

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

History of Industries in Youngstown Project

History of Syro Steel

O. H. 515

CHARLES SYAK

Interviewed

by

Janice Cafaro

on

August 11, 1986

YOUNGSTOWN STATE UNIVERSITY

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INTERVIEWEE: CHARLES SYAK

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SUBJECT: Product expansion, fields of pioneering,  
union difficulties, work incentives, foreign  
steel

DATE: August 11, 1986

C: This is an interview with Mr. Charles Syak for the Ohio Historical Society and Youngstown State University's Industrial History Project by Janice Cafaro at 1170 North State Street in Girard, Ohio, on August 11, 1986 at 2:00 p.m.

Tell me a little about where you were born and went to school?

S: I was born in Youngstown, Ohio and attended the Oak Street School until the family moved to Girard where I entered the fourth grade at Washington School and Girard High School.

I was married early and I began to work at General Fireproofing as soon as I got out of high school. I began to take engineering subjects at evening classes at Youngstown College in the very first building that was built on what is now Youngstown State. I later took a civil service job which took me to Cincinnati. I worked for the U. S. Army Corps of Engineers as a draftsman. During the period with the corps of engineers, I went to the University of Cincinnati Twilight School and continued to pursue my engineering studies. I was involved in the transfer of all the Ohio River Division Personnel to Columbus, Ohio, during World War II and then continued my studies at Ohio State University. About August of 1946, I came back to Girard when Syro Steel was incorporated.

Prior to that time, Andrew Syak, my father, and my brother-in-law Alfred Ross, and myself were partners at what was then referred to as Syro Steel Company. Having incorporated in 1946, we concentrated our efforts on a steel nailer section that had been patented in Andrew Syak's name. It was a structure made out of roll formed steel. I should say it

was a shape made out of roll form steel wherein two channels are placed back to back and welded together and there was a separation between the channels that you could drive a nail into. We produced a lot of prefabricated trusses with this section which were shipped into Washington, D.C. during the apartment building boom. We also produced joists from six inches to eight inches in depth and in various lengths. We built steel framed houses and it was my belief that we were probably ten or fifteen years ahead of our time. And although construction was fireproof and very stable, the product was costly as compared to wood. During the period of late 1940's to the early 1950's, we also produced parts made from steel and aluminum for office furniture. This was in conjunction with a new company that started in Youngstown and became a competitor of GF. The gentleman who was involved in this company was Andy Barber who was a former employee of General Fireproofing as was the writer.

- C: What other things were you into during the late 1940's besides office furniture?
- S: We did tool and die work. We produced tools and dies. In as much as Andrew Syak and Al Ross were both tool and die makers, Andrew Syak was a tool and die maker at General Fireproofing and Alfred Ross was a tool and die maker and a foreman of the machine shop at Youngstown Steel Door. We also, during that early period, produced parts that went into the construction of a Navy base down in the Antarctic. This work was done for a Washington D.C. construction firm working for the Navy. We later produced and debugged a prefab structure for an architect-engineering firm in Washington D.C. with an Army contract for an all-purpose climate structure that Syro erected at Ft. Belvoir, which was the forerunner of prefabricated units for the armed services.
- C: During the early period, how would you describe the climate of steel fabricators here in Youngstown?
- S: During the early years, overall business was very good. We were not involved with the unions, telling us how, when and what we could do and our only problem was in obtaining steel to make parts during this critical steel shortage period immediately after World War II. During the later 1940's, there was a very critical steel shortage as well as many other items which the population consumed.
- C: The problem was getting steel parts. How did you manage to get them? Did you get them from Youngstown companies?
- S: We were buying steel or tried to buy steel from U. S. Steel and we had no luck there because we had no prior buying pattern so we bought from companies like Sharon Steel and Youngstown Sheet and Tube.

C: What did you start making in the 1950's? How did your business change from office furniture and tool and die?

S: In the early 1950's we were doing a market study of where we were going. Having been fabricators, we naturally looked at the areas where products were made from steel. In the late 1950's, the Interstate Highway Act provided an opportunity in the growing highway market. It was in this market that we first entered the highway product area. The first item we made was a guard rail; we also bought structural shapes that are known as 8½# and 15# wide flange beams that we produced posts for guard rail erection. So, between the two items, we produced a product that we could sell to the highway departments throughout the United States. We bought our hardware from a Cleveland concern. Paints were purchased locally and we had a small work force that we began to develop.

C: How large was your company up to the mid 1950's? About how large was it? How many employees did you have?

S: I would say in the early 1950's, we had thirty people.

C: One plant then?

S: One plant with thirty people was what we had. We built on this Girard site in about mid 1955. I believe we probably had about six or seven thousand square feet of plant space and maybe 500 or 600 square feet of office space.

C: Where was your first plant located?

