

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

Sheet & Tube Shutdown Project

Sheet & Tube Shutdown

O.H. 161

WALTER C. SWIERZ

Interviewed

by

Philip Bracy

on

November 6, 1981

WALTER C. SWIERZ

Walter Swierz was born on April 21, 1938 on the East Side of Youngstown, Ohio. He is the son of Walter and Theresa Swierz. Walter graduated from East High School and then attended Youngstown State University for three and a half years studying Accounting. In 1958 he married Florence Swierz.

Walter worked for the Youngstown Sheet & Tube for twenty years, from 1959 until 1979. At the time of the shutdown of the Youngstown Sheet & Tube he was president of his local, Local 4211. In 1979 he assumed his present position as Administrative Assistant to Mayor George Vukovich, Mayor of Youngstown.

Walter and Florence have no children, they attend St. Stan's Church. Mr. Swierz is President of the Krakusy Society.

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INTERVIEWEE: WALTER C. SWIERZ

INTERVIEWER: Philip Bracy.

SUBJECT: Sheet & Tube Shutdown--President of Local 4211 at the time of the shutdown.

DATE: November 6, 1981

B: This is Philip Bracy for Youngstown State University's Oral History Program. I am interviewing Mr. Walter Swierz. I am talking to Mr. Walt Swierz, the present Mayor Vukovich's Administrative Assistant and former President of Local 4211 at the time of the Youngstown Sheet & Tube Shutdown.

First of all Mr. Swierz, could you give us a little bit of background about where you grew up and so forth.

S: Okay. I was born on the East Side, I grew up on the East Side. I attended Youngstown East High School. Shortly after that, a few years after that, I married and at that particular time, I moved to the South Side. I have approximately three and one half years of college at Youngstown State University. I need about twenty hours to graduate with a degree in Accounting. I have been married 23 years and am presently on a leave of absence from J&L Steel.

B: Do you recall the circumstances of how you found out about the shutdown of Sheet & Tube, and where you were at that particular time?

S: Yes, at that particular time I was the President of United Steel Workers Local 4211, which more or less represented the plant protection employees at Youngstown Sheet & Tube. There were approximately eighty members of our local union and we were one of six United Steel Workers locals that represented the em-

ployees at Youngstown Sheet & Tube.

We were called, all of the United Steel Worker Presidents were called to an emergency meeting by the District Manager of Sheet & Tube at that particular time, and we were told at that time that they had made a decision to shut down the Campbell Works of Youngstown Sheet & Tube. More or less, that was Black Monday in Youngstown. I believe the date was September 19.

We were more or less totally caught off-guard at that particular time. In fact, they began immediately to phase out the open hearths and by the end of the week, they were shut down.

B: Who do you recall participated, being present at that meeting?

S: Well, of course, all of the Steelworker Presidents were there, Mr. Ronald Towns was there, and other representatives of the Company. Of course, that was in 1977 and that was approximately over four years ago, it's difficult to remember all of the names at this particular time.

B: Oh sure, I understand. So basically, you came into the area, were there any elected officials or anybody there?

S: No, not to my knowledge there were none. I understand that they did confer with some of the political sub-divisions at a different meeting, but more or less we were the representatives for the steelworkers at that time.

B: And they just came straight out and said, this is . . . ?

S: They said that they had made a decision, in fact, I believe the decision had been made the day prior in Pittsburgh on a Sunday at an emergency meeting of the Board of Directors, that they had decided that the Campbell Works was not a profitable venture and they were more or less consolidating to make the company more profitable.

B: What did that mean immediately to your local? Were they directly going to be the first wave to be laid off?

S: No, in fact, at a time when they're phasing out, there is a great need for more protection actually. So, our particular union was not affected at that particular

time, but of course, afterwards we did lose a great number of people. In fact, our department, I believe, presently only has approximately thirty people.

B: At that meeting, was Mr. Lesaganich there? Was he invited to it?

S: I believe Mr. Lesaganich was there. I believe so, yes.

B: Okay. Immediately following that meeting, did you, as Union Presidents, get together or were you called together by Mr. Lesaganich?

