

YOUNGSTOWN STATE UNIVERSITY
ORAL HISTORY PROGRAM

Unemployed Steel Workers

Personal Experience

O.H. 1020

ROBERT S. HORVATT

Interviewed

by

Mary Kay Schulz

on

March 14, 1981

Oral
History
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INTERVIEWEE: Robert S. Horvatt

INTERVIEWER: Mary Kay Schulz

SUBJECT: unemployed steel workers, decline of steel industry, Youngstown Sheet & Tube, Lykes Corp., benefits

DATE: March 14, 1981

S: This is an interview with Robert S. Horvatt for the Youngstown State University Oral History Program, on Unemployed Steel Workers, by Mary Kay Schulz, on March 14, 1981, at 316 Penhale Avenue, Campbell, Ohio, at 4:00 p.m.

Can you tell me a little bit about your background, like where you grew up and what your childhood was like?

H: Well, I grew up in campbell, Ohio, and I have spent all of my life here. I went to Campbell Memorial High School. Primarily, I intended to become a professional entertainer, I was a tap dancer. I had a lot of professional work in the area, in Cleveland and other places. I had my own studio in Youngstown until I got drafted into the Army. After I got out of the Army, I worked here and there at various jobs until I started working down at Youngstown Sheet & Tube.

S: When did you start there?

H: In 1957. I worked there almost two years. During that time I met my wife and decided to get married. I entered college in 1959. I was going to be a marine biologist, so I took a biology major and an education minor. Due to the generosity of some people down at Sheet & Tube, I didn't have to quit my job. I managed to work nights and go to school part time during the day. I finally graduated in 1964. I intended to go into teaching, but I had a better offer at the Sheet & Tube. I got into their Student Engineer Program, which was a supervisory training thing. After I more or less graduated from that, I got a job in the Bar Mills in Struthers. I was in charge of quality control there. I stayed there about seven years and then I moved from there to the strip mills in quality control, which was a hot strip and a cold strip combined. I was there until they shut the plant down. For two and a half years I didn't work.

S: Since that shut down you mean?

H: Yes, until I started working at Youngstown Steel Corporation.

S: Were you in the mill on "Black Monday"?

H: No, I was one of the fortunate [ones]. I guess you might say fortunate. Due to some political maneuvers, my job was eliminated a month before they shut the place down. I have my own feelings on that, but let's say because of it, I wasn't eligible for a pension when they shut down. Even though I had 20 and a half years of service, which would have left me eligible for a pension, I didn't get one because I wasn't there when they shut down.

S: I don't quite understand.

H: Well, I have a vested pension. Having 20 and a half years of service when they did shut the place down, they had to either offer me another job somewhere else in the plant or pension me off because I had acquired time. They handled it by terminating me by eliminating my job.

S: Do you think it was intentional?

H: Yes. I made a point to follow Lykes, it was one of my hobbies you might say. I followed their handling of the Sheet & Tube after they took over. I followed it all the way through, the people they hired, the people they fired, who they put in what job, and so forth. Let's say I stepped on the wrong toes. At a certain meeting, I was told by someone who was there that it was a matter of eliminating my job for personal reasons as well as political ones. So, I was out the door before the shut down.

In my 20 years at the Sheet & Tube, I saw many changes after the Lykes Corporation took over. Primarily, from all the information available, they bought the Sheet & Tube with their own money. They bought the stocks to gain controlling interest.

S: They bought Sheet & Tube with Sheet & Tube's money.

H: Right, they bought the controlling interest. I forget how many millions of dollars Sheet & Tube had for expansion and so forth. When they did gain control, they managed to use this money to pay for the stocks they bought. It was a lot of maneuvering. Shortly after the take over, the president of the company at that particular time retired. The finance director was then elected president. He then retired in a year or so. Then Nemick became president, he was the go-between for Lykes and Youngstown in the first place.

S: Did Nemick work for Sheet & Tube?

H: No, he originally came from Lykes. He then retired in a few years. Everybody got their goodies and got out. Like what I was saying before though, I watched who they hired and fired while Lykes was running the company. It was always my contention that Lykes intended to shut this mill down. That was their primary goal, and as soon as they could figure out how to do it without any government intervention they would do it. I made it a habit to watch who they hired and who they fired or retired--which ever you want to call it--and who they placed in key positions. Through the years, it seemed as though the steel knowledgeable people were eased out of the company, and, as I call them, the "wheeler-dealers" were put in their place. These were people who really didn't care what happened to this valley, as long as enough money went out to the corporation and into the Lykes Steamship Line. Some of these people had nothing to do with steel and they never had. They didn't know how to run a steel mill.

S: Were these people that you personally came into contact with?

H: Some of them are, yes. Some of them were higher echelon people, say Boardman office people. A lot of them that were hired had no previous steel experience, or didn't know the first thing about running a mill, but they did know how to maneuver finances. As everybody knows, Sheet & Tube, I believed, never failed to pay a dividend as long as they were in existence. When Lykes took over, I believe it was two years or better before they paid a dividend. They claimed a loss. Finally they did pay a dividend. There was an article about it in *The Wall Street Journal*. The next quarter after that, I believe, is when they paid their first dividend on the stocks.

