. One man gave me a sack full of arrowheads he had unearthed. They really don’t have anything to give. But, when they show up with a box of freshly-picked peaches, we take them because these are a proud people and it would hurt their feelings to refuse them,” says Dr. Thames.

He is there twice yearly, not for pesos, pebbles or peaches.

“My visits to Mexico give me a spiritual high, more than anything else I do each year,” says Dr. Thames. “I look forward to each trip down there. For me, it is exciting. I’ll continue going as long as I am physically able.”

A physician working without pay in remote areas of the world is hardly a novel experience, of course. “In whatever house I enter, I will enter to help the sick,” is a quotation from Hippocrates’ Physician’s Oath which Dr. Thames knows well.

ON THE JOB

This month
THE ROUNDUP
 goes on-the-job with
 class A welder . . .

Lawrence Holt

Lawrence Holt's shop uniform is usually a typical work-shirt and blue jeans. Frequently, however, he is seen wearing a silver suit, similar to a suit an astronaut might wear.

Holt, a Lufkin Industries' class A welder, works with metal that sometimes must be heated to 900°F. Long before gear metal reaches 900°F, Holt puts on his insulated suit.

His main responsibility each work day is welding rims onto the hubs of gears. The hub is the center part of a gear, Holt explains. However, Holt also welds nuts onto bolts and brackets that fit large marine gear boxes and smaller individual boxes.

"The hub is made of mild metal, and the rim is made of alloy steel," Holt says. "The weld bonds a rim and hub together, making a gear of high quality material able to conform to engineering design requirements."

"The higher the alloy and thicker the metal, the hotter the welding temperature must be," Holt says.

When the temperature of the metal begins to increase, it is time for Holt to slip into his air conditioned "spacesuit." During cold winter days, he can withstand the material's temperature reaching 650°F before reaching for his insulated suit.

"But in the middle of a hot summer, it is a different story," Holt says.

When a gear's temperature reaches 500°F, he slips into his air-conditioned suit. With the use of compressed air, the suit maintains a temperature of 60°F.

Holt works on gears that range in size from 2,000 to 36,000 pounds.

Holt's normal working hours are 7 a.m. to 3:30 p.m. But when he and co-workers



Lawrence R. Holt

are welding a hub and rim of a 36,000-pound gear, they work 12-hour shifts, from 6 a.m. until 6 p.m.

"It requires six 12-hour shifts to complete a welding job on a 36,000-pound gear," Holt says.

An 18,000-pound gear requires 24 hours of labor. The smaller welding jobs require two to eight hours.

"We usually weld on a 36,000-pound gear every two or three months," Holt says.

The hub to be welded is lifted onto a machine called a positioner—a machine built by Lufkin Industries' employees. The positioner rotates the hub at any angle. Holt operates two sizes of positioners—

one for lifting smaller gears under 18,000 pounds, another for lifting larger gears over 18,000 pounds.

"The positioner requires some skill to operate. You have to match the hub with the positioner perfectly, or you might drop the hub," Holt says. "When I was first learning how to use the positioner, I dropped a few gear parts, but never the whole thing."

Holt has been a class A welder for 9 of 11 years he has been with Lufkin Industries.

"I trained for nearly six months before I could weld big gears without help from a supervisor," Holt recalls.

—DIANA HILL

LUFKIN LULLABIES

Lulled to sleep by the sound of a LUFKIN pumping unit, Krista Nixon of corporate communications may be the only company employee with family that owns LUFKIN pumping units.

One of the most mind-soothing sounds I know is that of an oil-field pumping unit as it whirs with the soft breeze of a summer night. I've been lulled to sleep by just such a sound many nights when visiting my grandfather, Arlie Nixon, on his farm near Jennings, Oklahoma.

My grandfather owns a dozen pumping units, which is nothing really special, of course. However, the one located nearest his farmhouse, and the one I've heard as a bedtime lullaby for as long as I can remember just happens to be a LUFKIN.

I've not had much experience with pumping units, but Grandpa Arlie grew up around them. Not long after the turn of this century, his father, and my great-grandfather, James Gordon Nixon, was a teamster in the Oklahoma oil fields. He drove horse-drawn wagons transporting crude from the wells.

Grandpa Arlie was often in the oil fields with him. Perhaps too often.

After one particular afternoon of boyish splashing in a circulating tank, Grandpa Arlie's parents decided the oilfields might be too dangerous a place for an eight-year-old to romp and play. So, his father, James Gordon, set about building Arlie and his sister, Iola, their own pumping unit to climb and swing on.

"My father built a derrick in our backyard. He used an automobile axle and a single-tree from a wagon. In his forge, he honed one end of the axle to make a percussion drill which he mounted with the tree to fashion a percussion pump. I'd say the assembly drilled about 12 feet with a 3/4 inch diameter. We didn't strike oil, of course, but we did hit water and I was pretty excited," recalls my grandfather.

Grandpa Arlie grew into manhood and spent much of his young life as a pilot and captain for TWA (Trans-World Airlines.) It wasn't until 1957, after he'd saved \$25,000, that he became serious about the oil business. At age 43, he drilled his first bigtime well. The well pulled from about 3,000 feet and was fairly productive.

Grandpa Arlie drilled other wells, some of them coming up dry of oil but not exactly bone-dry. Usually there would be water.

