direct and indirect military needs would raise steel requirements by 20 percent above a normal peacetime level. A normal level of steel consumption in a year around 1975 is expected to be 115 million product tons. During an emergency in the middle 1970's domestic consumption would therefore be about 140 million tons. The OEP assumes that in the event of a conventional nonnuclear war, imported steel would only be available from Canada and Mexico, and under these conditions a shortfall of some 20 million tons seems likely by the mid-1970's, taking into account facilities projects already committed and underway, unless the domestic steel industry can find valid reasons to continue its building program. Such reasons will not exist if the growth in consumption is wholly absorbed by imports.

Under the provisions of the General Agreement on Tariffs and Trade, limitations on imports are permitted if necessary for reasons of national security and no reprisals would be authorized. But the effect of steadily rising imports is not limited to the serious threat to our national security. These imports can also profoundly affect employment in the United States and deepen significantly our balance-of-payments deficit.

I call again to your attention the statement made by Mr. Abel, that our production employees in the United States have already significantly dropped, by over 120,000 employees. It is estimated that about 6,400 people are now employed in steel plants for every million tons of finished products shipped in a year. An additional 1,300 persons are involved in coal and ore mining and transportation. In total, 7,700 American working men and women are employed for every million tons of domestic steel mill products shipped. The Department of Commerce estimates that 14.5 million tops of steel imports will come into the country in 1968. In simple English, and certainly no one should misunderstand this, the imports of steel have taken the jobs of 100,650 Americans. This is a loss of wages for America in this period of over $1 billion, and a loss of total tax revenue on wages paid alone of nearly one-fourth billion dollars.

So far as our balance-of-payments defict is concerned, steel imports already account for a significant amount of our difficulty. Overall steel imports in 1967 were up to 11.5 million tons, worth $1,292 million. The value of steel exported was down to $415 million, producing a 1967 deficit of $877 million. If steel import levels continue to rise without offsetting exports, the trade deficit in steel products will be truly alarming.

If we assume that by 1970 we will have 17 million net tons of imports, a conservative figure based on recent experience, and such steel imports are valued at an average of $113 per ton, the approximate 1967 average value, the steel trade deficit would then amount to $1.5 billion for that year of 1970. If we project steel imports on the same conservative basis to 1975, steel imports could then reach 30 million tons in that year, and the steel trade deficit, at today's prices would be $3 billion.

It seems to me quite apparent that the United States cannot permit the deterioration of its domestic steel industry which is essential to our national interest and that measures must be taken to limit the percentage of steel mill products we import from abroad. The bill I introduced, S. 2537, provides that the President may negotiate multilateral