

McMinnville To Get Steel Rolling Mill

McMINNVILLE — Funds from the Small Business Administration have been made available to finance a \$2.5 million steel rolling mill which is to be built in McMinnville. The SBA will provide \$280,000 to Cascade Steel Rolling Mills, Inc., with financing set at \$123,000 from McMinnville Industrial Promotions, Inc., and \$70,000 from a local bank.

Arrangements still are proceeding with the Securities Exchange Commission and Oregon's Corporation Commissioner to qualify a stock subscription issue in the western states which will be necessary before construction can start.

The new mill will be located on a 41-acre parcel in McMinnville's industrial park. Initial employment will be 98 persons with employment expected to eventually reach more than 200 men.

The plant will include two buildings, one 60 by 260 feet and one 60 by 560 feet. Capacity will be approximately 50,000 tons annually, about six per cent of the yearly Northwest market, according to David E. Gilmore. Gilmore is president of Cascade and pointed out that only about 18 per cent of the Northwest's supply of steel is produced by three firms now operating in the area. Substantial imports come from California plants.

The plant is scheduled to produce reinforcing steel.

some merchant bar, angle iron, squares and rounds produced from number one and number two scrap. Gilmore said large blocks of the scrap, already shredded and pressed, will move into the plant on railroad cars, be lifted into huge furnaces by cranes and the completed products moved out on the same cars.

The rolling mill is scheduled to operate two shifts daily with a third small maintenance shift. The melting plant will run continuously.

Portland Firm Attracts Attention For Most Exciting Advance Of Decade In

Midland-Ross Corp. said Wednesday it has achieved a technical breakthrough in steel making with the start-up in Portland of the world's first commercial production of highly metallized pellets developed as a raw material for electric furnace steel making.

Harry J. Bolwell, president of Midland-Ross, Cleveland, Ohio, described the process which converts ore into 95 per cent metallized pellets, as "the most exciting advance in steelmaking in a decade, one which will profoundly affect the industry."

The pellets are being produced in a new Midland-Ross plant in the Rivergate Industrial District. The facility is adjacent to and supplies feed for a plant in which Oregon Steel Mills, a division of the Gilmore Steel Corp., is making steel plate.

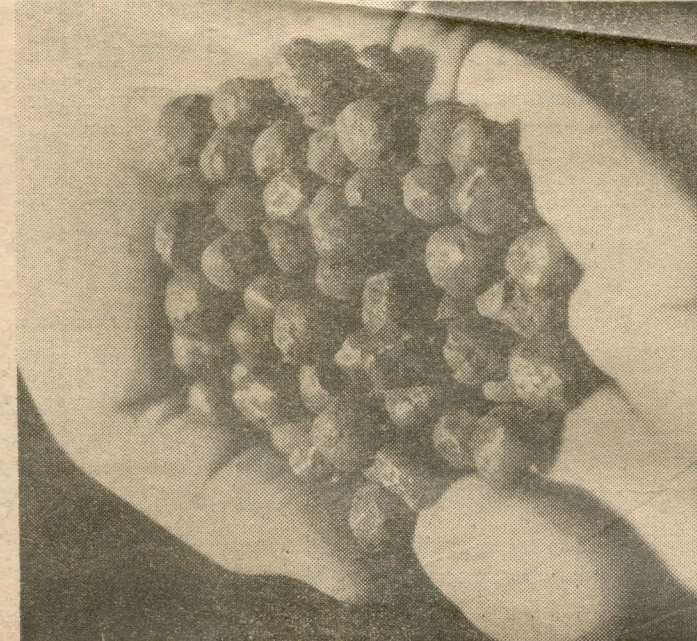
The Portland pellet plant and steel mill were constructed at a total cost of \$35 million. The mill has a capacity for production of 400,000 tons of steel a year.

Production Increased

Bolwell said pellets increase the production capacity of an electric furnace 35 per cent or more, compared with conventional use of scrap steel as the raw material. Also, he pointed out that pellets are not subject to fluctuations in price, quality and availability as scrap is and do not require preliminary processing.

