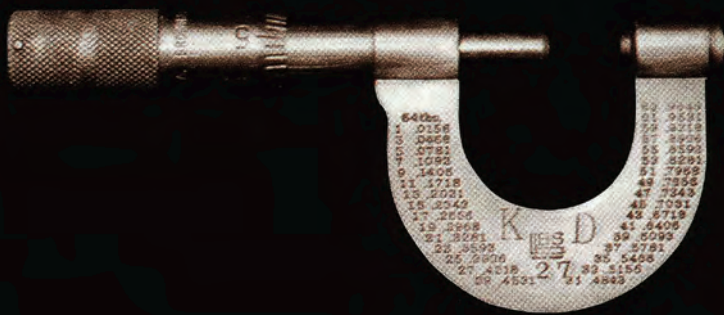


A History of Precision Kidd Steel Company



Honoring Over
One Hundred Years
of Quality
and Service

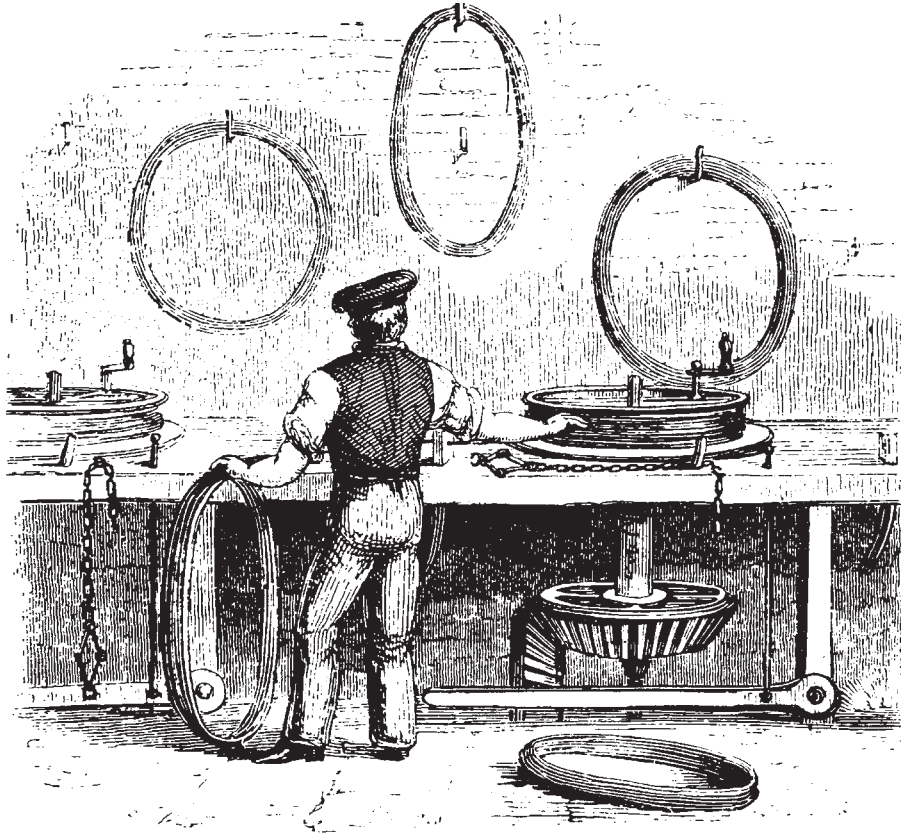


Micrometer, Late Nineteenth Century. Precision measurement was always a hallmark of the drawn steel industry. In the early days of the industry workers typically owned their own tools.

A History of Precision Kidd Steel Company

One hundred years ago in 1885, four brothers from England named Kidd started a steel wire manufacturing business in Harmarville, Pennsylvania. At that time they could not have anticipated the trying times ahead: a family feud, an outside partner who absconded with trade secrets and key employees, a fire which totally destroyed the factory, and then the business went bankrupt. Kidd Drawn Steel Company revived, survived, and grew for a while. Then the Great Depression brought lean years to the firm. World War II stimulated business, but labor troubles almost destroyed it. A new generation of Kidd Management saved the business. Then a corporate giant acquired Kidd ending more than seventy years of family control. The giant sold the business to Tom Milhollan who merged it with his Washington, Pennsylvania-based Precision Industries. Once again, Kidd was part of a family owned firm. A milestone in American enterprise and perseverance took place in 1985. Precision Kidd Steel Company, a company which has hardly known a routine day, marked its one hundredth anniversary in a celebration of American enterprise and persistence.

This history follows the fortunes and misfortunes of the Kidds' and the Milhollans' wire business from humble origins to the beginning of a second century in business.



Wire Making in England, circa 1840.

BEGINNINGS: WILLIAM KIDD'S FIRST WIRE MILL

Precision Kidd Steel Company traces its roots to Yorkshire County in England, the birthplace of four brothers who emigrated to this country in the second half of the nineteenth century. Edwin, William, Jr., Walter Scott, and Harry Kidd were four of ten children born to William Kidd and his wife, Elizabeth Hall Kidd, of the town of Cawthorne in Yorkshire County near the city of Sheffield, the heart of England's steel industry.

Industrialization revolutionized the British economy a full half century before the phenomenon occurred in America. The introduction of the steam engine in English cotton mills in 1780 spurred a rapid increase in manufacturing which, in turn, created an ever growing demand for factories, engines, and new kinds of machinery. The English steel industry expanded to meet this demand. Near coal mines and iron deposits, industrialists built steel mills. New cities sprung up and, by 1850, smokestacks had transformed the urban skyline.

Into this environment in the year 1810, William Kidd was born. His father was a farmer, and he became a farmer himself. On his farm he operated a grist mill, and this mill proved to be William Kidd's entry ticket to the world of industry.

SECOND GENERATION: THE KIDD BROTHERS IN AMERICA

Living in the shadow of the Sheffield steel mills, William Kidd became aware of growing industry and of the need for special shapes of steel. Screws, card wire, piano wire, and crinoline wire for the fashionable hoop skirt were in great demand in the 1850s. In true entrepreneurial spirit, William Kidd equipped part of his flour mill with wire pulling machinery and began to produce drawn steel in specialty sizes and shapes. This part of his business became so successful that he gradually abandoned flour milling and converted the entire mill into a wire manufacturing plant. His sons, William Jr., Edwin, Walter Scott, and Harry emigrated from England to the United States over a period of twelve years from 1869 to 1880. The Kidds were attracted by tales of opportunity in America. The American steel industry had taken off with a rapid spurt, stimulated by Civil War and the spread of railroads across the continent. Word of riches to be made travelled across the Atlantic.

The Kidds transferred their wire making skills to the American steel industry. Arriving in 1869, Walter and Edwin Kidd made their way to Worcester, Massachusetts, then known as “The Wire Capital of the United States.” They found jobs drawing wire for the Washburn and Moen Company, the first and the largest wire manufacturing firm in the country.

That business was founded in 1831 by Ichabod Washburn and Benjamin Goddard. In 1850, Ichabod took as a partner his son-in-law, Philip Moen. The firm merged with the Quinsigamund Iron and Wire Works which was operated by a former Washburn employee. In 1868, the new firm was incorporated as Washburn and Moen Company. In 1899, Washburn and Moen was sold to the newly formed American Steel and Wire Company of Illinois and, in 1901, American Steel and Wire became part of United States Steel Company.

Washburn and Moen management quickly recognized Walter Scott Kidd’s expertise. In less than two years he was made a foreman, and his career of achievement in the steel wire business seemed assured. Walter, however, had other ideas. He plays the role of reluctant hero in this steel industry saga, and indeed, his parents had given him the name of a romantic hero in history.