"When I was drilling in the late 1950s, Bill Whiteford (then president of Gulf Oil Corporation) once told me: 'A lot of people don't understand that when you drill for oil you get a lot of dry holes. They think you just drive a stick in the ground and get suddenly rich.' He was right, too."

Grandpa Arlie bought his first of two LUFKIN pumping units in 1968, a Conventional model from a supplier in Oilton, Oklahoma. He purchased his second LUFKIN Conventional in 1975 and insists he's had a trouble-free service from the two units since the day of installation.

His two LUFKIN units pump from approximately 3,100 feet deep. Many wells in the mid-region of Oklahoma do not produce large amounts of crude anymore, some only one part crude to seven parts water. His LUFKINs now pump only three or four barrels of crude per day, which he sells to Sun Oil. However, in the years he's had the LUFKIN pumps he figures over 30,000 barrels of crude have been brought to the surface.

Since he also owns American, Churchill and National pumping units, I asked him why he looked upon LUFKIN units as so special. "LUFKIN is the Cadillac of oilfield pumping units. There's nothing else available quite as good. What more can I say," he answered.

Story and Photo
by Krista Nixon



Arlie Nixon, grandfather of Lufkin Industries' employee Krista Nixon, stands next to one of his two LUFKIN Conventional pumping units on his farm near Jennings, Oklahoma. His LUFKINs have brought up over 30,000 barrels of crude through the years.



Painting in 10 easy steps

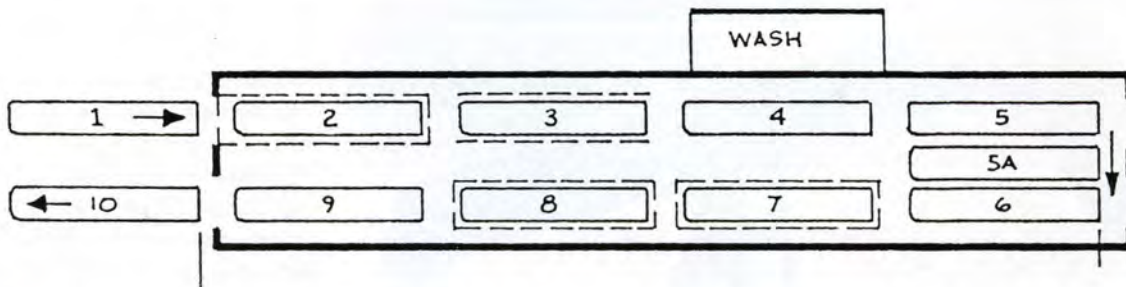
The Trailer Division's new \$399,000 painthouse facility doubles trailer production each shift.

By *DIANA HILL*

The completion of a \$399,000 painthouse expansion project has marked an important milestone for Lufkin Industries' Trailer Division, according to Jim Riggs, trailer plant superintendent.

"Thanks to input from several trailer plant employees, we now have an efficient, assembly-line operation," Riggs says. "We remodeled the greatest bottleneck to trailer production—the painthouse."

Lufkin Industries' Trailer Division painthouse foreman Carter Olds, right, tells four company employees, l-r, Martha Roberts, Maebelle Hearne, Randy Ware and Shirley Ware, about the newly opened \$399,000 facility.



Station 1—A tug operator moves the rear of the trailer to a precise point. A green signal light helps the tug operator guide the trailer onto the track.

Station 2—This is a 175°F. dry-off oven to dry moisture and warm the trailer when needed. An airblast device at the building entrance blows off standing water.

Station 3—The undercoat stall is a 30-inch wide by 36-inch deep pit.

Station 4—Masking, sanding or other needed preparations take place here.

Station 5—The rear of the trailer is in position to be gripped by the lateral conveyor mechanism. Masking and other prep work may continue, as needed.

During the lateral move, the forward end of the trailer is supported by a towline dolly.

Station 5A—This is a backup prep site for overflow situations.

Station 6—Masking and other prep work may continue, as needed.

Station 7—The paint booth also has a

pit for the comfort of the painter spraying the underside of the trailer.

Station 8—This is the paint-dry oven.

Station 9—Next step, in the finish line process, is light installation, brake check, mud flap installation and completion of any final detail work. With the final okay, an inspection sticker is placed on the rearend of the trailer.

Station 10—Tug operator disconnects the dolly, and the finished trailer is towed to the ready line for customer pick up.

Now trailer plant employees can:

- paint 20 trailers instead of 10 trailers per shift;
- paint trailers up to 60 feet in length, instead of just 45 feet in length;
- paint trailers in cold or rainy weather, whereas before production came to a near standstill during poor weather conditions;
- wash a trailer in two minutes with no man-power, instead of 35 minutes and two employees;
- perform a comprehensive final inspection, whereas before there wasn't room for a detailed inspection;
- reduced separate handlings from twelve to two times;
- cut trailer in-process inventory (previously, there was a backlog of trailers to be painted);
- undercoat indoors, instead of outdoors;
- double production with same amount of labor.

The old process did not include work stations. After a trailer was washed and dried by hand, the trailer was undercoated outside, then moved inside to be masked and prepared for the paint booth.

"Everyone had a job to perform, but there wasn't much organization," Bob Beddingfield, electrician specialist, says. "There was much congestion. Trailers were shuffled back and forth several times, hampering our production."

Today, the paint house operation has 10 work stations set up in assembly-line fashion. A trailer, rolling on its wheels, moves to each station by a computer-operated conveyor system.