For instance, they hired a man to run what they called a steel plant, which controlled the making of raw steel in the open hearth and blast furnace. In addition, they had him run the strip mill as a general superintendent. He was fired by the company they originally hired him from. I believe that this man was one of the men who was hired to run that company into the ground, to make sure that it didn't make money. Attending meetings with him and seeing some of the things he did in the plant was unbelievable. It was just that there was no preventative maintenance, everything was kept running by patching it together. At this time, I was out of the bar mills and into the strip mills. Eventually they gave him control of the bar mills also.

I worked with Fran McHugh, who was superintendent when I was down there in charge of quality control. Prior to my taking charge of the quality end--just to use some figures--we were running in the neighborhood of \$90,000 a year in claim costs. Within a year or so, we managed to get the claim costs down to an amount of \$30,000, which really isn't too high for a whole year. We reduced a lot of other costs in the mill through various methods of inspection and in controlling the incoming billet qualities and so forth. The year after I left there, the claim costs jumped to \$160,000 and the year after that they jumped again to \$250,000. For one department, such as the bar mill, \$160,000 was just out of sight, a quarter of a million was just ridiculous. It was just a matter of them shipping everything they made, whether it was good or bad, just to make money and take the claims loss. Therefore, the place looks bad, like it isn't making any money.

This was one of the reasons I say that Lykes originally intended to shut this steel mill down when they first took it over. They didn't want it, it just came with the deal. It was the other goodies alongside of the company that they wanted, such as Van Huffel Tube, coal mines, iron ore mines, and Continental Ensco Company, which makes material for well drilling. Even though J & L was making a lot of money because of the oil, I always believed that Lykes Corporation wanted all these other subsidiaries and the only way they could get in was to take the steel mill.

One year in the stockholder's report they said they produced--I'm not sure about exact numbers, but these ones are relatively close--like eight million ingot tons. That is raw steel that they shipped, which is the finished product, was around five million tons, which means that they lost three million tons to scrap. Now, they just re-melted it, but it is considered a loss because they didn't make it right the first time. This was all on the same page. The next year they make more ingot tons, say nine million. Five or six pages later, though, they showed their finished product shipped, which was somewhere in the neighborhood of four million tons. That meant they made more steel and it looked real good on paper, but when you

went back and compared, they also made more scrap and lost a lot more money. They didn't put it all on the same page like they did before because some people don't bother adding one and one, they just see the figure on that one page.

At the time, I told my wife that it might only be a year or two before Lykes shut the place down because of the way they were running. [There was] no maintenance, [they were] running it on a shoe string, fixing whatever had to be fixed and that's all. It was almost impossible to get pencils because the money situation was so close.

I got a hold of one of the stockholder's reports--the one previous to the shut down--where they managed to take all the smaller holdings of the original Sheet & Tube Company and separate them out. Originally, everything was together, the steel mill and all these subsidiaries. Somehow or another they managed to separate the steel mill out all by itself and put these subsidiaries with other holdings of theirs into a category they called a manufacturing division. This left the steel mill sitting all by itself, and there was no way it was going to make any money with the way they were running it. When I read the report I told my wife, "That's what they need, all they have to do is keep showing a loss here and then they ask their stockholders, should we get rid of this white elephant from around our neck or keep it?" If I was a stockholder, I would say, "Dump it!" The stockholders would tell them to dump it more or less, and they [Lykes] would have a justifiable reason to dump it. They had all the goodies, so they had a good reason to dump it with no government intervention, and that's what they eventually did the following year. I predicted they would shut down in January to claim the tax deductions for the whole year. They shut down in September. My wife used to call me a witch doctor because I predicted all of their moves. I watched to see the hiring and firing, what they were doing. But it was obvious as soon as they managed to get all these subsidiaries in a category away from the mill that it was the beginning of the end. They had their means to get rid of it.

S: In the meantime, they used up the cash flow?

H: Oh, yes. They shipped everything down to Louisiana, bought more ships and invested it in there. One thing that a lot of people aren't aware of is that the Lykes Brothers Corporation is one of the biggest landholders in the South. They own a good part of Florida, they have cattle ranches and lumberages and so forth. They own a lot in Georgia and Florida. I don't know about the rest of the South.

S: There are two different corporations, Lykes and Lykes Brothers, right?

H: It is the same family, let's put it that way. It is set up in different corporations, but it's basically all the [same]. I can bet that half the people in this valley never knew about Lykes Brothers Corporation. They were quite influential in the South. They have banks down there, insurance companies, and so forth. I wasn't surprised when Lykes shut the mill down.

