

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

History of Industries in Youngstown

Personal Experience

O. H. 1040

MICHAEL A. PESA

Interviewed

by

Janice A. Cafaro

on

August 15, 1986

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

History of Industries in Youngstown

INTERVIEWEE: MICHAEL A. PESA

INTERVIEWER: Janice A. Cafaro

SUBJECT: construction climate and projects from  
1940-1970, slowdown of industries, FIA  
interests

DATE: August 15, 1986

C: This is an interview with Mr. Michael Pesa for the Youngstown State University Oral History Program on the History of Industries in Youngstown, at 2429 Ohio Avenue, Ohio, on August 15, 1986, at 10:00.

Mr. Pesa, could you please tell us where you were reared and went to school?

P: I was born in 1941. I was raised on the north side of Granada Avenue. I graduated from Rayen High School. I had two years at Youngstown State University. That was my educational background and while working with the company.

B: When did you get married?

P: 1962. I have seven children and divorced. That is about it.

C: You lived on the north side most of your life?

P: Yes. During my married life I was living on Fifth Avenue and sold that home and then I moved to Florida in 1977.

C: Could you tell us a little about the background of the company. When it was founded.

P: Felix Pesa & Sons Company was founded in 1909 and

incorporated in 1936. It is still an active company, however there is very little work in the valley so it's just sort of put into dormancy. The company was founded by my grandfather. I don't remember the year of his death, but it was prior to my birth. He had four sons: Edward, William, George, and Arthur. Edward had also passed away prior to my birth so I didn't know him. Bill Pesa, who was president of Felix Pesa & Sons Company was killed on a construction job of ours in 1953, up at the . . . In Warren, for Malone Day, we were building a building for Malone Day. They had set the roof joints and something happened and they moved and he just happened to walk in and was killed. Then the company was taken over by George Pesa while the stock remained within the family. The head of the company was by George from the period between 1953 until 1963. He retired and moved to Florida. That is when I took over. Authur Pesa, while a major stock holder in the company, ran the Felix Pesa Cut Stone Company, which is a cut stone fabricating shop. He operated that company until two years ago when he died. I have been running the company since 1963, I think it was, I'm almost positive, until current.

C: When did you first enter the construction business?

P: In 1960. I worked summers through high school and stuff like that. In 1960 I came to work for the company and worked in the field.

C: During the 1950's you were also involved with the company. What sort of projects were they into at that time?

P: At that time they did jobs like St. Anthony's School and Church. They did Blessed Sacrament in Warren, Holy Family School over in Sharon, paths for the post office annex on Andrews Avenue. They did quite a bit of work.

C: When you assumed presidency, how large was the company?

P: Our volume was up there. We had a million and a half or two million dollars. In those days that was some decent volume in the early 1960's. Actually, things cost more today and that is not a huge volume today. Back then, that was quite a bit. The job that I had started on with the company was the bus garage for the Board of Education on Rayen Avenue. That was the job that I started out on.

- C: How would you describe the construction climate during the early 1960's? Was it competitive?
- P: It was very competitive and like any other times throughout the history of the country you have your slow periods. There was a time in the early 1960's there was a minor recession and it sure affected the construction business. But it only lasted for a year. It sort of rebounded. Unlike today, it is certainly more than a year.
- C: There was plenty of work in the 1960's?
- P: Yes. Companies that were established enjoyed decent work loads.
- C: You must have been building up a clientele throughout the twentieth century. Was most of your work from former clients or was a lot of it new work?
- P: Most of it was bid or competitive bidding. There was enough of it. We certainly did our share of dioceses and quite a bit of Catholic work. It was bid work. Whether we were just sort of cost-oriented toward churches or what I really can't say, but it just seems that way. We did our share of that.
- C: Do you remember how you got involved with diocesan work?
- P: Not really. We just got on a list of bidders.
- C: Were you doing schools at that time?
- P: Schools and churches. Even in my reign, the company prior to my coming here had done quite a bit of church and school work. After I had taken over, I continued that with the churches and schools. We did quite a bit of them. I can name a few. I did all of the Mount Carmel work of the hall, the school, the basement remodeling, the shrine, and the rectory. I did it all. The entire St. Luke's project on South Avenue. We did all of that. We did the Tabernacle U.P. Church out on Raccoon. We did that. Maintenance buildings, certain cemeteries. We just did our share of diocesan work. St. Anthony's is our invention.
- C: Was most of your work new construction or was it more remodeling and additions?

P: Mostly new, but we would do remodeling or a composite of both. Basically, it has been worthwhile.

C: So, this was a growing area?

