

MATERIAL AVAILABILITY

STEEL

The #4 Forecast indicates Ilion plant will require 600 tons of hot rolled steel, 88 tons of cold drawn steel and 20 tons of cold drawn steel tubing per month during the year 1975.

Our principal suppliers of hot rolled steel, Republic and Bethlehem Steel, have us on an allocation of 500 tons and 100 tons per month respectively. Bethlehem Steel, however, has delayed orders scheduled to be shipped during the fourth quarter of 1974 until the first quarter of 1975. Bethlehem has also stated verbally that they will meet our requirements but based on past performance, this is not to be relied upon.

The availability of cold drawn steel, especially in the flat bars we require, has grown steadily worse. Prior to 1974, most of our flat steel bar orders were placed with secondary cold drawn steel mills. They obtain the hot metal from fully integrated steel manufacturers. We have met our demands by hot forging round bars into flats, purchasing flats from steel service centers, and buying acceptable substitute material as close to size as possible and performing secondary operations. We have switched many flat bar items from the secondary mills to the fully integrated producers; however, because these items are in addition to our allotment, and in most cases because they are not high volume (thus yielding a lower profit), the mills demand a long lead time for delivery.

We have approached several integrated mills, Jones & Laughlin, Youngstown Sheet & Tube, U. S. Steel for quotations on both hot rolled and cold drawn steel items. To date, all have refused to quote. Foreign steel sources cannot be considered for our immediate needs. This particular area will require investigation on a long term basis.

Our steel tubing needs should be met with Lone Star Steel supplying tube hollows to Columbia-Summerill for redrawing. Federal Steel, who bought out Revere Tube Mfg., appear to be operating that facility on a shoestring budget. This source of supply is in doubt for future requirements.

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