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Padnos, Seymour K Oral History Interview: Business and Industry in Holland

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Interview with Seymour Padnos

Interviewed by Anna Holt

June 14, 1999

AH: This is Monday, June 14th, an interview between Anna Holt and Seymour Padnos. First, can you tell me a little bit about your personal history, full name, when and where you born...?

SP: My name is Seymour Kantor Padnos. Kantor was my mother's maiden name. I was born in Grand Rapids, Michigan on [date removed], 1920, only because my mother didn't like the looks of the Holland Hospital. She chose to be taken to Grand Rapids, when she was going to deliver, she wanted to have that happen in Grand Rapids. For good reason, I guess, that the Holland Hospital didn't have all of the latest facilities at that time.

AH: Can you tell me a little bit about the background of the company starting from when your father immigrated?

SP: My father was an immigrant from Russia who chose to leave Russia purposefully to avoid being drafted into the Czar's army. For those of the Jewish faith, it was a known fact that young boys at age thirteen were conscripted for as long as twenty or twenty-five years and the prospect of that wasn't all that appealing. He had heard about the United States, he had relatives, an older sister who had come to the United States. Of course the stories that were carried back to the old country were that the streets in the United States were paved with gold. And while they weren't so sure

that that was true, it was obvious there were great opportunities, so he sought that. He ran away shortly after he was thirteen years old, on foot. I guess you could call it hitchhiked, in comparable terms, across Europe. He rode under the railroad trains and on the railroad trains, which ever way he could get transportation. He ended up in the Netherlands, which was as far as he was able to proceed westward without having to cross a large body of water. He worked in the Netherlands sufficiently long so that he became very fluent in the Dutch language and earned passage to come steerage to the United States. We have no substantiated account of where he landed, but the story has persisted that when he reached the United States, and presumably it was New York harbor, he had no documents and he was alone. He intermingled with a Russian origin family who had a number of children and apparently was lost in the multitude and was able to get off Ellis Island, [laughter]or where ever that might have been, and landed in the United States or on the New York water front. At this point, it's presumed history that he hired on with a hiring agent on the dock in New York for one of the railroads who at that point in time were soliciting immigrants to work in the west on railroad construction. He was a strong, obviously able, young man in his early teens, who had no obligations, no family, and went west. We believe that he worked for the Chicago Northwestern or the Chicago Burlington Quincy because we know that he ended up in Iowa where he went to work as a section hand. At that point in time the immigrant laborers were permitted to bank their monies with the hiring persons and draw on the company store for their needs. After having seen what happened with many of the laborers on payroll night, they'd either gamble or get

drunk or fritter their money away, as hard as he had experienced trying to come buy it, he just chose not to take his money and to draw from the store until sometime later. When he knew that he had accumulated a little nest egg he left the railroad. I should say this, his family in Russia, his origin family, were lumberjacks and blacksmiths. They felled timber and they built and rebuilt their own equipment, with harnesses and horses and wagons, so he was well acquainted with teamstering and with lumber and hauling and so forth. He early on perceived that he could make a living working as a teamster and not being tied to a section gang and living that kind of life. So he took off on his own and soon discovered that he knew so much about horses and that their were lots of horses in those days that were wild and untamed and that he knew how to break horses. As a strong and healthy young man, that's what he did. He traveled through the west, through Nebraska and through the harvest areas, selling his services as a teamster or working on farms in the harvest or breaking and selling horses. In the meanwhile he was learning to speak English. He had arrived in the United States speaking Yiddish, being able to read Hebrew and translate it because he'd learned that in the parochial school in Russia, Dutch and a smattering of German, and on the section crew he learned another smattering of Italian, and so he was a bit of a linguist. He told us stories, how in those days when you rode in a tram or in a streetcar there were advertising signs all along the top edges of the interior of the streetcar that showed pictures and told what the product was. He put two and two together and before he knew it he was reading these signs. Though he was never able to write fluently, he was always able to write. When I

used to see him write he was more or less drawing, not really writing as we think in terms of writing. He was able to read the English newspapers and was a good provider. He used to tell us stories that when he would get to one of these small farm communities that he would seek out that there were any Jewish, fellow religionists. Invariably if they had a daughter they were always trying to propose some sort of arrangement [laughter] which he was able to avoid. He used to tell us stories about that sort of thing. He also told stories how after awhile he accumulated some good and was peddling. He told the stories how he peddled to the Indians and how he ended up in the Dakotas, and the weather got very severe and how the Indians took him in and shared with him. As gruesome as it made sound, they were poor and had very little to eat themselves and one day they had a feast and the dog had disappeared. He suspected what they were feasting [laughter]. Anyway, it was that kind of an existence. He accumulated some wealth in this rather detached, rather unscheduled lifestyle. He was blessed with good health and he was very strong. Ultimately he was successful enough that he decided he ought to go back east to Chicago, this big city that he knew about, from where his sister had written to them in Russia. He went back to Chicago and found his sister whose husband was a blacksmith and owned a blacksmith shop. His sister, my aunt, who had six or eight children learned that he was carrying quite a pocketful of money. She made him well aware of the fact that in Chicago young immigrant guys didn't walk around with a bunch of money in their pocket because if the roughnecks discovered it, they would put him away or get his money. She said she would keep it for him and she suggested that he ought to