"With an additional 50 feet on the paint house, we now have room to stand back and take a good look at the trailer," Beddingfield says. "We check for dents or scratches. We can do minor repair work right here. If the repair job is too complicated, it has to be sent back to the shop."

Several safety features have been built into the operation, explains Beddingfield. First, the conveyor line won't move unless a button is pushed at each station. Then an alarm sounds warning people to move out of the pathway. Second, there are emergency stop buttons located along the line.



Three Central Freight Lines executives from Waco made a recent tour of LUFKIN's Trailer Division to watch a portion of a 300-van order come off the assembly line. Standing, l-r, are LUFKIN's Dallas branch office manager Baine Adams, Central's Dean Allison, maintenance superintendent; Charles Jaynes, vice president and director of maintenance; Lee McKnight, manager of operations; and LUFKIN Trailer Division sales manager Jim Horn.

44-year Customer

It has been 44 years, or only months before the United States' involvement in World War II, since Central Freight Lines of Waco placed an initial order for LUFKIN Trailer Division vans.

"The first order from Central was for two vans and there's no telling what they cost back then," Baine Adams, Trailer Division branch manager in Dallas, was saying the other day. "Now, we've received an order for 300 vans (50 per month through a six-month period) and I can tell you it's a \$5 million order."

The latest order from 44-year, steady customer Central Freight Lines, is the second largest for the Waco company. It is surpassed only by a 320-van order with LUFKIN some years ago. It also brings Central Freight up to a close No. 2 behind J.B. Hunt Transport of Lowell, Arkansas,

in total number of vans purchased from LUFKIN by one customer.

Dallas-based LUFKIN trailer salesman Jim Alexander, who has worked with Central Freight executives through the past 20 years, brought in the huge order which places Central's total van purchases from the company at 2,170.

Charles Jaynes, vice president and director of maintenance for Central Freight, accompanied Lee McKnight, manager of operations, and Dean Allison, maintenance superintendent, from Central's Waco offices to LUFKIN's Trailer Division recently to see some of their purchased vans roll off the assembly lines.

"They were very complimentary and happy with their new trailers," said Dick McKay, company vice president and Trailer Division manager. "They told us that LUFKIN builds the best dry freight vans on the road."

Professional Responsible Industrious Dedicated Employees



Contest winner, Rosie Graham wears her LUFKIN jacket and cap with "pride."

Rosie Graham, a Trailer Division secretary, feels these five words best describe the word, "pride."

Her definition, using PRIDE as an acronym, was the winning entry in a recent trailer plant contest. She received a LUFKIN jacket and cap.

"The attributes of being professional, responsible, industrious and dedicated equal an employee with pride," Rosie says. "These type employees make up a proud company. I strive to be all of these things, whether on the job or at home. I have pride in everything I endeavor to do in life."

Last November, Rosie celebrated a one year anniversary with Lufkin Industries, but if it feels more like 12 years, it should. Rosie worked 11 years in the engineering department before resigning in 1978 to stay home with her newborn daughter, Wendy. When Wendy started first grade in the fall of 1984, Rosie began looking for a job. Her search required three months. When it ended, Rosie had a decision to make.

"Besides the Lufkin Industries' position, I was offered a job at the Texas Rehabilita-

tion Commission and the Lufkin Telephone Exchange. I chose LUFKIN because, for me, it was like coming back home.

Pride contest judges Dick McKay, company vice president and Trailer Division manager, and Jim Horn, trailer sales manager, had a difficult task choosing only one winning entry.

"It was a tough assignment, picking only one winner because they were all great. Any one of them could have been chosen as best," McKay says.

Other entries submitted were:

James Baldwin, class B material handler, "Professional, Resources, Integrity, Dedication, Efficient."

Andy Beddingfield, class A welder, "Personality, Resourceful, Individual, Determining, Educational."

Don Block, trailer builder specialist, "Perfection Reflects In Dependable Employees."

Ray Brown, welder specialist, "Personal Requirement In Developing Efficiency."

Earl Dover, superintendent of vans, "Product Reliability Illustrates Daily Effort."

Billy Durham, van foreman, "Productive, Respectable, Intelligent, Dedicated, Employees."

Rickey Haney, material handler specialist, "Productivity Requiring Innovative Designs & Enthusiasm."

James King, welder, "People, Revolutionizing, Independence, Determining, Everlasting."

Danny Lock, welder, "Personal, Rewards, Individual, Demands, Emotions."

Johnny Mote, mechanic, "Predominant, Reliable, Incomparable, Daily Efficiency."

Dave Schaffer, material handler, "Person Reverently Involving Direct Esteem."

Roger Spain, cleaner/grinder, "Perfection Resulting In Distinguished Efficiency."

Christopher Stewart, painter, "Production, Rates, Individual, Delivery, Efforts."

LaVan Watts, chief engineer, submitted an essay on pride. Clevon Harper, class A trailer builder, and J.C. Malnar, class A trailer builder, submitted slogans about pride.

FOCUS

Retirees to try gardening, sleeping late and fishing



**James Matthews
18 years**

Between planting and harvesting his backyard garden, James Matthews plans to squeeze in a bit of travel time during his retirement.

"I've recently returned from visiting relatives in Dallas," he says. "As soon as spring arrives, I'll visit my sister in Denver, Colorado, and other relatives in Las Vegas, Nevada. There has been too much snow and cold weather to travel that far from home this winter."

Matthews retired last December after 18 years service in the welding shop.

"I hated to leave Lufkin Industries, my friends and co-workers in the shop," he says. "It has been a good place to work."