S: Our first plant was located at my dad's home on Tod Avenue. The office was the front porch and we had a garage about thirty feet by fifty feet where we started producing products. Incidentally, I might add at this time another early product that we made for Youngstown Steel Door was a brass weather stripping that we roll formed. It was used in Steel Door's plant in Chicago for railroad car doors.

C: When did you move out of your father's home?

S: In mid 1955, we built the first office and plant here on State Street and that is when we moved. At the same time, we also rented a small plant, I should say a small portion of a building, that was known as the old Oil Cloth Works located at the south end of Girard. You probably never heard of that. We were there for possibly two years as well as this Girard plant at this present location. At that plant, we were producing the trusses that we were shipping into Washington D.C. for the big apartment housing boom that was going on at that time. These were prefab trusses that the builders ordered to size which we shipped via railroad car to a siding near the construction sites. These trusses were an efficient construction product

which promoted fast and easy roof closure for apartment buildings. Of course, this truss design used our nailer section and wood roof sheathing was nailed directly there too.

C: How did you first get involved with that?

S: We were in the business of producing nailer sections. We had a patent on the nailer section and naturally it was ideal for apartment housing. We were able to design a thirty-two foot span truss using what we referred to as a 2 5/16 nailer section. It worked out very well. As far as I know, those apartments are probably still in existence. That was thirty-five years ago.

C: Part of the early 1950's, a portion of your work was a housing construction also?

S: Right.

C: You mentioned that you started to get to highway market at this time because the Federal Highway Act opened a new market area for Syro.

S: That is right. When we first built our first piece of guard rail, it wasn't a standard guard rail section as we know it. It was a lightweight piece of guard rail that the state highway departments did not buy in quantity. They would buy it occasionally. About this same time, the Federal Highway Authority came up with what they referred to as a standard guard rail specification. We jumped on this new opening and started to produce the standard guard rail specification. We jumped on this new opening and started to produce the standard guard rail which was a standard throughout the United States.

C: Were you the first to produce STD guard rails?

S: We weren't necessarily first, but we were in there early with several of the others who we were competing with, namely U. S. Steel, Armco, and Bethlehem Steel. We always seem to pick on the big guys.

C: Giving your relatively small size at that time, how were you able to compete?

S: We didn't have the high overhead and the union hadn't gotten to us to demand basic steel wage rates. We had an efficient operation, technical and fabrication experience and the determination to get into the business, and as a result we were able to compete.

C: You were able to undercut them?

- S: Let's put it this way, we were able to not allow them to keep us out of the marketplace.
- C: How did your business change in the 1960's? What did you continue to manufacture?
- S: In the 1960's, we continued with the guard rail. I should say with the safety program which was guard rails, bridge railing and all of those appurtenances used in the guard rail safety program. We, in a sense, became somewhat of an authority in producing safety products. We have always prided ourselves in making a good product, delivering on time, and we developed a good group of customers who were loyal to us and often times paid us more money than they would pay at either U. S. Steel, Bethlehem Steel or Armco, basically because of all of our service. To this day, we still have this customer respect. We are not always the cheapest. We do have good following. At this date, there probably isn't a company in the country that has a better relationship with the Federal Highway Authority and the states for producing quality products.
- C: Your highway products are known throughout the nation?
- S: Our highway products are sold throughout the nation and Alaska, Hawaii. We ship into Puerto Rico. As a matter of fact, we have a small construction company there that erects highway products in Puerto Rico. We ship into Costa Rica and some of the other Latin Island areas. During the 1960's, we feel we solidified our position in the highway market. At the same time, we came up with a new product which was called structural plate pipe, which are large pipes that are made from plate sections. A pipe structure could be made from plates ranging from 5 widths, two lengths and seven gages, thirty feet in diameter and in any length. We often referred to the plate inventory as Heinz "57" variety because of the flexibility offered in choosing pipe size and gauge. From those sections, we produced large culverts that were either circular arches or pipe arches. That became another mainstay and we produced that until this date; however, the volume has diminished considerably.

I might add that one of our competitors, the Republic Steel Company, went out of that business about three years ago and we bought their entire inventory of materials that they had at the Canton plant. About 1965, we had the opportunity to bid on what is known as the aircraft landing mat. At that time, we had considerable experience in roll forming because we did roll form guard rail and we also roll formed the nailer section parts as well as several other items. When the landing mat program came up in mid 1965, we jumped in there and bid the job and we competed again with U. S. Steel and Bethlehem Steel and Republic Steel. We had obtained our first contract in the amount of approximately \$13 million for a large volume

in landing mats. We bought approximately 120,000 tons of steel locally. Sharon Steel and Sheet & Tube supplied this material. There again, I may sound like I am bragging and I guess that I am; we produced landing mats in a manner in which everyone at a prebid meeting said it couldn't be done via roll forming. It was the roll forming that naturally made it cheaper for us to produce the product. Consequently, we got the first contracts. Midway in our preparation of the tooling and equipment to produce the landing mat, we also developed a packaging method wherein we reduced the cubage of a package of landing mat approximately 18%. Landing mat as such was shipped either by pounds or by cubage. In the instance of cubage, it was cheaper to ship cubage than it was to ship pounds. Consequently, when we reduced cubage, we reduced the cost of shipping the bundle of landing mats overseas. We should have received something on the order of a million and a half dollars for value engineering of a standard package which is a part of what we saved in the shipping of all the landing mats that were sent overseas not only to Vietnam, but to other countries.