He wanted to study literature, and he left the business world and enrolled at Butler University in Indianapolis, Indiana for three years of study. After graduation, he did not return to Worcester, but instead, accepted a job with the R. H. Wolff Company in Peekskill, New York, producers of wire for musical instruments. In this job, too, his extra-ordinary abilities were soon recognized. Within two years, he was made superintendent of the company. But Walter Kidd really did not want to spend his life making wire. He felt a calling to serve God. He became a preacher and, with his wife of three years, the former Alvina Barnes of Antioch, Ohio, he moved west. For ten years, he ministered to people of small towns in Illinois and Wisconsin. During these years, Alvina Kidd gave birth to four children including a son, Walter Kidd, Jr., who would play an important role in the history of the Kidd wire business.

Walter’s brother, Edwin, stayed with Washburn and Moen until 1881 when he founded his own wire business which he named “Edwin Kidd and Company.” He sold this business to Crescent Wire Company and stayed on as an employee. A fellow employee, Rutherford Burgher, later became his partner in a new enterprise.

KIDDS BRING WIRE MAKING TO WESTERN PENNSYLVANIA

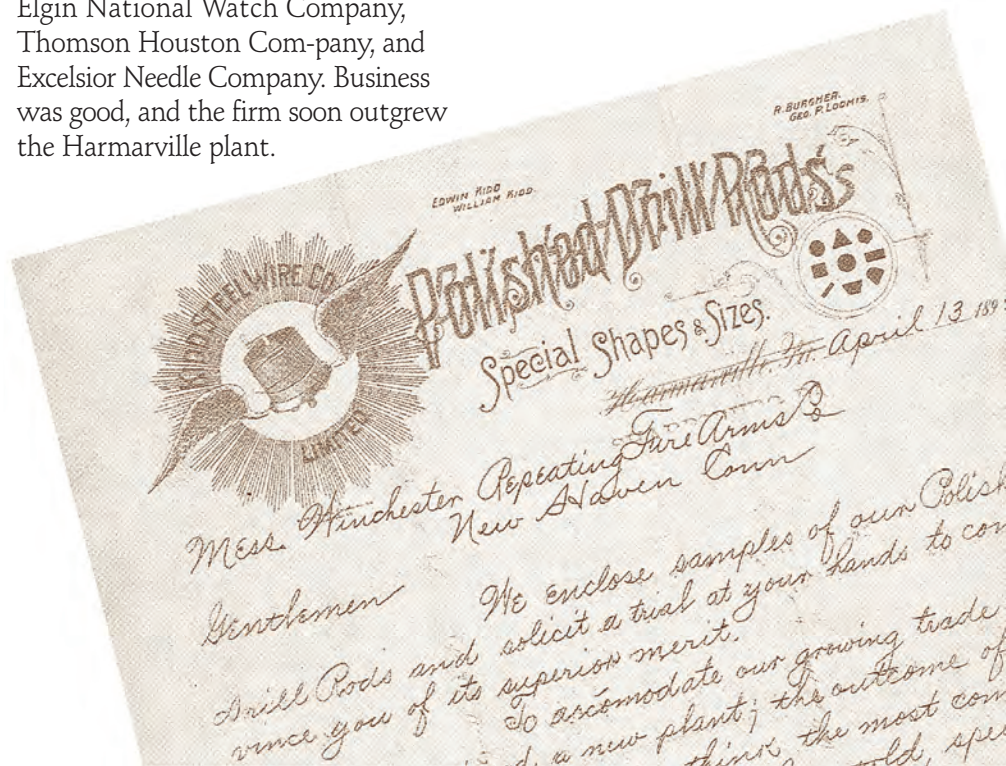
4 In 1885 Edwin left Worcester and headed for western Pennsylvania. Here Andrew Carnegie had just introduced the Bessemer method to American steel making at his Braddock Works. On October 15, 1885, Edwin, his brother William, newly arrived from England, and Rutherford Burgher incorporated the Kidd Steel Wire Company. The three men set about transforming an abandoned flour mill in Harmarville, Pennsylvania into a workable factory to produce drill rod. The founders of the new company were all experienced steel men, and they were the first to manufacture drill rod in the United States. Until the Kidds went into the business all drill rod (called “silver steel” in England) had been imported from abroad. Edwin devised a superior method of drawing wire; William designed a new annealing furnace; and Burgher, a former chemistry student at Western University of Pennsylvania, experimented with new materials and techniques.

With an investment of less than \$1,500.00, the partners equipped the plant entirely with rebuilt machinery. They set up one wire-straightening bench and one wire-drawing bench. Machinery was powered by a boiler salvaged from a sunken steamboat and attached to a rehabilitated engine with a wooden flywheel. With the

help of two employees the partners proceeded to manufacture the first American made drill rod.

By 1892 the company was selling drill rod to several prestigious firms including the American Waltham Watch Company whose President extolled the quality of Kidd drill rod in a speech to the Watchmakers Association. Drill rod was used in the manufacturer of dental machinery, typewriters, sewing machines — in just about all small machines. Among its customers in 1892, Kidd listed Winchester Repeating Fire Arms Company, Edison Phonograph Works, The Elgin National Watch Company, Thomson Houston Company, and Excelsior Needle Company. Business was good, and the firm soon outgrew the Harmarville plant.

In 1892 the partners built an enlarged modern factory in Sharpsburg. Out went the ancient boiler and reconditioned motor. The new plant was equipped with the most up-to-date machinery. The growing business required more skilled people. Edwin persuaded Walter to leave the ministry and enter the business. At the same time, the youngest Kidd brother, Harry, came from Worcester to join the firm.



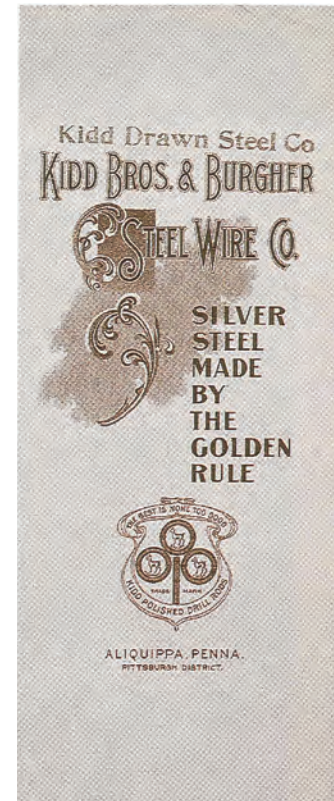
FAMILY FUED

Almost immediately the brothers began to squabble among themselves. The topic of their arguments was brother Harry. Harry was inexperienced, unskilled, and suffered from consumption. Edwin did not want him in the business. Walter insisted that he stay, believing that the brothers were responsible for taking care of Harry. A family feud ensued. The result was a breakup of the business and the creation of two rival firms.

Edwin and a partner formed one company. Walter, William and Harry, with Rutherford Burgher, formed a separate company. A legal battle over names and trademarks followed. Walter's group won the right to the Kidd name and incorporated as Kidd Brothers and Burgher. They continued to use the upbeat slogan, "The Best Is None Too Good," and added a new motto "Silver Steel made by the Golden Rule." Edwin was awarded rights to the original trademark. He named his new firm "Globe Wire Company" and mailed a brochure to his old customers with the following message:

Owing to the adoption by others of the name Kidd and the sale of drill rods not manufactured by the Kidd Steel Wire Company, we have decided in order to avoid confusion to change our brand. Hereafter production will be known under the name of Globe Polished Drill Rods and Needle Wire. Globe will use in production a higher grade of material and the same care and experience will be applied to the manufacture of material as in the past.