P: It was. There is no question. This was a growth in this area at that time. There was some mill work to be done too. We did a little of that. Basically, we stayed out of the industrial market. We sort of stayed with public works.

C: What mill did you work at and what did you do for that mill?

P: I can only remember one job and I can't even remember the name. It was down on Mason Street. I can't remember the name. It is no longer there.

C: I'm not sure where Mason Street is.

P: It was one of the foundries I think. I don't remember. It was early on.

C: You're company didn't care for industrial. You preferred going to the schools?

P: We were more oriented toward the schools, churches, that sort of thing.

C: That was probably because of your experience too.

P: That was our experience more than the mill work. We didn't want really to get geared up to the mill work and compete against other companies like the Fowler Company or O'Horo Company. That would be expensive equipment and stull like that. Once you commit to that, you pretty much have to go with it. I just didn't want to commit to that.

C: Then the industrial work is a whole different game?

P: It is a whole different game. I just didn't fell comfortable in it. Needless to say, some of those guys who were in that, it's no longer because of what happened.

C: In addition to schools and churches did you do any commercial construction?

P: Oh, yes. We did Youngstown Office Supply. We did quite

a bit of commercial work. We did a lot of remodeling. There was quite a bit of that. We did Marve Minneman Chevrolet.

C: Approximately how many people did you have working for your company?

P: Our highest payroll was 105. I remember that. Sometimes you sit around and think about the used to be and all of that, you have 105 employees and we did our payroll by hand. Computers were in at that point as they would be today. I'm not going back that many years either. We were doing the Ohio Bell, masonry work on the Ohio Bell job on Rayen Avenue. We compiled that with a few other jobs we had going and the payroll was, at one point, up to 105.

C: Do you remember when this was?

P: It had to be the mid 1960's. Excuse me, early 1970's.

C: Was this a peak in your company or had you gotten approximately this many workers before, then perhaps gone down?

P: In the construction industry you go based on the amount of work you have. It is not an industry where you hire people for longevity. They are hired strictly for the job. That is the way the industry is and people know it. There is no, except for key personnel, requirement to keep people on, and they know that. As soon as the masonry reports another job you lay off the bricklayers. As soon as the carpentry portion is over you lay off your carpenters. Hopefully you will have other jobs to send them to. In most cases they go back to the union hall and wait to be pulled out again. It is just the nature of the industry.

C: Your employees would coincide with the amount of work you have.

P: With the amount of volume you have.

C: This was a prosperous time for you then. Early 1970's.

P: At that time it was a decent work load, yes.

C: Did the type of work you had done in the 1960's change during the early 1970's? Was there different ventures you were getting into or was it more of the same?

P: What we started getting into more and more was building basically for ourself. The public works programs had started to close down at that point. The writing was on the wall that Youngstown was going to be slowing down. To keep active, you sort of started looking for work that you could develop yourself. That is what we have done.

C: What do you mean by that?

P: Well, like 550 Parmalee up here, the medical center by St. Elizabeth's hospital which was one of the first medical centers of anything new up in that area since 1955. We took a flier and bought a bunch of those old homes on Parmalee and Foster. We started tearing them down. It was quite an experience because most people would say that it just wouldn't work. It was in a plighted area and so forth and so on. I got involved with it and we started buying those homes, and when you get to a point where you are so far in you're going to push forward regardless of the consequences. We pushed forward and we opened those doors on that four story building with 92% occupancy. It was a nice venture. We tied up with Gary out of Painesville and did some other convenient stores and leased them back. That is the sort of arrangements. We had separate company that handled the leasing arrangements and so forth, but we also called Valley Leasing and we just dropped many of those things in the valley. And just like any other developer we start various corporations and so forth. The mainstay of the construction unit is still Felix Pesa & Sons Company. That was the construction entity. Everything else was just a corporation that owned while the stock was ours and had no direct involvement in the construction business.

C: Were there any other ventures that you undertook during that time?

P: During what time?

C: I guess it would be the 1970's when you started to go out developing your own work.

P: We did Marve Minneman Chevrolet. That was our lease pact arrangement. Marve, eventually, exercised his option and purchased. In 1977 we tried the Florida market. We started going down and doing Orlando, Florida. We did a real nice building in downtown Orlando when things just started to move in downtown

Orlando. We got into ground floor there, and it was a real nice structure.

C: What made you interested in the Florida market?

P: It was unusual. We went down there with Arby's. We were going to develop a bunch of Arby's Restaurants and lease them back. We got right to the file point and it didn't work out. While we were there we took a look at that market and decided to do a few things. We did, we built quite a bit. We hopped into the residential market down there. It is not our forte, but we gave it a try and it worked out. It was okay. That market down there is not a whole lot better than this market up here right now. People all over the country went down here and built and built and built and now they are at a standstill also.

