

than 23 million net tons in 1970, and to more than 73 million tons by 1975. (This past year, imports managed to grow 6.5 percent over 1966 even though the domestic market dropped by more than 5.4 percent.)

However, if it were assumed arbitrarily that the rate of growth would be a more conservative 13 percent—half the recent annual rate—then a projection to 1970 would indicate an import level of about 17 million tons—and about 30 million tons by 1975.

A recent domestic steel market forecast predicted that a total of 115 million product tons would be required by American manufacturers in a normal year around 1975.⁷

Consumption of 115 million tons, including 30 million tons of imports, implies domestic shipments of 85 million tons to the home market. Thus, shipments by the domestic industry in 1975 would total 87 million tons (including an estimated 2 million tons of exports, which is about the current level). This 87-million-ton total is less than was actually shipped in either 1965 or 1966. Total 1975 consumption (shipments plus imports less exports) of 115 million tons would represent a growth of 17 million tons from the 1965-67 level. Imports would, therefore, be accounting for more than the total growth of the domestic market.

As the preceding discussion of free world Surplus Capacity has shown, imports of 30 million tons by the mid-seventies appear well within the export capabilities of foreign producers, if the recent rates of capacity additions abroad continue. Most public announcements of plans indicate that they will.

III. THREAT OF STEEL IMPORTS TO THE NATIONAL SECURITY

A. Defense requirements

Military security depends heavily on a vigorous and expanding economy to produce the overwhelming quantities of equipment, machinery, and supplies necessary to support modern military strength. On the other hand, healthy economic growth depends importantly on military security to maintain that climate of confidence in the future in which private enterprise flourishes. Neither military nor economic strength can be raised to its highest potential without an abundant and varied flow of critical materials. (President's Materials Policy Commission—Section I-1, June, 1952)

The issue of war and peace looms today as the most important factor in the shaping of our national policy. The world situation demands unprecedented efforts to insure our national security.

Our continuing commitments in Vietnam and elsewhere exemplify the rapidly escalating demands that can tax industrial America. Supporting this view, President Johnson on April 8, 1967, proclaimed that "steel is the core of industrial America . . . and this vital product is basic to our economy and essential to our security."

During the 1950's, with the advent of advanced nuclear weapons and inter-continental ballistic missiles, it was widely claimed that the ability of a country to wage modern warfare was dependent upon atomic missiles and electronic equipment. However, Vietnam has dispelled this image and has demonstrated that the ability to wage war today is still primarily dependent on the availability and mobility of men and material—guns, ammunition, trucks, airfields, and ships. Thus, in times of national emergency, steel is indispensable to national defense, and national defense rests on steel.

The role of steel in national defense is two-fold. First, steel is an important component of materials and equipment used in military operations. A representative list of direct steel-using defense items is as follows:

Armored combat vehicles	Grenades
Tactical vehicles	Warheads
Amphibious vehicles	Mines
Naval vessels	Cartridge cases
Assault boats	Mortars
Military aircraft engines and landing gear	Small arms
Military trailers	Gun tubes
Bombs	Bomb racks
Projectiles	Missile motor cases
	Missile ground handling equipment

⁷ "The Steel Import Problem," p. 9.