Globe Wire Company was eventually purchased by Firth Sterling Company. The connection between Globe and the Kidds persisted, for in later years when Globe went out of business, several employees joined the work force of Precision Kidd Company in Aliquippa.



Product and Price Brochure of Kidd Drawn Steel Co. Aliquippa, 1915.



Employees of The Kidd Bros. and Burgher Steel Wire Company, Island Avenue, McKees Rocks, 1898. Walter Kidd stands at far right. Worker in back row displays

a 3-foot drill rod produced by the company. Another worker holds a micrometer and a third holds a pair of calipers.

KIDD BROTHERS AND BURGHER

Led by Walter Kidd, Kidd Brothers and Burgher made an auspicious start, erecting a new factory in McKees Rocks, Pennsylvania in 1895. In contrast to the family's meager financial resources ten years earlier when Kidd Steel Wire was founded with \$1,500.00, Kidd Brothers and Burgher incorporated with \$50,000.00 in capital. The firm set out to attract customers for their high grade steel products with the following advertisement:

The expert knowledge and ability of the Messrs. Kidd, known throughout England and America, combined with several new and important improvements in machinery and a large capacity, guarantee our purpose to turn out the highest quality of drill rods and needle wire on the market at prices which will leave no excuse for either importing foreign goods or buying inferior domestic manufactures.

The new company prospered in the expanding American economy of the 1890s. Kidd's promotional material stressed quality and precision, almost predicting the future compatibility of Kidd and Precision Steel. Kidd Brothers sold both directly to Original Equipment Manufacturers (O.E.M.) customers and through steel warehouses. They advertised in 1895:

Our drill rods and wire are all drawn to micrometer caliper and are guaranteed best quality, most accurate size, and finest finish. All listed sizes of polished drill rods carried in stock at the factory in one foot and three foot lengths. Any length up to 90 feet will be furnished to order.

The company manufactured polished round drill rods, square drill rods, crucible coiled steel in forty different gauges and special shapes such as flats, ovals, hexagons, parallelograms, and escapements. Their reputation grew, and in *The Story of Pittsburgh*, a 1908 book about Pittsburgh industry, the precision work of Kidd Brothers and Burgher was described with these words:

The nicety and exactitude of the company's work is intimated when it is stated that a polished drill rod demands a nickel finish; it must be sized accurately within one-half of the thousandth part of an inch; it requires a high tempering quality, and also must be free-cutting screw machine . . . High temper dense structure and fine grain distinguish the products of the company.



Walter Scott Kidd

DISASTER THREATENS YOUNG COMPANY

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In 1898, three years after the Kidd brothers and Rutherford Burgher organized Kidd Brothers and Burgher Steel Wire Company, Harry died of tuberculosis. A year later William left the firm to seek his fortune in the west. Walter Kidd and Rutherford Burgher continued to operate their growing business and had every reason to be optimistic about further prospects in the expanding economic climate.

Then, on June 2, 1902, disaster struck. In the dark of night a burglar entered the factory and dynamited the company safe. The explosion burst a gas pipe in the office, and the ensuing fire destroyed the entire factory.

No records exist to document the reaction of the owners. Apparently they were undaunted, for they set out to find a new site for their business. They purchased property in the historic town of Aliquippa, Pennsylvania, named for a legendary Indian queen who helped George Washington win control of Western Pennsylvania for the British. The Aliquippa site, adjacent to the Pennsylvania and Lake Erie Railroad, proved most advantageous for the growing industry. At the turn of the twentieth century, however, Aliquippa was hardly more than a sparsely populated rural town. The great Jones and Laughlin mill which would introduce major industry and

dominate the town would not be erected until 1907.

On their property Walter Kidd and Rutherford Burgher built a fire resistant brick factory equipped with a modern sprinkler system. The Aliquippa plant began to produce polished drill rod in 1903. The company prospered; Kidd Brothers and Burgher's reputation for quality spread throughout the industry. However, more troubles were in store.

Walter Kidd was an expert steel man and a natural manager. He had worked steadily in the business since he left the ministry in 1892. At heart, however, he remained a reluctant steel man. He had many other interests and in 1904 decided that he wanted a change. He sold his interest in the business to his partner, Burgher. Walter Kidd built a greenhouse and turned his attention to growing plants. For the next ten years he operated a flourishing greenhouse and flower business.



BANKRUPT!



Plant of The Kidd Brothers and
Burgher Steel Wire Company,
circa 1898.

The business ran smoothly under Rutherford Burgher's management for a time. The first decade of the twentieth century was marked by prosperity and expansion in American industry in general. The merger forming United States Steel Corporation and the founding of such major companies as Gulf Oil, Mellon Bank, and the Aluminum Company of America were signs of the vitality of industry in western Pennsylvania. Declines as well as booms, however, were natural to the business cycle of the times. In 1909 the economy slumped; sales and profits fell to unexpected lows; businesses failed. And Kidd Brothers and Burgher Steel Wire Company — survivor of family feud, fire, death, and resignations of two principals — declared bankruptcy. In 1910, the company went into receivership. H. W. Sutton, the treasurer of the First National Bank of McKeesport, was appointed receiver and operator of the business.

In 1912, a trusted manager left Aliquippa, taking with him company dies, machinery, and three key employees. With these stolen assets he founded a new company in the East Liberty section of Pittsburgh. The receivers had no choice: they were forced to close the Aliquippa plant. The bank was about to write off Kidd Brothers and Burgher as a total loss. Then events far from Aliquippa changed the prospects of the troubled wire company. The military buildup in Europe created unprecedented demand for steel products. Historically war has stimulated industry, and World War I was no exception. Suddenly steel producers faced a sellers' market. The bank saw an opportunity to recoup its losses. But the loss of managers, dies and employees had left the receivers with no expertise to run the business. Thus, on April 1, 1914, H. W. Sutton, the bank receiver, approached Walter Kidd at his greenhouse and asked him to reopen the plant.

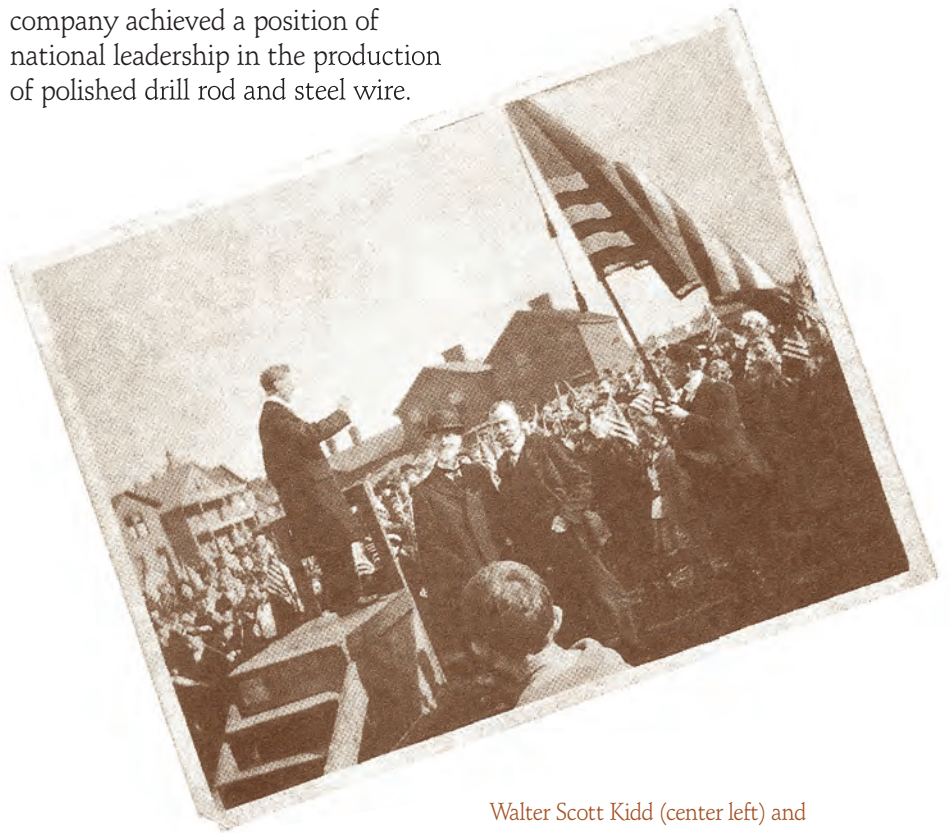
RETURN OF WALTER KIDD AND KIDD DRAWN STEEL COMPANY