S: Yes, we held a meeting at District 26's office in Youngstown and we decided at that particular meeting that perhaps we should do something that would more or less demonstrate the need for not closing that particular plant; what ramifications it would have on the community and the people themselves that worked there.

So, we decided to go out on a mass petition drive and take it to Washington and we were quite successful. We received thousands of signatures appealing to the Government to intervene in this decision and try to have the Campbell Works stay intact. And the petitions were delivered, I believe, to Washington within a week's time. I can't remember how many signatures, if it were 100,000 signatures or what, but we did get a great number of signatures.

B: Did you participate in the planning of that bus convoy?

S: Yes, I participated in it, but I did not go because my schedule at work did not permit me to go. But, in fact, it was my idea. I was the first one to bring up about the petitions actually, at that particular meeting at District 26.

B: Do you recall any other events that took place at the meeting? When you were all gathered together with Mr. Lesaganich, do you recall any other things that were discussed? In other words, did anybody have any concrete idea other than what you mentioned about where you should go from there kind of thing?

S: No, more or less it was, I think, the majority of these people were in great shock at that particular time and no one figured that it would ever happen, that they would shut down a plant of this size. More or less,

like I say, I think the majority of the people were in semi-shock that this was actually going to take place.

B: Were you approached at that time, either early on or even later on in the game^{by} by city or county officials to help or see how to try to plug you in as far as . . . ?

S: I recall that we weren't approached by any officials to help. We did, a group of representatives did attempt to and did meet with the mayor of the city at that particular time, Phil Richley, and we asked his support. And of course, he pledged whatever support he could give. I think that he did write some letters, but there was very little that anyone could do.

B: Okay. During the course of the next few months following the shutdown, was there any attempt to bring you into the Mahoning Valley Economic Development Committee or the initial group, the Youngstown Area Task Force or whatever they called themselves?

S: No, I believe that there were some people that talked to all of these officials. Of course, we started off by trying to start the Save Our Valley Campaign and did speak to various church groups and there were several meetings that were held throughout the area and I participated in some of them. We did, of course, talk to Congressman Carney at that particular time. We talked to State Senator Meshel and there was all kind of talk in regards to trying to get government assistance.

They felt at that particular time that it would take in excess of \$500,000,000 to rejuvenate the Campbell Works and the relayed the message to us that they did not feel that that would be feasible for the amount of jobs that it would create in this area.

B: The Ecumenical Coalition formed about the same time as the parent group for the Mahoning Valley Economic Development Committee. Did they approach either Mr. Lesaganich to address you individually as local presidents or was there any attempt . . . They had held a meeting, I believe, in November of 1977. Were you either invited or did you participate as an individual in any of their deliberations?

S: I did attend several of these meetings. Of course, it was well publicized and, of course, after their committee was formed they hired Gar Alpervitz from the Nation-

al Economic Development Corporation out of Washington to do a study, and there were so many meetings that were held at that particular time.

I think one of the great deal of problems that probably came about was that there were several groups trying to do several different things at one time instead of everyone being under one umbrella and trying to work in one direction. People were going off in different directions.

And it's quite difficult to remember how many meetings I did attend. There were a number of meetings.

- B: As a result of your early meeting, the same day, I guess, as the announcement of the shutdown, with Frank Lesaganich and the other local presidents, were there any working task forces set up so you could coordinate your efforts to try to decide what to do or who to plug in to, or any of that?
- S: Well, of course the Presidents of the United Steelworkers more or less fell underneath Frank Lesaganich, the District Director, and more or less we hoped that there would be guidance from the United Steelworkers. We, of course, had the President of the United Steelworkers come down from Pittsburgh and meet with us and listen to our story. They assigned Jim Smith from the International office to work in conjunction with us. So, more or less, the steelworkers, we relied on them quite heavily and unfortunately there was very little that they could do at that particular time.
- B: That probably would be the next follow-up question, Was there really a whole lot that you, as individual local president or collectively as local presidents, could really do?
- S: Well, of course, we as local union presidents, we represent the various locals. As far as corporate decisions, we have no input whatsoever. We represented the people that fell within our union as far as grievance procedures and various other things. There was very little actually, that we could do. Very little that anyone could do if a corporation decided to close up, and if they're losing money, I don't think anyone can really force anyone to stay in business.
- B: There was criticism at the time, at least that both organizations, the Mahoning Valley Economic Development