go to work for her husband in the blacksmith shop. That wasn't exactly what my father had had in mind to come to Chicago for. In those days, his uncle had a contract with what was then the American Express Company rebuilding and repairing their wagons in Chicago. It was like a small factory and here is this young man that had been wandering for several years, rather a free lifestyle. This wasn't exactly what he had in mind. Then when he wanted his money back, he learned that his sister, who had all these kids and had used his money for her own purposes. That was disappointing for him. So he decided he was going to strike out on his own. In those days there were merchants in Chicago who supplied peddlers with goods on consignment, psych them out so to speak and make suggestions of where they might head or what they might do. As my father told it, there was this man on State Street who had a furniture store and grub staked these peddlers and was known to be a very kind person, to who he was directed. This man, after talking to him learned that he could speak Dutch and sized him up I'm sure and told him that a good place for him to go would be Holland, Michigan, just up the lake. He could get on a boat, apparently it was summer time, and it would be just a short trip to get to Holland, Michigan where he might then peddle his wares and make a living. He did that and he had all of his goods wrapped in bundles when he arrived in Holland, Michigan, which the first stop was Macatawa which was in those days very much controlled society. When the prominent person at Macatawa, who was a developer and the more or less pseudo-mayor of Macatawa, by the name of Swan Miller, saw this immigrant peddler with all this goods wanting to get off at his fancy resort location, he put him

right back on the boat. [laughter] They had signs, no peddlers and no Jews. It was characteristically a very Protestant religious, kind of community. So he got back on the boat, the next stop was Holland and no problems getting off at Holland. [stop]

SP: He got off the boat in Holland with his wares. He ended up coming up Eighth Street, the boat dock was right down here where the cement silos are located now, that was the Graham and Morton boat dock. He walked past here up to Eighth Street and looking around, walking down River Avenue a bit to the south. There was some empty stores, this was about 1903-4-5 in that neighborhood. There had been a very severe depression in the late 1800's, early 1900's and apparently there had been merchants going out of business and so forth. He was looking on River Avenue and he saw these several empty stores, meanwhile there was a man on the other side of the street watching him. He poked around looking in these empty windows and this man came across the street and asked him what he was about. My father responded in Dutch that he was an immigrant peddler and was looking for a location and he needed to find a boarding house and so forth. It turns out that this man was one of Reverend Van Raalte's heirs. This man, Ben Van Raalte, owned these buildings that my father was looking at, said to him that this was an empty building if he wanted to move in, do so and he understood his circumstances and he could pay him when he could afford, and if he wanted to live in there - in those days that was permissible - he could live in there and do what ever he would to establish himself, which my dad did. However, he found a boarding house up the road, an Irish lady in Holland...Mrs. Kelly. Mrs Kelly had a boarding house on north River Avenue, Sixth

Street or somewhere, just off of River Avenue where he first boarded. He began from that location. The corner of Seventh and Central was the Hub Bones Livery Stable, he went to Bone's Livery Stable and rented a rig and a horse and started out with his wares. One thing lead to another and we can jump some spans in there. He was doing so well that in about 1912 or 13 he learned that he had a brother in California who had suffered some financial reverses. One way or another he contacted his brother Harry and said, "I've got this little stand that I operate and I've got my horse and wagon," apparently he owned one by then, "I'm peddling, but there's lots more opportunity here because when I'm gone there's nobody to run the store. I'm on my horse and wagon going through the farm country and there's an opportunity here." His brother, who had been in the cosmetics business in the early motion picture industry in California and had apparently gone broke, came to Holland. My father found him a house to rent on Sixteenth Street and installed his family there. Well, when his brother arrived, he not only arrived with himself, but his wife and one or two children, and his mother-in-law and father-in-law, and their several children who were young adults or perhaps adults at the time. They were the people who had actually been the developers of these greases and powders that they were using for cosmetic purposes in what was then the pioneering movie industdry in California. This was a little bit of a surprise, but more family was better not worse. My father was really quite pleased, all of a sudden he had co-religionists. My father found a new location on River Avenue. Uncle Harry, with my father's reputation and credit, was able to, on consignment, get goods and stock the store. Uncle Harry's in-

