

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

YSU Sheet & Tube Shutdown Project

Mahoning Valley Revitalization

O. H. 141

GEORGE VUKOVICH

Interviewed

by

Philip Bracy

on

March 30 , 1981

## GEORGE VUKOVICH

Mayor George Vukovich was born in Youngstown, Ohio on September 8, 1926, a son of John and Mary Vukovich. He graduated from Woodrow Wilson High School and has attended Youngstown State University.

Mr. Vukovich is a veteran of the United States Army serving from 1950 until 1952. He is married and has two children, Carol and Sonia.

His employment is listed as having worked at the Republic Steel Company, he was elected to serve as the Seventh Ward Councilman for the City of Youngstown in 1960 and served in that capacity for four years. In 1963 he was elected as Clerk of the Youngstown Municipal Court and remained in that position for two full terms. Since January 1, 1980 Mr. Vukovich has been the Mayor of the City of Youngstown and is presently seeking a second term.

He and his family are members of Sacred Heart Parish in Youngstown, Ohio.

Philip Bracy

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INTERVIEWEE: GEORGE VUKOVICH  
INTERVIEWER: Philip Bracy  
SUBJECT: Mahoning Valley Revitalization  
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B: This is an interview with Mayor George Vukovich for the Youngstown State University Oral History Program by Philip Bracy at Youngstown City Hall Mayor's office on March 30, 1981. The project is the Sheet and Tube Shutdown.

V: My official life began when I was eighteen years old. But, because of my dad being involved himself politically when I was just a youngster twelve or thirteen years old, I began to appreciate the efforts that people in politics had to make, such as doing work with posters and different sample ballots. As a youngster, I used to go door to door and accompany my dad on many missions of political nature. When I became a young adult, at eighteen years old, I had my first experience in actively participating in a campaign. And that was a candidate for Seventh Ward Council in Youngstown and I was very instrumental in the entire campaign. It was not a successful campaign, and with all of the odds against us everybody assumed that we were going to have a very poor showing. It turned out that we had a very successful showing.

I have always had that fondness for politics. I always felt that it was a very interesting sort of life for people who had political beliefs and a tendency to go into politics actively. And then I was working in campaigns. I was very active in the first political action committee that the United Steelworkers of America formed in Youngstown in the 1946 campaign of the District 26 Political Action Committee. I was a coordinator in

that campaign and in that particular campaign we were totally involved with the election of sheriff. At that time the Sheriff was Paul Langley, who was a steelworker. We attempted to see what we could do with individuals who were connected with the steel organization, and we were successful in that campaign.

I stayed right with politics at that time and worked many, many campaigns that we participated in through our political action activities. As I grew older I somewhat summoned myself to get involved as a candidate, and in 1959 a group of us got together, all in the same age category, and they decided that I should run for Seventh Ward Council. I, with the help of this select group, was successful, and I was elected councilman and took office January 1, 1960.

I served as a councilman in the City of Youngstown for four years. I felt that I had served the purpose and was satisfied that, as a citizen and as a taxpayer, I could give up the position of council and return to being "Mr. Citizen" again. But I was confronted by individuals who urged that I should seek another political office. They proposed that I should run for Clerk of the Youngstown Municipal Court. After some consideration on my part to seek a full-time public position, because the council position was also a full-time position and I put as high as 42 to 45, sometimes 50 hours a week in doing my council work; anyway, the position of Clerk of the Youngstown Municipal Court was a full-time job and he reported to work like every other public employee, I ran for the office of Clerk of Courts, and I was successful in the campaign of 1963 and took office January 1, 1964. I served two full terms as Clerk of the Youngstown Municipal Court.

I gave up the office of Clerk of the Municipal Court because I was a candidate for mayor in 1975 and that was the same time that the office of Clerk of the Municipal Court was up. So, I decided to run for mayor, and I gave up the position of Clerk of the Youngstown Municipal Court. I ran an unsuccessful campaign, but it was very good and a very close campaign against an incumbent of three terms. I had a very good experience, and I felt very confident that I would be mayor someday of Youngstown because of the fact that I ran such a very good race as very difficult as it was.

