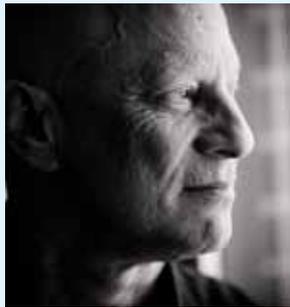


# WHEN HOPE IS THE ONLY OPTION

It has now been 12 years since I had my triple organ transplant. I have chronicled my journey within this newsletter. The outpouring of reaction and support was something I could never have anticipated. I found an audience in a place I never could have imagined—in a steel newsletter. What I realized is that my message of hope is one that resonates with many people. Since then, I produced a documentary called “Source of Hope” and now I’ve written a book called “When Hope is the Only Option.” It is in the publishing stage right now and should be available sometime around the beginning part of next year. It will be available on Amazon as well as through my website: [www.jimstavis.com](http://www.jimstavis.com).



For those interested, it is not just a transplant story. There are plenty of those already out there. Rather, it is intended to be an inspirational and instructive guide of how to overcome adversity. I’ve learned many lessons through my life, some that I’ve chronicled in this newsletter. I hope you will support me in the release of my first book. It’s kind of nice to read a book where the message is uplifting and positive. It has always been my way of looking at the world. Today, with all the negativity that surrounds our lives, I’m sure you will find this story to be positive as well as instructive.

# Closing Out the Books on the Year of The Donald

If you are at all like me, this has been an exasperating year. With all of the politics, plus the daily newsfeed from our president and the dissention it has brought, I’m hopeful that better times lie ahead. I think it is important for a little perspective here. Overall, the economy has continued to flow, unemployment is down, the stock market is up and interest rates are still low. It’s just our mood that needs to better reflect all of this positivity.

This newsletter traditionally comes out around Thanksgiving so that we can thank you, our customers and vendors, for your continued support. We know there are plenty of options out there for your steel business and we feel very lucky that we have now been in business for this, our 30<sup>th</sup>, year. We also want to thank our loyal employees who have continued to make this all happen.

During the holiday season, we are reminded of those that are less fortunate who are just trying to get through tough times. We think about our troops who are unable to be with their families during the holidays. We think of the less fortunate children who may not get the toys they so richly deserve.



We wish you a happy and healthy holiday season. We hope for prosperity in the coming year and if nothing else, a better attitude.

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NOVEMBER 2017 NEWSLETTER

# FALL OF THE RISING SUN



# FALL OF THE RISING SUN

By Jim Stavis

When I was young, products that were “Made in Japan” were typically products you wanted to stay away from. Japan was known as a maker of cheap, but poor quality goods—similar to how China has been stigmatized today. It took many years, even decades, for Japan to improve their quality image for the positive where it is today. Most of our electronics come from Japan, as do automobiles and other goods. It’s really a shame that the word “steel” has become part of this conversation, as have aluminum and copper. Last month, it was announced that Japan’s third largest producer of metals, Kobe Steel, admitted that it may have falsified data concerning the quality of its products. Why and how this happened is really anyone’s guess, but in Japan and around the world, it is a king-sized problem. Kobe’s admission is important because much of their steel goes into a number of products, such as automobiles, trains and aircraft, where safety could be a concern. This makes it an instant public safety issue.

The question of why is important because in the case of Kobe Steel, the sorry outcome is \$1.6 billion that has been wiped from

the company’s market value, with shares plunging 18 percent in Tokyo. This has surely negated the effect of falsifying the data in the first place. Wrongdoing, after all, is always uncovered eventually. Just ask Harvey Weinstein. The trickledown effect appears to impact numerous reputable Japanese companies that have unknowingly put Kobe Steel into their products. Carmaker Nissan has had to recall more than a million cars and Takata Corp, an airbag maker, pleaded guilty to misleading carmakers over the safety of their airbags. Most of

the worrying is because when something like this happens, it is often just the tip of the iceberg. Just think of the housing crisis. It started out as a mortgage problem and then nearly took down every financial institution on Wall Street. You never can tell when the problem originally surfaces.

For Kobe Steel, there are potentially big costs involved, not to mention the untold harm this crisis is doing to the company’s reputation, which will remain for years to come. Also, think of all the lawyers out there already lining up to take advantage of the situation. Toyota (a Kobe Steel customer) has described the situation as a “grave issue” and rightly so; and whether Kobe Steel’s conduct is systemic remains to be seen, but either way, the spotlight will now shine brightly on the company’s other products. From unauthorized inspectors and misleading automakers to a breach of

**“Most of the worrying is because when something like this happens, it is often just the tip of the iceberg.”**

compliance that would spell trouble for any company, this could be a death knell for Kobe. It may return the moniker of “Made in Japan” back to where I started this column. And even though Kobe may be the country’s third leading producer of metals, it may create a stigma that effects all of the country’s manufacturers. That would be unfortunate indeed.

I remember the time when Toyota had the problem with unintended acceleration between 2009-2011. Toyota had to pay \$1.2 billion because it knew there was a problem and failed to disclose it to the regulators or to the public. In this case, Kobe Steel has admitted wrongdoing before any claims have been made. It makes you wonder if they knew what was coming. The times used to be that if companies took responsibility for their actions, then the public would be more forgiving. It is those who try to deny and deceive who are treated the most harshly. It is too soon to say what the fallout will be for Kobe. All of Japan will be holding their collective breath.

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