Matthews says, he doesn't care much about hunting or fishing, but he does utilize his green thumb. Matthews grows turnip greens, potatoes, onions, corn and peas. Until now, he only sold his produce to a few neighbors and friends.

"But now that I have more time, I might try to sell some produce on the side of the

road, or perhaps at the farmer's market (located on the Angelina Mall parking lot)."

His wife, Ruthie, is employed with the Nacogdoches Independent School District, and has been for 25 years.

"Ruthie has, at least, five more years of service before she is eligible for retirement," Matthews says.

When she retires, they hope to travel to Hawaii.

The couple have two daughters and one son. There are no grandchildren, yet.

"Today, youngsters are slower to marry and have children," Matthews says.

"Back in my day, we married earlier, and children were on their way soon after we said 'I do.'"



**Cletus Russell
38 Years**

Retirement means "doing just what you want to do," explains Cletus Russell.

What Russell wants to do is plant a two-acre garden.

"I'll have enough peas, tomatoes, corn, beans and watermelons to feed my family and neighbors," he says.

"I've already broken the soil

once, but I'll have to do it again before I plant my seeds."

Russell worked a few months in the machine shop and material control after joining Lufkin Industries in 1947. But other than that brief time period, he spent his 38-year career in LUFKIN's shipping department.

If gardening chores and the upkeep of his 13-acre property don't keep him too tied down, Russell may travel. After his wife, Gladys, retires from Huntington Independent School District in May, they will make definite plans.

"While serving as a military police officer in the United States Army (prior to seeking employment at Lufkin Industries), I visited 38 states," Russell says.

Russell's retirement also means sleeping late.

"I sleep until about 7:30 or 8 a.m., and that's late for me," he says.



**Jack Blackburn
37 years**

When friends and former co-workers ask Jack Black-

burn what he is doing during retirement, his answer is "nothing."

"Oh, I suppose I'll do a little fishing this summer, but mostly I'm relaxing and taking it easy," Blackburn says.

Walking, prescribed by his doctor, is the most strenuous activity Blackburn does. After a second heart attack last July, Blackburn had double bypass surgery. In 1978, he had triple bypass surgery. He took disability retirement in February.

"My doctor said quit work, take it easy and walk," Blackburn says.

Blackburn began his career with Lufkin Industries in 1947 in the shipping department. He transferred to Odessa as a warehouseman in 1948. The United States Army drafted him in 1950. When he returned to LUFKIN in 1952, he worked in the traffic department. Within a year or so, his job was incorporated into material control. He retired as material control receiving clerk.

Of all the activities the outdoor life has to offer, Blackburn's interest lies only in fishing. He doesn't care about gardening or hunting.

"I do all my gardening at Brookshire Brothers grocery store," he says.

Blackburn has no immediate travel plans, but one day he hopes to visit Las Vegas, Nevada.

FOCUS



Willie C. Wigley



Timothy Beamon



Marsha Day



Larry Havard

Employees promoted in machine shop, accounting, personnel, and trailer plant.

Promotions of four employees have been announced by company officials in the machine shop, accounting, personnel and Trailer Division areas.

In the machine shop, Willie C. Wigley was promoted to production technician from machinist. He joined the company in 1981. Wigley graduated from Colmesneil High School. He and his wife, Sheryl Ann, have two children,

Christel, 11 and Benjamin, 7.

In the accounting department Timothy Beamon was promoted to assistant operations supervisor from senior computer operator. He will supervise the second and third shifts in computer operations.

Beamon joined Lufkin Industries in 1978. Following graduation from Sam Rayburn High School in Pasadena, he received a bachelor of science

degree from Sam Houston State University in Huntsville. He and his wife, Debbie, have two children, Jennifer, 6, and Daniel, 3.

In personnel, Marsha Day was promoted to full-time from part-time security officer. She joined the company in 1983. Day is a graduate of South San High School in San Antonio. She is married to Cleve Day.

In the Trailer Division,

Larry Havard was promoted to maintenance planner from maintenance electrician specialist. He joined the company in 1972.

Following graduation from Lufkin High School, Havard attended Angelina College studying electronics, industrial electricity and data processing. He and his wife, Charlotte, have two daughters, Rhonda, 11, and Amanda, five months.

NAMES & NOTES . . .

"If I left anything up there, they can just mail it to me," commented Lufkin Industries' truck driver **James Glover** upon his return from a couple days in the snow and minus 45-degree weather of North Dakota. Glover and other LUFKIN truckers—**Fred Rudisill, Joe Pierce, Elmo Hightower**—welcomed the sunshine of East Texas after their recent dead-of-winter drive into North Dakota.

Structural steel employees **Calvin Scarbrough, Fred Howell and Darrell Luce** attended a recent Society of Manufacturing Engineers' workshop in Houston.

Lufkin Industries' Trailer Division has changed brake lining to non-asbestos material as a standard on all LUFKIN trailers.

"The increased cost is being absorbed by the company; there is no price increase to our customers," **Jim Horn**, sales manager, says.

Non-asbestos brake lining provides an added value of 50 percent longer life and is reported to be more environmentally acceptable.

The Machinery Division presented a program for supervisors during February on "Water Pollution and Its Effect on Our Company and Community."

"It is the responsibility of

all of us to prevent spills or disposal of materials by a wrong method," **Mike Penn**, vice president and manager of machining and assembly operations said.



Men on the move . . .