There were other people producing landing mats. There was an American Steel out of Memphis, Tennessee. They had a contract. Incidentally, I don't think they ever did supply a good piece of landing mat. Republic Steel produced it Kaiser produced it out on the West Coast. Of all the landing mats produced, we believe that we had the best and we, in a sense, test proved all production used throughout the United States by the other manufacturers. We were out ahead of everybody with the exception of one company, which was Picard who was located in Philadelphia. They were making landing mat from old tooling. The little by-line there is the first landing mat shipped overseas naturally would have been Picard. They laid it down and the first airplane that landed there sheared the tread off its tires and the second did the same. They shut the field down and found that when these people had pierced the steel patterns of holes and bayonets they left a sharp burr with a razor blade edge up towards the tire contact surface. When they called to shut us down, we asked them, "Why do you want to stop us?" The answer was--we have a problem out in the field. What is the problem? When they told us, we informed them that we had more sense than to place the sharp burr up, therefore we pierced down, so you will never have any problems with our mat. They immediately came to Girard and checked out mat and gave us the go-ahead.

As I said earlier, we produced 120,000 tons of mat and we did it in record time and that became another stepping stone for Syro's success in roll forming. In the 1970's, the landing mat was completed and we tried to find other work for our roll formers. We had quite an elaborate roll forming machine that had in-line punch presses. Incidentally, the rolling mill is made locally by another company which no longer exists, the McKay Machine Company. We had to find work for this machine, so

having had it in moth balls for three years, we got our first contract with one of the railroad car builders to roll form a section that I believe I have shown you in the magazine. It is this section we are producing as well as still another item that we will be selling them, a non-skid tread walkway for the top of the bulk carriers.

C: You started getting this in the early 1970's?

S: We got into that in the early 1970's and along with that we produced a multitude of other sections. I suppose we must have twenty-five or so sections that we now produce for the railroad car builders. We produce parts for the auto carriers. That is the railraod auto carriers. You have seen these cars that have two layers of automobiles on top and they have sides on them and some have roofs. We produce about four or five parts for these car builders.

C: How did you get involved in that?

S: This is roll forming and we have a department that is manned with people who are our selling group.

C: Whose job would it be to find a new market?

S: We always try to get into the market that is not loaded with competition. We try to do the unusual. For instance, in the past three years, we developed the cold roll forming of sheet piling. There are other people making sheet piling that is known as hot roll sheet pile. We are the only cold roll producer in the United States with heavy sheet pile production capability. We are about to get into several other sections. We are expanding our sheet pile family of sections so that we will do a better job out in the marketplace. By a better job, I mean have more applications. The single section of piling that we have today is in thickness of 3/8" and .335 guage and .250 gauge width which is 24 inches and a depth of almost 12 inches. What we need is something that is 24 wide and not quite as deep, and lighter gauges and/or heavy gauges. You need a third section that will do another type job out on the construction market. We had a company in Pittsburgh that was selling our output of sheet piling.

C: What company was that?

S: It was L. V. Foster. They are represented nationally in the construction business from railroad to railroad appurtenances, to sheet piling, bearing piles and drain piles, pipe piling. They have facilities that make pipe. They buy foreign piling. We just recently are embarking on a program of selling piling ourselves in what we refer to as the Great Lakes area or the Great Lakes Division. The Great Lakes Division encompasses all of the states bordering the Great Lakes. The idea is that

we think we can do a better job there than Foster has been doing. We feel that we have a great market and we don't believe that Foster necessarily can do the job that we want done. This piling project was started about three years ago.

In the late 1970's and late 1980's we have built some additional rolling mills that are big heavy rolling mills. We also bought what is known as the Briar Hill Plant. This was the old pipe plant of Sheet & Tube's. This building is 1400 feet long and is about 100 feet wide. There is an adjoining building that is about 800 feet long and about 75 feet wide. At this date, we pretty nearly have both buildings crammed full of finished and semi-finished steel and equipment. We have three rolling mills there. We believe these coldroll forming mills are probably as fine as there are in the country. We also have a cut-to-length line wherein we can take a coil of steel that weighs 40 tons, put it in this machine, level the steel, and cut it to lengths. This cut-to-length line was purchased for our warehouse division. We also have a steel warehouse service. This is all part of our growth and our expansion with steel services whether we are manufacturing or fabricating.