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Always a man with a strong sense of duty, Walter Kidd, an expert in steel, felt an obligation to the bank and to the company. He agreed. The former university student, preacher, and greenhouse keeper came back to the steel business. He brought his son, Walt Kidd, Jr. into the business. The Kidds — father and son — with H. W. Sutton, the former bank receiver, rein-corporated as Kidd Drawn Steel Com-pany and gradually rebuilt the business into a going concern.

The new company launched an immediate direct mail advertising campaign. The chief selling point was the technical and managerial genius of company president, Walter Kidd. A sales letter, mailed to an extensive list of prospective customers, described Walter Kidd's education, experience, and expertise in the wire mill trade. He was characterized as "an enthusiast for efficiency" who had returned to the industry to build "the most complete wire mill in the United States" and to "improve the quality of steel and the efficiency production."

Kidd Drawn Steel Company began operations in May of 1914. For the next year the company lost money. By May 1915, however, the company was making a profit. Black ink appeared on the company ledger. With Walter Kidd as President the company achieved a position of national leadership in the production of polished drill rod and steel wire.



Walter Scott Kidd (center left) and Walter Kidd, Jr. (right) participated in a patriotic flag raising ceremony when the United States entered the First World War in 1917.

THE THIRD GENERATION: WALTER KIDD, JR.

In 1914, when Walter Kidd reorganized the business, his son, Walter, Jr., became his father's chief assistant. Walter Kidd, Jr. was born on June 25, 1888 in Monroe County, Wisconsin, while his father was a minister. After attending public schools in Wisconsin and in Sharpsburg, Pennsylvania, he enrolled at Beaver College, in Beaver, Pennsylvania. He used to joke about the fact that he was the only male graduate of that well-known school for women. Walter, Jr., learned the business at his father's side. When Walter Kidd Senior died in 1918, his son succeeded him as president of Kidd Drawn Steel Company.

Walter Kidd, Jr. was very active in the community life of western Pennsylvania. During World War I he was a leader in the campaign to sell Liberty Bonds. After the war he joined several fraternal organizations: the Beaver Lodge No. 457 of Free and Accepted Masons; the Pittsburgh Consistory; the Ancient Accepted Scottish Right; Syria Temple; Ancient Arabic Order Nobles of the Mystic Shrine. He belonged to the Pittsburgh Chamber of Commerce and the Beaver Valley County Club. Like his father, he was a deeply religious man. He was a member of the Christian Church of Beaver and served on its Board of Trustees and as a deacon in the church. Walter Kidd, Jr.'s, interest in community,

in religion, and in people, like that of his father, brought to the business a very personal management style that made a lasting impact. This did much to create a high degree of loyalty and feeling of community among employees and owners at Kidd Drawn Steel Co. Walter Kidd's concern for employees is demonstrated in the benefit program enjoyed by the workers in the 1920's. The company employed more than 75 persons and carried group insurance for all of the employees. The policy guaranteed one thousand dollars (\$1,000.00) to a beneficiary in case of accidental death of the insured employee, and \$12.50 per week to the employee in case of permanent disability. At the time, this represented a large amount of money and was considered a very generous and adequate insurance policy.

Walter Kidd, Jr., proved to be an effective leader of men. He directed the business that townspeople referred to familiarly as "The Old Wire Mill." Under Walter Kidd and his son, Walter, Jr., "Kidd Efficiency Steel" became known throughout the United States as well as Canada and Europe. Walter Kidd, Jr., expanded the firm by enlarging the plant and by acquiring the Fidelity Gas Company, which gave the company control over a steady supply of natural gas. This



Walter Kidd, Jr.

was a great advantage for it enabled Kidd Drawn Steel to be independent of outside fuel and power supplies.

Kidd Drawn Steel Company was very much a family business. When Walter Kidd reestablished the firm in 1914, in addition to his son, Walter, Jr., he temporarily brought in his son-in-law, Wilbur Agnew Bliss, who was married to his daughter, Winifred. Bliss interrupted a lifelong engineering career with the Dravo Corporation to aid the reorganization of the company and to work for Kidd Drawn Steel during the war years. He served as Treasurer of the company and maintained that office and a share of ownership after resuming his position at Dravo in 1920.

As president, Walter Kidd, Jr. brought into the business two sons of Winifred and Wilbur Agnes Bliss. W. A. Bliss, Jr. and Walter Scott Bliss, in turn, succeeded Walter Kidd, Jr. as president. Thus, four generations carried on the Kidd wire making tradition which William Kidd had started in England.

Family tradition was strong among workers as well as owners. Many Aliquippa families counted two and three generations of men and women employed by Kidd Drawn Steel Company. The Swogger family, with four men employed in 1925, boasted the highest number of family members working at one time at Kidd Drawn Steel Company.

The company prospered until the Great Depression brought production almost to a halt in 1931. The next two years were dreadful. At the beginning of 1934, however, businessmen appeared optimistic; the Depression seemed to have come to an end. Steel companies began to produce again, and orders of polished drill rod and steel wire increased. Many laid off workers were called back, and for a short time optimism prevailed. Unfortunately, the respite proved temporary; severe Depression resumed. Production fell to new depths and unemployment

reached record highs in the years 1935 to 1937. Although no company figures for those years are available, sales and profit records from 1939 to 1941 illustrate the financial state of the company as the country began to emerge from the Great Depression. Once again, production for the military changed the picture. Company accounts show the dramatic impact of defense spending on the fortunes of Kidd Drawn Steel Company.

Sales increased from less than \$200,000.00 with profits of \$11,000.00 in 1939 to sales of almost \$400,000.00 with profits of more than \$ 65,000.00 in 1941.

Year	Sales	Profit
1939	\$187,450	\$11,281
1940	265,598	30,479
1941	394,695	62,258

In 1941, with the economy looking up and labor in short supply, the workers at Kidd Drawn Steel Company organized a union. On November 15, 1941 an agreement was signed between the company and the "Steel Workers Organizing Committee" of Steelworkers Local 2543, CIO United Steelworkers. The agreement was made on behalf of the employees of



Agreement signed between Kidd Drawn Steel Company and Steelworkers Local 2543, CIO United Steelworkers.

the corporation at the Aliquippa Works. The company agreed to recognize the union as bargaining agent for production and maintenance employees. The minimum rate of pay was set at 72½ cents an hour. The agreement established a standard eight-hour day and 40-hour week, with overtime at one-and-half times the regular hourly rate. It provided for vacations, seniority benefits, grievance procedures, safety and health measures, specified individual wage rates, and paid holidays on July 4, Labor Day, Armistice Day, Thanksgiving, and Christmas.