As far as Republic goes, I have my own theories about that shut down. I believe that was a planned shut down, too. Maybe I'm crazy, but U.S. Steel wants to build a steel mill in Conneaut. They keep saying they're having trouble with the EPA [Environmental Protection Agency] and citizens of Conneaut and so forth. If I was a citizen of Conneaut, I wouldn't want that steel mill in my town for one reason, my tax base would go up and I'd be paying more taxes. People have argued, "Well, if your house is worth \$20,000, it'll be worth \$30,000 if industry comes in." My feeling is if I'm living in a house and it's worth \$20,000, I don't care if it goes up to \$100,000. If I don't want to sell it, that junk doesn't mean a thing to me, all it means to me is that I am going to pay a higher tax rate because my property was been re-evaluated. So, if I lived in Conneaut, I wouldn't want that steel mill there either, just for that reason alone. I wrote an article on this when I was in school taking business courses the January before last. Republic claims that they don't even know if they are going to build this mill up in Conneaut. Yet, they have all the property graded, leveled, and all the electricity in. They have their railroads put in, built a new bridge over Conneaut Creed to handle the rail facilities, they have the place all fenced off, they have all of their culverts and drains in, they built a parking lot for the employees, but they need a good reason to build it. My feeling is they have a good excuse to shut down these old mills and create a steel shortage. Sooner or later the government will say, "Well gee, we are in bad trouble if we don't have enough steel in this country when we need it, so go ahead and build your mill in Conneaut." So, they've got their brand new mill where they want it, they got rid of the old mills, and they're happy. Nobody could convince me they wouldn't have all of this property ready to go. All they have to do is put the buildings up, everything else is there.

S: Do you think the water is the big thing in the Conneaut situation as opposed to why they wouldn't just go ahead and refurbish what is here?

H: Yes. I think shipping has a lot to do with it. In the first place, if they wanted to ship out of the country to foreign interest, they have the St. Lawrence Sea Way and Canal. Right now, Conneaut is well facilitated to handle coal and iron ore shipments. They have a good system going on there right now. There is a lot of traffic, and they could handle a lot more with what they have up there. Ashtabula handles some of this expansion. I feel this is one of the reasons they want it, not because they have property. They want to be near the water for transportation and they have the ore docks right there. Right now they are talking about expanding Conneaut's and Ashtabula's facilities for coal handling and

bringing foreign boats in because they are so backed up on the East Coast. I was down there [the East Coast] last year, and going across the Chesapeake Bay there must have been 35 to 40 boats sitting in there waiting to move in to get loaded with coal.

S: Getting back to Sheet & Tube, how did you feel about it in they days when it was locally owned and operated?

H: I enjoyed working there, I really did.

S: That's what most people say.

H: I wasn't drudgery for me to go to work. Sometimes I would say, "Well hey, I would like to just not work at all." Everybody does that. I thought they gave you a pretty fair shake, they did me, anyway. As a matter of fact, I have always said you have a choice to work at a place or you can quit. I never said that I was underpaid, because I feel I had agreed to work for X number of dollars and that is what they paid me. I had no complaints about being underpaid even if I was being paid less than somebody else doing a comparable job.

When Lykes Corporation took over, I did have that feeling eventually. It seemed like they treated the supervision differently, especially the foremen. As far as I'm concerned, anybody that would have taken a turn foreman's jog with the Lykes Corporation either had to be a lazy bum or they had to be awfully stupid. The turn foreman in the Lykes Corporation was stepped on from the top and had no control over the bottom. The union controlled P & M (production and maintenance) people, who told the foremen, "You can't do anything to me because I'm in the union." With Lykes, every time there was a pay cut, or somebody got a job added, or whatever, it seemed as though the turn foreman was the guy who got it. He was getting it from the top and the bottom, so you had to be crazy to take that job. There was no authority, and I have seen many a foreman have to recall a reprimand that he wrote for somebody simply because Lykes Corporation didn't want them to rock the boat. That made him look like a fool. A lot of foremen lost their incentive to even do a good job because they were always getting stepped on by the people above them. Also, I believe that helped in the downfall of the company.

S: Do you think that was true in management as well as the P & M people?

H: When I was a P & M person before I got into supervision--and even while I was in supervision--I often wondered how many people remembered the statement that I made. I use to tell people, "You can't come down here and sit for eight hours and not produce anything because if you don't produce, you don't sell, and

if this company doesn't sell then you're out of a job." I always got the same basic answer, "It will never happen, this company will be here long after I'm gone." A lot of people, to me, seemed to have the feeling that this company, and probably a lot of other companies, are solely there to provide them with a place to come down and get a pay check for doing as little as they possibly could.

S: Do you think it was always that way?

H: With some people yes, but not everybody. In fact, I think there are more of them today who think that somebody owes them something.

S: Do you think the union has a great deal to do with that?

H: The union was a wonderful thing, but the way it's run today, they are making a lot of impossible demands on a lot of industries. And I don't just say that because I'm in supervision either. Like the other night I saw the Ford people were taking a pay reduction. In the past that was unheard of.

As a matter of fact, Truscon moved out of Youngstown for that reason. Before they moved the whole thing, they had a paint shop up there and the guys were making more bonus than they were hourly wages. Truscon told them, "We are paying you too much, we want you to take a pay cut or we are going to take this particular division and move it elsewhere." Everybody said, "No, we are not going to take a pay cut." So, they shut that division down and moved out of town. Now these people were out of a job completely because they didn't want to take a pay cut. I blame this partially on the union because the union kept telling people, "You don't have to take a pay cut, they are just bluffing." In some cases they are, but not all the time.