C: Approximately what time was your Florida work?

P: 1977 we went down. Technically I am still there.

C: That area has stopped growing.

P: Yes. I came back to Youngstown. We had quite a bit of commercial property up here that my father was watching. We lost him a couple of years ago and someone had to do something about it. I came back to Youngstown to make decisions as to what we are doing with this commercial property.

C: You own them?

P: We are in the process of selling quite a bit of them.

C: You are also into commercial ownership too, then besides development?

P: Yes. That was our leased-pact arrangements.

C: Okay. As the economy sort of started to die off, would you say at that time did you begin to become more involved with commercial ownership or was that a regular part of your business?

P: It was always a regular part of our business. It was just sort of an inactive part. It was just like anything else when you have time on your hands. Because of lack of work you start creating situations. That is basically what we have done with a couple of projects we started and created here.



C: When did you really get into the commercial market big because of inactivity.

P: I would say it was the mid 1970's was when we started to take a stronger look at it.

C: Have it coincide with the beginning of the steel mill depression.

P: When the word was sort of going out you could just feel the climate starting to slow down. People were reluctant to . . .

C: Pour money into the area.

P: It was totally understandable. Things you feel. Things you read. And it all came to pass, just about. It is a devastation to see what has really gone on here. It is a feeling of insecurity. If we go and ask, in this industry, to spend a million dollars on structure it is not the end of the world. It is not a whole lot of money. With the business climate the way it is, people ought to be lucky. I can't fault them. Until they see exactly what is going to happen in the area, then people are a little reluctant. If you go out to the Boardman area it is impressive. Those years I was living in Florida that was done when I came back to the town, I could visually see what has gone on up here. It is impressive. Then you take a look at the inner city and you're back to reality. I don't know. So, while I was sitting here, I had a lot of time on my hands. We are working on a pretty good sized project now that we hope to complete within the Youngstown district.

C: Where is that?

P: I guess it is no secret. It's been in the paper. I have an application in the State of Ohio for a free standing ambulatory surgical center that I'm trying to put together here on Belmont Avenue. As soon as the state gives me the go ahead, we're going to go with it.

C: That is great.

P: I speak like the state is going to give me the go ahead. I could be wrong.

C: With the new heart center across from St. Elizabeth's, it seems like the hospital area is still growing. The hospital, and medical and affiliated areas are growing.

- P: It is changing more than growing. I think if you jumped into that whole situation you would see a big change rather than a huge growth path. Sometimes change is good. I don't know that they are actually putting new staff on and growth situations, et cetera. It is just not Youngstown, it is all over the country. You are getting into this a lot of this free standing stuff and the break away from the in-hospital of house containment and so forth.
- C: Is the free standing ambulatory unit a new type of venture for your company? Medical orientation?
- P: Oh, sure. We did the medical office building but we never, I can't say never, I also built some operating rooms and general rooms down at Cafaro Osteopathic so I get quite a bit of work down there. It is not so much the company. The company will act as the contractor. There will be a separate company that will act as the operator. Our expertise does not run into a surgical center. We have people that know a lot.
- C: How did you get involved with the ambulatory?
- P: I just read some articles and talked to a few physicians and saw that there is real need.
- C: You just went and bid?
- P: We just went and took a look at it and stated getting tons of paper work that was required to get the license and started it. We have twenty physicians and twenty surgeons.
- C: How large is that project?
- P: When it is all done it should be about \$2.7 million. With equipment and all I don't know.
- C: Are you undertaking or plan on undertaking any other projects in the area, or perhaps you have in the recent past like throughout the 1980's as we went through the 1970's?
- P: No.
- C: This is the first project you have had in awhile?
- P: Yes, in Youngstown. Yes.

C: Yes.

P: The Felix Pesa & Sons Company has pretty much been dormant since 1977 and 1978. We had an office going for awhile that handles a lot of the transactions from Florida. We had a lot of insurances and so forth that would all be handled around here. We just couldn't seem to pick up any work. We did a few restaurants and stuff like that, but we were unsuccessful in obtaining contracts.

C: In 1977, that is when you went down to Florida. Did your company remain active in Florida from 1977 on until perhaps recently.

P: The activity that was handled was Florida.

C: Are you still involved with Florida?

P: No. We pulled out two years ago. I was very fortunate in finding a buyer to take us out of the residential market down there. We found a buyer to take us out of just about everything. I decided that I would come back up here and do something with this commercial property and start looking for a buyer. I found one and possibly made a deal to pull them out down there. That down there is real different from up here. You can pull in and out very easily. That is just the nature of the beast down there. There are guys pulling in and out all of the time.

