

("Review of the *Inside The Lionel Trains Fun Factory* reproduced with permission of Lionel Operating Train Society from the October 2008 issue of the club's *Switcher* magazine.")

SWITCHER

A Book Review

By Ed Mazur, RM 3123 and
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INSIDE THE LIONEL TRAINS FUN FACTORY: The History of a Manufacturing Icon and The Place Where Childhood Dreams Were Made is the newest offering from Project Roar Publishing.

This volume is of primary importance to every operator and collector of toy trains. At the risk of sounding overly enthusiastic, the book is well worth the cost of an addition to your train empire and deserves a prominent place on the reading desk, coffee table or bookshelf. For those LOTS Members and their families who are seeking that unique item for the Christmas and Chanukah holidays, a birthday, anniversary, or other memorable occasion – look no further than Robert Osterhoff's incredibly interesting, highly readable, and fascinating story.

Osterhoff delivers a highballing journey through the rise, fall, and resurgence of Lionel, one of the manufacturing icons in modern American life. The book's 248 pages and 575 full color photos and images feature impeccable research that explores both the familiar and the never before told history of Lionel's trains, factories, employees, and business practices from the late 19th century to the present.

The author brings excellent credentials to this task. He is a retired Xerox Corporation executive with extensive international management consulting experience, specializing in the practices of business effectiveness, benchmarking and knowledge management. Osterhoff served on the Board of Examiners of the Malcolm Baldrige National Quality Award and as Treasurer and Director of the Baldrige Foundation. This is his third train book. Osterhoff previously authored two Greenberg Guides – *Greenberg's Guide to Lionel Paper and Collectibles* and *Greenberg's Guide to Lionel Prewar Parts and Instruction Sheets*.

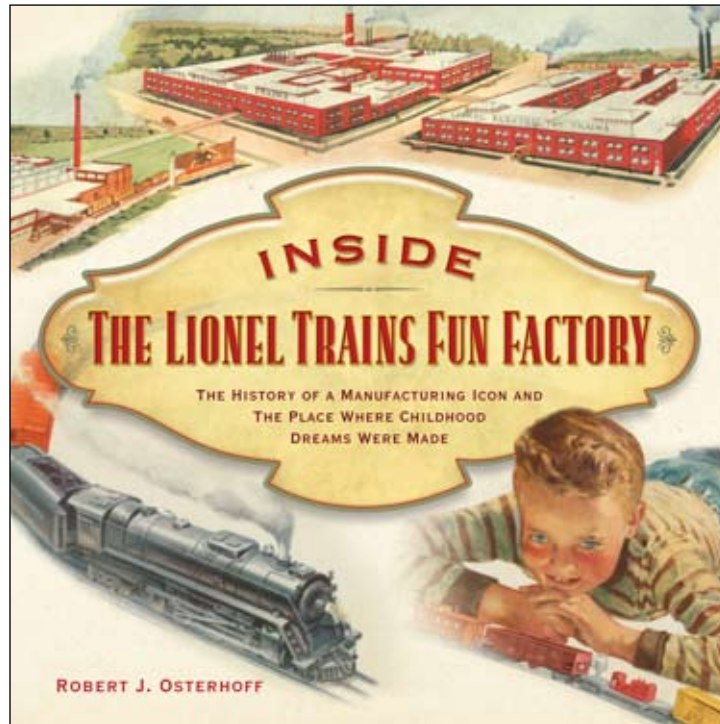
Even though the name Lionel is synonymous with toy

trains for more than a century this book creates a foundation for understanding the history behind our beloved blue and orange brand. Page after page and chapter after chapter gives us an insightful understanding of who made our beloved electric trains, who the employees were, where they worked, and how they viewed the trains, toys, and other products they produced. Without forgetting Joshua Lionel Cowen and his partners, confidants, and successors, Osterhoff skillfully showcases the people working for Lionel and the manufacture of its trains and other products.