C: When did you purchase the Briar Hill Division?

S: That was probably about five years ago if my memory serves me right.

C: You went from, let's try to get a picture of your company's growth, your father's house to a one mill on State Street and a main office up here.

S: We came here. We went from my dad's home to this location. There is a little building down there that used to be the office and then we continued to expand this. Around 1966 we built a plant out in Salt Lake City. I hadn't gotten around to that. The reason that was built was because we had been shipping from Girard to the West Coast and we had some competitors develop plants out in that area and we could read the handwriting so we, rather than go to the coast, chose Salt Lake City because: We were near a good source which was U. S. Steel's Columbia-Geneva Division, which incidentally may be shut down in the next several years. It was a good shipping location for us to handle all of those states. We actually shipped from all of the states from Colorado north and south to the west including Hawaii and Alaska. Girard handles the east coast onto that area. There is a little overlapping at times, but very little. We built that plant to handle that problem and it has been a very good plant.

C: You said the market has shifted more westward in the past twenty years?

S: No, I wouldn't say so. I would say if anything the market

is slipping overseas.

C: You mean foreign competition?

S: It is foreign competition. It is pretty hard to compete with \$2 to \$5 dollar an hour labor with our paying basic steel wages.

C: Do you purchase foreign steel?

S: We have on occasion bought what we refer to as 8½ pound six inch, 8½ pound wide range. We did that more as a sort of keeping in touch to what our competition was doing. They were buying that and beating us out of the marketplace. We had to buy foreign steel. We have always had, here at Syro, a policy to buy American. I personally had to send stuff out of this office that I saw was made in Japan. I never have owned a foreign car, but I'm not saying that I won't do it. We presently do buy some bolts and nuts and there again, it is because of competition, but we try to do it on about a 40/60 basis. The 60% is American made and the 40% is Japanese. We average our costs down that way. The Japanese industry has a better quality than the American products. We probably have 90% less rejects with the Japanese bolts and nuts than we do with the American bolts and nuts. At this date, that is the only thing we have probably bought in the last two or three years, Japanese bolts and nuts. Everything has been buy American. We have been loyal to our suppliers and I might say loyal to our workmen. I don't know how much longer we can continue that.

C: You were saying that although you are not perhaps the cheapest fabricator, you have been able to compete successfully because you built a reputation. Would you say, since you do buy American, perhaps that is why you still have been able to compete?

S: That is right. That is it. Merchandising is everything, as you are probably well aware. You can do it with a clumsy effort or you can do it with finesse. We like to think that we do it with finesse. By that I mean that we could have a contractor call us and say that I am going to bid such and such a job and we will tell him everything that he is going to need on that job and price him a package. He may come back to us and ask what are you charging for this and what are you charging for that. We will not break a package down. It is all or nothing. Some of our competitors, we call them mom and pop shows; they are all over the country. If we break our package down, they will realize that we are asking more than the mom and pop shops are asking. Consequently, our package includes engineering; we have a great reputation for being on time and a good example is if you have a crew of people and equipment out on the job and it is costing you

\$2,000 or \$3,000 a day; a five day delay can cost you \$15,000 so what is a few cents.

As I said, you can sell clumsily or you can do it with finesse. I like to think that we are good at the latter. We feel that we put a good package together.

C: Why don't you tell me about your Alaska project?

S: We have a number of projects in Alaska, but I refer to the one where we furnished and installed seven large pipe arches. As you are aware, the entire Alaskan slope has only so many days that they can ship and receive material. They only have so many days where they can construct things. When the shipping season breaks where they could get these big barges into the Arctic Ocean, you have to be ready. The year that we got the contract from Arco we were well aware of everything that had taken place in a similar failed contract. We were well aware of what one of our competitors had done and where and why he had failed. We had visited the site. I was personally up there.

When we designed our project we were well armed with information. We knew what we would do. We designed the structure and head walls and got the materials there on time. The structures were produced at our Salt Lake Plant. We sent one of our engineers from Girard to Alaska to supervise the construction. The job went along very well. As a matter of fact, when the job was about 2/3 done, I went up and visited and I might add that snowstorms in August are not uncommon up there. You can get snowed in or you can fly in and not be able to land and then fly back to Anchorage. The job went along real well and we were commended for it by the contractor for Arco.

Shortly before we started building the project we had some correspondence from the highway authority in Alaska telling us we must have done quite a job selling Arco on this structure in view of the fact that they had a competitor build a series of structures that were lost in the spring flood, the prior year. Happily, everything is working well and to this day they are using that as a river crossing. As you say, it was a very difficult job under difficult conditions and we performed and it was just another feather in our cap. As I say, we take pride in what we do. We are engineers and there are a lot of engineers in Youngstown.