He said the new product is called the M-R Pellet, which stands for both Midland-Ross and maximum reduction of the iron ore in the metallizing process.

Bolwell said the company expects the pellets to generate interest among small steel producers and underdeveloped countries seeking steel making facilities that can be established with relatively modest investments to serve markets of limited size.

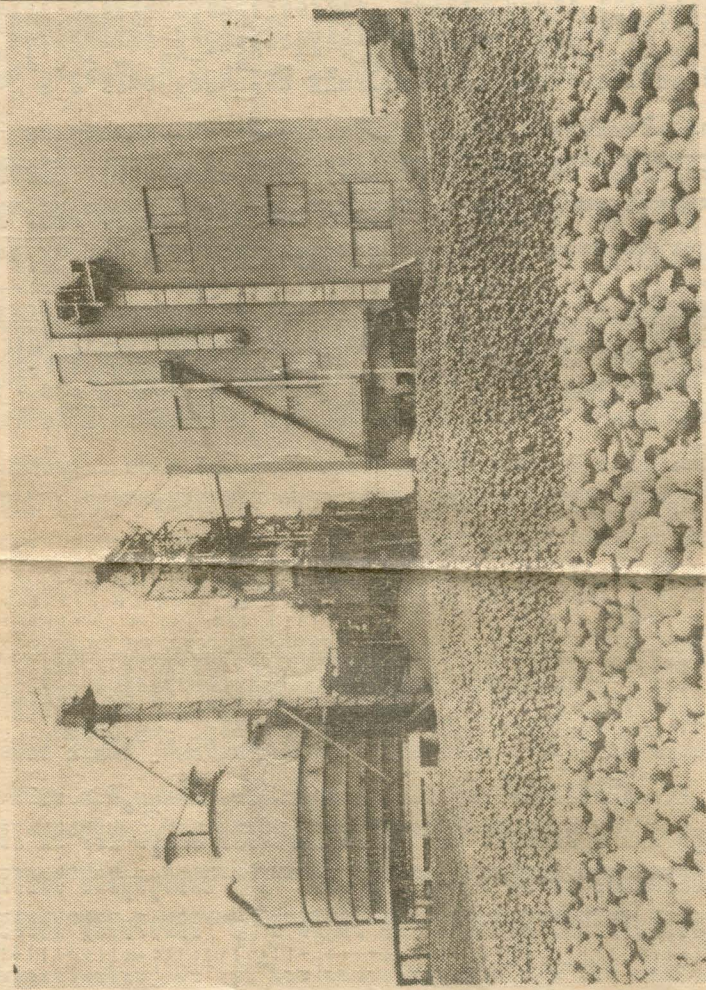


MIDLAND-ROSS Corp. has begun production of 95 per cent metallized pellets, a new development in steel making, at plant in Portland. Pellets are substitute for scrap metal as feed for electric furnace steel mill. They boost productivity by 35 per cent.

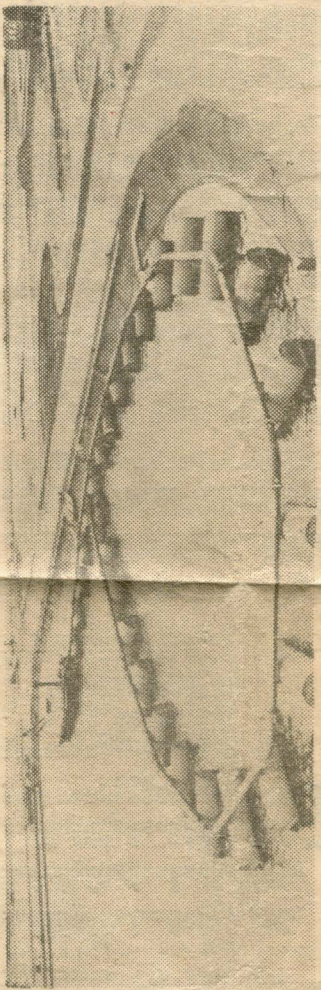
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The Oregonian BUSINESS



OVERRUN of oxide pellets is stored in yard adjacent to oxide plant. Pellets are fed into furnaces at nearby Oregon Steel Mills plant.