Republic did it down here in the valley. They told their people in the open hearth, "We have to give you a pay cut or we are going to have to close the open hearths down." Now, whether they really had to shut them down or they wanted to shut them down, the fact remains that everybody said, "No, we're not going to take a pay cut." They did shut them down and there went the open hearths and the rest of Republic. Shortly they will shut down their blast furnaces. I have a friend down there that is in maintenance on these blast furnaces, and when I was looking for a job I talked to the people out at the Warren plant. They said, originally, they planned on shutting these blast furnaces down in several years, as soon as they got their electric melt shop built up there in Warren. So, there would be some more going out of this valley. I believe eventually there won't be any steel industries in this valley--Youngstown anyway. There is very little of it left now, and I think it is all going to go.

S: Why do you think this is, after this valley has been such a steel producer for such a long time.

H: Several reasons. One, the EPA is demanding waters so clean that I could go down to the Mahoning River and swim in it. I personally feel that I don't need water that clean. The cost is too prohibitive to refurbish all of these old mills to comply with these standards. I think the EPA is a good thing, but I think sometime they are kind of ridiculous in their demands of how perfect something has to be.

Now for instance, when all these steel mills were running in this valley, one time I was laid off for a few weeks, I was in the chemical department. I would go down to Lowellville and get a bucket of water off of the bridge and bring it back to the laboratory for testing. Now Lowellville is approximately three miles from the last sewage out-pouring of Sheet & Tube's mills. In that area alone, the water had cleaned itself enough to support life. I have a friend whose been fishing in for catfish and carp below Lowellville for years--he doesn't eat them, of course. Of course, catfish and carp are about the lowest form of fish life you are going to get able to survive in polluted waters. The fact does remain that in that short distance alone, the water had cleaned itself up reasonably. With the EPA demands, they want the water so clean it's ridiculous. In the first place, even though you have the clean water, it is going to take twenty year for the river to flush all of the sediment out of the bottom. In the meantime, nobody has a job.

That's one thing I think made the steel producers move, and another is the water transportation. It's cheaper to ship by water. With the cost of energy right now, probably not too far in the future you are going to see a lot more rail shipments. It is going to be prohibited to ship by truck. A good percentage of the steel industry in this valley shipped their finished product by truck.

I believe a lot of people think--and in my opinion wrongly--that if they pick up their industry out of the North, where it's highly unionized, to the South, where it's non-unionized, they can get a lot of cheap labor. This is true, but I think maybe only for 10 years. They are going to have a unionized situation down there exactly the way they had here, and they will have gained nothing out of except the fact they have left a lot of good people up here that were qualified to do those jobs and could have went down there and created jobs for people who were unqualified. They won't gain anything because they are not getting the production from unqualified people. Also, they're going to end up unionized like everybody else. If the industry doesn't manage to break the unions, which I think is one of the things they'd like to do and are trying to do in a lot of ways.

Possibly, I feel that some of these mill shut downs are related to keeping the union in their place, so they don't get too powerful. They are already making ridiculous demands in a lot of areas. The unions are wonderful in their place, they took the man who use to work 14 hours a day six or seven days a week and gave him a decent living. It eliminated a lot of abuses and helped protect the men. Now it is just way out of hand. They are too demanding, and I feel these wages are causing some industry to leave, too.

S: What about imports?

H: I am for them and I am against them. It's nice for me to go down the street and buy something from Japan for \$5 that would cost me \$10 if it was made in America. I like that, but I also have to agree that if you don't buy American, you are going to buy yourself out of a job and you won't have any money to buy anything. So, you are better off in the long run paying \$10 and buying American.

A lot of this so-called Japanese quality that you hear about, I believe, is mythical. I don't mean that they don't have quality, they do now. At one time, the Japanese used to make a lot of junk. Now they make a lot of high class stuff, but we make a lot of high class stuff in this country, too.

As far as automobiles go, say which is one of the biggest steel users, the American car could be a piece of junk or it could be a good one. It all depends on when and where it was made. They have all kinds of problems out here at Lordstown, especially on Mondays and Fridays. Everybody starts their weekend early or are hung over from the weekend. They have a lot of absenteeism. I have some friends out there, and if they don't have time to install a part they're supposed to throw it in the trunk so they know what's not in the car. Some people do, but a lot of them don't. I have a 1977 Oldsmobile. This thing has 47,000 miles on it, and it's getting fixed right now. Now for 47,000 miles, I should think that I should get better service out of that car before I have to take the top of that engine off to fix it. It might have been a piece of bum steel or it might not have been installed, but I don't know. But I'm sure the same thing could happen on a Japanese car.

I think the Japanese have a better rapport with their workers than the American industry does. A lot of American workers seem to think it doesn't make any difference. They have no feeling for quality or pride in workmanship. A lot of this has been lost around here because you don't see the finished product. You have a craftsman that builds furniture. He starts from scratch and he sees what he's got when he's done. When you work on an assembly line, your job is eight hours of screwing three bolts on the same thing day after day. There really is no pride in workmanship because you don't feel you've really accomplished something. That has a lot, I believe, to do with the quality of American products.

S: Can you compare that to the steel worker, too?

H: Yes, it is the same thing there. Down in the steel mill you have a guy turning a valve for eight hours. To him, all his job is that he turns a valve for eight hours. A lot of them might not even know why they're turning it. That is one of the reasons I got into quality control, it wasn't the same monotonous job all of the time. With the inspectors that worked with me, I always tried to tell them what that particular customer was making out of this bar, or piece of steel, or sheet, or whatever. Sometimes I'd bring them samples back to show them why they had to have certain quality levels for various customers and so forth. You give them a feeling of, "I know where this is going, it is not just another piece of steel."