We have a lot of experience and I might say that we bought into a contract recently when we were in the act of constructing an 8,000 foot tunnel in Austin, Texas. I refer to buying into the job because I think we paid our dues. I think today that we are better tunnel men than we were two years ago. The job is coming along and we will finish in early October. We own a machine, a tunnel boring machine that we paid one million dollars for. We are hoping to put it on another job in the same area

and possibly with a joint venture with another company, the reason being the project has such a quick delivery time for 42,000 lin-feet in the same size tunnel. We don't know if it is going to be the same kind of a concrete section that we built our tunnel out of or whether it will be cast in place. The delivery or completion date is such that it is going to take three machines and there isn't anyone in the country who has three machines. We know one company that has two. We are very optimistic hoping that we are going to get into a joint venture and use this machine to help pay it off. We have, and are paying our dues to get into the tunnel business. We have done small jobs in the past out west, but nothing like this one. We had hired a well-qualified, well-experienced tunnel man who comes to our company and we probably did seven or eight jobs prior to getting this one.

We even took a look at a tunnel job that was coming up that was involved in the Mt. St. Helen's eruption, creating a large lake which had to be drained. The Corps of Engineers had twelve, big pumps pumping the water out of this lake that was created. The project was to build a diversion tunnel to divert this out. Of course, the diversion was to pump the dam lake down and to come to a certain elevation that we were able to put a tunnel on through. There were so many if's, and's, and but's that we were timid about bidding the job because if an earthquake started again or I should say eruption started again, we would have to leave the site because it was that close. There were so many ramifications that we just weren't prepared for something that complicated. Incidentally, the tunnel is in place and functioning. We bid many tunnels before we took this Austin job and like I said earlier we paid our dues. I have been in the Austin tunnel and I know our people did a good job. We will be around to bid another tunnel.

I guess what you gathered thus far we will take a chance. We are not afraid to go into the so-called unknown. We are expanding and we are not doing it vertical. We are going out in both directions as well as vertical. We are probably considered a successful company. We made money when everyone else was losing some. The name of the game is profit. We are successful and our employees are successful. We have slow periods in the winter months because most of the construction is shut down and I would say for the most part our employees of the past five years have lost very little work other than short periods of times that we were shut down because of the weather. We have been successful and we like to think that we are going to continue to be successful. We are always looking for new products.

We just completed the design and the retesting of a project that the Federal Highway Administration took on in one of the private laboratories in the southwest and we have run successful tests. By about October 1, we hope to be on the market to what

we refer as a V.A.T. system; it is a vehicle attenuating terminal. We have movie videos here that will show a car striking the V.A.T. head on at 65 mph and not destroying the vehicle. It is energy absorbing. In just the past ten days, the lab ran a 5500 pound pick-up truck into it and it came out with flying colors. We feel that we have another safety product that will be on the market around the first of October. We may have the product ready before the literature is printed. We are hoping to hear within the next two weeks on approval to make the first installation in Ohio. We are going to take movie pictures of all the componentry being assembled and put into a V.A.T. system. We are very excited over the sales potential of our V.A.T. system. We are sort of looking at the possibility of all these years of terminal manufacturing to replacing of at least fifty percent of those with this new energy absorbing terminal. If such is the case, we will have a fantastic product. We will both save lives and we will make more work here in Girard as well as at our western division plant.

C: This seems to be a very innovated company?

S: That is right. We are. I am an old Corps of Engineer man. We used to have a saying: Anything can be done and the impossible takes a little more time. We were three years developing our sheet piling. That was not a simple project. We are presently working with one of the railroad car builders on the overhead platform. It is made from the diamond mesh. We are always looking for new products and new areas to work with. We fool around with plastic. The glare blade we sell is plastic. I'm sure you may have seen them someplace. They function and do the job. The Federal Highway Authority has never had any way of measuring how good they do, but they do save lives. At some time or another I'm sure somebody catches a flash of an oncoming glaring headlight from the opposite direction. If it is caught at the right time when it is a rainy day or rainy night, preferably a rainy night, you just lose track of the road. We have been in this sales area for quite some time.

I'm sure you may have seen where glare blades are used both on permanent as well as temporary protection. We are very innovated. We pick up many things where most people drop them. We think that we know more about roll forming steel than anybody in the country. We have sent people to seminars and they come back and say our book on roll forming is superior to anything they have seen--information on roll forming, what to do, how, and under certain conditions. It has paid off.