Then I was appointed to the office of City Clerk by the members of the Youngstown City Council. I decided I was going to make an attempt, again, to run for mayor in 1977. Because of the change in the party leadership,

I ran into some difficulty and was not given the consideration by the Mahoning County Democratic Party Executive Committee. I, therefore, did not seek the office of mayor. The candidate at that time was J. Phillip Richley, who did eventually win and become the Mayor of Youngstown from 1978 to 1980. In 1979 Mr. Richley did not seek re-election and again I was asked to run for mayor. I decided to run, and I was successful after a very hard fought campaign by myself against several opponents. So, I've had one year in office now and three months.

I went into office at a very difficult time because in 1979, when I was running for the office of mayor, we had things pretty well intact in Youngstown. The steel mills were working fairly decent. I mean U.S. Steel and J & L were working fairly decent. We had all of our federal funding eligibility. We had our union problems resolved, as far as municipal employees were concerned. But upon my election, I was not in the same position as the previous mayor. In October of 1979 everything seemed to start falling apart. They decided to close the steel mills, and we lost our eligibility of funding from the Department of Housing and Urban Development.

So, once I was sworn in, it took me almost ten months of my first year to get our eligibility back and during that time we lost a very, very important UDAG grant that, in my estimation, would probably have been the lifeline of development for Youngstown in the future. We lost a three and a half million dollar grant from the Federal Government to the City of Warren because Youngstown lost its eligibility under the UDAG regulations.

This was a very, very sad situation as far as I was concerned because the City of Youngstown, under the previous administration, did not comply with the regulations set down by the Housing and Urban Development. As a result, we were penalized by the Department of Housing and Urban Development. They had eleven findings against us regarding our eligibility. So, it was quite a problem on my part to get the eleven findings resolved and corrected and have them give us back our total eligibility.

In the process, we did lose a few small industries that were looking for some financial assistance and help. And we were not able to sit down and talk with anybody, and just more or less, kept other people away because they knew that there was no possible means of us giving

them help under the UDAG eligibility regulations

Under the Urban Development Action Grants, small industry can benefit tremendously because any monies for new development in a community such as ours, because of the fact that we were in a very distressed area, could have been made available very readily through UDAG. This was a very sad experience on our part, and I could never really give a full accounting of what could have happened had we not lost our eligibility. I would assume that there were countless numbers of people who may have come into the Valley due to the fact that we would have been given special priorities from the Federal Government regarding our conditions. And when we lost our eligibility, all of this changed, and it changed for the worse. So, we really were hit hard, and my first year and three months have been a very difficult year and three months. I'm hoping that things will change, and things will get better.

Maybe the fact that I'm withstanding a lot of this pressure can be attributed to my education in the military. I had the experience of attending some very highly sophisticated leadership schools in the military which taught us the method of getting along and knowing how to handle serious situations. I just more or less translated the military aspect of this to the civilian aspect and was able to cope with many of the problems. And there will be many problems as long as we're in the position and the condition that we're in.

I had some training at special schools for mayors before I became mayor. I attended Youngstown State University. And in my time as Clerk of the Youngstown Municipal Court, I had the opportunity to devise a program and work with people from Ohio University in putting together a Court Clerk's Program, and it has been a very successful one. And I feel very great that we were able to do something like this.

The many, many things that I've been involved with politically are more or less things that I thought about before they happened. I anticipated a lot of things that I would be confronted with as mayor, and I have, up to this point, been on target. The steel mills closing was not something new to me because I felt many, many years ago that there was no new investment in our steel industry here in Youngstown and we would eventually meet the day that our antiquated facilities would not be

competitive to the new technology that was available to other parts of the country. This has been probably our biggest drawback and the reason for our shutdown is strictly the fact that we did not keep up with the new technology that was available for producing basic steel. We had to suffer that consequence by shutting down a very old steel making facility in an old steel producing town.