But in a way it can't be helped. Ever since Henry Ford built the assembly line, it's been over. There is not way we are going to go back. A couple of car companies in Europe had a group who built the whole car. The price would be so prohibitive that you couldn't even afford to buy cars. It pains me when they say, "Only \$7,000" for a car about a little bigger than my lawn tractor. Still, it is a good buy compared to the money the person is making. If you want to make a comparison, it is a good buy, but it could be a better quality.

The thing that galls me about people complaining about quality is the guy who goes out and buys a car and complains to high heaven about what a lemon it is might be the same guy who made the car. Or maybe he's a furniture maker and he makes a piece of junk furniture, but that's okay because it's for somebody else. As soon as he goes out and buys something that's no good, he complains about these people who don't have any view for quality at all. If you are going to sell junk to somebody else, you should expect to buy junk from somebody else. In this country today, that seems to be the general opinion. There are a lot of young people that do have a sense of pride and really want to do a good job, but there are a lot of young people who could care less. I have some of them working with me. They do as little as possible to get by and let others who do the best job they can do more than their share. I see more young people now who really don't care.

S: So you did see a change in the general work force over the years? I mean, was a P & M man in 1957 different than one today?

H: Yes, I would say on the whole. To make a generalization, I would say they were more productive workers and they were more quality conscious. Maybe because if they weren't, they were more subject to be reprimanded than they are today. Today in the steel industry--I know several cases I could cite--you have to have a congressional hearing to fire a guy. I mean, a fellow comes out to work intoxicated, but you can't prove it and you can't send him home for being drunk. Somebody is a drug offender, unless you catch him with the drugs, there is

nothing you can do. If someone is sleeping on the job--I'm speaking from experiences in the past--you can't wake that man up and tell him he is fired for sleeping on the job because all he has to do is say he wasn't feeling well and was laying down. Although you may have to shake him to arouse him, the union will get him his job back, in some cases, with pay he lost for the time he was suspended. It has gotten pretty bad.

S: You said you predicted that Lykes would eventually shut down. Do you think most of the men working in the mill believed this--at least the men in management--or do you think they really felt this would not happen?

H: The average person, I would say, didn't think until the end that it was going to happen. I would say the average person thought that they would buy another company and would be here when they retired. Some people did, though.

S: Do you think the company owed it to them to give them an advance warning of that a shut down was coming?

H: No.

S: No?

H: No. They should have morally, let's put it that way, but I'm kind of hard when it comes to business. Even though I got kind of a raw deal there, I have no complaints. If it had been done for business reasons it wouldn't have bothered me at all. But 90 percent of it was for personal reasons and that is the thing that bothers me.

The company can justifiably open and close their doors any time they want. It was their company and they don't owe me a living. I feel they allowed me to work down there, they paid me, and I gave them a day's work for a day's pay. It was just a mutual thing. They didn't owe me anything and I didn't owe them anything. In fact, I think some of these people expect too much out of industry. They think they should be like our government is getting to be, a big brother that owes them everything. I don't feel they owe me anything, they gave me a place to work to when I didn't have one, and that alone is justifiable if they want to keep it running or shut it down.

The way I have always felt, if I owned a business and my workers wanted to unionize against my wishes, I would feel I had a perfect legal right to say, "Well, I am going to shut the place down." If they say, "Well, you can't and you shouldn't," I would say, "I am and I do." If it was my own personal business and I didn't have to worry about stockholders, I would shut the place down if they did something I didn't want. The same goes for hiring and firing people. I believe I

should be allowed to hire who I want, but today you can't do that, which is another reason I think business is in trouble. They have to hire a certain amount of minorities, a certain amount of women, and so on because of the Civil Rights Bill and all that. I do believe it's hurting the whole country. I believe that the minorities should have their equal rights they are perfectly entitled to. As far as I am concerned, in business, I am color blind, like Ronald Reagan. I may have personal prejudices at home, but in business all I'm interested in is a person who can do the job that I want done the way I want it done. If he could do that, I wouldn't give a damn what color he was. I don't want to be told that I have to hire this person because the government says so. This, I believe, is wrong and is hurting a lot of businesses.

S: So you don't feel that Sheet & Tube or Lykes or J & L or LTD or any of them really have that responsibility to the community?

H: No, no in the respect that you imply. They don't owe this community anything. Businesses are in business to make money, and if they don't make money than they are stupid if they stay in business. Now Lykes Corporation is something other than the average business. I mean, Lykes Corporation bought this to get the money and to shut it down. They bought in only to make money for themselves, and when they got what they wanted they shut it down. Even the way they did it was good business. That's what you are in business for, to make money legally. Like I said, it may not be morally justifiable, but if it is legal than so be it. No, I don't believe a business owes a community anything. I believe more that the community should owe the stockholders and people who invested their money to start a business and bring it into a community. They would be more obligated to the business people than the business people would be to the community because when a business moves into a community it is to the community's advantage. It gets a higher tax base and they have someplace for their people to work. I never felt anybody owed me anything and I have always felt that if you hired me to work for you then you will get the best that I have. This is the way business is run and that's the way it should be.