C: The residential market definitely was depleted?

P: Was what?

C: It was depleted. There was no new residential work for you to do.

P: In Florida?

C: In Florida.

P: Oh, sure there was.

C: Then what motivated your decision to. . .

P: The death of my father and I had to come home and back north to take care of this commercial property. I just didn't have an organization set up down there where I could put someone in charge and just walk from it. It

wasn't that profitable but I would do that. I wanted to do that. If you do give up in that then you don't go far. I just don't have the faith that new home sales are there and will stay that solid. I have proven it right there because the market has gotten real soft. With a soft market maybe sometimes the best thing to do is just sit tight. That is what we're doing at this point. While I am up here I am going to have to check the surgical center out. Then I will decide what is in store.

C: Who did you sell your company out to?

P: I haven't. It is still intact.

C: What I meant is that someone else assumed control down in Florida. You said that you found a buyer for it when you were talking about it before you moved back up here.

P: Right. We found another buyer who was another builder down there.

C: Do you know his name?

P: Yes, I do, but I. . .

C: That is okay. You are just going to sit tight and work with your commercial investment now?

P: Yes. And try to get the surgeon center off the ground.

C: Could you mention some of the past commercial transactions that you have done?

P: Do you mean past jobs?

C: Yes. You know because you were saying that you were leasing out and stuff so what have you been doing in the past two years?

P: In the last two years?

C: When you came back up.

P: We've been selling properties for the last couple of years. We sold 745 Andrews Avenue, S & K Machine. We sold General Electric at the corner of Rush and Indianola. Today, I hope, General Electric is going to disconnect and work the deal out with them and they will be closing today. We are going to be selling 550 Parmalee and I don't want to mention any buyers because that is just not right.

C: This area, although it is depressed, there are still buyers, there are still different industries who are willing to buy?

P: Oh, sure. The values are down.

C: Okay.

P: It is a buyer's market here. There is no question. When I came back to town. . . I have always had a home out on Fifth Avenue and so forth with seven children, you need space. I found myself with the kids all leaving for school or whatever and I don't need that kind of space that I did. I just couldn't come into town and say buy a house. It's a very easy thing to do in Youngstown, but you certainly will get your value of your money. If you decide that things didn't work out and want to leave here, you are stuck with a house. It just doesn't move that quickly here.

C: We have one of the lowest housing resales in the country.

P: It is a shame. If you could put some sky hooks on some of these homes and fly them to Florida and put them somewhere, you would have a jillionaire in no time. Youngstown, Ohio is just awfully tough selling homes. I am impressed that I was able to sell off the commercial real estate. Of course, the numbers weren't where I had hoped, but it does make sense. Sometimes you have to roll things over and now is the time.

C: You mentioned that you had public stocks, so you were a public corporation. Is that correct?

P: No, I didn't. We weren't public.

C: I'm sorry.

P: We weren't public. We were private.

C: You mentioned also that during the 1960's you were involved with public works projects.

P: The company was. I graduated from high school in 1959. The company always had public works and always did anything that they could. Youngstown isn't that large and people know people within the city. If an architect has a job coming up regardless of what it might be he goes into the jobs report and a certain group of

builders would always take drawings out and bid those jobs. We were one of those builders: Johnson, Pesa, Murphy, and just groups.

C: There was enough public works. There was enough growth in that area until the 1970's?

P: There was more work then before I came into the company. There were more public works around at that point then there was when I came in.

C: Okay.

P: There sure was. Schools were being built before my time. Take the West Lake Crossing project for example. That was a first big federal housing deal probably to come down the pike ever.

C: Right.

P: That thing was so large that there wasn't a single contractor in this town who could bond it. There was the Heller-Murray Company and Buchite Company and Pesa Company I do believe. I think those were the three, joined together to build that so they could combine their bonding power to build that.

C: That was right before World War II, wasn't it?

P: I do believe yes. That was long before my time, but I hear stories of how they had to merge that. There were some good years here. When I first got into the company, there was always work for bid. We had an estimating department that did nothing but estimate jobs. Today, we talk to various builders and so forth. Today it is tough if they can keep an estimator on the payroll.

C: Why?

P: There just isn't enough work to keep one guy busy. There are some builders who are in sewer treatment plants, for example, that became very strong here in the last few years. The guys who were geared for that are busy. Michael O'Horo and I don't know who else, and Ralph Conti out of Lowellville and guys like that are busy because of the federal money releasing them to force industry. Youngstown could get its share.