DREDGE and floating pipeline in slurry pond unload ocean vessels and impel slurry into thickener tank, first stage in production. Ships tie up at Willamette River steel plants.

blast furnace and consume an annual output of a million tons or more," he said. "We think the combination of metallized pellets and electric furnaces will revolutionize a segment of Oregon Steel's plant is the

Peru, the Marcona Corp. of San Francisco ships an iron ore slurry directly to the site in Oregon. The Wall Street Journal not-

drained off, leaving a about 92 per cent solids. In Portland, high-spec of water return the slurry, which is pumped ashore to a settling pond the pelletizing plant over.

Court Upholds Rate Formula

WASHINGTON (AP) Supreme Court affirmed Interstate Commerce Commission settlement of a long rivalry among railroad the charges they pay for each other's freight cars. The high court said U.S. district courts in chusetis and Nebraska had up- ting up ing the

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The Oregonian BUSINESS

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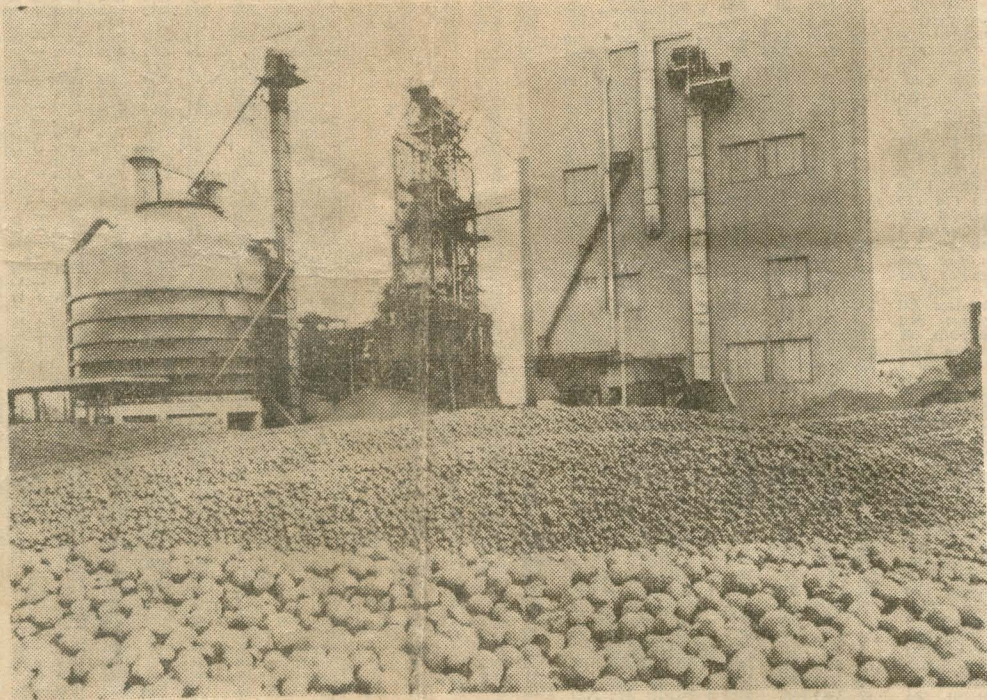
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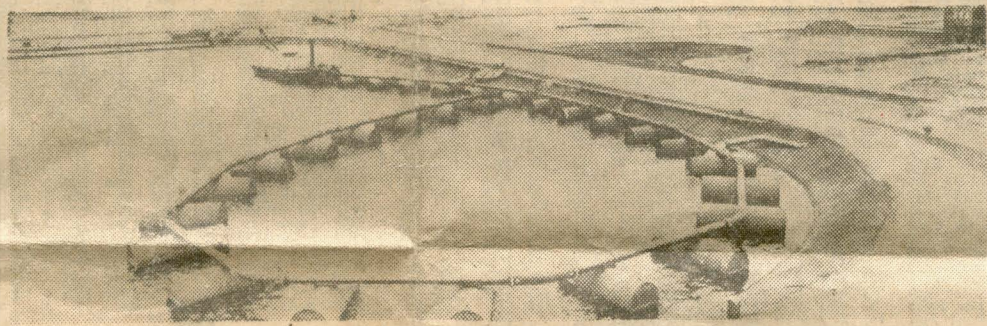
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Bolwell said the company expects the pellets to generate interest among small steel producers and underdeveloped countries seeking steel making facilities that can be established with relatively modest investments to serve markets of limited size.