Youngstown is probably among the oldest cities in the United States that produced basic steel. So, we do have a history here, and it was sad that they never put money into the steel industry to keep it competitive with some of the new plants that were being put up, not only in our country, but in foreign countries such as Japan and Germany, and probably some South American countries.

All of this had bearing on what was going to happen in Youngstown, and I knew that this was going to happen. It was inevitable because of the fact that we did not keep up. So, I really had no problem coping with the shutdown problem. I said, "Well, it was something that was going to come whether it would come under my administration or under a succeeding administration, but it was inevitable and it was going to come." We're working with these problems today and it's sad that it hit us so hard at one particular time. However, one should begin to realize that the steel shutdown of late was really the final blow. I can remember when they shut the Bessemer Converter down. That was one of the first basic steel processes that vanished from our city. They were slowly shutting down facilities year after year, and nobody ever paid any attention to it until the final blow came and they totally wiped us out of the business of producing basic steel.

So this, to me, has a tremendous effect because there are so many other industries that are dependent upon basic steel. We've lost much of our trucking industry. We've lost a lot of our railroads. And this ripple effect from basic steel has taken its toll on this community. The City of Youngstown has suffered heavily because our chief revenue is our city income tax. If we can't experience growth in our income tax every year, this has an effect on the government because our growth was always able to take care of the cost of increase of our government. For the last year we did not have any growth, and therefore, we were not able to keep up with the increase of the cost of government. Just like anything else, inflation has also invaded the public

sector in running government. We're paying that price now and the price is that we're cutting back on our personnel and our personnel provide services for the community. We're not giving as much of our services in a timely period that we would like to give. We are providing services nevertheless, but not as frequently as people have been accustomed to over the years.

This is a very serious matter because this does extend outside of the city limits of Youngstown. When people who are interested in relocating an industry and are looking for a new location, some of the questions that are asked are those of service. What type of police? What type of school system? What type of fire? All of these are very important services that people who want to build in other locations ask about. We're supposed to have the proper answers.

I'm hopeful that we don't go down any further than what we currently are because this will have an effect on whether or not we're going to make a recovery in our city. But this is one thing that I'm very cognizant of and I'm very careful to deal with it because I think this is probably one of the most important functions of mayors today--to see that we try to sustain and maintain the type of services that are conducive to inviting outside people to come into our community.

We are very happy that we have been able to assist the Commuter Aircraft Corporation in going forward in building a new facility at the Youngstown Municipal Airport. This will probably be one of the first new industries of its kind in America since World War II or 1941. To build an aircraft factory at the Youngstown Municipal Airport is a very encouraging idea and hopefully this may be the turning point of our Valley and our City because it will encourage others now to come because of confidence expressed in this area. This is a better than fifty million dollar operation and for a company to become involved in a fifty million dollar operation shows that there is confidence. And the fact that they built here must say something about the community.

There are good things about our community. We have probably one of the best labor forces in the country, the most productive labor forces in the country. Our productivity records here in this area show that this area does have a higher productivity per man in the industries than in some of the other industries throughout our nation.



But Youngstown's problems are going to be here for a bit, and we're going to have to work very hard and very diligently to reverse the trend. And hopefully, now with the ground-breaking ceremony that will be taking place with Commuter Aircraft at the Youngstown Municipal Airport in a very few weeks, it will give the people of this community a new confidence and a different attitude and psychologically, turn things around for the entire area.

The Downtown Board of Trade currently has gone into a program where they want people to brag about Youngstown. And I think now that we have this program started and the Commuter Aircraft is becoming a reality, it will give the people more than just hope and faith to deal with. It's going to give them the realization that there is something happening here, and they could be a part of it.