C: This seems to be one of the few areas in which there are still public works.

P: Right.

C: There will be new bridge construction and repair.

P: There probably will be bridge construction and repair. It looks as though it is heading in that direction.

C: Would your company be interested in getting involved with that type of work?

P: We are taking a real stong look at it at this time.

C: There will be a lot.

P: Yes, there will be.

C: Will this be the first time your company had done this type of work?

P: Oh, we have done some heavy highway work but nothing of the magnitude of the items coming up. It is a funny thing. You will find out that I will be right. Youngstown is in bad shape and there is no question, but so is Pittsburgh and every other major metropolitan area in this part of the country. Every one of these areas have builders and state qualified bondable businesses. It seems that you find a five or ten million dollar job come up in Youngstown on bridge rebuilding you are going to find bidders from Indiana, and the competition is just going to become so great sometimes you wonder if it is worth it. While competition is good, sometimes too much of it is a problem. Those guys in the outlaying areas are hungry too. They get the job reports and they know about the jobs here in Youngstown. They will come in and bit it. They will set up at the Ramada Inn or wherever, set up shop and bid that job. Sometimes it becomes a real problem.

C: Sure, it would drive the price too low.

P: Sure. There again, sometimes you just look for your own development stuff and are better off.

C: I didn't realize it. I'm sure Pittsburgh is depressed and it would make sense that people are coming and likewise, our builders are probably going throughout the country.

P: Why sure. We don't have that many international builders like Pittsburgh and so forth.

C: Ours are basically local and small.

P: Except for the mall developers we have here. We don't have that many internationals. Buchite, that is about it. Our guys don't travel as much as some of the out of towners that you see here. Take for example, the Casey Company out of Pittsburgh. Since the time that I have been here, they have done First Federal, the boiler plant for the hospital. Those are two major jobs. How they got them I don't know. At one time, Casey wouldn't have even considered Youngstown. Not only that, the University, Casey had a big one down there. That is three major jobs for one Pittsburgh outfit. When you think about it, you know. . .

C: That is hurting the local developers and construction.

P: Sure. Whatever profits were obtained they are in Pittsburgh. They will circulate that dollar down in Pittsburgh. They use local people and all that and pay local taxes on payroll, but those profits on those jobs are out of here. Which I frown on sometimes I really do. Their trucks, the things they buy are purchased out of Pittsburgh.

C: It seems that there should be given the, well I guess it would be fair to call the recession economy of Youngstown, there should be perhaps more of a committment.

P: You have to take care of your own.

C: Right.

P: You have to take care of your own. I don't know. Maybe I am wrong. If I were sitting on the other side maybe I would feel differently. I just feel that I am right. Those jobs should have been. . .

C: Especially the couple of dollars that you save.

P: What do you save? I don't think you save \$.10 in the long range you certainly don't save.

C: You lose ultimately. Why are people local and there is no international?

P: I take that back. There are some international. Davis International is an example. The ED Davis Corporation, they have done freezer and locker all over the world.



DeBartolo and Cafaro needless to say, they have done marvelous jobs all over the country. Buchite, I don't know if he has been all over the country, but he has certainly been out of the country. I'm sure he could tell you about certain problems and so forth that they have had. There are some guys that have gone international. For time and size maybe a guy just have four people. That isn't too bad.

C: Perhaps there has been enough work in this area where there hasn't been a need to go throughout the country.

P: That is true too. I can remember I had two or three million dollars of volume, going back I had sixty. I was doing some bridge work, and we had some healthy contracts. How I fared out on them, I have no idea. I know his volumes are there.

C: Would you say the size of the contractors in Youngstown on the small side compared to other contractors of the country.

P: Sure.

C: We have a lot of small, local developers then?

P: Sure. When you take a lot of those companies that I experience in Florida, take a company like Rullin Company out of Akron, it is a good sized company. The union is so strong up here that they decided to move a lot of their operations south and open up a double breasted company, open shop company, and work it that way. I look for that to happen a lot around here in the future. I see a definite change coming.

C: Have any other companies moved so far relocated?

P: From here to the south?

C: Florida, wherever.

P: A lot of the smaller guys have picked up shop and moved.

C: What about the main ones that have been here awhile?

P: The main ones have stayed they have just become inactive. Quite frankly, they are right. As I mentioned earlier sometimes it's cheaper just to get rid of everyone and just sit tight and see what happens and do a little work just here and there.

C: Then there is hope among the construction industry that the area will pick up?

P: Sure there is. The only problem is that everyone is feeling it is going to be years down the future. Who will wait and who can't has to do something so they will either move. You just can't go out and generate work sometimes. It is very hard.