"We are encouraged by the tremendous potential for small steel mills to serve markets that cannot support a



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DREDGE and floating pipeline in slurry pond unload ocean vessels and impel slurry into thickener tank, first stage in production. Ships tie up at Willamette River dock in background. Slurry mode of transport is expected to generate important cost savings, result in other deep water steel plants.

blast furnace and consume an annual output of a million tons or more," he said. "We think the combination of metallized pellets and electric furnaces will revolutionize a segment of the steel industry."

The Midland-Ross president predicted that electric furnaces could account for 20 per

cent of domestic steel production annually by 1973, compared with 14 per cent now.

Furnace Electric

Oregon Steel's plant is the first totally integrated plate mill served by an electric furnace. Bolwell said production of steel plate from an electric furnace has been extremely limited because of the necessity for refining the scrap used as the raw material.

The integrated process starts with the mining of high quality iron ore in Peru. From

Peru, the Marcona Corp. of San Francisco ships an iron ore slurry directly to the site in Oregon.

The Wall Street Journal noted on Nov. 10 that the entire steel industry is interested in potential cost-savings that might be realized by use of the slurry form of transport and is watching the Portland operation.

The slurry, about 75 per cent solids, is pumped aboard ship and allowed to settle, after which most of the water is

Rails Claim Profits Thin



WASHINGTON (AP) The



Getting Ready All is quiet as the foundry men at Salem Iron Works wait for the tapping of an 8,000-pound batch of metal in the cupola in the right background. In the foreground are molds which have covers with six round holes. Next

to the cupola are workers James McQuade (left) and Monroe. The molds, which use a special sand mixture are made during the morning and early afternoon. Pourings are the climax of the day's work.

Custom Iron Projects Keep Mill 'Heated Up'

By WALT PENK

Staff Writer, The Statesman

Fireworks are a regular feature at Salem Iron Works foundry, 117 Front St. NE.

The firm, which provides custom work, uses about 150 tons of coke from Denver, Colo., each year to heat iron to the melting point.

The crew has to hustle with the ladles to pour 4,000 pounds an hour of the red glowing metal. Temperature of the liquid iron is around 2,750 degrees fahrenheit.

Industry in the area relies on the machine shop and foundry when hard-to-get parts break down. Last year the Oregon Statesman's presses were put back in production after a four-hour halt by a rush job at the shop.

Frank Kolsky, plant superintendent, recalls that the late Statesman publisher, Charles A. Sprague, sent him a letter of thanks. "This was especially appreciated when you think how busy he was."