In January of 1980, with all of the problems that we encountered with the loss of our federal funding, we had a development assistant to the mayor who was responsible for contacting all of the small businesses in our community encouraging them to invest and expand the existing businesses. Most of the new business in America is not really new construction, but it's enlargement of existing businesses. We felt that this could be a way we could try to pick up some jobs by asking the industries that were still working and still producing here to expand and add new lines.

We were successful to a certain degree. At Truscon Works at Republic Steel, we assisted in getting a large rack order from the Department of Navy through one of the prime bidders. Overall, we have been working to pick up a few jobs here and there.

We are working on a method of a revolving fund for small industries. We have been getting requests from small industries, who employ, right now, at a rate of maybe eight to fifteen people and who want to expand and employ maybe 35 or 40 people. We have been getting requests to assist because the high interest rates in the banks today are not suitable for the small industries to expand due to the rate of interest they have to pay on a loan for \$50,000 or \$60,000 for their expansion purposes. So, we are working on a revolving fund for small businesses to expand, and we would try to give them a very low interest rate so that they can expand.

B: What would be the source of that revolving fund?

V: We're looking at the Community Development Grant monies, and we're waiting for some official answer from the area manager as to whether or not this can be put to use. But it is for development and that's what Community Development Grant money should provide-- development money. That's what we feel can be of great, great, great help to our existing small businesses in whatever way we can.

If we petition the government on a national level, we also petition the government on a state level to try to give us as much business as they possibly can until we can get out of this high unemployment situation that we're in. The only way we can do that is to provide more jobs in our city alone. We know this, we're working on it and it's not going to be easy unless we're able to, as a city, provide some assistance to the small businesses that we're dealing with.

If the past administrations would have, somehow, anticipated that the steel industry was shutting down and with the many millions of dollars that were coming into our community from the Federal Government, they may have been able to set aside some of these monies to fight off the total shutdown of our steel industry. Because there might have been a chance that we could have probably talked with some of the industries that were shutting down and more or less tried to strengthen their position by giving them our personal help even if it would have been financial since the revenue sharing monies that were given to us were really very loose funds. They are monies that were totally discretionary on the part of the administration and the city council. And monies like that could maybe have saved a few jobs. It might have not saved the total steel industry, but we may have been able to save a few jobs that were tied to the steel industry.

The previous administrations did not have the inside information that the steel mills were closing. One will recall, the first shutdown by J & L or by the Lykes Corporation caught everybody off guard. Nobody really figured that 5,500 was going to go so fast, but they did. I think it was too late then for anybody to do anything because we didn't have the money to cover whatever events would take place after the initial shutdown. Subsequent to the 5,500, all kinds of things happened, and we just lost job after job. The only thing that could have probably saved some of that would have been if somebody

would have had some foresight and put money aside to try to work with the steel people in the Valley, and hopefully between the two they could have maybe resolved some of the federal demands under pollution or some of the Clear Water Act requirements. But nobody seemed to have the insight. Maybe the executives themselves who were running the steel mills probably didn't have this inside information. It might have come as a surprise to them also. The only information that could have been of some significance was the inside information and that was privileged, and I don't think that the public officials were given that consideration.

B: Was there a mechanism in place in the two previous administrations before yours, that you know of, to try to find out whether or not industry was shutting down or to help them grow?

V: I didn't know of any plan that was put together to assist business in our community. I said earlier that it was only my opinion because of my experience in the steel mill where I witnessed, day to day, that there was no money being spent in our steel industry, I knew that the day of reckoning was going to come due to the fact that we were not keeping up with the other steel producers throughout the world. The only way you can stay competitive is you have to buy the new technology that's available because you're dealing everyday with that technology. And competition was so keen that only modern technology could have made us competitive. I don't think our location, geographically, had that much to do with the shutdown of basic steel. I think the key factor was that we did not buy the new technology because we had the best men in the industry working for it, and they were never given the opportunity, with the new technology, to stay competitive. That's my thinking.

I don't know what the other administrations could really have done because that was only my opinion and maybe they weren't concerned because they weren't as close to the steel industry like I was. I worked there and I knew that there was no money being spent down there. Eventually it's like anything else. If you don't take care of your house, it's eventually going to fall apart. So, this is where we're at.