laws used the backroom to start making cosmetics again. From the story I heard, they did it in tiny wash tubs and put it in jars. Uncle Harry's in-laws, the Cohen family consisted of two or three brothers and two or three sisters. They began to make this stuff and put it in jars and sell it. They learned that the Woolworth 5 and 10 cent stores were interested in introducing these products in small communities. The sisters became demonstrators, they had gone to New York, apparently, and obtained a contract of some sort with Woolworth. The family made this stuff and they went out into the stores and invited women to come in and see how they were putting rouge and lipstick and face powder on their face and creams and so forth and did very, very well. In fact, it became known as the Lady Ester Company, one of the sisters was Ester. It's no longer in existence. One of the sons started a firm called Charles of the Ritz, and I believe Charles of the Ritz is still a name in cosmetics, but Lady Ester grew and grew large and then disappeared. But that's a side story. The Cohen family also started one of their own ladies garment shops in Holland. As they became successful in the cosmetics industry, they were so successful that they outgrew Holland. Somewhere in about 1915 or 16, certainly before WWI, they left Holland. My uncle Harry's wife Ida, dropped him and left him in Holland. Uncle Harry had been used, they used his name in California, they used him in Holland, Michigan. Uncle Harry wasn't an aggressive person. Back to the central part of the story, meanwhile my father had the horse and wagon and because of what he was doing and because of the things that he was acquiring in exchange for the goods, he had to have a depository location, because scrap and clothing didn't fit well together. So he

located a scrap depot on River Avenue, across from his brother's store, a location where he could put his scrap and metal and hides and furs and so forth. Then because of the involvement of the Cohens and my uncle Harry my dad kind of split off and did his own thing. That's when he started the Louis Padnos Iron and Metal Company, which had to have been around, 1917. He was doing business as, dba, it was not a registered company, and things went along very nicely for him personally. There are lots of little anecdotal stories that can be added to this. As WWI progressed and he was now near thirty, a single healthy age. He was subject to draft and he was unmarried, without any conspicuous ability to resist being drafted, although that wasn't his choice, he was conscripted. That postcard [points to a framed postcard on the wall] is of that time. Because he had no formal address and no family ties in Holland he went to his sister in Chicago to identify himself and that's where he was registered in the draft. When he was conscripted, he was conscripted from Illinois, not from Michigan. He was sent to Camp Grant. Uncle Harry had this little business that he was kind of puttering around with, the Holland Bargain Store wasn't going any place. My father had no one to leave this business with. By this time he had three sisters and two brothers in Chicago and so knowing the predicament that he was in, one of the sisters suggested that her son, by the name of Joe Purze, who did not want to go to school, and who was apparently about fifteen or sixteen years old, and who my father invited to come to Holland and watch the place of business for him while he was gone. That's the story I was telling you about the animal skins. Joe Purze was here and the postcard that is on the wall here says,

"Dear Joe, How is business? Please reply without fail" or something like that, that's what he was worried about, he wasn't worried about Joe. [laughter] I don't know what ever response came of that. Joe was the man about which the article was written, that these farmers sold him these rabbit skins, described them as mink and he didn't know any better and so he bought them for mink. [laughter] When he took them next door to the barber who was on River Avenue, the corner of River and Sixth at that time, Lou Bauman, Lou had been told to watch after Joe because he needs somebody to check on his doings [laughter]. He showed him these minks skins that he had just bought, Lou Bauman in this newspaper article that was published about that time was reputed to have said, "Those mink have awfully long ears." [laughter] It was not to long after that that the war ended, my father was discharged, came back to Holland, Michigan, and these were some of the things he discovered. He was creative. About that time I think he was twenty-nine and he had an automobile, which was quite something in those days. He lived in several different boarding houses. He had boarded with Mrs. Bone, he had boarded with Mrs. Kelly and then later, the house still stands over here on Seventh Street, a German family, by the name of Schmidt who was a tanner over at the tannery across the street. If you were a boarder you were like family in those days. I remember going there when I was a little boy, my dad used to take us to show us off, my brother and I. He had come back to Holland, to his business. People of the Jewish community in Grand Rapids knew of him and in those days if you had any kind of business you were something and so they introduced him to my mother, whose family were of Polish Jewish origin.

My mother was brought to the United States when she was about six years old, I believe from Warsaw where her father had passed away and where her mother had remarried. The parents of those newlyweds were people of some means and were able to afford them to come to the United States in some style, they didn't come steerage. I still have the boarding pass that my mother had as a little girl in leave in Europe. In any event, they moved first to Kalamazoo where my mother went to school, to the Lovel Street School and then later they moved to Grand Rapids where my father met my mother. That's just before they moved on to Cheyenne, Wyoming where my mother's family had moved because my grandfather, who was a very well educated man, but strictly in religious culture and had no really marketable trade other than he was a religious scholar. [His] father had been in Vilnus in Lithuania, just on the border, above Poland, had been the chief protocol person for the kosher preparation of slaughtering of animals. It was called a Schochut and he was the head Schocut of Vilna, which is a very prestigious responsibility. My step-grandfather who knew all of these procedures, came to the United States and had no real skills other than he knew the religious law and he knew the religious teachings and he knew all about how to slaughter animals in the accepted, kosher process. His brother-in law, my step-grandfather's brother-in-law, was also a learned scholar, had become the rabbi of Cheyenne, Wyoming and because there was quite a substantial Jewish community there, needed a Jewish slaughterer. So my grandfather went to Cheyenne and opened the Kosher Butcher Shop of Cheyenne, Wyoming. My mother's family were in the process of moving there about the time my mother was being courted by