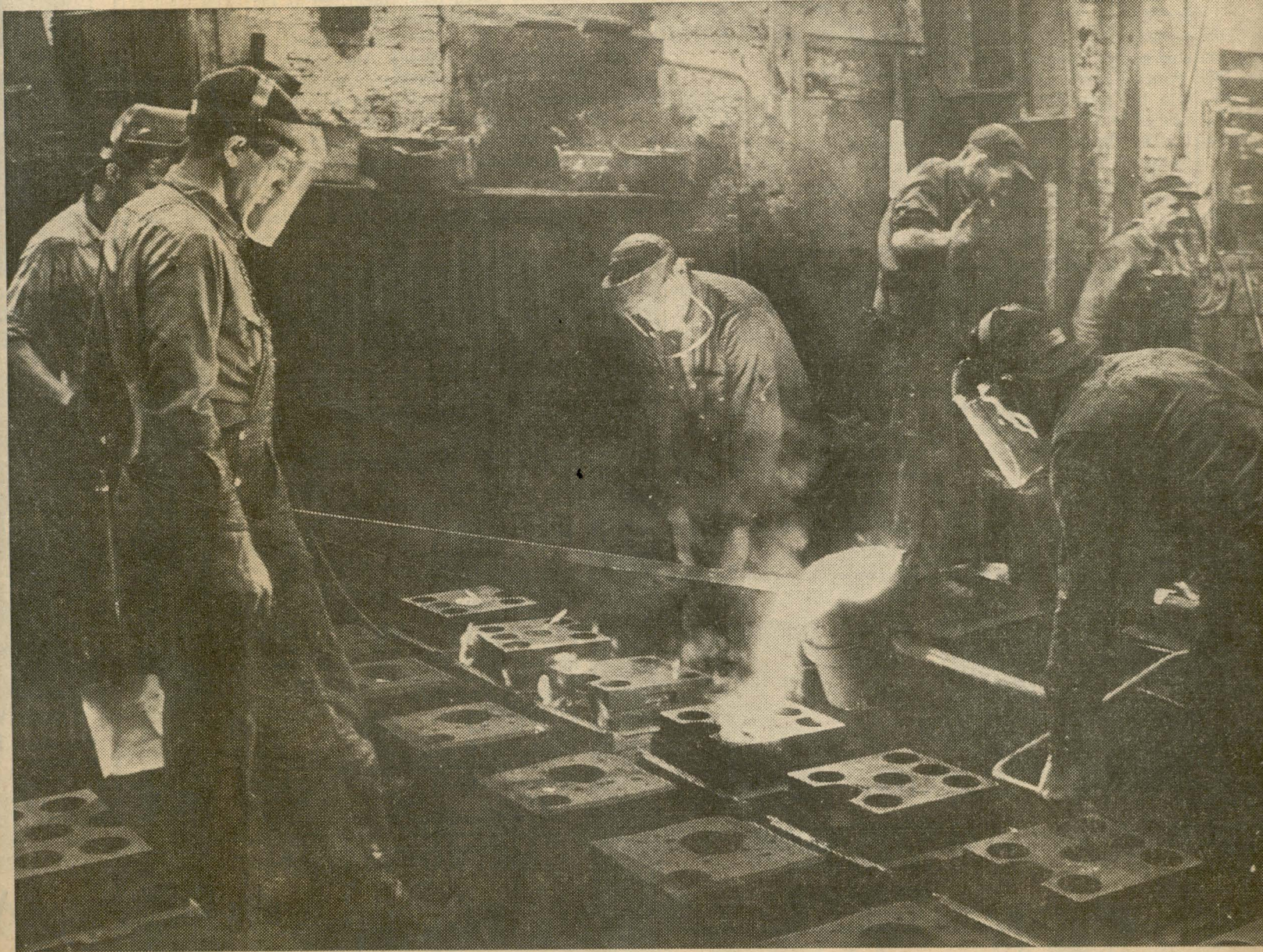
A coke-fueled system is preferred over an electric furnace because it can produce melted metal at a lower cost, Carl Sharp, foundry foreman, said. However, stricter pollution regulations add to the cost of the coke method and may force smaller operators to shift. The big operators can install the new controls.

The firm has started work on a new machine shop, steel fabrication plant and office building in North Salem near the Hayesville freeway interchange. Cost will be over \$650,000.

The foundry eventually will be relocated at the new site.



Steady Hands The two-man crew of James McQuade (left) and Joseph Killingsmark hold the red flaming metal in a ladle. McQuade needs both hands when he guides the pouring into the molds. Job shop foundries, meeting limited production runs, don't fit into automation. Strength and steady hands are still necessary for the occupation.



More Pouring

The fourth mold gets its share of hot metal as the daily pouring schedule moves into full swing. Holding the long-handled ladle are Robert Taylor (left) and

Monroe Potter. In the foreground is Joseph Killingsmark. When the metal is solid and cool, the molds will be stripped off and the sand mixture will be ready for use in the next day's production.