C: Would you say the businessmen in the area and the commercial climate people are afraid to go into new ventures or to expand or to . . .

P: Until they see some writing on the wall as to where this area is going to go they need something. . .

C: Perhaps need new industry or some kind of . . .

P: You definitely need new industry. That is the key. The old smoke stack industry is gone. Now you are going to have to look for something that is a little different than what you are used to. The business climate in the area still has a problem. It is very difficult to entice industry to come into this area at this time. As long as there is that threat of organized labor.

C: You feel that the unions are too strong?

P: My personal feeling is absolutely. I'm not afraid to go on record and say that either. It's a fact. At one time they were needed. I'm not going to say that they are not needed now. It is just that they are very strong.

C: Are they driving the competition up? Are they making it unprofitable to expand as they. . .

P: It is not a case of expansion. It is a case of moving. It is a case of going to a state where there is . . . Break the work law.

C: It is cheaper.

P: It is definately cheaper. I don't know, for example, Commercial Shearing keeps its operation going here. I don't know. I do know that their Carolina outfit is working for approxilmately 50% of what they are paying here. What is the advantage? Why didn't they do that right here in Youngstown? It certainly is a problem. I just don't know how long they can do it. They are not

setting the world on fire with records, money making records. I just look to someday there will be an announcement in the paper. Something has got to happen. Columbus is doing a lot better than we. They are doing really well. I realize that it is the state capital and you have a lot of state employees and all of that down there. You also have like 85 insurance companies located home offices in Columbus. Why Columbus? Only for one reason and that is they don't have the labor problems that we have here. How many General Motors can there possibly be when you get those kinds of labor problems. It is just impossible.

C: When you are talking about labor problems, you are talking about wages basically out of proportion to the market.

P: Wages are terrible. I had coffee with a friend of mine who is an electrical contractor here in town. We sat down one day and figured out what the labor rate is for an electrician. By the time he leaves the shanty to go to the job that is ten minutes, and then a ten or fifteen minute coffee break that ends up to be twenty to twenty-five minutes. Then he walks back to the shanty for lunch and after lunch. If you add up all of those little minutes, you will be shocked. Then you compile that into the rate, and you are talking upwards of \$50 an hour for a man. When you figure what the production time is for that day, if he is working four and half or five hours out of the eight hour day, and you adjust that rate it will shock you. It is just a tough thing to comprehend. When you start plugging in numbers and if you were going to build a building, I have got to include that. You are going to get shocked over what that building is going to cost you. You say, "How is it possible?" That is how. And yet you take those numbers down to Columbus to an open shop contractor down there, he is working with much less money. His figures aren't anywhere near what we have to pay here. The rate is less. The production time isn't far from any difference. They know that. There are, where they do go where I work along the side of a union guy.

C: Why doesn't Youngstown have open shop? Is it because of our heritage? Is it too much. . .

P: It is entrenched in here but it is changing. At one time you couldn't build a house around here without a union contractor. They would watch that. Today that is passe. They had to open up the residential work. It is

changing only because the guy doesn't want to sit in that hall. When that appointment runs out, he'll take whatever work he can get. If he can grab \$10 an hour and do the work, hey no problem. If he works through the union, then it will cost you \$28 or \$30 an hour. You pay your taxes on that, your expenditures, your overhead, and that is a lot of money.

C: The unions then, perhaps, have become less stronger in the area because there is no work and people are willing just to take anything to work.

P: Absolutely. It is just like anything else. You are either financially inhibited too. Their people are not working. Their income drops tremendously.

C: Sure. Has the union been willing to take concessions in wages and stuff for work?

P: Not that I know of. The only thing they did was they did not take a raise. They held their raises.

C: So, there was a time in Youngstown where you couldn't even build home without having union people?

P: That is right. They used to watch the residential market pretty stongly. They captured that when it was back in the 1970's. They came up with a residential rate and tried to captivate that, keep the residential market. It was somewhat of a lesser rate than the commercial market. That didn't work out real well either. Home builders would prop up and just go open shop. When the economy got tough it just became easier for them to do it. Now you see that happening in small commercial. You can see that a lot. The other guys will try to sneak in. The partners stand outside with a strike sign on and no one just cares. With the new jobs today, you will find the laws have changed against the unions quite a bit. Now you can take a commercial job and put two gates on it. When they picket, you can give them one gate to picket and you run the job on the other gate. There are ways of getting around it. There is a price to pay for that too. I will say after working in Florida and working up here, the unions have done along with management a fine job of training the men or the craftsmen. When I first went to Florida to find a craftsman comparable to what we have up here was far and few between. Craftsmen up here are much better. However, when times get tough here guys move out. They go to the hot areas. They go to Texas and the Orlando's

throughout the country. They are just not from Youngstown, Ohio, believe me. They are from all of northeastern part of the country, all of your smokestack areas that suffered. They all went south and a great many of them went to Charlotte, North Carolina, Orlando, Florida, and Houston, Texas and they took their craft with them. They became much better in the South. When you're working along side of another carpenter and see how he is working, you automatically pick up on it. They have come a long way in the last ten years because the unions up here train abilities. They did go with the apprenticeship programs that were funded jointly by management. They were more or less funded by management and jointly administered. It worked out well. That was a darned good program. It worked really well. It is still going on, not real active.

