Recasting Steel

STANLEY A. RABIN
BS '59 MINING ENGINEERING
FORMER CHAIRMAN, COMMERCIAL METALS COMPANY, INC.

Over the 28 years that he headed the Dallas-based steel company Commercial Metals, Stanley Rabin dealt with challenges from imports, workers, and competition. But the man whom Forbes magazine described as a “mild-mannered metallurgical engineer” simply put his engineering skills to good use.

To lower costs and maintain control over the entire steel-making process, Rabin brought a new way of doing business to Commercial Metals. Originally, the company just collected scrap and processed it. Under Rabin’s leadership, the company became “vertically integrated,” producing steel parts from start to finish. The company operation expanded to include gathering the scrap metal, melting it, casting and fabricating it and, finally, distributing it for use in highway and building construction.

To make his decisions, Rabin used the skills he learned as a metallurgical engineering student at Columbia—“how to do things systematically, hopefully logically,” he says. For example, he kept his company out of debt and maintained a good relationship with workers by “treating all the employees fairly and giving them some incentives,” such as profit sharing and using defined-contribution plans instead of traditional pensions, he says. He also started operations in Poland, Croatia, Germany, and Singapore, always insisting on ethical conduct. “You’re in markets where you may have competitors who are bribing,” he says. “I just made it clear that’s not how we’re going to operate.” That went for paying corporate taxes, too.

After he graduated from Columbia’s dual-degree program with a BA in 1958 and a BS in metallurgical engineering in 1959, the Bronx High School of Science graduate left New York. For more than 40 years, he has lived in Dallas with his wife, the former Barbara Benjamin. He keeps busy volunteering his time to the United Way, the American Jewish Joint Distribution Committee, and the American Jewish Committee. A member of Columbia’s crew team, he still occasionally rows, but on a machine. He is no longer involved with the steel business (except as a shareholder), but he knows what he would do with federal stimulus money. Spend it, wisely and carefully, on infrastructure. His motto as a CEO, a volunteer, and an engineer is simple: “Do it right.”