Lykes did some sneaky things. There is no way that merger between Lykes and J & L came about in three weeks. You'd have to be pretty dense to be convinced of that. I mean, those kind of mergers just aren't made in three weeks. Lykes did a lot of sneaky things under the table, but from their point of view it is justified because they are in to make money, which is what they did.

S: Do you think the local officials of Sheet & Tube, when they went into the Lykes merger, had any idea that this was what Lykes had in mind?

H: I don't know for sure, I think they did. I am sure they were aware of what Lykes was doing. Like I said, they bought Sheet & Tube with Sheet & Tube's money and had the all of the moves I mentioned before at the top of the company. These kinds of moves convinced me that at least two people knew what the score was and, as the old saying goes, "Got their pockets lined a little." The one finance vice-president, I don't know what became of him, but the other one is still locally active as a president of another company. He got his pockets lined. He got a nice, big fat retirement and he is also a president of another company. This guy has got to be rolling in dough. He did it at the expense of the people in this valley. I think he sold them out, so to speak. It's morally wrong, but it's legal. He didn't do anything wrong, he's working for himself and he benefitted for himself.

I am not much for moral obligations in the sense of business is morally obligated to a community. I never felt that way. I have always felt that if I couldn't work here I would go somewhere else and get a job. My personal opinion is that too many people feel that somebody owes them something. I have always said if somebody wants to work, really wants to work, there is a job for him. No matter how bad things are in this country--depression, recessions, what have you--if they wanted to work, they would find a job. It may not be the job they want, it may not pay as much as they think they are worth, but they could find a job. I think it is ridiculous. I saw on TV a week ago where this fellow on the Donahue show said he had three degrees and a doctor of philosophy and was a dishwasher. He's a got to be a stupid doctor of philosophy to be a dishwasher. I've done labor jobs--I've done a lot of physical labor, as a matter of fact--I am in supervision now, but I do as much physical labor as the P & M people that work down there because it is not a real different type of organization. I never worked so hard in my life, but I am enjoying it.

S: When you first were laid off, did you consider leaving the area to look for another job?

H: Yes, I have. For about 10 years now I've been thinking about moving down to the Maryland area, along the coast of Maryland, Delaware, Virginia, or maybe North Carolina. I looked for jobs down there I had some friends down there. When I mentioned \$25,000 a year, they said, "Hey, there is nobody down here that makes that kind of money. They don't even know where that kind of money is." I said, "Well, I wouldn't consider making a move like that for less." So, I never did. Although, I did put in applications in Spiros Point in Baltimore at some utility companies down there like Delaware Light & Power. I had some biological interests and thought maybe they could use me in their biological survey team to do work for their water and what have you. I got a lot of "thank yous" and nickel and dime offers.

I think in that respect a lot of businessmen around here figured since there were a lot of people out of work that they'd be able to get them for dirt cheap. They offered a lot of people ridiculous salaries that were way below what they should be offered. I turned down some jobs locally, and I turned down a couple out of state jobs where the money wasn't high enough to justify my selling [my house] and moving. It wasn't in an area where I wanted to move anyway, which would have meant eventually I would have had to move from there to where I want to retire. To be honest with you, for awhile there I wasn't even looking for a job really. Anyway, I'm down on unemployment compensation the way it is doled out today.

S: Let's talk about benefits and your opinion of them.

H: They way unemployment benefits are doled out today, a man has to do nothing to get them, although the argument is, "Hey, I worked for those and it was taken out of my salary when I could have been getting it then." There was direct monies put in this sub-fund for steel workers, but the state unemployment was an indirect thing through employers plus the taxpayers, which means everybody was kicking into that fund. Here I get laid off, I walked to the unemployment office--it used to be once every week, now it is once every two weeks--sign my name on a piece of paper, go home, and if I do it right, I can find all the job listings I want in the phone book because I know these people aren't going to find a job for me which pays what I was making previously. I wouldn't even have to go for an interview. I can go to the phone book and get two or three names or whatever I have to get, put on a paper--which 90 percent of the people do--and take them back up there in two weeks. In the meantime, I have collected \$140 a week from the state. I did absolutely nothing for it, no work. Plus the fact that Lykes Corporation managed to get their shutdown claim under the Trade Relations Agreement and Duty Import, which gave me another money source from the taxpayers' pockets.

S: That's the TRA?

H: Right.

S: Now what does TRA stand for?

H: Trade Relations Agreement. I think I was getting something like \$213 a week, tax free.

S: That's both of them combined?

H: With the state and the TRA. Now, the state was good for 20 weeks. When that time elapsed, I got off the state rolls and the TRA picked up the balance for a year. So for a year I was getting \$213 a week tax free. That's comparable to maybe \$16,000 or \$17,000 a year income, taxable. So, unless a guy is really hurting he doesn't need to get a job soon. Of course, this it's to your advantage when there's a big shutdown like this. When everybody runs out of TRA money they're all going to be looking for jobs and there won't be any. But for a guy who really doesn't care if he works or that has a skill that he knows can get him a job whenever he wants, \$213 a week for sitting around the house, going fishing, tending your garden, or whatever you want to do is nice.