C: The apprenticeship program?

P: Each trade had their own. Bricklayers have theirs; carpenters have their. It is a four year program.

C: Are good laborers trained throughout the country now into the South in particular?

P: Yes. There is no question about that. It is tough to keep a young guy up here. We train him for four years and he learns his craft really well. It is tough to keep him here when you can't keep him employed. He has a family to raise. He has responsibilities and he is going to have to go where the work is. Surely you can't find a cheaper place in the world to live.

C: You are not making any money. It doesn't matter.

P: That is right. He'll go down south and he will get a job at \$10 or \$11 an hour with probably no fringe and just live differently.

C: Is there a shortage of union workers in the construction industry right now up here or are they still. . .

P: A shortage? No.

C: There wasn't a mass exodus then?

P: No, no. Absolutely not. There wasn't a mass exodus, but they lost a lot of good people. Certain crafts stayed kind of busy though. I think the electrical, for example, stayed kind of busy. Their union is basically

- a small union anyway. I think they managed to stay on the busy side.
- C: You would say that out of the crafts that went down, the carpenters would be one of them.
- P: The carpenters and the brick layers and stuff like that.
- C: How about plumbers? Are they like electricians? Smaller and . . .
- P: Yes, basically, they have a much smaller union. But plumbers have not enjoyed, I don't think as well, as the electricians. I think that the electricals would be about the top of the list.
- C: How about yourself, do you plan on using union people?
- P: Yes, I probably will. It had been so long. It is tough to teach an old dog new tricks. I will probably use them.
- C: Do you feel that not using union people there is a price to pay? Would you say that would be in the quality of the work?
- P: Yes, even though I honestly feel today that I could, probably on a job that's not super large, go out and cut a tradesman and just beat the whole thing and use the same tradesmen that you use in the union shop. There is a convenience when it all washes down the sides of the deal, but I don't think it is going to make that big of a deal.
- C: I'm sure there is a big pool of experienced people. What are your plans for the future?
- P: Day by day. We'll see what is going to happen with the surgeon center which is my main thing right now. If we have a go situation there, I am certainly going to do it. If we find that it is not going to be feasible, then I am going to take a stronger look at something I don't know. But it will be in the area or out of the area. I'm not about to pull Felix Pesa & Sons Company off of the shelf and start building a bunch of pay roads for public works. It is just not the time for it right now.
- C: There has to be a market for it.

P: There has to be a market for it and there just isn't a market for it.

C: You would consider relocating if you find one. Not relocating but perhaps going to another part of the country to develop like you went to Florida before. Would you consider doing that again?

P: I would. If nothing would shake here, I would probably consider going back to Orlando. I don't know. We'll just play it very slowly. I enjoy Youngstown. Youngstown is a great place to live, but it has become very tough.

C: I'm curious. How did your grandfather get involved with the business? Do you know?

P: I don't know. He started off on Hines Street where the stone shop was working out of his back yard. He just started to build small partial buildings. It grew. He had the four sons and the hopped on board and they had a nice little company going.

C: At your peak, what would you say your volume of sales were? And when would that be?

P: Four million dollars at that time.

C: That would be during the 1960's? No.

P: Early 1970's.

C: During the 1950's you weren't doing that much volume but perhaps you were doing comparable to that much in 1950's dollars.

P: I'm sure they were. That was before my time, but I'm sure they were. They were doing some decent volume.

C: Then in the mid 1970's you started slowing down and 1977 became inactive in the area.

P: Right.

C: Do you have any final observations you have made in your years in construction industry that you would like to leave us with?