Committee and the Coalition, although I think in some floors it is considered the Coalition tried to help, or at least tried to keep touch with them, were not being adequately included in planning efforts with them, were not being adequately included in planning efforts by either organization. Do you think that's a fair criticism to make that they should have perhaps had more input from, not only the union leaders, but should have tried to rally the troops, if you will, before going off in all directions? That there should have been some direct input, because you were the most impacted group, you the steelworkers.

S: Of course, well, I recall that there was some criticism. But of course, the various committees that were set up, Mahoning Valley Economic Development Committee more or less was comprised of business and of political leaders in this particular area. And I think they saw at that particular time, that they were faced with the fact that we had an aging steel facility in this particular area and to try to resurrect something, that more or less would take great amount of money.

Some of the people on that particular committee were realistic enough to know that the real solution to the economic condition of our area was the diversification of industry in trying to attract new industries.

Well, I feel that in one sense some of the steelworkers were a little selfish in trying to revive the steel industry. And of course, I think maybe this may have been a reason why they were excluded from some of the meetings actually.

B: Was there any dissension within the local presidents ranks as far as what direction to take, whether to support, let's say, something like the Coalition's effort towards community buyout and something like this deal?

S: Yes, there was some dissension. In fact, we were in Washington and we did meet a man by the name of Norm Kurland, who was involved with ESOPP, which is Employee Shareowners Participation Plan. I don't know if you've heard of the Kelso Plan, which was the originator for employee buyouts of corporations and taking them and running it. There were some people within the steelworkers that felt that this had some merit. Then there were other employees that were, or other steel workers that were pushing for community employee buyouts.

Of course, when you're talking about community employee buyouts, there were people that were making charges that this more or less tinged on socialism actually. Of course, ESOPPS is true capitalism actually, where you're your own boss and you share in the profits. But there were some people that were advocating--and I think this was perhaps one of the downfalls for the Save Our Valley, was that there were people making charges that when this corporation was going to be set up, some of the profits were going to go back into the community to take care of some of the community's needs. As I said, there were people that felt that this just tinged a little bit too much on socialism.

B: Just to clarify it for my own self, the Kelso Plan, was that the same thing as the Studebaker situation, I believe, in Indiana?

S: That is correct, yes.

B: Okay. Now, could you give us the essentials of how that works?

S: Well, the Kelso Plan, the way it was explained to us, the Studebaker Plant and then there was another machine company in Indiana which they based--I can't ever recall the name of it at this particular time. It was a corporation and they used this as an example of, a conglomerate came in and bought this particular tool and die company. They had approximately 500 employees and, of course, sometimes when some of these conglomerates over extend themselves, they run into financial problems. Well, they try to weed out the most unprofitable acquisitions that they have.

This particular company fell underneath this, more or less, condition. The company decided to eliminate this phase of their company and they were faced with the possibility of--in fact, I think it was in South Bend, Indiana--faced with either closing down or taking over themselves, the employees. There was approximately 500 that decided that they would go out and purchase the company and operate the company. And I believe, with the cooperation of the City of South Bend, through a UDAG loan, they bought the company from the parent company.

They established a stockowners plan where the employees froze their wages, cut some of the fringe benefits out and continued to operate the plant.

They chose their own Board of Directors from the ranks of the management that stayed on, and representatives from the union. They continued their union membership with the United Steelworkers, and from what I understand, they were quite successful. In a matter of two years, their wages increased. They had equity in the plant. The only thing they did not have was a retirement system, but the equity that they had built up in the plant was more or less supposed to be a replacement for the pension plan.

I had heard last year that there was some difficulty with the company, but of course, this is prevalent throughout the entire country because of the times that we are living in. But, I understand that they did save their jobs and they did help the community because they were still paying tax dollars into the community. Now, this was a total ESOPP plan where the employees themselves were the only ones involved; the employees, the management of the company. And this is more or less what a Kelso Plan is based on.