After **Ben Queen**, vice president and Machinery Division sales manager, completed attendance as a new director at the East Texas Chamber of Commerce's 59th annual convention in Austin, he was off for a ski vacation in Snowmass, Colorado.

Assistant personnel director **Elie Smith** is the newest director of the Deep East Texas

Council on Drug and Alcohol Abuse.

Marshall Dailey, who retired a year ago after 37 years with LUFKIN, will now split time between Estes Park, Colorado, and Temple, Texas, where he has accepted a consultant's position with Collier Electric Company. The former Trailer Division sales manager plans to spend summers in cool Colorado.

Fifteen-year service awards have been awarded **Doris Jones** and **Ethel Sunday** who keep branch offices running smoothly in Dallas and Pittsburgh respectively.

FOCUS

Applications for Lufkin Industries Two-Year and Four-Year Foundation scholarships due April 1

Graduating seniors applying for Lufkin Industries Foundation scholarships must return their applications before April 1 to Johnny Long, foundation president, in the Lufkin Industries' personnel department.

Applications for four-year scholarships are available through the personnel and corporate communications departments, and at principals' offices in Lufkin and other area schools. Applications for the two-year Angelina College scholarships are available through the Financial Aids

Office of Angelina College and the personnel department.

Scholarship applications must include a transcript from grade 9-11 and the first semester transcript of grade 12. Four-year scholarship applications must include Scholastic Aptitude Test (SAT) results from the Admissions Testing Program of the College Board.

Applications without SAT results cannot be considered for four-year scholarships. Students who have completed the SAT test are encouraged to

apply for both the four-year and two-year Angelina College scholarships.

An unmarried, high school senior with an overall high school grade average of 80 or more, whose parent was employed by the company at least one year immediately prior to the date the student registered for his senior year, is eligible to apply for a scholarship.

If a member of a senior's family has received a four-year scholarship the student is ineligible to apply for the four-

year scholarship, but can apply for the Angelina College scholarship. If a member of the family has received a past Angelina College scholarship, the student is ineligible to apply for the two-year scholarship, but can apply for a four-year scholarship.

Selections are based on academic achievement, character and citizenship. The winners are selected by a committee disassociated with Lufkin Industries, Inc. Children of officers of the company are ineligible.

NAMES & NOTES . . .

Back on the job after suffering first degree burns from a home gas oven accident is **Annette Nash**, first shift worker in the foundry yard.

Bowling briefs from **Joe Behannon** indicate three Lufkin Industries' team members with solid performances—**Lee Burnett**, 225 game and 640 series; **Lank Ballard**, 211 game and 592 series; **Darrell Luce**, 201 game and 592 series.

Will Lufkin Industries reach 3,000 total employees during 1985? It's possible. Latest employment figures from personnel director **Johnny Long** indicate we're at 2,820

workers now, an increase of 653 during the past 18 months.

The 12-hour Understanding and Working With People courses brought to Lufkin Industries' by the University of Texas at Austin Industrial Education Department were so well received by 510 LUFKIN employees, an encore performance from UT training specialist **Fred Cone** is now underway. This time it's a 12-hour Basic Supervisory Management course and 270 are attending the classes.

Trailer Division chiefs **Dick McKay** and **Jim Horn** made a profitable move when they signed on Fleetco Trailer

Corp. of Nashville, Tenn., as an independent LUFKIN trailer distributor five months ago.

Although a LUFKIN distributor for only the last three months of 1984, Fleetco sold over \$2 million (155 trailers) to finish the year as LUFKIN's largest-selling distributor from among 23 other such national trailer distributors.

Four Fleetco execs—Vice president and general manager **Dale Broadrick**, parts manager **Tom Miller**, salesmen **Rick Pipkin** and **Ron Sowards**—were recently in town to receive a deluxe tour of our Trailer Division.

When company safety director **Jared Satterwhite**,

union steward **Walter Butler** and chief industrial engineer **Jerry Suddeth** gave OSHA inspector and industrial hygienist **Bevil Hart** a trailer plant tour, LUFKIN was granted a passing grade.



The stork commeth . . .

It's a boyoboyoboy for **Randal Luce**, shaft shop machine operator, and **Greg Mora**, Trailer Division welder. Luce became the father of **Randall Scott**, six pounds and six ounces, on Jan. 17; Mora became the father of **Christopher Ray**, seven pounds, ten ounces, on Feb. 2.

FOCUS



Frank B. Stevenson, center, president and chief operating officer of Lufkin Industries presents a \$1,000 check to Mona P. Logan, executive director of the Deep East Texas Regional Council on Alcohol and Drug Abuse. The LUFKIN contribution assured the organization of receiving a \$11,250 matching grant from the T.L.L. Temple Foundation. At left is new DETR-CADA board member Elie Smith, assistant personnel director at LUFKIN.

CHANGES

Company officials have announced job changes and new assignments for 33 employees. They include:

LUBBOCK TRAILER DIVISION—Richard Pritchett, from part-time helper to mechanics helper.

LITTLE ROCK FOUNDRY—James Hance, from chipper grinder to shakeout operator.

TRAFFIC DEPARTMENT—Lloyd Davis, from scheduler in structural steel operations to assistant traffic analyst.

MATERIAL CONTROL—Willie Hale, from painter and cleaner to storekeeper; Mark Pittman, from machinist helper to rough carpenter.

TRAILER DIVISION—Johnny Ebarb, from class B painter to helper; Charles Mc Farland, from part-time security to helper.