Three of the seven union representatives who signed the agreement were second-generation employees of the company which still operated in a family atmosphere in which personal relationships and informality prevailed. The transition from non-union to union shop was accomplished amicably.

An adversary relationship soon developed. A strike at the neighboring Jones and Laughlin plant at the same time as the expiration of the Kidd labor contract led to the first strike in the company's history. Labor strife disrupted the traditional cordial relationship of management and labor at Kidd Drawn Steel Company. New job classifications led to controversy over retroactive

back pay, and The National Labor Relations Board ordered the company to pay some \$10,000.00 to approximately 120 employees.

The strike and the bitterness that ensued impacted heavily on Walter Kidd, Jr. The third-generation owner of the Kidd Drawn Steel Company was a dynamic personal leader. Like his father, who had personally directed the reorganization and rebuilding of the business during World War I, Walter was a natural leader of men. He was an expert steel man. He genuinely loved the business which he had learned from his father who had learned from his father before him. He knew every operation and every machine in the plant and was an effective salesman as well as executive. He gave the business the same care and attention he gave his home; he felt responsibility toward the plant workers as he did toward his family. He had shared with his employees the ups and downs of prosperous and lean years.

Given the very personal relationship which Walter Kidd, Jr. had enjoyed with plant workers over more than three decades, it is perhaps not surprising that he could not view the strike objectively. He seemed to regard it as a personal rejection and was unable to accept it. He never felt

the same about the business again. He lost interest in daily operations which he had formerly supervised with energy and enthusiasm. The vitality and dynamism which had made him such an effective business leader vanished. The immediate impact upon the business was reflected in sales and profit figures. During the years of World War II, when sales and profits of almost every American corporation zoomed to new highs, Kidd Drawn Steel recorded falling sales and profits each succeeding year.

Sales of Profits, 1941 to 1946

Year	Sales	Profit
1941	\$394,695	\$65,258
1942	395,826	54,678
1943	395,299	44,562
1944	377,408	25,596
1945	356,707	16,462
1946	344,106	1,776

In 1946, Walter Kidd, Jr. decided that he would leave the business. He informed his family that he wanted to sell his financial interest in the firm. In response to their uncle's wishes, his nephews, Wilbur Agnew Bliss, Jr. and Walter Scott Bliss, bought his shares of the company and took over its

THE FOURTH GENERATION: WALTER SCOTT BLISS

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W. Scott Bliss, President Kidd
Drawn Steel Company,
1950-1958.

Wilbur Agnew Bliss, Jr., who succeeded his Uncle Walter as president of the company in 1946, came to Kidd Drawn Steel from a budding career at the Dravo Corporation. Walter Scott Bliss, known as "Scott," the new vice president, entered Kidd Drawn Steel Company directly from five years in the armed services. When the fourth generation of wire-making Kidds assumed control of the business, their work was cut out for them. The fortunes of the company had dropped to a dangerous level. Clearly they had to repair employer-employee relationships, increase productivity, develop markets, and do all necessary to make the company profitable again.

The new regime could not have begun under more difficult circumstances. For American business in general, 1946 was a difficult year. Profits plummeted as industry was forced to readjust from wartime to peacetime conditions. For Kidd Drawn Steel, difficulty followed difficulty. A strike by the employees of Duquesne Light Company curtailed operations at the Kidd Drawn Steel plant for twenty-seven days from September 27 to October 21, 1946. The power strike delayed orders and deliveries and resulted in many cancelled orders which meant further financial loss. As a result of strikes, transition from wartime to

peacetime production, and retroactive payments to employees, profits of the company fell to a disastrous \$1,776.00. The new management realized that the most pressing problem facing the company was that of human relations. W. A. and Scott Bliss posted this Christmas holiday announcement:

In order that you may enjoy the day more thoroughly we shall shut down at 12 noon Tuesday, December 24, 1946. Your pay will be for 8 full hours. Those not able to leave their jobs at noon and those on other shifts will be paid for a similar period on a straight shift basis. Full operations will resume Thursday morning, December 26, 1946, at the usual time.

By the following year sales and profits were on the rise.

Year	Sales	Profit
1947	\$528,300.62	\$28,383.72
1948	486,203.63	29,789.83
1949	289,845.12	21,198.26

Then, in 1950, Wilbur A. Bliss left the company to pursue other interests. His brother, Scott, took over the presidency and effectively managed the firm. The new president was born in Beaver County, Pennsylvania in 1918. He had graduated from Geneva College in 1941 and earned a graduate degree at the Harvard University School of Business. Later he studied metallurgy at Carnegie Institute of Technology (Carnegie-Mellon University). He served for five years in the Transportation Corps of the United States Army and was discharged with the rank of major. He carried on the name of his paternal grandfather, Walter Scott Kidd, and his Uncle Walter Kidd, Jr. Like them, Scott Bliss was a man of many interests. He continued the family religious tradition as Sunday School teacher and deacon in the Christian Church of Beaver. Scott Bliss combined a warm low-key personal style with expertise in the techniques of modern business management. He was well equipped to handle the challenges presented at Kidd Drawn Steel Company.

He launched a vigorous and comprehensive effort to stimulate and maintain company morale and growth. He initiated an aggressive sales promotion program designed to develop new markets for the company's products and simultaneously began a program of product development. His priority, however, was to rebuild labor-management relations. The new company president fully recognized and appreciated the essential role that workers would have to play in any success achieved by the company.

Perhaps the single, most important measure taken to eliminate the threat of strikes in the plant was an agreement signed with the union in 1948 which provided that Kidd contracts expire on a date different from that of the neighboring Jones & Laughlin steel plant. This agreement eliminated strikes precipitated by problems at the larger factory.

W. Scott Bliss presented Kidd's Service Recognition Award to employee Leo Swogger in December, 1953. Swogger worked at the Aliquippa plant for forty years.



Then, in an open letter to the employees on March 1, 1949, Scott Bliss announced some personnel changes, explained the new sales and product development program, and urged workers to give full support “to your supervisors and endeavor to work at your highest efficiency so that we will continue in a good, competitive position when bidding on new work.” He explained to the workers the importance of developing new products in order to attract new customers. Workers responded positively to the new president, and plant morale rose appreciably.

As company fortunes improved, management credited much of the success to the spirit of teamwork and company pride displayed by employees. In 1953, to demonstrate the company's appreciation of loyalty and service from the workers, Scott Bliss organized the first of a series of annual dinner meetings honoring employees with five years or more service. Fifty-five employees were honored at the first meeting, 13 of them for service of more than 30 years. At the 1954 meeting, two generations of the Eberle family and two generations of the Swogger family were honored. In addition, a company “Visitation Day” in 1954 acquainted wives and families of the workers with the plant and its procedures. Guided tours, prizes and refreshments made it a festive occasion. More than

350 guests attended and greatly enjoyed the event.

While traditional cordial and productive labor-management relationships were reestablished, the company began a long-term program of improvements and modernization designed to increase efficiency and productivity. In 1950 construction began on a new shipping department; plant layout was improved; new operating processes streamlined production. Management posted a notice with a clear message to workers: “We must get our house in order to survive.” Workers were asked for support, ideas, and practical suggestions:

The best ideas of improving our processes and equipment will come from you who have worked with the problem daily. Present your suggestions to Tom or Al Redding . . . who in turn will record and investigate giving you the credit deserved.