There were many people, in fact, the Ecumenical Coalition was pushing for this community ownership, where that some of the profits would go back into the community, actually, to help the poor and the needy.

This is a nice thing to do, but is it a practical thing? Because in most corporations, you're looking for money to reinvest to keep your corporation more or less competitive plus you want to take care of the people that are putting up the money, which would be the employees.

- B: Did you or your local participate in such groups as either the Steelworkers United for Employment or other groups, or did you help form any of those groups?
- S: No, we did not. Of course, like I said, basically my particular local more or less stayed with District 26 and the United Steelworkers and whatever plans they decided. There was some dissension on some of the plans of these various groups that were more or less started at that particular time because they did not see eye to eye with the United Steelworkers.
- B: Once the initial bus trip had taken place with the petitions, was there any attempt at any other kind of action in solidarity? Was there anything internally discussed that perhaps didn't take place or that, in other words, I guess was there a sense that, aside from

getting them the laid-off steelworker's benefits, was there a sense that there wasn't anything else, really, that you could do?

S: Well, of course, we did during that period of time there were meetings that were going on with the company and, of course, we tried to reduce the amount of cut-backs that the company was contemplating. Many times at many of the meetings, we tried to reason with the company. We brought up the fact that if we would even take a reduction in pay at that particular time, but it had gone beyond the point where they would even consider that. More or less, no; what my local did is stay with the United Steelworkers and try to negotiate with the company as best we could.

Like I said, I attended a lot of meetings and now that I look back on it, a lot of meetings, I wonder if they were trying to promote certain individuals or what?

B: There was questions at the time raised about there had been a recent election where I believe, Mr. Sadlowski had done at least fairly well in the Youngstown District, in District 26. Did the criticism that was raised that because of the strength in this particular district, that perhaps the leadership of the United Steelworkers didn't react as swiftly as they perhaps should have? Do you think that is a fair criticism to make or what?

S: No, I don't think so. I think there were people that Mr. Sadlowski did run and he did do quite well in District 26, but of course, there were people that believed that, but I don't think that had any bearing on it whatsoever. And just like afterwards, when they decided to eliminate District 26, and consolidate it with District 28 and District 27, there were charges made at that particular time that it had something to do with Sadlowski running and what they were going to do is divide it up in the old theory of dividing and conquering. But I think those charges really don't have any basis.

B: All right, are you satisfied personally, that everyone in the various sectors, whether it was on the federal level or on the state level and then on the local level, politically, did everything they could to alleviate the results?

S: Well, I'm not totally satisfied, no. I can say that

perhaps more could have been done, but looking at the situation, telling the company that you're going to continue to operate is rather difficult. I think that is why they have shareholders and it's rather difficult for anyone to force anyone to stay in business. I do believe that more could have been done for the community. I think a company has a moral obligation, especially any company that is one of the major employers in any community for a period of 75 years such as the steel mills. I feel that there is a moral responsibility to that community because of the monies that they did generate over the period of years.

Of course, there still is some operation left, they did not close down completely. I think to a degree, they have tried to help the community, such as the Brier Hill Works now, we understand, is going to be, or is sold to another corporation that is talking about 500 to 1,500 jobs. Of course, they have decided to build Coke Battery in Struthers, which is going to create some jobs over the next several years. And all of the things that they announced at the time had not transpired. There still are jobs here that they were talking about eliminating three or four years ago, and they're still here today.

I don't know, it's a rather difficult question to really say if everybody did everything that they could. I think they did what they thought was possible at that particular time. Like I said, it's difficult to tell a company that you must operate.