August 4, 1961

To: Hollis Dole

From: Ralph Mason

CA-2 1658

Robert Wilson of Northwest Iron & Steel Company, which has taken over the Columbia Titanium leases, called today. Wilson says they are setting up a mineral dressing and metallurgical lab and expect to have it operating in 30 to 60 days. The lab is located at 4315 N.W. St. Helens Road. Equipment includes: mineral separation circuits, a top-loading, 75 kw electric furnace, and a pelletizer. They will try to make both pig iron and steel.

Wilson says that they will bid on State-owned land in the bed of the Columbia in the area from Tongue Point west to the mouth immediately the law becomes effective on the 9th of this month. They have already tied up all of the Washington side of the river from a point about 8 miles above Megler to the mouth.

Wilson called to see if we had made a market study on iron and steel being used in this area, and I referred him to P & D since I remembered that Sauvie had made precisely this type of study sometime back. I told Wilson we would be most interested in watching their progress, and he indicated that he would be happy to work with us.

RSM:lk

ESCO Corp. turns 75 as foundry leader

□ The largest independent producer of a wide variety of steel and alloy castings has history rooted in Portland

By DONALD J. SORENSEN
of The Oregonian staff

A family trip to Europe early this century by one of Portland's pioneer industrialists provided the spark to start a company that was to become a leader in the foundry industry.

The man was Charles F. Swigert, the time was 1913 and the company was Electric Steel Foundry Co., now known as ESCO Corp.

"Charlie stumbled over an electric furnace in France," recalled Henry T. "Hank" Swigert, the present board chairman, about his grandfather's trip.

The grandfather, who was involved in a variety of endeavors in Portland, imported the new furnace, the first of its type in the western United States. With it he started the company as a small jobbing foundry in July 1913.

Now the company employs 2,300 to 2,500 workers worldwide. Of those, 1,700 are in the United States, including about 700 in Portland. The annual payroll in Oregon is \$23 million.

As a private company, ESCO will not disclose its sales figures. Executives like to say they are "between \$1 million and \$1 billion." A company source, however, said sales exceeded \$100 million in the 1970s, a "period of strong growth and profitability." Swigert, 57, said operations were at record levels because of acquisitions.

Regardless of the amount, ESCO has become the largest independent producer of a wide variety of steel and alloy castings for machines in construction, mining, logging, crushing and other heavy-duty industries. Its products at the Portland plant range from 1½-pound castings to giant 20,000-pounders for wind tunnels for the aerospace industry.

For years ESCO has been tight-lipped about its operations, preferring the relative corporate anonymity of a private company. Although this is not about to change, last week the company took the occasion of its 75th anniversary to peel off the wraps a little, holding an open house for the media.

ESCO is doing well since a restructuring after the 1982 setback. "We were profitable 50 straight years from 1932 to 1982," Swigert said. The company had ridden through some temporary declines, but "the toughest was in 1982. It was a whole new ballgame." ESCO had a loss that year, but profits soon returned.

Employment in the Portland area was about 1,400 then, but the recession caused it to be trimmed by 500 to 700 workers, said President Nicholas "Nick" P. Collins. Now ESCO has about 700 workers in Portland. Besides cutting employment, the company became more productive after it ventured

SOURCE: THE (PORTLAND) OREGONIAN

DATE: AUGUST 29, 1988

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STATE ARTICLE CONCERNS: OREGON

9/9 (MORE)

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— Henry T. Swigert,
ESCO board chairman

into new markets, pushed international sales and made acquisitions.

Its business operations now are divided into three groups, Collins said. The major and oldest group involves its proprietary products. These consist of a variety of designs and alloys, protected by patents, that have been developed since World War II, when the company began to grow rapidly. The proprietary products include tools that are essential to heavy machinery.