FINAL ASSEMBLY AND SHIPPING—Don Arriola, from class B assembler to rough carpenter.

MACHINE SHOP—Phillip Alexander III, from class B to class A maintenance mechanic; Virgil Berwick, from machinist helper to class A assembler; Johnny Bowie, from rough carpenter to class

Insurance Update

By **MICKEY MARK**

Have you ever filed a Lufkin Industries' medical insurance claim then waited and waited ... and waited a little longer for your payment? Many employees probably have without realizing they can help shorten long payment delays by following a few, simple guidelines.

As you are aware, there is a \$100 deductible on each family member each calendar year. After the \$100 deductible is reached, your LUFKIN insurance policy begins paying off. Many employees have an erroneous idea it is a good practice to await year end before filing any claims. This is a major cause of slow payments according to officials of LUFKIN'S insurance department.

Insurance department officials suggest the filing of claims once you've reached approximately \$150 in medical expenses and each time there-

after you accumulate \$50 of additional claims. This will expedite your payments. Employees delaying until year end to file claims are often faced with a six-week delay in payment due to an overabundance of claims to be processed.

Before a claim can be processed it must be accompanied by an itemized bill from a physician and/or a hospital and include:

1. Date the service occurred.
2. Patient's full name.
3. Doctor's full name.
4. Specific treatment received.
5. Specific physician's diagnosis.
6. An itemized accounting of each separate charge.

By including the above listed information, claim payments will run about two weeks quicker.

Also, when filing prescription claims, the following information is required.

1. The date of the prescription.
2. Patient's full name.

3. Physician's full name.
4. An itemized accounting of each drug prescribed with the medication's proper name and number.

Simple receipts, cancelled checks, notice of payments on accounts and patients copies of hospital statements are not acceptable proof of claims made.

Many employees have dependents carried under company insurance as a secondary coverage. This means another insurance company carries these dependents and LUFKIN'S insurance program makes secondary, or additional, payments. Those with LUFKIN insurance as a secondary coverage must submit copies of bills plus a statement copy from the primary insurance company which indicates the amount paid by the primary company before additional payments can be processed.



MARCH ANNIVERSARIES

CHANGES

A assembler; **David Bowman**, from class A assembler to machine operator trainee; **Dean Durham**, from truck operator to class A assembler specialist; **Danny Jones**, from machinist helper to painter and cleaner; **Eddie Peveto**, from class A maintenance mechanic to maintenance mechanic specialist.

Also, **Marlin Pittman, Jr.**, from laborer to machinist helper; **Jose Rodriguez**, from truck operator to class A assembler; **John Sigler**, from class A assembler specialist to machine operator trainee; **Kenneth Singleton**, from painter and cleaner to truck operator; **LaDonna Stapleton**, from tool grinder specialist to class C machine operator; **James Wells**, from class C to class B maintenance mechanic; **Roy Williams**, from class maintenance mechanic to maintenance mechanic specialist.

FOUNDRY—Aurelio Castillo, from general laborer to chipper grinder; **Darrell Cranford**, from chipper grinder to core finisher; **Enrique Dominguez**, from coremaker helper to core finisher; **Alvin Erwin**, from shakeout tender to shakeout operator; **Judge Handy**, from shakeout tender to hydraulic manipulator operator learner; **Robert Horn**, from general labor to pattern maker/wood apprentice.

Also, **Eddy Rivas**, from shakeout tender to hydraulic manipulator operator learner; **Refugio Rojas**, from class B pattern tender to class B core machine operator; **Herman Scott**, from iron pourer to cupola and electric furnace tender; **Melvin Spencer**, from general laborer to coremaker helper; **Steven Swift**, from molding system helper to pattern maker/wood apprentice.



LUFKIN INDUSTRIES CANADA

Ronald Hyland 4

STRUCTURAL STEEL OPERATIONS

Robert Chapmon 34
 Don Jones 30
 Marlin Williams 26
 Charles Steele 22
 Jesse Brooks 20
 Joe Allen 20
 Melvin Brock, Jr. 15
 Bobby Short 15
 James Baker 15
 Bobby Allen 12
 Thomas Flowers 10
 Jose Jimenez 8
 Andrew Shoffitt 8
 Arthur Young, Jr. 8
 James Adams 8
 Thomas Burnett 7
 Elmer Anderson 7
 Ronald Klem 6
 Hipolito Tierrablanca 6
 Raymundo Espinoza 6
 Daniel Smith 5
 Tommy Powell 5
 Milton Warren 5
 Jose Hernandez 5
 Viel Cooper, Jr. 5
 Alvaro Alvarez 5
 Fred Howell 3
 Felix Veliz 1
 Robert Bickely 1
 Harlan Brown 1
 Curtis Crocker 1
 Evan Davis 1
 Jannie Jones 1

FINAL ASSEMBLY AND SHIPPING

Grady Due 19
 James Sowell 13
 Eddie Mask 12
 Thomas Nash 12
 William Howard 12
 Louis Brock 11
 Jimmy Walker 8
 Larry Farr 6
 Sandria Randle 6
 Ivory Hollis 5
 Lloyd Day 5
 Samuel Cooper 5
 David Jasso 5
 Bobby Mosby 5
 Rafael Guevara 5
 Michael Cross 1
 Billy Williams 1
 Thomas Jones 1
 Robert Kidwell 1