my father. My mother, I believe was only seventeen years old, that wasn't unheard of in those days, and they married. My father got out of the service in early 1919 and they were married in October 1919 and I was born in October 1920, quite in order. My mother was then moved to Holland and my father who had lots of friends from all his years in Holland as a bachelor, quite popular with some of the single ladies. [laughter] As a matter of fact, we always used to kid him about the things that they would send him while he was in the Army, ladies who we knew later, some married some never married, used to knit him things and send them to him. We always wondered about his relationship with some of these other ladies [laughter] but because of his strong Jewish identity, it was his choice to marry someone of his faith. My mother was a very attractive lady, I think that didn't take a lot of convincing. They were married and moved to Holland in 1919. A man by the name of Sam Miller, who was a realtor and also the station master of the Pere Marquette railway station, which in those days encompassed a restaurant, his wife ran the restaurant in the station and prepared lunches for all of the railway men because a number of trains left Holland in those days. [He] owned a piece of property on Eighth Street at 188, with a two story building and a side yard and my father bought it on credit, which Mr. Miller carried. There was a flat on the second floor and that's where my mother and father moved in, scrap yard was a long side and the store underneath was the scrap business. That's where they were first located.

AH: And she worked...?

SP: She really did. She didn't work with a hammer and that sort of thing, but she did all

the office work. My mother had done a number of things in Grand Rapids in that early life. Her family fell on very hard times coming to the United States, with a large family and no real means of support. My grandfather tried peddling and tried doing all sorts of things, but he wasn't cut out for that sort of thing, he was a scholar. My uncle Morris, my mother's older brother, went to work in Kalamazoo, selling the Kalamazoo Gazette on the streets. People went to work at five or six in the morning and he was there in front of the Burdick Hotel selling newspapers. He was aggressive and motivated. The businessmen recognized him, instead of five cents for a newspaper, they would give him ten cents or fifty cents. Morris Kantor was really the breadwinner of the family. His family now live in Muskegon, his son is a retired dentist. He enabled the family to survive. I don't really understand why they moved to Grand Rapids, but apparently there were opportunities in Grand Rapids, anyway, my mother and all of them moved to Grand Rapids and lived on Ionia Street which was kind of the Jewish community in those days in Grand Rapids. My grandpa's peddling really didn't make it. My mother went to work early on. She was a very attractive lady. She worked as a clerk at Herpolshimer's Department Store. Then the elderly Mr. Herpolshimer saw her and was attracted by her and her neatness and her beautiful handwriting, so she became his personal secretary. Then she became a telephone operator, in those days that was quite an accomplishment, that's when she met my dad. She was a worldly woman who had experiences in commerce and understood some of these things, which my father never really understood. All the time that my father was alone, he had hardly accumulated anything. It was just a

matter of survival. As long as he had the necessities to pay his board bill and that sort of thing, accumulation of wealth was not a critical concern to him. My mother came into his life and put order into his life. Particularly after she had one child and then eighteen months later another child. She was a housemaker, put orderliness into his life, established him as an identifiable business person, was very handsome lady, and was very proud and my father was very proud of her. He would go on buying trips to Chicago and he would buy clothes for her. He would find a saleslady about her size and he'd say, "Well she's about that size."

AH: Can you tell me about your first experiences with the business?

SP: Well, we lived upstairs. Everything that happened was discussed at the table as we ate. Everything that happened was either downstairs or in the side yard. I am reputed to have said one time to one of our local alderman when he came to talk to my dad and I did the Al Hague trick. I said, "My dad's gone, but I'm here. I'm in charge." [laughter]

AH: How old were you then?