These account for 50 percent of the company's sales, of which 40 percent goes overseas. About 60 percent is sold through dealers, with the balance going to original equipment manufacturers. Except for the manufacturers, ESCO is the largest producer of such parts, Swigert said.

ESCO's second group originated with the company's plan to expand into new markets. Relying on its foundry experience, ESCO began putting together castings for the aerospace industry. Helped by a number of acquisitions, including a Cleveland company that made vanes and airfoils, it now gets 25 percent of its business from castings. The castings also are made for food and chemical processing, pulp and paper operations and more.

The custom-casting business was unprofitable last year, but now is being "sharply focused on markets where we have a great deal of experience and where we are confident we can make money," Collins said in an employee publication.

The third group distributes steel and aluminum, mainly on the West Coast. The company said it was the largest such distributor in the western United States.

Collins said there was competition in each of the groups, but noted that there is "no one company that does all that we do." ESCO also picked up Portland-based Hyster Co. in 1983, although that group functions apart from ESCO.

ESCO: Markets elsewhere

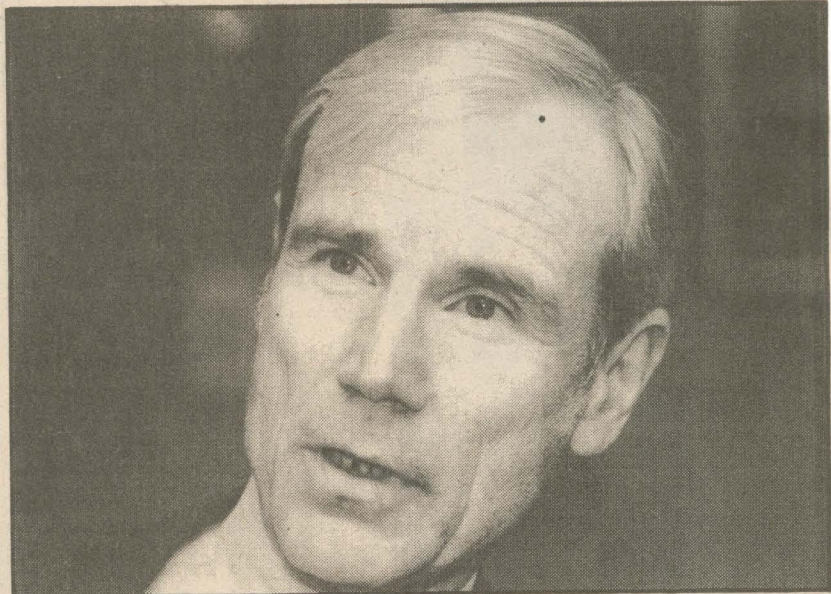
■ Continued from Page D11

Most of the company's markets are elsewhere, but it has three plants in Portland where it continues to make its headquarters in the Northwest industrial district. Remaining in the Rose City has caused "no problem," Collins said.

The company also has a manufacturing plant in Albany, plus plants in New York, Mississippi, British Columbia, Ontario and France. The Albany plant is TiLine Corp., which it acquired. It also has five subsidiary operations in Europe and Canada, licensees in 12 foreign countries and numerous sales and distribution offices.

The company's first proprietary product was a choker hook, which became a staple in the logging industry, carrying ESCO through its first decade. In the 1920s ESCO produced an alloy that withstood the tough treatment from crushing, mining and construction, providing the company with a foothold in those industries.

In 1926 the ESCO trademark first was used. The next year, the company came out with its first dragline bucket, which was to become a key



Henry T. "Hank" Swigert says ESCO was profitable 50 straight years, but "the toughest was in 1982. It was a whole new ballgame."

product. It continued to grow until the Depression hit, which caused its first loss in 1932.

ESCO continued to develop new alloys and products through the years. Its dragline buckets became a familiar sight dredging channels,

building airstrips and performing other construction tasks during World War II. After the war, ESCO grew rapidly, overcoming temporary dips in the economy until 1982, when it began to assume its present shape.

SOURCE: THE (PORTLAND) OREGONIAN

DATE: AUGUST 29, 1988

(END)