FOUNDRY OPERATIONS

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 Eugene Hodge 13
 Elton Menefee 12
 Lee Alexander 11
 Truman Fussell 10
 Henry Mack 10
 Autry Tennyson 10
 Walter Culpepper 8
 Walter Oder 8
 Charley Martin 8
 Eduardo Castillo 7
 Johnny Ingram 6
 Clinton Poole 6
 Tommy Russell 6
 Monte Ramsey 5
 Roger Harbuck 4
 Joe Hadnot 1
 Kenneth Mathews 1
 Timothy Johnson 1

Michael Davidson 1
 Herman Scott 1
 Carl Russell 1
 Larry Wisener 1
 Victoriano Rebeles 1
 Kirby Purvis 1
 Jose Vazquez 1
 Michael Eaton 1
 Michael Harrell 1
 Rick Wilson 1
 Kenneth Haight 1
 Gary Womack 1
 Larry Goodwin 1
 Michael Weatherspoon 1
 Raimundo Luna 1
 Guadalupe Luna 1
 Armando Ortiz 1
 Aurelio Castillo 1
 Ralph Richards 1
 Mark Taylor 1
 Otis Weary 1

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Andy Modisette, Jr. 37
 John Temple 31
 Rex Berry 31
 Gayland Wallace 31
 George Montes 26
 Doyle Lunsford 26
 Ross Nash 26
 Sam Turner 23
 Hubert Lankford, Jr. 22
 Rayford Wright 22
 Andrew Barge, Jr. 20
 Jimmie Cole 19
 Ira Brown 18
 Royce Modisette 17
 Edward Pillows 16
 Billy Smith 16
 Jesse Garcia, Jr. 16
 James Joshua 15
 Dale Wigley 15
 May Hancock 15
 Gary Boyd 13
 James Wolfe 13
 August Kulms 12
 Cecil Primrose 12
 Wilbur Bruton 12
 William Redd 11
 Palmer Arnold 10
 David Hensarling 10
 Loyd Fror 10
 Leroy Mooney, Jr. 10
 Ernest Young 9
 David Harkness 8
 Robert Evans 8
 Jack Essary 8
 Tommy Harwell 8
 Gerald Germany 8
 James Bryant 8
 James Chmielewski 8
 Dennis Justus 8
 Charles Hodges 8
 Charles Butler 6
 Donna Trego 6
 David Landrum 5
 Arthur Ricks, Jr. 5
 George Pillows 5
 David Amerson 5
 Joe Rodriguez 5
 James Holloway 1
 William May 1
 Donald May 1
 Charles Cain 1
 R.L. McGuire, Jr. 1
 James Hohimer, Jr. 1
 Jerry Welter 1
 Neva Jones 1

WELDING SHOP

Robert Mitchell 26
 Freddie Sullivan 20
 James Burse 12
 Carl Coutee 7
 William Forsythe 5
 Edward Taylor 1

LITTLE ROCK FOUNDRY

Michael Creamer 1
 Chester King 1
 George Wallace 1
 Kenneth Golatt 1
 Carl Glass 1
 Donald Hale 1
 Lebron Johnson 1

MANUFACTURING ADMINISTRATION

Gene Vison 23
 Mike Champion 18
 John Coffield 15
 Paul Tuscana 10
 William Redd 8
 Paul Wright 7
 Jack Weaver 6

CORPORATE OFFICES

Martin Cortines 26
 Pat Merriwether 8
 Jean Eager 5
 Richard Hays 2
 Donald Lorenz 2
 Mary King 1

INDUSTRIAL SUPPLIES

Janice Brooks 14
 Dona Register 1
 Sylvia Hawkins 1

ENGINEERING

Debra Chunn 7
 Patrick Formo 1
 Viron Barbay 1

MACHINERY SALES

Hugh McWilliams 16
 Keith Walters 12
 Rich Dombrowski 8
 Dan Pillar 3

PERSONNEL

Joe Perkins 31
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 James Dias 6
 Stephen Shirey 5
 John Long 4
 Robert Wilkerson 1
 Curtis Fancher 1

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 Coy Oliver 35
 Fred Nash 33
 James Mainer 33
 George Brown, Jr. 29
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 Orvell Molandes 23
 Richard English 23
 Ancie Armstrong 19
 Bob Westbrook 16
 Marion Yarbrough 16
 Jerry Ferguson 13
 Norman Barlow 12
 Shirley Hadnot 11
 Deloyce Dodd 11
 Earl Randolph 9
 Joseph Waller, Jr. 8
 Jackie Nichols 5
 Billy Bynum 5
 Mike Marshall 1
 Jimmy Watson 1
 Russell Harvey 1

TRAILER SALES AND SERVICE

Jim Horn 28
 Joe Wade 20
 Kenny Jackson 6
 Terry Blake 6
 Robert Polasek 5
 Randy Collins 4
 Walter Davis 4
 Hubert Ream 3



Noble Stringer
38 Years



Andy Modisette, Jr.
37 Years



Coy Oliver
35 Years



Elbert Bailey
35 Years



Robert Chapmon
34 Years

THOSE GOLDEN YEARS

'Gunsmith'

You can still find retiree Jim Odom in his gun shop till late-night hours.

When Jim Odom closed the door on a 38-year career as chief mechanic at Lufkin Industries 18 years ago, he opened another career door—as a gun repairman.