The programs of change and expansion initiated by the new management enable Kidd Drawn Steel Company to take full advantage of the evergrowing demands for steel and steel products presented by the 1950s. In those years, consumer use of steel products in appliances, cars and construction rose dramatically. War had stimulated business in earlier years, and the Korean War once again gave impetus to the growth of the firm.

THE H. K. PORTER COMPANY, 1958 - 1966

Output and sales of Kidd Drawn Steel Company set new records each year in the early 1950s. In 1954 the company undertook the largest modernization and improvement program in its history. Convinced that modernization was needed “to insure healthy growth . . . in these dynamic times,” Kidd Drawn Steel added facilities and launched broad marketing and product development programs. Demand for Kidd products continued to increase and the company opened sales offices in Boston, New York, Cleveland, and San Francisco. Sales agents represented the company in Detroit, Chicago, Dallas, and Stamford, Connecticut.

The company manufactured over 200 standard sizes of drill rods, custom cold drawn special shapes, and other cold finished specialty products. These included versatile drill rods used as shaftings in small motors and fine instrument parts and special shapes for typewriter parts, gun sights, and other small arms. Other special shapes were used for stencils, stamps and markers, for business machines, musical instruments, electrical components, and a wide variety of threading tools.



A short-lived chapter in the history of Kidd Drawn Steel Company opened in 1958 when stock holding members of the Kidd family agreed to sell the firm to the H. K. Porter Company. The new owners merged Kidd Drawn Steel Company with Vulcan Crucible Steel Company, which Porter had purchased earlier, creating the Vulcan-Kidd Steel Division of the H. K. Porter Company. The new division united two companies which for years had operated as neighbors on adjacent properties in Aliquippa. Walter Kidd, president of Kidd Drawn Steel in 1914, had held a financial interest in the Vulcan firm, and the companies had been closely associated over the years. Scott Bliss, president of Kidd Drawn Steel at the time of the sale, was named product manager for Kidd products; a year later he was named Vice President of Marketing for the Vulcan-Kidd Division. In July, 1959, however, Scott Bliss resigned from the firm to establish a non-competitive business of his own. H. K. Porter operated the Kidd Division for only a few more years.



Employees of Precision Industries distributed Christmas food packages to needy families in the Washington, Pennsylvania area, 1952.

Back Row, Left to Right: W. M. "Penoke" Harter, Jim Shaw, Dick Byers, T. R. Milhollan, Danny DeWitt, Ed Engle, Pete Carroll, Henry Sawchuck, Fred Trasoline, John "Bee" Bednarski. Front Row: Labe Wardle, Patsy Rosella, George Balog, Elmer "Tug" Kunselman, Lois Engle (Shaw), Chester Jankowski, Sherman Mounts.

TOM MILHOLLAN CONTINUES THE FAMILY TRADITION

In 1966, Precision Industries of Washington, Pennsylvania purchased the Kidd Division of H. K. Porter Corporation. Thomas R. Milhollan, President and founder of Precision Industries, had learned the steel business working for Jessop Steel Company from 1940 to 1948. During his eight years with Jessop, he gained experience in many facets of the business and rose to the position of manager of the specialty steel products division of the company. He resigned his job with Jessop in May of 1948 to start a specialty steel business of his own.

On July 1, 1948, Tom Milhollan founded Precision Industries in the garage in back of his house at 173 May Avenue in Washington, Pennsylvania. At first the business did no manufacturing. The only piece of equipment the one-man company owned was a grinding machine and Tom Milhollan did a small amount of business grinding tool steel. The greater part of his early business, however, was buying and selling tool steel which was used for making dies. In 1950 he removed the business from his garage to West Chestnut Street along Chartiers Creek where, according to Milhollan, he operated in "a little shack of a building."

These were lean years. Survival of the new specialty steel business was questionable. Tom Milhollan's struggle to meet the payroll and pay the bills were reminiscent of the early trials of the Kidd brothers more than a half century earlier. Although hard work and good business management kept the firm going, the new company did not operate in the black until 1951. Then Korean War demands helped to stabilize Precision finances and permit the business to expand.

In 1956, Tom Milhollan secured a bank loan with which he purchased new equipment, developed new products, and launched a marketing campaign. Gradually he built Precision Industries into a viable, productive, and profitable business.

In 1964, through the limited sale of stock to employees and a few outside investors, he raised the capital to finance a second company, Ruetom, Inc. The name combined the first names of Milhollan and his wife, the former LaRue Turner of Washington, Pennsylvania. Ruetom was established as a machining operation servicing a variety of integrated tool steel producers who had, to that point, been reluctant to invest in value adding equipment for their traditional hot rolled flat bars and plates. Milhollan,



Elmer Kunselman and great grand-
son, Tom Milhollan, Jr., 1948.

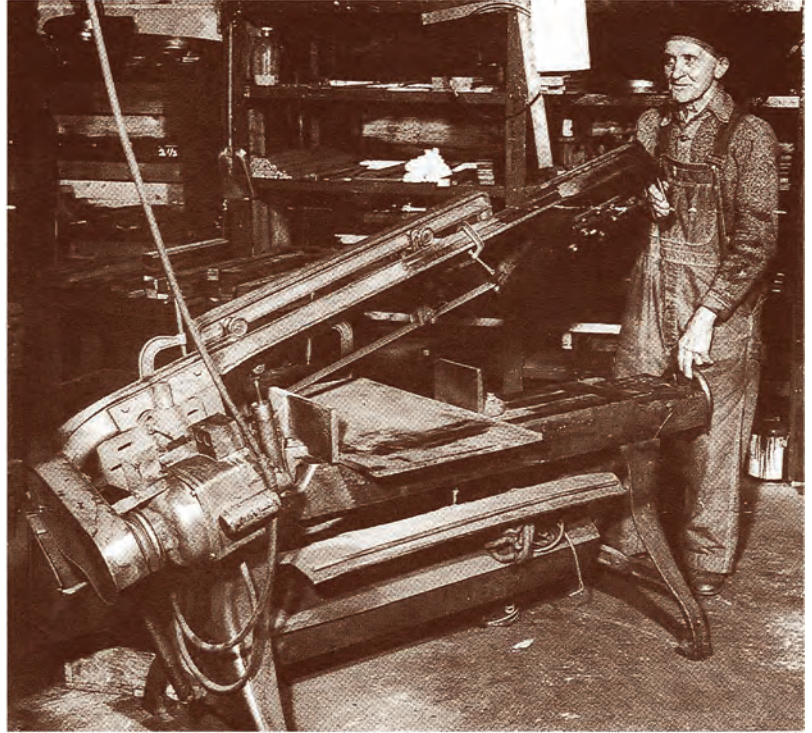
Kunselman, grandfather of LaRue
Turner Milhollan, was the first
employee of Precision Industries.

with the instincts of a seasoned entrepreneur, saw the future of “prefinished” tool steel flats, seized the opportunity and made the investment for them.

Most important of these steel mills was Bethlehem Steel Corporation, with whom Milhollan had developed a cordial relationship over the years. Milhollan encouraged Bethlehem to take the market lead in the promotion of prefinished (Deluxe) flats. In effect, challenged Bethlehem to a race to sell the new product to a nationwide market of tool and die makers while Ruetom was, as rapidly as possible, adding capacity to produce it.