- B: When you were not the Mayor's Assistant, did you believe that steel should be saved or could be saved in the Valley?
- S: No, I felt I had approximately close to twenty years in that particular steel facility. I knew what was going on and actually, the handwriting was on the wall, more or less to say, when they decided back in 1975 or 1976 when they had their record year, when they were talking about building the BOF at the Campbell Works, and then they changed their minds the following year when the profits went down. We saw, at that particular time, that it was just a matter of time.
- B: Okay, you started to mention about Bill Sullivan?
- S: Yes, I mentioned that now I recall a meeting that was held in WREDA, that's the Western Reserve Economic

Development Authority. Bill Sullivan was the Director at the particular time and they invited all of the steelworkers there. They had the President of the South Bend Tool and Lathe Company, who was this ESOPP plan that I had mentioned before. He was there, he explained the system to us. The only thing, we were a little skeptical at that particular time, especially the United Steelworkers, of Mr. Sullivan because it was our understanding that Sheet & Tube had contributed money to the Western Reserve Economic Development Authority and we felt that more or less, he was a tool of the company and then that threw in some confusion there also. And subsequently, Mr. Sullivan did go to work for the Lykes Corporation. So, I don't know if this would bear out the skepticism that we had about him or not, but there was some mistrust of him at that particular time.

B: What was your opinion of the Ecumenical Coalition's plan for community group buying.

S: Well, I think more or less there was some merit to it and that there was some skepticism on my part and some of the other union members on this community involvement actually. We, like I mentioned, we felt that more or less, just tinged too much, too close to socialism.

There were all kind of stories going around with some of the backgrounds of some of the people that were involved that their pasts were not too desirable. And they more or less at one time or another, some of them were talked about as being subversive, and you know there were all kinds of things that went on. Gus Hall came into town and made a big talk, and why would Gus Hall come to Youngstown? The only time that it seems that the Communist Party moves in anywhere is when there are people that are frustrated and have no real solutions to their problems and they're looking for answers actually, and they play upon people. Like I said, there was a lot of skepticism on everyone's part at that time.

B: Subsequently, there was a proposal by Mayor Richley and the Mahoning Valley Economic Development Committee for a Steel Research Center. Do you think that was a practical proposal and do you think something like that should have really been funded? Do you think the industry really needed that kind of thing?

S: I think really the steel industry probably even at this

particular point needs such a facility and I think it was a practical suggestion at that particular time and unfortunately, it didn't get enough support.

B: There was much to-do in the building about the possibility of a Japanese buyout of the Sheet & Tube facility and I'm given to understand that there was a Japanese team that had come in a week before the actual shutdown. Are you familiar at all with what transpired surrounding that?

S: Yes. There was talk that there were some Japanese businessmen that were interested in the facility and I recall that there was a television crew here from Japan and they filmed a documentary and everything. But this may have been true or to this date I don't know if they were really interested or not. But from what I had heard, that the corporation was trying to unload the facility, and there were several people that had shown some interest, but evidently not enough.

B: What do you see as the long range hope for Youngstown?

S: The long range hope of Youngstown really is--and I'm not saying this because I work for Mayor Vukovich--to more or less create an atmosphere that will be attractive to anyone that is talking about expanding or locating the facility, such as police and fire protection. Youngstown and the entire area have many things that companies look at and that is, we have a fine water supply, we have highways that lead in and out of Youngstown, we're basically in the middle of Cleveland and Pittsburgh, we're halfway between Chicago and New York. We have all of the basic ingredients that are needed. The only thing is the services that the city provides, and of course, this costs money and unfortunately, for the first twenty months Mayor Vukovich's Administration, we haven't had the money to operate effectively with. Hopefully, with the passage of the levy we're going to have ample police and fire protection.

We're going to try and beef up our services so that we make it attractive to anybody that would desire to move somewhere. We have an on-going program where anytime we hear of anyone that is interested in building a new facility, our Economic Development Department immediately contacts them. We've sent out numerous letters to various corporations telling them of what Youngstown has to offer.

Well, at this particular point I don't see the revival of the steel industry in this area. I do see that over the next several years there will be a growth here in this area and there will be a growth in Youngstown, but it will be on smaller scale. There will be small companies talking of fifty jobs here, one hundred jobs there. Such as Commuter Aircraft is going to be a big boost to this area. We've been talking with the Ameri-Jet officials. If this ever gets off the ground, this will be another boost. There is a German company that is interested in this area that is talking about 1,000 to 2,000 jobs. Of course, people that have been out of work for a few years get impatient and they want things done overnight.

Of course, the entire economy of our country at this particular time is shaky. Unemployment is up high, inflation, the interest rates. Hopefully in the next five years there will be a dramatic change in Youngstown, but as far as the steel industries, we'll never see those again.