SP: I don't know but I must have been very little [laughter] because I've been told that story quite a few times. I must have been maybe six or seven, something like that. I took all this very seriously, as a consequence, I assumed a lot of the cares of the business. Early on, I tried to relieve my mother of some of the things that she made herself responsible for. In school, if there was a project I was always the business manager of the project and I was always the one that was concerned about where the money was coming from and how we saved the money. Our senior play in high

school I was the business manager, things like that. It came to me rather familial-like. When I was about sixteen years old, in 1936 during the Roosevelt administration, it became obvious that the government tax structure had changed. [stop]

SP: Personal income tax was something that Woodrow Wilson had made generally applicable during WWI. My father was in the service in WWI, he came back and scratched out a living and the progressive tax didn't really become applicable at that time until you earned ten thousand dollars a year or something like that. I have to say this, my dad never paid himself a salary, never had a wage. Whatever he needed all his life, he just used what he had. He never thought of that as being paid. He was there for the business and if that was what was necessary he was part of it. He was like a machine or whatever. He never thought of himself as being paid. Well, in about 1936 people were beginning to pay income taxes and it became obvious that people should be filiing income tax returns. One day, a tax man appeared and wanted to know about my mother and father's tax returns. They hadn't paid any or even filed. It never occurred to them that they earned enough money to pay taxes, because they had never made any money. Whatever they had, they bought a piece of equipment for the business or this or that or another truck. It was never money. To them, if you didn't have money, what do you pay taxes on? They quickly learned that that wasn't the way things should be done and my father really didn't understand the situation. I had been reading business papers by that time, I was in high school. I had heard discussions in school, we talked about government and so forth. I said to

my dad, "Really, you do have to pay taxes." "No, no, no, no. That's not likely. Doesn't apply to me, I don't make that much money." My father always had credit, even during the heart of the Depression, he had credit. He never defaulted, he'd never gone into bankruptcy or anything. He always made good, even when Uncle Harry had defaulted, he made good, my father himself took care of their credit reputation. My mother spoke to Henry Mentz, who was the banker, and I went with my mother and he told us that we ought to be talking to an accountant. Well in those days in Holland there weren't really accountants but their were people who were book keepers. They were not CPA's in other words, they were book keepers who prepared tax returns. So I took it upon myself to go see a man by the name of Cornelius Kragt, who was the founder of what is now DeLong and Brower, I believe. We put some makeshift books together to try to recapture what might have happened. Cornie and I, I was sixteen years old, went to Detroit and pleaded our case with the United Stated tax people. So you ask me when I got involved with the business, I have to think, grassroots so to speak, from day one. They were hard and bitter lessons because of my advisors lack of experience and certainly my totally inexperience. We were assessed the penalties and all that sort of thing and when we came back and told my father what he owed, he was devastated. He couldn't believe that this could possibly be, but he was a survivor. And we did. The next major pitfall came along in about 1938 when under the Roosevelt administration, the Fair Labor Standards Act was passed, which mandated the record keeping of wages and hours.

[end of side A]

[start of side B]

SP: After examination we were advised that we were in violation of the Fair Labor Standards Act. We had not kept book, we didn't have wage records, we certainly had not been paying minimum wages. [stop]

AH: We were at the Fair Labor Employment Act?

SP: In 1938, the United States government, under the Roosevelt administration enacted the Fair Labor Employment Act, which delineated the maximum hours and minimum pay and mandated of course record keeping, all of which we didn't have. In the early days of that administration a number of union people were employed to aggressively seek out the non-participating, non-conforming, and we were one of them. This tough union guy walked in. Again, here was my father, with good intentions answered the man's questions to the best of his abilities and very quickly discovered that he was in violation. Now what do we do? Now I was eighteen years old, but I have to tell you, after that sixteen year old experience I gained a little sophistication. I kind of knew what you could say to these people, what you couldn't say to them, how you could endanger your own situation by being too forthcoming. He brought his people in and they drew up records to fill the void that existed. They drew their own conclusions, they invited employees in to interview and so forth without our knowledge. Of course, not that we had to be made aware, but that was their method. It was a very difficult, very intimidating atmosphere. Who to go? Well, I was the one to go. So I went to Grand Rapids and this man's hotel room where he interviewed me, and where he made certain accusations and produced a number of

reconstructed records. He said, "This is what you're responsible for and this is what you are going to have to pay in back wages to all of these employees." At that time my father must have had twenty people working for him. It was absolutely frightening. I went home and told my story. My father was disbelieving. The criteria for qualification for application of the law was if you were engaged ininterstate commerce. Well my father's opinion was that, "I'm not in inter-state commerce. I'm doing business in Michigan. I don't even sell anyone outside Michigan. How could I be in interstate commerce." The federal law went to court on that particular issue and it was determined that if you sold a product that was subsequently sold in interstate commerce, the law was applicable to you. In all fairness to my father, he was minimalizing, but he wasn't trying to violate the law. He just didn't think the law applied to him. What it came down to was, we sold scrap to Great Lakes Steel Corporation in Detroit who in turn made steel out of the scrap that we sold and sold it to the automobile companies who sold cars all over the world. So yes, the law is applicable to you. Now then, we as a consequence of my prior knowledge, I refuted a number of the claims and allegations and was able to substantiate our contention and to minimalize the claim against us. Yes, we owed a number of our employees back wages and so we arranged to work it out. And we did. But again, I had another exposure to the realities of a tough business atmosphere. Shortly after that, because of this affair and because of the union activities in the state of Michigan and the advent of the CIO and the major labor strikes in the automobile industry in Flint, we got caught up in that dilemma. A

