

SPECIALTIES

- WF Beam
- I-Beam
- HR Channel
- HR Sheet & Coil
- CR Sheet & Coil
- HR Plate
- Flat Bar
- Round Bar
- Square Bar
- Rect. Tube
- Round Tube
- Pipe
- Floor Plate
- Expanded Metal
- Trench Plate
- Shoring
- Stainless Steel
- Aluminum

PROCESSING SERVICES

- Flamecutting
- Forming
- Cutting
- Punching
- Shearing
- Slitting
- Beam Splitting
- Welding
- Coating

PRODUCTS

- Hard to Find Items
- Fast & Reliable Deliveries
- Custom Packaging & Marking
- Just-in-Time Programs
- CalTrans Approved
- Fed & State Approved
- Full & Broken Bundles



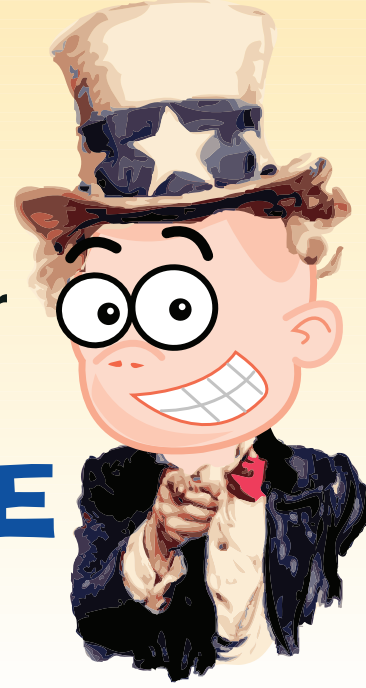
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The Election and Your Need to VOTE



By Jim Stavis

For many months I have considered writing about the 2008 election. Though it has been well chronicled in the news media, we are all looking forward to a conclusion to this exhaustive campaign. I had originally researched to find out whether one of the candidates was more in support of the steel industry, business and its concerns. Unfortunately, when compared to the other pressing issues, such as the war in Iraq, the economy and lipstick on a pig, there seemingly was no time for steel. Of course, tax

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PARAGON STEEL

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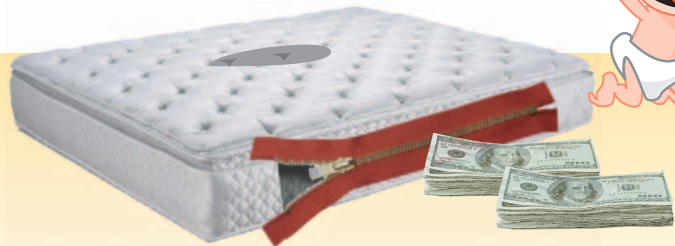
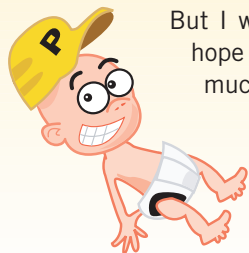
The Election and Your Need to Vote

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issues, global free trade and the dollar's strength are issues worth debating, but I can honestly say in comparing these two candidates and parties, it is every man and woman for themselves.

I realized recently while participating in a lunchroom discussion that people are passionate about “their” favored candidate. The election has created quite a debate, which I think is healthy for a free society. I only hope that this translates to record voting participation in our country. You can see with the present condition of our country that your vote counts. It is easy to think otherwise, but I believe now more than ever Americans need their voices to be heard.

As the author of this newsletter, I do not feel right endorsing either of the candidates running for president. But I will be voting on November 4th—as I hope you are. It is not a privilege to vote as much as it is your obligation.



WHAT'S YOUR TONNAGE?

By Jim Stavis

When I started in the steel business some 20 years ago, people in the industry would ask me, “What’s your tonnage?” It sounded like some kind of astrological forecast of the steel industry. I was sure Sagittarius was not the answer they were looking for. I now know that the question was a way of discerning the volume of steel that Paragon Steel was selling or how big our inventory was. It would have been too direct to ask, “How much is your sales revenue?” So instead, tonnage was the code word for business volume. Then I realized that for many steel companies, it was all about tonnage levels. Their businesses were evaluated by how many tons of steel they pushed out the door. Steel mills would be measured by how many tons they produced. Countries would discuss how many tons of steel they exported or imported into or out of their ports.

So I started to think about this tonnage question a little more. It occurred to me that we can’t even agree on how much a ton really weighs. There is a Long ton (2,400 pounds), which originated in the United Kingdom and is commonly

referred to as a weight ton or gross ton. Later in the UK and most areas that used the Imperial system, there is the Metric ton (1,000 kg or 2,240 pounds), which is 2 percent less than the Long ton and is the legal measurement for trade. However, in North America we refer to a Short ton (net ton), which is only 2,000 pounds. So there you have three different weights for the same item. It can be confusing.

Why does it matter? Because steel is ordered by the ton and paid for by weight per pound. Fortunately, we can all agree on the weight of a pound. This whole tonnage concept began in the 17th and 18th century in the shipping trade as a way to record shipping manifests. Tonnage was a measurement of a ship’s carrying capacity. It was later used by the Navy as a way of evaluating how much a ship could hold without sinking.

At Paragon Steel, we always found the tonnage question to be a poor representation of our business. It would be better to ask how many accounts we have sold or what percentage our business had grown. So the next time I am asked the tonnage question, I will respond by asking, “Which kind of ton do you mean?” That will confuse ‘em.

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