And what a race it was! Bethlehem Steel claimed the dominant market position with Ruetom as its converting ally. By the early 1970s the two firms had established a virtually unrivalled leadership position in the industry. Ruetom’s production capability for pre-machined flats was the most extensive in the world. The term “Deluxe Tool Steel” became synonymous with excellence in this product and has continued as such until this day.

In December, 1965, Tom Milhollan heard that H. K. Porter was looking for a buyer for the Kidd Department of its Vulcan-Kidd Division. On December 1, because of a bitter strike,



First employee with first piece of equipment owned by Precision Industries. Elmer Kunselmen with Kalamazoo Band Saw.

Porter had closed and decided to sell the division. Universal Cyclops Com-pany acquired the Vulcan plant. Milhollan was immediately interested in the Kidd Department. He knew Kidd Drawn Steel; he had done business with the firm when it was headed by Scott Bliss. He liked the company, and its products complemented the products of his own companies which also produced high alloy tool steels. In addition, Kidd produced cold drawn special shapes, rounds, squares and hexagons used extensively by the business machine and automotive industries. A Kidd product of particular importance was the cold drawn alloy hexagon manufactured for the hexagon key wrench business. Also contributing to Tom Milhollan's interest in the company was his personal fascination with history.

Tom Milhollan was enthralled with the story of the four Kidd brothers who had learned the steel business from their father in England, immigrated to the United States, and used their steel making know-how to manufacture drill rod in Aliquippa, Pennsylvania. He was impressed by the fact that the company had been managed by a four-generation steel making family. Even though he was not related by blood to the Kidds, Tom Milhollan

was heir to their sense of history. He also shared the sense of responsibility that was the heritage of Walter Kidd. And Tom Milhollan appreciated the tradition of quality and integrity enjoyed by the historic Kidd name. Tom Milhollan decided to purchase the original Kidd Drawn Steel Company. Over a two-month period, he negotiated to acquire the plant. There were many bidders for the facility, including several importers of steel who viewed this situation as an opportunity to bring in foreign steel while they represented themselves as domestic manufacturers of drill rod. Due to Milhollan's long relationship with Bethlehem Steel Com-pany, he was able to convince Jim Batemen, Tool Steel Sales Manager, and Stewart Cort, President of Bethle-hem Steel, to assist him in financing the acquisition. The Bethlehem people agreed that it was very important to assure the continuation of Kidd Drawn Steel as a domestic producer.

Milhollan had difficulty in securing the \$100,000.00 deposit which was required by February 2, 1966 as a necessary condition for finalizing negotiations with H. K. Porter. At an eleventh hour meeting at the offices of Porter Company it appeared that Milhollan would lose his opportunity. Then, one hour after the banks had closed, a phone call was made to Ed Morris, Treasurer of Bethlehem Steel Company, alerting him to the situation. Morris responded immediately with a call to Don Rose, Vice Presi-dent of Pittsburgh National Bank, instructing him, to transfer \$100,000.00 from the account of Bethlehem Steel Company to Thomas R. Milhollan. The bank delivered a check to Milhollan who endorsed it and turned it over to the H. K. Porter Company. Within a week the financial transaction was completed. Even this required a rush trip from Pittsburgh to Washington, Pennsylvania by the Bethlehem Steel attorney in order to secure the signature of LaRue Milhollan. The Kidd facility was renamed "Precision Kidd Steel Company" with Milhollan as President and principal shareholder.

Milhollan had taken on the greatest challenge of his business career, for the reputation and the business of Kidd Steel had declined in the early 1960s. Even before the strike, labor-management relations had grown increasingly adversarial, and consequent deterioration of deliveries, quality, and productivity had caused the loss of many important customers. The 1965 strike brought about the loss of still more customers.

Tom Milhollan set to rebuild Kidd's financial health as well as its quality reputation in the steel industry. Progress was slow in the first years. Old ways were hard to change; customers had to be won back through performance.

At the Aliquippa plant, Tom Milhollan set the state for improved labor relations when he personally interviewed and hired every employee of the newly organized Precision Kidd Steel Company. He told each applicant that he expected "an honest day's work for an honest day's pay." Employees responded positively to his open, straight forward approach. Negotiations for a labor contract proceeded smoothly, and in a short time an agreement was signed. The agreement set a new tone in labor success for company and employees.

Goals has to be clarified and an effective program of action planned

and executed. Tom Milhollan called upon his son, Thomas H. Milhollan, to help him undertake this task. Milhollan, Jr. had earned a Bachelor of Science degree from Lehigh University and had studied business management at Butler and Boston Universities. He had worked as an industrial engineer and then as District Sales Supervisor (the youngest person to hold that position) at The Norton Company in Worcester, Massachusetts. It is interesting to note certain parallels between the careers of Tom Milhollan, Jr., and Walter Scott Kidd. Both attended Butler University in Indianapolis and both started their steel making careers in Worcester.

Although Tom Milhollan, Jr. was just twenty-four years old in 1966, the steel industry had been in his blood for many years. As a young boy he had watched his father nurse Precision Industries to health, then Ruetom, and now Precision Kidd. The talk at the supper table had always been of steel and steelmen.

In 1968, Milhollan, Sr. made Tom Jr. Vice President and General Manager of Precision Kidd Company. The son had fallen in love with the products, plant and equipment, as had his father and the generations of Bliss and Kidds before them. Milhollan, Jr. involved himself enthusiastically in every aspect of the business. He was drawn most strongly, however, to the challenge of a difficult engineering problem.

Precision Kidd designed and manufactured dies to fit the specific needs of individual customers. Often a very complicated design was needed, and sometimes as long as three years was required to produce a particularly complicated part. Tom Milhollan, Jr. related an anecdote which illustrates just how challenging the production of a single die can be. "The company had been working for a long time on a particularly difficult shape. After many months a die was ready for the first pass. However, it was a Friday afternoon and too late to try the pass," said Tom Milhollan, Jr. He talked about his excitement with the results; he did not want to wait until Monday to try the pass. The next morning, Saturday, was the day of the company picnic. Milhollan, Jr. opened the

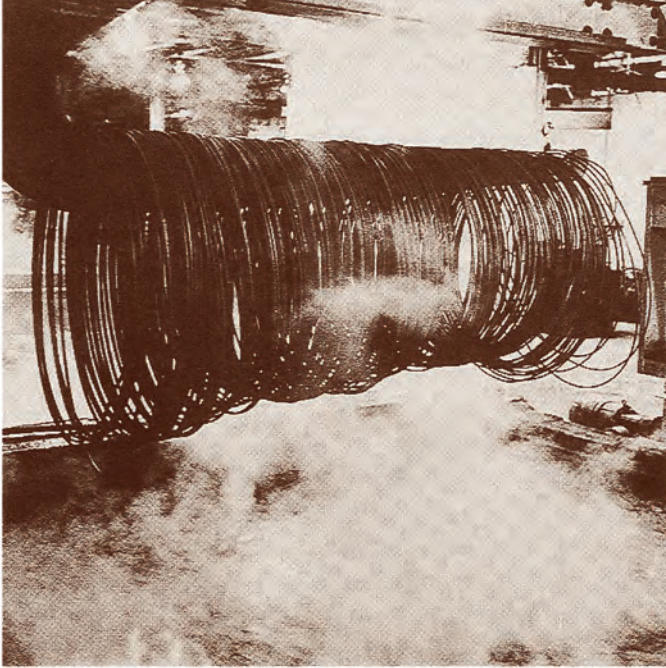
empty plant and tried the pass himself. It was beautiful and he was thrilled with the results. There was only one little flaw. He worked on the die for a while and pulled the piece again. This time it was a little worse than the first time. Milhollan went back to the die room where he made some minor changes and tried a third pass, which was a little worse than the previous ones. Still, the solution was almost at hand. It was time to go the company picnic, and Milhollan, Jr. took the samples with him. The employees who had been involved with the preparation were excited and pleased — the die was almost perfect. Still, Milhollan, Jr. could not wait until Monday. On Sun-day morning he went back to the plant to try one more pass. First, he worked on the die just a little more. Then he pulled the bar hoping for a perfect result. Instead, the die broke. On Monday morning the process was started once again. Once perfected, this particular shape proved to be an important advance and was sold in volume for use in landing gears of commercial aircraft.