Founded in 1900 as the Lionel Manufacturing Co., and now known as Lionel L.L.C., it is an important organization to write about as Cowen and colleagues lead Lionel through world wars, economic depressions, and cataclysmic social and political changes in America's toy industry. This is an engrossing story of inventiveness followed by intermittent company implosions. The book is a study of the formation of one of America's earliest manufacturing conglomerates. Based on exhaustive research, Robert Osterhoff reveals many facts

long hidden in archival documents. The thirteen chapters and three appendices yield troves of unknown information about buildings, bosses, leaders, and the employees who manufactured the trains. Much of the information about the processes used to mass-produce our beloved electric trains explodes and modifies myths that have been accepted as gospel for years. Contrary to popular lore, Joshua Lionel Cowen did not invent what would become the Eveready flashlight, the electric doorbell, a portable fan or air conditioning. Osterhoff skillfully chronicles the myth and the reality of Lionel trains and the roles played by Cowen, Harry Grant, a veritable army of lawyers, and colleagues such as Mario Caruso, Joseph Bonanno, Tom Pagano and many whose names are revealed for the first time.

The volume's title is taken from Joshua Lionel Cowen's first reference to his "fun factory" in the 1915 product catalog. Cowen wrote, "Fun Factory" – that's what a big boy called the place where I make 'Lionel' trains,



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locomotives, tracks and other pleasure-giving toys which run by electricity.” The 1917 catalog expanded this theme of fun and Cowen even extended a personal invitation to the consuming public: “Come on boys – I’ll take you for a trip thru my factory... Shall we start on our trip?”

The famous Irvington, New Jersey Lionel factory was located in what is now a run-down industrial neighborhood in Irvington. The engraved stone that bore the name “Lionel Building” was removed years ago by enterprising Lionel aficionados and unfortunately the scorched ruins of the building stand as a final testimonial of what was once a proud monument to American business ingenuity. In contrast to the Irvington facilities, the Hillside buildings of Sager Place and Hoffman Place stand today, much as they were when Lionel made its final exit from New Jersey in the mid-1970s. The author describes and offers us photographs of the mosaic floor that is the last remaining factory artifact bearing the famous Lionel logo on the floor of the entryway in what were the final executive offices in Hillside. The once-proud middle-class adjoining cities of Irvington and Hillside are archeological skeletons of what they must have been in Lionel’s heyday.

April 5, 2004 was a rugged day for the Irvington, New Jersey Fire Department and the battalion team of Deputy Chief Matt Hibbett. The battalion fought two very large and tough fires including one at an abandoned factory at



605 South 21st Street. That address was the location of a well-respected icon and a major part of Irvington’s industrial history. The building, a factory addition constructed in 1920, was known as “the old Lionel building” although Lionel had not occupied the site for almost 60 years. Ultimately, the entire factory was consumed in flames reducing Joshua Lionel Cowen’s “fun factory” to ashes.

The information provided by Robert Osterhoff will provide LOTS Members with reams of material for countless hours of discussion and debate at Conventions, over the Internet, while riding the tour buses to visit layouts, and finally over enjoying coffee, tea, and other refreshments to both operators and collectors.

Osterhoff’s research and writing makes you comprehend that Lionel was a leader in innovative engineering, custom and continuous assembly-line manufacturing and human resource practices long before they became commonplace. Ultimately, the success of Lionel and its products resulted in the building of factories at many different locations. A useful appendix includes a visual as well as a chronological timeline of Lionel’s major fun factories from the beginning in the nineteenth to the present in the twenty-first centuries. Understandably, this volume directs attention on the primary facilities from 1900 through 1969 but references in surprising detail other properties such as Hagerstown, Mount Clemens, Korea, and China.

Over time, we’ve benefited from excellent books and articles from various authors such as Ron Hollander and many others and publishers including Project Roar, Greenberg, McComas and Tuouhy, Workman, and Krause. *INSIDE THE LIONEL TRAINS FUN FACTORY* does not repeat the details of the trains as much as to document some of the stories behind their design and manufacture. This focus by design excludes the company’s corporate, marketing and sales facilities that housed the memorable promotional train layout displays. Could this be a future volume authored by Osterhoff and published by Project Roar? Journalism is the first draft of history. This book, based on new and original research, focuses primarily on using original documents, interviews, rigorous research that ask penetrating questions that ultimately provide a solid and reliable testimonial of bygone eras.