B: Are there any facts that you'd like to add that I really haven't covered because you think they are important?

S: Well, I don't know. We, prior to the announced closing, of course, I can recall back, I believe it was in 1976, when we negotiated the contract in Washington. At that particular time, and when you negotiated a contract, the wages and all of your big fringe benefits and everything are negotiated at a different table. They're more or less negotiated by US Steel with the top leadership of the United Steelworkers and each individual company negotiates with the presidents themselves on local issues and various other things.

We were told back in 1976 by many of the representatives of the company that they really couldn't afford at that particular time, to pay all of the monies that were being negotiated at the higher, next table up. And they were telling us at that particular time that the company was in serious trouble and it was going to take a total effort as far as productivity. And of course, people don't believe everything that management tells them and everyone continued to say afterwards, "Well, they could never do this to Sheet & Tube." Well, they did do it and perhaps there should be a stronger association between labor and management as far as productivity, as far as work rules and various other things.

They say that this particular area is perhaps one of the strongest unionized areas in the entire country, but what has it gained us actually? Of course, the unions still survive, but they survive with less people.

Who is hurt? The community is hurt actually. We've noticed in the city, the real impact of the closedown in 1977, which started, did not hit the City of Youngstown until 1980 when our economic base here was more or less stopped at a zero growth rate. The City of Youngstown was faced with providing the services with no additional money, and yet, inflation kept going up 10% to 12% per year. So, that meant that all of our goods that we were buying were still going up and our fringe benefits were still going up, so that meant that we were faced with reducing employees.

I think that perhaps what the American worker should look at, that we are no longer just dealing with the United States, we're dealing with the world now. The rest of the world has become so competitive. Japan, Germany, and all of these other countries have the same facilities that we have and it seems that their labor market does not demand the same demands that the labor unions in the particular country demand. You know the old saying; It's better to have half of a loaf than none at all. And more or less, this is what some of the people in this community are faced with today.

B: Do you think mechanisms like the triggered price mechanism can help balance that equation?

S: Yes, it would have an effect on it. I think, really, not only the steel industry, the labor unions, I think the entire country had better look at more or less freezing everything and saying, "Look, where are we pricing ourselves right out of the market?" We can make things good. It's kind of, like I go back and say, it's cooperation between labor and the business sector.

The business sector is faced with the fact that in order to become or keep competitive, that they've got to put X amount of dollars back into that corporation. Now, when they make that commitment and say, "We're going to take 5¢ out of every dollar that's earned and plow it back into the company," they've got to commit themselves to do that. We want them to make profits and we want to make dollars for ourselves, which are our profits, actually, from our work. ...

When I started in the mill, I can recall I made less than three dollars an hour, back in 1959 when I first went to work at Sheet & Tube. My job in the mill now pays over twelve dollars an hour. Can I say that I'm any further ahead? The dollars are there, but everything else costs me so much more.

I can recall at that particular time, a good car cost \$3,000.00. Now, a good car costs \$10,000.00. Okay, so where are we ahead actually? At that particular time, back in the late 1950's, was just when the foreign nations were emerging as powers in the industrial complex and their high technology, or our technology that they used, they're using it against us. And the large inflow of foreign vehicles . . . I think the automobile industry is probably one of the basic staples of our entire economy. What is there--about 30% of all vehicles sold in this country come from overseas?

B: Do you think part of that was due to--now we no longer just sell technology, we sell whole plants. Do you think that hastened what has been going on in this country?

S: Well, many times a lot of the people are still worried that they say we sell these plants, but are these plants sold to the other companies or countries throughout the world or are they part owned by some of the corporations here? The people that make the corporate decisions, are they taking dollars and jobs out of this particular country for the sheer profit only? This is what we've got to look at. The very few that are at the top of the corporate heap, are they making the decisions to build a factory in Japan just to enjoy more profits for their corporation, but yet, deprive people in this country of the capability of making a living? I don't know. The world becomes much smaller.

B: Well, I'd like to thank you for taking the time this morning to sit down with us and give your interpretation of what has been going on. Thank you very much.

END OF INTERVIEW