We are embarking on another program. Last July, Syro placed an order for over a million dollars worth of punch presses. The objective was to catch up with the safety features that is on new equipment and to modernize our press lines. We spent

over a million dollars there, and we are going into robotic welding. Some people say, well, you put the robots in and you are taking jobs away. We look at it this way, we preserve jobs. There is competition again. Remember I said the mom and pop shop, there is competition out there and the small manufacturers that don't have the overhead that we have, they don't have the steelworkers' union to begin with. They don't have the overhead and in some cases the small shop may make only wages. We often use the expression that not knowing costs screws up the marketplace. You have seen time and again where people have taken jobs and never completed them. The tenure is set up whereas somebody buys something for X dollars and really doesn't ever deliver it. You fight that. We feel that America can get more dollars of safety if we can get our costs down. We have one product here where any welder will produce about six pieces in eight hours. We will get twenty-four in eight hours with that same man and a robot. You know what that is going to do? That will get us more work that is out there. It will reduce our product liability; these insurance costs are terrible. It is going to make us competitive and actually we'll make more profit on the product and charge less.

Competition is very keen and the person who doesn't know what their costs are don't properly price their product. They don't know they are out of business until they have nothing left. This is another step in our effort and modernization program.

C: Let's start with that. How have you modernized over the years?

S: Basically it is need. If we need a heavy press, if the work is there we anticipate or make a study and determined that there is enough work there to justify the expense. It is like anything. You don't buy a \$50,000 car if you only can afford a \$20,000 car. It is that same way with buying a press. I will give you a good example. We have what we refer to as a 1500 ton punch press here at Girard. When we bought that new it cost about \$210,000. The press is probably close to twenty years old. We shut it down for three weeks. We put all of the modern OSHA safety devices on the press. We rebuilt the press. My guess is that you couldn't buy that press out on the marketplace today for half a million dollars. We did this on another 500 ton press. We have for sale half a dozen presses right now that we have taken out of the line. They required too much maintenance to keep them going. They didn't have the safety devices. It is just a little aside, when we were looking for presses the first important thing for us was the safety. One of the manufacturers took us into his shop and had one of his devices on a break press. There sat a girl working this press. Our vice-president of operations put his hand across what was supposed to stop the press and the press kept running. The girl turned white. Here she thought she was under safe hospices of this safety device that somebody hadn't moved down into position. It had some kind of a back light or a receiving unit. It only goes to show you

that you have the safety devices, but they don't mean a dang thing if they are not properly installed or properly attended to. If you put one job that requires it lower and somebody doesn't move the apparatus . . . Believe me, this gal was really shocked. We want the safety. We want the operation to be free of breakdowns.

I will give you an example. It took us two hours to set dies and things and get everything set to do a job and you have a break down on that press; it may require two or three hours to get it fixed. You may have a customer who wants that product. We try to deliver as quick as we can. When you have breakdowns and they are frequent, it just louses up your production control and sometimes your production quality. You certainly can't get work out on time and it is costly. That has been one of our big things in the last year and a half that we have been working on.

C: How have EPA regulations affected you?

S: They are a pain in the neck.

C: During the 1960's they started to come in?

S: They are telling us what we can't do, but they are not telling us another way to do it. That is our problem. It is like them telling us we have to fly, but they don't say how. We think that in many instances the EPA has done a lot of good, but it is like OSHA. Yes, we need them. Now it is make work. In other words, they are in there and secured in jobs and they nit pick you to death. We have no alternative other than to put up with it. We had a very bad case out in Salt Lake City once where in our galvanizing plant one of the fellows either knew that the OSHA people were coming in or someone had given him some information that was not in our best interest. What he had done was he had left his post and went into the men's room and when he came out the little vial that he was wearing during this test had content that shouldn't have been there. It wasn't there when he had left. What it meant is that this would shut us down. We had some observing people and they pinned him right down and he admitted that he had tampered with the vial ie. placed acid in the tube. I will say this, in twenty-four hours he was fired.

We have a problem out in the west where it is costing us at most a dollar a gallon to dispose of this acid waste from our galvanizing operation. They keep moving us further and further away from our so-called disposal sites.

I will give you a good example. This acid waste can be used to make fertilizer. There was a question whether they would allow it to be transferred from point A to point B. Then they made such a big fuss about the recipient doing the right things

with it that he just about threw up his hands. Of course, recently that plant has been shut down and it is costing us close to a dollar a gallon to dispose. We call it pickle liquor.

C: Has the trend been for them to become more strigent with the EPA regulations or has there been a lessening of . . .

S: Oh, no. They are tough. They're tough. We and they are monitoring out there right now. We have wells down in the ground. We bought the galvanizing plant from another company. We said okay, you build a plant on our property and we will get all of the business which they did and then we bought that plant. We didn't have anything to do with what and how they were doing the dumping. We know that they had a big pond where they dumped their pickle liquor. What happens is that the moisture all evaporates, and particularly out west moisture evaporates and leaves a residue which the iron oxides and the zinc oxides and what have you . . . As a matter of fact if the temperature changes the thing will crystalize. They are beautiful crystals. Yes, EPA is a problem and OSHA is a problem. I don't say that they are unsurpassable.