“I’ve been repairing, assembling and finishing guns as long as I can remember,” Odom says. “But when I retired, I made it a full-time business instead of a hobby. I buy the barrels, actions and stocks, then assemble the gun according to a customer’s specifications.”

Today, at age 83, he is still sawing, sanding, drilling and polishing as often as he did in 1967, when he opened his shop at 902 Pershing in Lufkin. Besides gun work, he also does machine repair on tablesaws, lawnmowers and tractors.

“There are very few mechanical jobs I can’t do,” Odom says.

When Odom is not working in his shop, he is out in the woods with his own hand-built gun, a Mauser (German action) Roberts .257 IMP.

“I used to hunt birds, elk, bobcats, antelope in Colorado, Wyoming, wherever and whenever I got the chance. Now, I just hunt deer in Angelina County,” Odom says.

Whether you are an avid hunter or not, whether you have any interests in guns or not, walking into Odom’s shop might prove quite entertaining. Tacked on the walls are a variety of witty signs. Some are funny, others are serious with a humorous twist—like this one: “To protect my health, positively NO SMOKING. Also, all this gunpowder may blow us to H---.”

Another one reads, “Notice, prices subject to change according to customers’ at-



Jim Odom, retired LUFKIN mechanic, buys barrels, stocks and actions to repair, assemble and finish guns.

titudes.”

He lists hourly gunsmith prices as follows: “\$10.50, regular rate; \$12.50, if you wait; \$17.50, if you watch; and \$22.50, if you help.” One sign reads, “My time is money. Estimates are \$2 per minute, applied to bill, if work is performed.” Another sign reads, “If you feel the urge to snap a gun, buy it first.”

As you read the plaques and posters on Odom’s walls, a customer or visitor may get a feeling of thumbing through a book of clever cliches. Another sign reads: “Take your boy hunting, instead of hunting your boy.” And finally, “Don’t regret growing old, it’s a privilege denied many.”

“I’ve collected these signs through the years during travels throughout the country,” Odom says. “Friends who know of my collection have also given me some of them.”

His shop is equipped with a variety of machinery and tools. As you look around the room, you’ll find an engine lathe, combination drill press and milling machine, grinding tool machine, radial drill press, cutoff saw, table drill press and a bullet reloader.

“Sometimes I may get so involved in a job I’ll stay out here until three or four o’clock in the morning,” he says. “But then I may rest for three or four days.”

—DIANA HILL



of Faces & Places

With Rick Pezdirtz

“

... There is more to Save the Children than the impersonality of a monthly check

”

This was two years ago and the timing was purely perfect. Maybe it was the full belly of pork chops, apple sauce, baked potato and other supper table goodies we so often and thoughtlessly take for granted in this lovely land of plenty.

Maybe it was because movie super-stars Paul Newman and wife, Joanne Woodward, were making a soft-sell pitch on a television screen about the seven foreign adolescents they sponsor through *Save the Children*.

Or, maybe it was something Hartman von Aue wrote nearly 800 years ago that jiggled within the backwaters of my brain: “He who helps in the saving of others, saves himself as well.”

Whatever the reason, I decided to sign on as a foster parent with the *Save the Children* program out of Westport, Connecticut, where, incidentally, the Newmans reside when not off on some exotic film location.

Committing to become a *Save the Children* foster parent is indeed the slickest, easiest method I know to offer an impoverished child a helping hand. It is certainly more simplistic than the physical hardships Lufkin Industries’ Martin Reyes and Dr. William D. Thames (see pages 13-14) endure in bringing medicine and Christianity to peso-poor farmers along the northern border of Mexico.

You simply signature a tax-deductible \$16 monthly check—many squander much more each 30 days for bad booze or deepening a cigarette cough—and you’re counted among the legions of this 53-year organization’s foster parents.

No nameless child

There is, of course, much more to *Save the Children* than the chilly impersonality of a small monthly check. You are hardly allowed to become the distant sponsor of a faceless, nameless child.

They send you, each year, a photograph of your foster child. They also send an original case history, updating it with annual progress reports. You may, if you so choose, correspond with your foster child.

One of the sweetest moments for me at Christmastime the past two years has been receiving a hand-colored card from Jose Juan Mendivil Camargo. He is my nine-year-old foster child and resides in the isolated community of Canzante which is located in Mexico’s northern state of Sonora.

According to letters I have received from Jose Juan, he attends school (third grade) and lists writing as his favorite subject, which automatically makes this old typewriter wrecker a most proud foster parent.



Jose Juan

He fetches the water

Eggs, beans, cheese, milk, corn tortillas and sometimes meat are staples of Jose Juan’s mealtimes. He resides in a two-room adobe house with his father, a farm worker, mother, two brothers and a sister. All cooking is done on an outdoors wood stove. Jose Juan’s primary assistance to his family is, as he writes: “I fetch our water.”

I strongly suspect Jose Juan is all boy. His most recent letter included mention of his learning to play a new game—cops and robbers.

Although most of my travels in Mexico have been to the glamour cities—Acapulco, Cancun, Cozumel, Taxco—the outlying poverty in the country has not gone without some notice and disturbed feelings.

There is much disease and some starvation within Mexico. Reyes and Dr. Thames can attest thusly. *Save the Children* is a program that combats both. It’s only \$16 per month and anyone interested can contact David Guyer, president of *Save the Children*, 54 Wilton Road, Westport, Conn. 06880.

How did Horace Mann put it—“Be ashamed to die until you have won some victory for humanity.”

LUFKIN INDUSTRIES, INC.

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