number of our people organized and chose to have a union represent them. Again I was the management representative. It was me again. So when you ask me how did I get involved in this business, it was early on and it was a case of necessity. I was the point person. My mother was not equipped for it, my father was certainly not equipped for this kind of business know how. He knew how to buy and sell, the old philosophy - you buy low and sell high - he understood that principal, but the intricacies of business were just not his style. That's really how I came into...fortunately for me, Hope College was here in Holland, Michigan and I could go to school and still work at my dad's office and maintain his affairs for him. All the years I was at home I would spend afternoons and evenings caring for these needs and less and less holding my mother responsible for these kinds of activities.

AH: And after Hope College...?

SP: ...Well, my brother and I had both enlisted because nobody wanted to be drafted and soon we got called up. My brother did not finish college before the war. When I was nineteen years old I finished high school, in 1939, and we were still in the Depression and I was working for my dad. I just couldn't see walking away and being an expense and creating a void for him. So I stayed and Hope afforded me that opportunity for a college education, one hundred and twenty-six dollars a semester, that was tuition. I could live at home. The Frater house was halfway between where we lived on Eighth Street and the campus, so I often took meals at the Frater house, because they cooked in in those days. I had a good college life for times as they were. However, when my brother came along and two years later graduated from

high school, we were now already involved in arming for WWII, the complexion of the scrap industry changed dramatically because there was now markets for all of the materials that we could produce, profitable markets. My brother never had that much involvement in the company so it was easy for him to go away to the University of Michigan. It was not easy for the family, it was really a break up of the family, there were tough emotional times, but it was the logical thing for him to do. As a result he was that far behind me in school, he did not finish college before the war. In my case, Harvey Koop and Clinton Harrison and Cecil Batchelor chose to go off to Northwestern University and take what they called an accelerated program and we were able to get enough credits to get our degree before we were called up. They had a special commencement for us, in February to graduate us just before we went into the service. That meant that I was gone for forty-two months and when I came back my father was exhausted, the business was exhausted, the equipment was exhausted. While I had wanted to go to grad school, again necessity created the need - I went to work for my dad. My brother went back to the University and finished up and got his degree and he came back to work here as well. And so we grew this little company bit by bit by bit by bit. We had very nice counsel from local people, our attorneys Vernon Tencate and Dr. Dimnent, our banker Henry Mentz, my mentors at Hope College, Dr. Lubbers was a great friend, Bill Wichers was a great friend. My years in Holland were well rewarded by the friendships and the acquaintances that I made rather than having gone away.

AH: Tell me a little bit about how the company expanded. I know you started with

fragmentizing...Tell me a little bit about your growth.

SP: It became obvious that if we were going to grow this company that we needed to mechanize. Up until that point in time the scrap industry, even the paper stock industry was hand labor, it was hand picking, hand sorting, hand cutting. It was very obvious that if this business was to be as rewarding as we had hoped it might be that somehow or another we had to create more tons per man hour. When I first came back out of the service we re-did our bailers. We installed conveyors into the paper grading operation. We re-did our bailers to make them more mechanically productive. We installed a brand new bailer, one would have never thought that possible. I can remember the time in my life when we never built a new building, we never bought a new truck. It was always somebody else's old building that we re-adapted or somebody else's old truck or old crane. We never thought in terms of buying new, it was just not do-able. We came back out of the service and we'd been around a little bit, we had some expansionist ideas and we did some of these things. We bought a better shearer, a better bailer. The next progression in that process was the advent of the automobile shredder. There was a firm down in Texas by the name of Proler who had devised a machine that was like a big corn shredder, where you could stick in chocks of corn and they would blow out like into ensilage into a silo. They blew this philosophy up so that instead of a bundle of corn you could chuck in a whole automobile. This flailing device, which is what a shredder is, was strong enough to take that automobile and break it down into fist sized pieces. We knew that if we were to expand our business in Western Michigan, we had to optimize on the