C: How about the union? When did you become unionized?

S: We were unionized in 1955. That is all I remember and could see from day one. That was about 31 years ago.

C: How has this affected you?

S: I would say that is has to a large degree held us back. In today's marketplace, we are hurting. If we didn't sell a package, we would have real problems. Our competitors are getting smart and they are starting to package. We must be competitive. A customer will only pay so much for services; from there on through it's the price. We had a six week strike here two years ago. We got a 75¢ per hour reduction in wages. It included some of the fringes. I would say that over the years it has hurt us. I suppose that one might say that there is a place for the union. Again, in today's marketplace I don't think that they have helped. In fact, I am convinced that they haven't. Were you born in Yougnstown?

C: Yes.

S: Look around you and see what has happened to our industry. A high wage doesn't necessarily mean a job. We are competing in our hot dip galvanizing department back here; they have worked around the clock here; for three years now and never lost a day other than when they were on strike. They are the highest paid galvanizers in the United States. How long can we remain competitive? A company over in Pulaski is making \$2 an hour less than our shop and they don't have fringes these

fellows have. We tried to sell this problem to the union two years ago and we succeeded in getting some changes and I would like to get some more changes in 1987 next February. I am afraid with the posture the basic steel organizers have taken, the Pittsburgh bunch as I have referred to them, they have taken a tough stand with U. S. Steel. Why would U. S. Steel not get what their competitors have gotten in the way of give backs. I see no reason why they shouldn't or why they should be penalized because they are. They can't operate more economically because their equipment is more updated. The unions have taken a stance there where they are going to sink or swim. I am afraid that the workmen are going to be the ones punished. We have customers right now that are screaming at us because we can't get steel out of U. S. Steel. Tell me, where do we go for steel?

What is going to happen as sure as you are sitting here, the LTV's and J & L they are the same thing, Inland Steel and the rest are going to raise their prices to take up slack. They may try to make up for lost time and if they do it will hurt us. We are shipping today work that we quoted eight months ago or a year ago. For instance, take guard rail. A contractor here in Ohio can have a three million dollar road job and have bridge railing and guard rail and he might get the contract today and he may not get to the guard rail until next fall. We have to commit a price to him. We will estimate what it might go up. We can't estimate or sell us out of competition. We are in a sense of dang if you do and dang if you don't. You need a crystal ball to judge what to do. I believe that the unions have outlived their usefulness. We have a more manageable group of employees today than we ever had. Last year Syro Steel Company embarked on a program wherein we had a group of fifteen men (hourly) attend information meetings at Girard. These men represent galvanizing, fabricating, and the roll form and warehouse operations. We sit with about five of these men from each group once a month. There are no foremen. There are the vice-president of operations, myself, our executive vice-president and our industrial engineer who is also one of our negotiators. We sit there and try to bring out of them how can we be more competitive. After nine meetings, we are finding that they are starting to give a little. They are starting to come up with some common sense things that can help us be competitive. We set that program up some time last year after we had had a meeting with the large group wherein we threatened to close down our Briar Hill operation. These fellows just wouldn't work. They wouldn't produce. They were going to take care of us or get even with us for the strike and taking that money. What they almost did was lose this whole plant. My job is to make Syro operative and make a profit. From there, we can make jobs, get modern, and compete with the overseas people.

In June last year we had a meeting and told one group (roll form) right out that you either cooperate or we shut down. We had

a 25% improvement in productivity. From there, we think it has all been downhill. We have these people come in once a month and we have a meeting. We pay them seventy-five bucks to sit in there and chat. In December of last year we had a profit sharing situation.

Now I will step back. People are important. I was sitting here this morning wondering how I could refer people to the importance of the smallest minute thing and what it means to the whole. I thought it was very simple. I had a piece of wire that was connected to the power source that ran this great big machine and took out just a little piece of this wire and the thing would fall apart. It wouldn't run. This is what people are. You take a little part of it out and you lose some of it.

We recently publicly recognized a group of people who had been with us for years. Our plan was to pay--reward those with continuous service. We had fellows with us for thirty-three and thirty-four years so the plan was as follows: Beginning with ten years service he got \$10 per year of service. Now let's say that a man was with us for thirty-four years, he got \$34 a year. You multiply \$34 times thirty-four years. So, he had a really nice check. He got that check at a picnic early last September. We set up this fifteen man task force group at the same time. In December of last year we paid out an average of about 61¢ an hour in profit sharing to everybody in the plant. That was an average. Of course, this was based on the job he held and job classification, his absenteeism and a few other factors. Some fellows got as much as \$1600. We will have a profit sharing this year. I don't know what we will do in 1987. We feel that some of the things that we have done we have become more competitive, not in its entirety because there are still shops that try to beat us out and do things cheaper than what we have here. They are competitors.