Shortly after acquiring the Kidd

plant, the Milhollans embarked upon a comprehensive business plan. By 1973, the combination of progressive management and a boom in the business machine and automotive industries helped Kidd regain much of its earlier reputation and many customers. The company was earning a solid profit. Over a million dollars had been invested to rewire the plant, build a modern pickle house, build and equip a modern die shop, and rearrange equipment to improve material flow. Several leaders had emerged among the work force who recognized that the future of the workers was tied to the success of the company. They, in turn, set an example of commitment and leadership. Productivity doubled and wages and earnings tripled in this period.

Worker prepares oil finish drill rod for shipping. Silver steel drill rod was the original product produced by the Kidd brothers in 1885 and is still a mainstay of Precision Kidd Steel Company.





Pickling: The pickling process involves immersion of steel shapes in an acid solution. Pickling removes scale formed on steel during hot rolling process.

Also in 1973, Milhollan, Sr. decided that it was time to simplify the financial organization of his businesses. Precision Industries, Inc. was reorganized. Ruetom and Precision Kidd were merged into Precision Industries. Precision Kidd Steel Company continued as a division of Precision Industries. The Ruetom name was dropped. The products of the three companies had been marketed together for seven years, and the 1973 reorganization established the company as a single financial entity.

Throughout the 1970s, Kidd continued its growth; business increased; the company prospered. The number of hourly employees increased from 29 in 1966 to 65 in 1979. Annual production increased during the same period from two million to more than fifteen million pounds. By 1979 operations had outgrown the original plant. A new 45,000 square foot plant was erected at a cost of \$1,500,000.00 at Clinton, Pennsylvania to house part of the operations. Business prospects had never looked better. However, the historic pattern of ups and downs which had long characterized the history of Precision Kidd was destined to repeat itself.

As the company entered the 1980's changes in the market, over which the company had no control, drastically altered the business picture . . . almost overnight it seemed. Three major factors converged to create a situation of crisis proportions, and suddenly the outlook for Kidd became desperate. The first was the rapid emergence of electronic data processing equipment. For years, 30 to 40% of Precision Kidds' production had been rounds, squares, flats and other special shapes for mechanical cash registers, typewriters and calculators, all of which suddenly became obsolete with the transition to electronic equipment. The second blow was the loss of significant items for automotive parts, caused by redesign and replacement of mechanical components with electronic ones. The final, and almost fatal impact in its cumulative effect on Kidd, was the general decline in the steel market which began in the early 1980's, caused by the domestic industry's inability to compete effectively against foreign producers.

The situation was one of do or die for Kidd, and the management of the company made the decision to fight for the business. The first step was to redefine the market opportunities and capitalize on the unique product advantages they had to offer. Foremost among these advantages

was the dedication to product quality. As early as 1978. Precision Kidd, with the cooperation of both labor and management, had launched a comprehensive program of quality control and improved production technology designed to make the company the producer of the highest quality cold-finished bar products in the United States. At the same time, steps were taken to reach additional markets and expand sales opportunities by increasing the size range capability. This effort paid off when a former competitor, Superior Drawn Steel, closed down operations in 1988. Kidd was able to acquire Superior's customer list, and replaced them at several significant accounts as a supplier of components for hand tools, such as driver bits, chisels and impact tools of various kinds. This was to become a major factor in the company's survival.

The turnaround continued in 1989 when Precision Kidd was approached by Okaya, a Japanese trading company, who saw a need for a domestic supplier of ball bearing wire for Japanese transplants producing ball bearings in this country. The key ingredient would be the ability to provide the same level of quality and service that these producers were accustomed to from their Japanese suppliers. After a period of negotiations, Precision Kidd entered into a partnership with Okaya and Daido Steel Co., Ltd.,

in which Okaya provided marketing and Daido supplied technical assistance. This move, combined with the addition of the former Superior Drawn Steel hand tool customers, provided the added volume necessary to again reach a level of consistently profitable operations.

Of equal importance to these two events was the development of an exceptional labor-management relationship. Throughout its more than 110-year history there had been periods of positive labor-management cooperation, with everyone working toward common goals. But there had also been periods of adversary relations during which the company and its employees experienced decline. Tom Milhollan, Jr. had a vision that didn't distinguish between labor and management, but instead saw all employees as a team working toward common goals, with everyone sharing both the responsibility and the rewards for the success of the enterprise. This vision was in direct conflict with the prevalent anti-business culture of Beaver County. In 1966 everyone had a stake in making the restarted company successful, and a period of extraordinary cooperation ensued from that time until the crises of the 1980's. However, in the eyes of the customers the effects of the 1965 strike which closed the plant, coupled with the overall perceptions of the labor market in Western Pennsylvania, created a stigma which hung



ACCEPTING THE CHALLENGE OF THE TWENTY-FIRST CENTURY

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All of this changed in January of 1992 when the company and the Precision Kidd Employees Union, led by Tony Mignanelli, Ted Kramer, Bob Miller, Dave Karamarkovich and Joe Pindilli signed a contract with no termination date, in which compensation and other benefits are tied directly to productivity. This labor agreement has proved to be very important to both employees and customers. It provides job insurance and stability to employees because it assures customers that Precision Kidd is a supplier with a unified commitment to supply quality products reliably and efficiently.

With the redefining and reemergence of the original Kidd business, and the divergence of business interests between Precision Kidd and Precision Marshall, the decision was made that the future interests for both companies could be best served by a separation into two independent companies. The spinoff and restructuring was completed in December, 1992, with Okaya becoming a minority stockholder, and Tom Milhollan, Jr. and his immediate family holding the controlling interest.

As Precision Kidd continues to move forward into its secondary century of serving the changing needs of its customers and employees, there is confidence based upon the foundations laid earlier for quality products, reliable service, and unified employee effort.

There is determination to ACCEPT THE CHALLENGE of maintaining the focus on customer satisfaction and quality, and continually redefining that focus to meet the changing demands of the next century. By meeting this challenge — adopting new methods, learning new skills, training for new demands — the perpetuation of this company and the means of improving the quality of life and welfare of the people of Precision Kidd Steel Company, Inc. will be ensured for the next century.

Precision Kidd is meeting that challenge.

Milhollans Continue the
Family Tradition.

Left to Right: Jackson, Thomas R.
and Thomas H. Milhollan.

Acknowledgments: The Milhollan family gratefully acknowledges the generous cooperation of members of the Kidd family who helped to make possible this history of the Precision Kidd Steel Company. Special thanks are due to:
Walter Scott Bliss
Charlotte Kidd Sadler
Lurene Kidd
Margaret Malinich

Precision Kidd Steel Company
produces an ever increasing
number of special shapes.



Precision Kidd Steel Company
Aliquippa, Pennsylvania
Clinton, Pennsylvania