I believe that people who are on unemployment and welfare and are capable do jobs. They should pick up trash off of the street, clean streets, build things, take care of parks, cut grass, and so forth. But then you have the unions say, "Hey, you are taking jobs away from us." My contention is that if these people don't do it, then nobody does it. Therefore, we are not taking jobs away from the union, they wouldn't take it anyway. We would have these people doing useful work that nobody else would do. I think this easy money destroys the incentive to work.

Take the auto workers, they get 90 percent of their pay for doing nothing. I mean, that's crazy. I know one time I was laid off around 1959 or so. At that time they didn't have to work you four days a week or pay you for four days if you didn't. They could call you out for one day or two days a week if they could get you on the phone. They would call me out for, say, two days and then deduct that from my state employment, so I got nothing from the state, I just got paid for those two days that week. In other words, I worked two days for free, so to speak. In a way it wasn't bad, I wasn't losing anything, but the attitude of most people was, "Hey, I went down there and worked for two days when I could have sat home and did nothing and got the same money." This kind of thing is wrong. People should really do something for their money.

What really stupefied me was that about six months after I was on TRA, I filed a claim in Maryland when I was down there looking for a job. It probably didn't get back to Youngstown quick enough because I got a letter from the unemployment office and figured that was what it was about. Before I opened it I thought, "This better not ask me why I didn't file a claim the previous week." When I opened the letter, it wasn't anything to do with the claim, it was to tell me that somehow or another they figured the cost on the money coming in or whatever. They have a scale they go by in Washington and every six months or so, they re-adjust this allowance for the Trade and Relations Agreement. What the letter told me was

that I got a \$17 a week raise. The next six months I got some more. When I got off the TRA, I was getting \$250 a week. So, what I did, since I wasn't really looking for a job at the time, in order to extend my TRA for another six months was go to school.

I went back to the university and picked up business courses, public relations, what have you. I had to pay for it myself, but I was still getting \$250 a week so I was way ahead. I wasn't working and I was probably making \$200 a week clear after expenses for the university.

S: Did you go as a full time student?

H: Yes.

S: Did you have to?

H: Yes.

S: And that extended your benefits for six months?

H: Yes, but it's wrong. People should not be able to do this. I would have no compunction about going out and doing work if I was laid off. People say, "I had to do this to get my money or I wouldn't get it." I feel that is right.

S: Do you think most people do?

H: No. Like I said, too many people think that somebody owes them something, that this government owes them something. I don't know why people keep thinking that this government owes them something when the government is them.

S: Yes, sometimes we forget that. How do you think the area communities responded to the Sheet & Tube shut down? There was the Ecumenical Coalition. In the beginning there were all these planned worker takeovers of the mills. Do you think that any of that could have worked? Do you think the Ecumenical Coalition should have been involved?

H: I always thought that was a big farce. That was my opinion. I always thought it was a big bunch of politics. Now for instance, the place I work is now CASTLO Development Corporation, a combination of Campbell, Lowellville, Struthers, and I understand that Poland has got into it now, too. They bought this piece of property from J & L. We're the only tenants in there. We've been there for a year. They're doing some repair work at my expense, I say, because I'm a tax payer now. They have these CETA people down there repairing this CASTLO Development. They are fixing up a place so that somebody else can come down

and get a job, but I'm paying for it indirectly because I'm a tax payer. Now, I feel that if CASTLO wants to develop this place, it shouldn't be done at the tax payer's expense. If they wanted to get into business, they should have done it the business-like way. Don't start a business at the tax payer's expense. But this is what's being done down there.

S: CASTLO, aren't they just an agency to attract industry?

H: They own this property. We have a 99 year lease.

S: I see. So J & L really doesn't own any of that anymore?

H: No, no, now that Struthers section is completely out at J & L. As a matter of fact, Youngstown Steel Corporation purchased the open hearth building where they are going to put in their furnaces. They purchased that directly from J & L and own it outright, there is no lease on it or anything. But when you have a 99 year lease, you might as well say you own that, too, because we do all our own maintenance. We just purchased the right to be there and all the property and what have you for 99 years, but we have to maintain it ourself. So, we might as well say we own that too, in that respect.

S: Do you think President Carter should have come through with some government funds to see if one of these worker takeovers could have worked?

H: No, because people tell me, "Well, it is Republic over Republic Aeroquip deal out here." I have friend who is a purchasing agent and they talk about it. They've got contracts and everything, and they're doing pretty good. It is supposed to be worker owned, but it is a relatively small organization. Now when you get some places as big as a steel mill where everything is practically companies within companies. Each department is virtually a company within itself. I don't feel there is no way in the world that you are going to get the average person off the street to be capable of running an organization that big. You've got to have business people who are qualified to run this. In my opinion, if anybody is qualified they've already been snatched up by other organizations. They would be stupid to quit what they have and come down here to try something that has more chance of failure than success. I wouldn't know where you would get the people to run this. If you did get the same people, well then you are really in trouble because you got what you just got rid of.

S: That's true. What do you see for the future of the Mahoning Valley economic wise?

H: Well, if it's handled right, I don't see why you couldn't get a lot of diversified smaller industry here.

S: Do you think we lost a lot of the good work force?

H: No, they are still here.

S: Do you think so?