Armco Steel has divested itself in one of their manufacturing divisions and sold it to some employees. They have a brand new plant in Kentucky. They are a very viable competitor. Trinity, who is a competitor of ours, bought one of our competitors. We think that they don't know what their costs are because they are in the marketplace with ridiculous prices. Bethlehem Steel went out of the guard rail business and a fellow who bought that facility is out there mudding the waters with cheap prices. Our competitors are out there and we have to keep one step ahead of them.

We are hoping that we can get a better contract for next year. With the idea that we have many competitors out there, are they going to buy it? I will give you a good example. Worthington Industries in Columbus, Ohio, a good friend of mine runs that conglomerate. In the past fifteen years he has grown from a \$30 million business to a \$750 million business.

He has no unions with one to two exceptions. Where he has the unions, there is no sharing of the profits. Those non-union people come out like bandits. Worthington is probably one of the most profitable steel processing companies in the United States. There are two things that he told me: Don't negotiate profit sharing with the union. We won't and it will not become a part of our so-called bargaining. I am a firm believer that first you have to be competitive. If you are competitive, you will make a profit. There is a place in profit sharing for the hourly as well as the salaried people. You can't take profit sharing and put it on the wages cost. You would not be competitive. Some of the mills, for instance, Lykes have a profit sharing plan, however they have a cap on it. Once we go that direction there will be no cap. I feel that the incentive should be there and get the employee as much as he can. On the other hand, if you put a cap on it then they say why should I keep trying.

C: How much are you worth today? How much have you grown?

S: Last year we did \$80 million and we will do \$90 million this year hopefully. We have had a few setbacks. We hope to overcome these problem areas.

C: How long have you . . .

S: No, if it is right. I didn't say that we made \$80 million. Our sales volume was \$80 million. Hopefully it will be \$90 million in 1987.

C: When you started off how were you? Let's see if we can turn the growth rate.

S: Our first year in business I think we made about \$324, beginning in August of 1946 which was our first year (five months). After taxes last year, we must have made approximately \$3 million. We have our up and down years.

C: How do you feel about the influx of foreign steel?

S: Our government has been too lenient allowing foreign made products coming into this country. I will give you a good example and we are really teed off about it. We have a competitor in Montreal, Canada, that roll forms piling. He can bring it into this country with a 3% tax. It might be 4% tax. If we tried to ship into Canada, we would have to pay 8% tax. The Canadian dollar is worth about 75¢ compared to the American dollar. The dollar value is regulated by the government. How can we be competitive in the Canadian market? Do you follow me?

C: Yes.

- S: It is difficult. On top of that, our government has allowed an additional 10% more imports in sheet piling than the allocation they set for 1986. As I said earlier, we are an aggressive company. Part of our aggression is to know where we are in our markets and who our competition is. We find out what is being shipped into the piling market. We will monitor anything in the way of government reports that we can get our hands on. We feel that the more we know about our products--imports and competitors--the better job that we can get done.
- C: Any final observations about the steel industry or Syro Steel in general which you have learned over the years or your experience as president?
- S: I could write a book on it. I will say this, that nothing is for sure. People in the steel industry are changing. You used to be able to do things with the shake of a hand but today that no longer holds true. I think this: Given the opportunity people in our valley will work; having been brainwashed with the idea that industry is literally taking everything away from them, our job is to change this concept. There are times when people say why should I do more. It is very simple. Sometimes it is just that little push that gets that wagon started over the hill and then it is all gravy from there on. We sense over the past year a greater desire on the part of most of our people to cooperate. There have been a lot of black marks over the years that are contributed to industry. They have been blamed (the industry) for things that maybe one segment did and possibly one person in a segment. The whole of industry is blackened by it. I think that the union people in our valley were probably one of the most intolerant, aggressive, anti-business groups in the country. This just isn't my own observation. It is a national one.
- C: Not today?
- S: I don't know what people think today. I know that I am taking a little different look at it because I feel that if they are given enough truths and they want the truth, you will get their cooperation. As I said earlier regarding production slowdowns, they either had to produce at Briar Hill or we were going to shut it down. There was a 25% improvement in productivity. Amazing isn't it? How can you motivate them? Loss of jobs continues to be a motivator, profit sharing will motivate and communication plays a big part in making people feel they are a part of the business. I personally have a reputation that I have tried hard to maintain. First, I try to communicate and I will never lie to the people. Secondly, there are areas where the need to know precludes giving out some information. In this instance we tell our people this has no bearing on lack of communication. We wish to be honest, frank, and fair in our dealings with our partners and we expect

the same from them. After three years we feel inroads are being made in that all employees understand competition and what it can do to job security.

C: Thank you very much.

END OF INTERVIEW