scrap that was available to us. There wasn't all that much manufacturer in Western Michigan, it was still pretty much a woodworking community before steel office furniture, before steel appliances. It was bedrooms, woodworking, office furniture was wood. So we recognized that if we were to grow this business we had to take the scrap that was out there and maximize on it. Well, it was during the Johnson administration when automobiles were being abandoned on the street because there was no place to go with them. It became very obvious to us that if we were going to do something, automobiles was the place to go, but hand chopping them, or burning them in an open fire, that was not the way to do it. I traveled a good deal, in the United States, I traveled to Europe and I saw where this pioneering expertise was developing. I was able to conceptualize a whole process that at the time was unique for a small community such as Holland. To digress, we had Seidman and Seidman do a study for us to determine if there was sufficient enough automobiles in this area to justify this investment. They concluded that if we would expand our reach all the way north toward the Straits and encompass this corner of Western Michigan, that yes, that might be do-able. Taking that as a direction, we proceeded to make that kind of an investment. Much of what we did was pioneering. The big cities, such as where Proler was located, Houston, they had large volumes of automobiles so they could go into what we thought then were mega-shredders, four thousand horsepower machines. We were talking about a two thousand horsepower machine which would require that we tear the car apart, prior to ingesting it into the shredding machine. This was pretty new technology. So new as a matter of fact that when we started this up we

made national press all over the United States, the world for that matter. We were on the Arthur Godfrey Show, we were featured in the Saturday Review. My mother-in-law saw a picture in the Miami newspaper and called my wife and said, "Is that you that I read about?" [laughter] "Is that Seymour's company?" The picture was in the Miami Herald, and it was, it was us. A small community of twenty-five thousand, as Holland was, inhabitants, it was a real step out and it worked. We were able to produce some twenty-five thousand tons per year, which was considerable in those days. Today our firm does something like, in all grades of everything, near a million tons annually. In any event, it worked for us and it demonstrated to us that we could improve our lot considerably by finding ways to maximize on the opportunities that existed in our own backyard. And along came the opportunity to export this material, that was so romantic. I went to Europe and made sales over there when markets in the United Stated weren't all that good and shipped from the port of Holland, Michigan to Izmyer, Turkey. It was mind-boggling. It was exciting, so we did that until that market dried up for us. Again, we were pioneers. Even to this day we like to think of ourselves as pioneers because I think that the manner which we conduct our business is recognized internationally as being leaders.

AH: Tell me about the early 80's and the recession. How did that hit you?

SP: Well, 1982, the bottom fell out of everything. Domestic steel mills were operating at fifty percent of capacity, that means fifty percent unused capacity. You couldn't give scrap away. Fortunately, we had always been a very conservative firm. I hark back to Hope College, my dear and respected mentor Dr. Edward Dimnet who taught me

about physcal responsibility. We used our credit line but we never exposed ourselves to heavy financing and that saved us. Our credit was good and by clamping down on our costs and expenses, we survived. Our export capability also served us very well enabling us to find markets other than the United States domestic market. It was a suffering time and an opportunity as well.

AH: After this time you started making a lot of acquisitions, after the recession?

SP: Well, we acquired a firm, it was all pretty dicey and pretty chancy. It was a small firm up in Ludington, Michigan. The owner was tired and the son was not interested so we, in partnership with a firm in Manistee bought this little company. The reason we took the Manistee man in was that we didn't want him to perceive us as being an aggressor in his back yard. We wanted our friend to see us as still a friend, but we were interested in growing and gave him an opportunity to be a partner in that business. What we really did was acquire businesses that were owned by friends and competitors under friendly circumstances. We were never an aggressive take-over person. In most cases it was simply because the management was tired or successful enough that they just wanted to lean back. Some of them were in financial difficulties and needed someone to bail them out. So successively we acquired the Ludington operation. Then the opportunity was there for us to acquire a Grand Rapids operation. Subsequently our local competitor in Holland chose to want to be out of the scrap business and so we bought that. We operate that as a retail yard over on the east side of town, it's Black River Recycling, used to be Becker. Then we acquired another firm in Grand Rapids. By that time our children were much more involved,

my nephew and my daughter were principals in acquiring a large Lansing operation, who at that point in time had feeder facilities in Hastings and Ionia so we acquired three firms. Then my friend up in Manistee decided he wanted out of the business so we bought our half-interest in his business. Then more recently our young people, acquired a firm in Muskegon who also had an operation in Grand Rapids and in Traverse City. At this point in time we have fourteen locations, specifically in Western Michigan, from Lansing westward and northward from Grand Rapids. They did acquire a small operation down in Buchanan, Michigan which was primarily an auto wrecking yard. The whole philosophy behind this is to have feeder facilities for the mega-facility that is the hub of the activity.

AH: Tell me about when the Ford Motor Company awarded you the Q1 Award?