H: There are a lot of them that are working for smaller organizations and there is a lot of them that still aren't working. There is a lot of older men who can't even get a job, although they aren't supposed to discriminate against age it still goes on. I know in my case I was told outright by one of the organizations that I had all of the qualifications, I was better than the person they had, but my age was against me. That, to me, is stupid because if you have somebody that is qualified to do a job and say the guy is 50 years old, you figure he's got at least 12 to 15 left. But they take somebody fresh out of college and spend five, six, seven years training this guy how to do the job. They could have hired somebody who could walk right into that job and do it expertly right now. In the meantime, while they're training this fellow, they are not only losing the money they are paying him to get trained, they are losing the money due to the expertise he doesn't have that this other guy could be improving on the job. To me, if I had an organization, I wouldn't say I would hire all old people--you would have to have the qualifications--but age wouldn't mean a thing to me if I thought I could get a darn good man but only get two or three years out of him.. I'd snatch him up. I may hire a younger guy to understudy him in the meantime. To me that is good business, but most companies don't feel this way.

S: Why do you suppose that is?

H: I guess when they figure if they hire you young they've got 20 to 25 years of service coming, but that's not necessarily true. For example, the Student Engineer Program down at Sheet & Tube, I got into that because I was fortunate. I was in the right place at the right time and I had some connections with the right people. At the time I got into it, they weren't hiring anybody over 30, that was their maximum age limit to get into the program. I had the right people speaking for me. They didn't hire biology majors with an education minor. They were looking for business and engineering people. So, somebody wanted to prove a point. One of the people up at the Boardman office, who I had a conversation with for a couple of hours one time when I was laid off and looking for a job, was the personnel manager up there. He sort of took a liking to me and I figured this was an opportunity to prove a point of his that you don't need engineering or business majors, you can use people from other college area. So anyway, I was fortunate in that respect. When I went down to the employment office to make arrangements, the man told me they didn't hire anybody over 30. I said, "Well, I'll be back." I came back and through various contacts and so forth I got hired to this program. While I was going through this program, there were

approximately 15 other recent college graduates going through the same program. I'll say two years later there was only six or seven of us still with the company. In five years, there was only one that I know of that was still with the company. They rest got a year or two experience and went to greener fields.

So, that hiring of young people didn't pay off as they thought it would. It cost a goodly sum, they told me it cost roughly \$15,000 to put somebody through this program for six months. So, there is all that money wasted, all that time wasted, all the expectations they had, and all they did was train somebody for somebody else. They could have hired an older person who already had the training and qualifications, and he might have been a better man because he figures, "Hey, I am an older guy. I can't go anywhere and get a job, so I got to do this one the best I can and make sure they don't get rid of me." To me, hiring young people only is kind of stupid business.

S: Looking back on it now, do you think the impact of this shut down has been as bad on the area as they originally thought?

H: I don't think full impact has hit this valley yet. It probably won't for another year or so.

S: Really?

H: It's starting now, yes, because all the guys that were laid off from Sheet & Tube, they've run out of TRA and state benefits. They guys that were laid off from U.S. Steel are still collecting state benefits even though they were eligible for TRA, as they're still not hurting yet. I believe it has started and it is going to get worse than it is now. They are going to have to get some industry in the area or people are going to move somewhere else to get a job.

S: People that live in this area and have all their lives seem reluctant to move.

H: Yes, I am too in a way. For one thing, I am fortunate I own this house, so I don't have to pay on it. I don't have nay other payments I have to worry about. I can leave if I want to, but I like it here. I've got my friends here. It seems most of the people in this valley are close knit. They've got their cliques or groups of friends that they hate to leave. They've lived here all their life. A lot of people, probably like myself, are second and third generation from the old country. Maybe we still haven't got that freedom that a lot of younger people seem to be getting. It doesn't make any difference if I live here. I don't care if I live here or there. I go where the money is. It doesn't make any difference. I know some of my friends who have become a close knit group and like and here and they want to stay here with their friends. They have security. Any time you go to a new area, you don't know what you are getting into. I know a lot of people, especially the old timers,

don't like this feeling of going somewhere where they don't know what is going to happen. We've always had this, and we feel secure here, so we'll stay. They have the same problem down in Appalachia. People are starving down there. They won't move. They will stay down there and starve rather than move into an area where they can work because that is their home.

S: Did your father work in a steel mill?

H: A good part of his life, yes. Then he worked for the city of Campbell. Yes, he did work in the steel mill. I didn't intend to work in the steel mill originally. The furthest thing from my mind was steel. But after I considered all the aspects of the steel mill. . . I could never figure out why college graduates would stay down in the steel mill and be, say, a foreman. To me, it was beyond my comprehension. Until I graduated and had this offer in this program, I found out if you lived in the Mahoning Valley and you didn't work in a steel mill, you weren't making any money or, at least, making the money you could make. That is where the money was, in the mills, and that is the reason I stayed in. Like I said, I enjoyed my job. Because of the job I had, it wasn't the same monotonous, repetitious thing everyday. The money was there, that's basically why I stayed.

S: Well, I think I've covered just about everything I wanted to. Is there anything else you would like to say?

H: No.

S: I thank you for your time and your feeling on the whole thing.

H: You're welcome.

END OF INTERVIEW