Cowen, like most manufacturing entrepreneurs, did not freely share extensive information about the early years in business. Thus, early documentation is often sparse and evasive. The most frequently cited interviews with Cowen were not published until the late 1930s, and even those references, Osterhoff observes, were mostly anecdotal and often lacking in accuracy. Cowen was an excellent “spinner” of information. An excellent storyteller, he provided a consistent “spin” to early stories about his company and his personal accomplishments. Robert Osterhoff’s book provides us with a refreshing and needed perspective on Lionel’s



first decades that is based almost exclusively on archival documents and photographs of the era. We learn who shared factory space with Lionel during its earliest years, who were the companies manufacturing suppliers and the company's use of illusion in its catalogs such as in the 1924 drawing of a billboard featuring Lawrence Cowen extending his arms over an electric toy train on a circle of track. The author observes that "neither Lionel nor any advertising company sought to obtain a permit for South 21st Street during the period the billboard appeared in Lionel's catalogs."



Like most of us, the author's earliest views of Lionel were impacted by the consumer catalogs that we voraciously consumed and took to sleep with us and then left in view of parents, grandparents, uncles and aunts as holiday gift selection guides. Through this filter, Lionel was perfect and could fulfill our wildest dreams. To be sure, much of the glowing accolades that portrayed Lionel were deserved.

However, Osterhoff's diligent research and probing questions leads him to conclude that Lionel was like many other American companies. It was bottom line oriented with an esteemed branded product and full of the many foibles and limitations of human beings. Robert Stein, former chief financial officer of Lionel and the last senior executive overseeing the Hillside plant in 1969, provides Osterhoff with a more realistic view: "It was not always fun at the factory. But it was work. We always strove to turn out a quality product. We just happened to make toy trains."

Robert Osterhoff's book is highly successful, extremely important, and a "must have" for toy train collectors and operators. His observations are based on reviews of thousands of documents, hundreds of personal interviews or recorded tapes, and numerous printed and Internet references. The author asks readers to provide him with more information and he is willing to share updated research including expansions of information in the book through his website: www.trainpaper.com

Retired Lionel executive Thomas Pagano observed in 2006 that when he worked at Lionel it "maintained a healthy cadre of carpenters, electricians, bricklayers, painters and plumbers. The only craft not handled internally was steel work and roofing, which was sub-contracted." This observation opens a most readable and enjoyable portion of the book. We learn about the acquisitions and expansion of properties, of factory construction, the modeling of the original factory by Korber in 1983 and Lionel in 1900, the

mysteries of the famed or infamous 'Lionel Dumpster and dumpster diving', and the era of Roy Cohn and Major General John B. Medaris – who after leaving Lionel and driven by what many believe was a miraculous cure of cancer, entered the priesthood and was ordained an Episcopal priest in 1970 and became known simply as Father Bruce.

Osterhoff deftly probes the question of what kind of place Lionel was to work at. Joshua Lionel Cowen believed that he could make both money and help people employed at his company to succeed. The Lionel Company for many years was in the forefront of providing employee benefits including insurance, disability, paid vacations and holidays, and savings bonds for auspicious occasions including weddings and the birth of a child. The factory had an employee cafeteria and during the heyday of the 1950s, run by Chef "Fritz" Kern, once a chef at leading hotels in Hollywood and Miami before joining Lionel. Interestingly, a constant problem in the cafeteria was the disappearing of dishes and silverware" at an astonishing rate. Contrary to a myth perpetuated among collectors, glass salt and peppershakers imprinted with "Lionel" were never manufactured for the company and used in the factory or any other Lionel cafeteria including the executive dining room.

At its peak in 1957, the Hillside factory employed 2,500 workers with 162 folks handicapped in some manner on the payroll. Their hiring represented a 15-year effort to assist the physically handicapped including those who were blind, deaf or paralyzed because of polio or another illness. The practice was driven by Works Manager Charles Giaimo, who had been stricken with multiple sclerosis in the mid-1930s and ended up completely paralyzed.

It was common to have three generations of workers, children, grandchildren and in-laws all working at the 'fun factory' at the same time. Such family ties were actively encouraged.

Beginning in the late 1930s, Lionel like many other manufacturing concerns across America felt the impact of unionization. In 1935, Congress passed the National Labor Relations (Wagner) Act, which, over time, was interpreted as a bill of rights for organized labor – guaranteeing workers the right to organize and engage in collective bargaining through unions. Osterhoff skillfully and fairly documents the struggles between the company and the unions for better wages, improved working conditions, and job security.