I don't doubt, when things started to happen, that the mayors became very much concerned and alarmed. They would have loved to do something, but I don't think they had the means to do it with. It was too late.

B: Was there a role that City Council could have played? I mean, I don't know. I'm just saying, from your position, was there anything that City Council could have done given the fact that the mayors really were in a bad situation?

V: I think hindsight is better than foresight. The revenue sharing money was sent to us every year and if genuine plans had been put together for the revenue sharing dollars for both economic and industrial development, I think this probably would have been the big thing that could have helped our community. We could have been in a program of diversification at the same time that our basic steel was still operating, knowing that we were just buying time, that basic steel would eventually pull out of here and as I mentioned before, the lack of interest and investments in the old facilities. Those monies could have been a great help had they been put together properly, and when you're talking about fifteen to seventeen million dollars, you're talking about an awful lot of money. Properly used, we could have been in a good program of diversifying our economy here.

B: Looking ahead a little bit, we'll assume that you win the November election, and what do you see ahead? What would you like to see Youngstown look like at the end of your second term?

V: I think, basically, we're talking about trying to revive the central business district. That's the main flow of blood in our community. We will be successful in getting the railroad abandonment resolved. I think that's going to be a factor in the downtown. We're not going to be confronted with heavy bridge construction because we'll be able to go to full grade road beds there. That's going to save us a tremendous amount of money. And the land that's going to be available there, we could use for a great number of purposes whether it be the University or whether it be high-rises or whether it be some sort of housing to bring people in the downtown section. I think this can have a great impact. We're working today with a developer on a mini-convention center plus a hotel. I think once we can start generating people in the downtown area, I think things will start happening.

We're not going to be able to fill all of the losses. This is going to be impossible because you don't just get in the neighborhood of 11,000 jobs to come to town.

After all the jobs that we've lost, we should be satisfied to maybe generate 30% of 11,000. I think that we could adjust to that. Youngstown needs about 3,000 jobs and I think our position would be a very stable position for the future.

This is what we're going to look at. We're going to look at trying to bring business to town regardless of what types of jobs they are. We want people to go to work. We're going to work on smaller industries. Hopefully we're going to be able to work something out with the present owners of the industrial property that is known as J & L and U.S. Steel.

There is currently pending in the legislature in Columbus, a bill that will give the state the right to go in and buy and demolish all of the old steel mill buildings and open it up to create industrial parks. I think this is a great, great idea. We've talked about that. I've said repeatedly that as long as the prime industrial property is in the hands of the corporations, there's nothing that the city can do, there's nothing that the county can do and there's nothing that the state can do. If you're dealing with people that want that property, you can't give and take there because the corporation is there to make a profit. Whereas if the city, the county or state owned the property, something could be worked out because there is so much benefit that can come from developed property.

We could give a person the benefit of the property. We derive from them additional monies in taxes and taxes support the government. We're not looking at a one shot deal, we're looking at many, many years of usefulness out of that industrial development. I think this is going to be a big help to us because if you look around, we really don't have too much prime industrial property other than the basic steel properties that have been shut down. I look for this to be a big boost to our diversification of our economy in our city because we are really bogged down with an awful lot of industrial property that we don't have any say-so about.

I know, just from experience, the property down at the Market Street Bridge is owned by Republic Steel. We've had a number of people who were interested in it, but they could not come up with the money that the Republic Steel Real Estate Department wanted to sell it for. So, they moved on somewhere else.

We've had a large developer who was interested in putting in an industrial complex down there, but it was not worth it for him because of the price of the land. If we could give a person like this some benefit on the cost of the land to go down there, then we're talking about developing a small industrial park that would probably provide 300 or 400 jobs. And if you have seven or eight of those, you're talking about the 3,000 jobs that we need.

B: Okay, thank you very much, Mayor.

END OF INTERVIEW