P: It is a changed industry. It is a really changed industry. The economy does it. People are afraid to

spend that construction dollar. It is just a really hard thing to work around. It is just not private either, it is public too. They need major renovations and so forth on schools and they don't have the money. It is harder to produce it. With the tax base the way it has dwindled here, it is a real problem. I honestly feel that in six or seven years you will see a marked difference here. You just can't take a town the size of Youngstown and knock it off the map. Something has to happen. It needs a shot in the arm. It needs some new industry moving in. It is going to take some coordination with labor, and organized labor is going to have to work with them. You can see it happening in all of the major corporations in the country even today. General Motors is going to get a way from this high rate they have been paying in the past. They already made roads to do that and that is going to continue throughout industry. Hopefully, someone will start the ball rolling in Youngstown. Maybe that will be the key.

C: Do you foresee another big project or perhaps little industries popping up?

P: I see little industries popping up. I don't see anything real huge.

C: Like Saturn?

P: No. It is not in the cards here. I don't see it. I do see small companies that are looking someplace to cut a deal. I think Youngstown would be right for them. The local government now is of good mind. They listen to any proposition that makes sense. As late as the Phar-Mor deal, I think that Mickey Monus is on the right track. He is able to deal with the city fathers at this point which I don't think he'd be able to do in Pittsburgh, and they can relocate anywhere they want. I think he is doing the right move.

C: Do we have the right climate?

P: It is the right climate to make a deal and be in Youngstown right now. That definitely is.

C: Perhaps labor has even shifted their willingness to change to the times.

P: I definitely think they are. I think you can go in right now and make a deal with the labor union before you commit to coming to Youngstown at an agreeable rate



and terms of conditions. How long that last, who knows? Right now I think that since you are going to have the union, sooner or later with an election anyway you may as well make a deal right now and get settled and get something you can live with. Hopefully, if I were on the outside with the company, I would consider Youngstown for a couple of reasons: Number one, I do think we should make a deal with the labor organization for a long term contract of six or eight years. The people that you employ could find no place in the country to live on less money than Youngstown, Ohio. It is just an inexpensive place to live even with the utility rates. With those two things alone I would consider plus the labor pool. You also have here some of the best labor that has ever walked the country. That is true. They are very skilled mechanics. You may as well take advantage of that and depending on what you would be opening up, naturally. You would want to take advantage of that. Unfortunatley, people aren't breaking the doors down to come to Youngstown. I don't know why.

C: What it need is things like Phar-Mor coming in. Ameritrust came in. We need a couple of those to make it more conducive, to put it on the map again. It also need to change its image publically as to labor problems and things such as that.

P: There is a real inner city problem. I think when a company looks at the Youngstown area they can't just rely on the stats for the inner city. They don't make good. They need to take an overall look.

C: Boardman, Poland, etc.

P: That is right. You have to change the stats in the black and white numbers and everything else. You strictly look at the city of Youngstown and you will be running like hell. Who wouldn't? They are looking at the future labor force. They are looking at a whole lot of things. You just take a look at the stats of the inner city: 30% unemployment rate or whatever it is. It is just too scary. I think that someone ought to be hired to repackage it. Put a little perfume on it and sent it. When you do that you are going to have to incorporate more than just the inner city. Put your brochures with your action out in Boardman. Make it look enticing. We have some of the strongest people in the country living in this valley. I think something can be done. I really do. It is just people have been

distraught for so long they just kind of lost their confidence or whatever word you want to use. It is just a little disheartening.

C: How about the downtown revitalization? Do you feel that has a chance?

P: It is like opening a bar. You open a bar and there are always so many drinkers in Youngstown. If everyone opened a bar you would have problems. That is the way I look at downtown Youngstown. There is only so many stores that can go into the middle of town. It is not going to be downtown. That die has been cast. They're towards the outskirts. That is what the people have chosen. They have been touted. That is where it is going to lie. Youngstown will never be a retail center. It is going to be government. It would not be a bad idea for a general office area. Lord only knows that we have the space. A banking center. I was totally disappointed to see First Federal move to Boardman. That is my opinion. As far as general offices I don't see it. I just don't think there is that much of a draw. There aren't that many people in the poor to service three areas. They have Boardman, Eastwood and downtown just doesn't fit along with outlying plazas like Liberty Plaza and so forth. I don't see it with downtown.

C: You just have to reassess the population shifts.

P: Yes. And make due with the office space. I have certainly had no problem with the construction company. I have my office in downtown Youngstown. I think it would be kind of nice. You don't have to contend with retail shoppers coming down and taking all the parking and so forth. What would be so bad about that? It would be nice. The court house, Federal buildings and all of that bureaucratic stuff all down there along with the general businesses. At 4:30 you lock it, 5:00 you lock it up. It is just different. It is going to be different. It is not going to be the way the people once knew. It sure is disgusting down there now. It is terrible and I feel bad. Things change.

C: Sure. Thank you very much for your insights and your time.

P: Thank You.

END OF INTERVIEW