SP: That's a history all by itself. In 1960 when we installed the automobile shredder we learned that we could make shredded scrap but we couldn't sell it. The progress of producing that grade of material, by the scrap industry was ahead of the consuming industry. Henry Ford, along with Lady Bird Johnson had to kind of coalesce their interests. Lady Bird, from an environmental perspective and Henry Ford from a business perspective told his people, we are going to clean up the environment, we cannot let these automobiles be abandoned on the highways and the streets and alleys, and you will learn how to use it. Well, when you walk through a door or portal and it says Ford across the top of the doorway and Mr. Ford says, "you will", you will. [laughter] Early on I had gone to Dearborn and talked to the Ford people and was able to sell them this raw material to be used in their Dearborn Iron Foundry, much

against their wishes, but because Mr. Ford said, "you will". So early on we were suppliers to the Ford Motor Company at Rouge casting facility, which later was moved to Monroe and then subsequently to Cleveland. Progressively we had some relationship with the Ford Motor Company. Then there was a great emphasis in industry for quality. General Motors had a program, Chrysler had a program, Ford had a program, as well as the steel mill industry had programs, which ultimately evolved into Q1 and Iso9000. Ford Motor Company in their quest for quality were very demanding, often times abusive of the power they had as the ultimate judge and jury of quality. We had several occasions when carloads of our scrap in the Cleveland iron foundry were rejected because they said it was dirty. We said, "It's not our scrap. You are buying from a lot of people and we are being victimized." One of our people came up with the idea to whitewash the top of our railroad cars. Well, that's just powdered lime, it can't hurt anything, and enabled us to establish our identity. We started whitewashing the top of our railroad cars and we never had a rejection after that. Number one because we cold specifically identify one of our cars and if they would start charging the furnace out of several cars and if they ran into bad chemistry and they would say that's a problem, and so poof - take the railroad car out, you do what you want to with it. Now then, if they wanted to reject our cars they had to invite us down there to look at them and we knew where our cars were because they were all white on top. It sent them a message that number one, we care about our product. Number two, you darn well better be able to substantiate your claim. We never had a problem since then. Well, one thing leads to another and we

were the first scrap firm in the world to qualify for Ford's Q1, which was quite an accomplishment. I should say also, that our Vice President, Bill Clay who we had spirited away from Ford some thirty years before has a great deal of pride, particularly where it involved Ford Motor Company and they darn well better be prepared to prove their case if they are going to reject his scrap. [laughter]

AH: Tell me a little bit about your company's involvement with the community. I know that you are interested in the environment and you've also contributed a lot to Grand Valley.

SP: This gets a little dicey. Our dedication to Grand Valley stem from the safety awards that I pointed out to you earlier. Our insurance premium was paid on the basis of a publish rate for working-men compensation insurance. They had in place what they called retrospective rating, meaning that if you had a good experience, you were subject to a refund. They collected up-front, but if you had a good experience, they would charge you for your injury rate based on the cost to the insurance company and then refund to you a certain portion of that money that might not have been used in the course of their overhead, management and paying the claims. That year earned a thirty-seven thousand dollar retrospective credit. My brother and I said to ourselves, "What are we going to do with this check? Do we put it in the company account? What do we do with it?" And we said to ourselves, "You know, it isn't really our money. This is due to the safety that our people have created so that we have fewer injuries and accidents." So we decided that that money should be used in the interests of our employees. We went to Don Lubbers at Grand Valley about thirty years ago

or so and said, "We've got these funds and we'd like to give you the monies to create scholarships for the children of our employees." He said, "We can do that." That's what really started our connection with Grand Valley and our relationship over there. Don Lubbers is an aggressive fundraiser and he's done great things at Grand Valley. I don't know if you've been on that campus or not but it's something to behold and he's done a great job. Then so far as the community is concerned, the scrap industry had never been a favored type of industry from appearance and exposure and so forth and has always been suffered tolerance. Recognizing that we are being received peacefully in the community, we reognized that we have a responsibility to the community so that has stimulated us to want to do things in the community That may appear to sound very materialistic, it's more than that. I've lived here all my life, I've enjoyed the bounty of the community. We very truly love the community. There is sincerity of heart as well as the materialistic. I don't want to overplay either one. We always used to kid my dad, there was never a new organ installed in any church in Holland but when he was one of the contributors. We kind of joked about it. If it happened to be the Catholic church that was having a campaign or whatever, he was always a giver. We come by those kind of instincts with a certain degree of credibility.

AH: Much is said about the work ethic in West Michigan, with the religious ideals. Do you think that has played a part in the success of your business?

SP: Without question. It has to do with our safety, it has to do with our continuity of employment, it has to do with so many things that can honestly and directly be

attributable to the good work ethic. It isn't just a good Dutch work ethic because those kinds of philosophies build on each other. We have a number of Latino people who see what's going on about them and conform to the accepted norm.

AH: So you have got the third generation of the family involved. What do you foresee as the future?

SP: Well, I am a traditionalist. I'm a conservative. I'd love to see our family business perpetuate. I'd hate to see us become a part of a conglomerate. I don't see good things come out of that. I think from a community perspective, from a personal perspective, when corporations go public and then to stockholders and corporate offices go to New York, the money goes to New York, does not stay in our local community. There's nothing to encourage people who don't live here to make this a good place to live in. So for any number of reasons like that, that's my philosophy.

AH: Wonderful. Thank you so much.