Lionel employees were referred to as 'Lionelers.' The men (and they were mostly men until the onset of World War II) and women were hard working people seeking to provide comfortable livings for their families. Workers met their mates, had children and grandchildren and often died while on the Lionel payroll. Most employees most likely





Lionel Mfg. Co. was in this building at 24-26 Murray Street, Manhattan, NY at the beginning of the 20th Century. Before moving to the Irvington, NJ factory in 1917, Lionel Mfg. Co. moved first to another New York City site in 1904 then to New Haven, CT in 1909 and Newark, NJ in 1914. The Hillside, NJ factory was built in 1929 and was used along with the Irvington plant until WWII. In 1944 the Irvington factory was sold. Then in 1961 Lionel tried to

would use the terms “great” and “terrific” in describing their Lionel employment. In reality, there were good benefits and camaraderie with co-workers interspersed with strikes, and “the persistent amusement of being spectators in the revolving door of senior management.” For years, working at Lionel meant steady although sometime seasonal employment, an appreciative management team, and benefits unsurpassed by some of the largest corporations in American industry. The pay was adequate if not great but the people were and they were proud to say that they worked at Lionel.



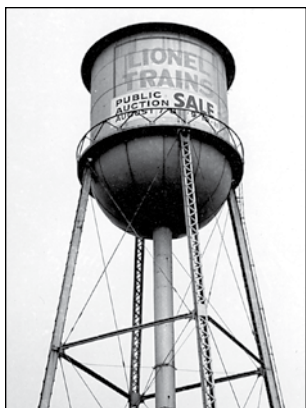
diversify operations when it acquired the Porter Chemical Co. in Hagerstown, MD and the Spear Electronics Corp. in Bridgeport, CT.

The banner on this famous water tower tells of an auction of equipment at the Hillside complex in 1967. The real estate property was sold in 1969; the same year General Mills MPC opened a plant in Mount Clemens, MI. Some production was moved to Mexico in 1983 then back to Michigan in 1985. Also during the 1980s some products were made in Korea and China. All production shifted to China in 2001 and remains there to this day.



This ‘must have’ book provides an incredibly rich and unique insight into many of the fascinating treasures of the Lionel factory. We meet employees who sought their fifteen minutes of fame as well as gaining an understanding of the disharmony inevitable in a company that was often portrayed publicly as an ideal business. We gain a novel understanding of a factory parlayed into role-model status for American manufacturing that lay in ruins, only to rise again, as did the legendary Phoenix.

This third offering on Lionel trains from Project Roar Publishing was preceded by *LIONEL’S POSTWAR OPERATING CARS* (reviewed by Cris Matuszak in August 2007’s *SWITCHER*) and the *AUTHORITATIVE GUIDE TO LIONEL’S PROMOTIONAL OUTFITS, 1960-1969* (reviewed by Ed Mazur in the December 2007 *SWITCHER*).



Joshua Lionel Cowen was a giant in the toy business. The company thrived primarily because of its superb marketing and sales skills rather than a consistently well managed enterprise. *INSIDE THE LIONEL TRAINS FUN FACTORY* offers us much more than the toy train, industrial, and military products emerging from them. Osterhoff’s volume is a much-needed case study in business

Inside The Lionel Trains Fun Factory: The History of a Manufacturing Icon and The Place Where Childhood Dreams Were Made by Robert J. Osterhoff. Available from Project Roar Publishing, P.O. Box 599, Winfield, IL 60190. To order, visit www.projectroar.com or call 630-653-ROAR (7627). 248 pages, 575+ color photos and images, Hardcover \$34.95 (ISBN 978-1-9336-0005-5), Publisher’s Limited Edition Hardcover \$69.95 (ISBN 978-1-9336-0006-2). It is also available at your local book seller, hobby retailer, bn.com and Amazon.com.

and the social aspects of American history. The products that came from each factory location are forever registered in the hearts and minds of boys and girls of all ages.

To give you a ‘flavor’ of what all is in the book here’s a quick rundown of all the factory sites used to produce Lionel products over the years. The first location of the



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