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AMERICAN IRON AND STEEL INSTITUTE  
WALDORF-ASTORIA HOTEL, NEW YORK, NEW YORK  
MAY 23, 1974



*Stew Cort*

*1st meeting  
Jan. 1965  
"minority table"*

I AM GLAD TO BE HERE TONIGHT AT THE GENERAL MEETING

OF THE AMERICAN IRON AND STEEL INSTITUTE WITH THE LEADERS OF AN

*Robert  
V.P.*

INDUSTRY SO VITAL TO OUR ECONOMY. <sup>1</sup> STEEL IN ONE FORM OR ANOTHER

*Almost everybody agrees*

IS THE FOUNDATION OF ALMOST EVERY IMPORTANT INDUSTRY. *at home  
or abroad.*

THE AMERICAN STEEL INDUSTRY FACES A MAJOR CHALLENGE. WE  
MUST BE ABLE TO SATISFY OUR RISING DEMAND FOR STEEL. BY THE END  
OF THIS DECADE, IT IS ESTIMATED WE SHALL NEED 20 TO 30 MILLION  
ADDITIONAL TONS OF STEELMAKING CAPACITY BEYOND THE 150 TO 160 MILLION  
TONS NOW PRODUCED. WE CANNOT PERMIT OUR STEEL SUPPLY TO BECOME  
INADEQUATE WITHOUT ALSO LOSING THE ABILITY TO SUSTAIN <sup>America's</sup> ~~OUR~~ ECONOMIC  
GROWTH. THIS REPRESENTS A GREAT CHALLENGE, AND OPPORTUNITY, FOR

YOUR INDUSTRY. *Knowing some of the history of the leaders  
in your industry, I am confident this challenge  
will be met.*



THE REST OF THE WORLD ALSO NEEDS MORE STEEL. WORLD STEEL  
PRODUCTION IN 1950 WAS 207 MILLION NET TONS. IT IS NOW ESTIMATED TO  
BE ABOUT 760 MILLION TONS. TO MEET PROJECTED WORLD DEMAND, STEEL  
PRODUCTION MUST BE DOUBLED IN THE NEXT TEN YEARS.

*As a result*

THE IMPACT ON THE WORLD'S RAW MATERIALS USED IN STEELMAKING

*1*

*worldwide*

IS OBVIOUS. THERE WILL BE GREAT COMPETITION FOR LIMITED RESOURCES.

*1*



AMONG THE COMPETITORS FOR RAW MATERIALS, THE UNITED STATES IS THE LARGEST CONSUMER OF ALL NATIONS. WITH ONLY 5% TO 6% OF THE WORLD'S POPULATION, THE U.S. NOW CONSUMES ABOUT 27 PERCENT OF THE WORLD'S RAW MATERIALS. IN 1950 THE REST OF THE WORLD CONSUMED ONLY 58% OF THE AVAILABLE RAW MATERIALS. THIS FIGURE HAS NOW RISEN TO 73%.

*Defensively we can say:*

MANY COUNTRIES ARE MORE DEPENDENT ON IMPORTED RAW MATERIALS THAN THE UNITED STATES. WE ARE SELF-SUFFICIENT IN MANY VITAL RAW MATERIALS.

*That's like a politician answering an irate housewife who is complaining about inflation:*

WE ARE SELF-SUFFICIENT IN MANY VITAL RAW MATERIALS.

BUT AS YOU WELL KNOW, WE ARE <sup>too</sup> HEAVILY DEPENDENT UPON FOREIGN SOURCES

<sup>the</sup> FOR SUPPLY OF RESOURCES WE MUST IMPORT.



*by telling her inflation is worse in Japan & most other industrial nations.*

INCLUDED ARE MANGANESE, ASBESTOS, ZINC, PLATINUM, LEAD,  
BAUXITE, NICKEL, AND IRON ORE.

WE HEAR OF A POTENTIAL "MINERAL CRIS<sup>i</sup>ES". WE KNOW WHAT A  
NATURAL RESOURCE CRISIS CAN BE AFTER OUR EXPERIENCE WITH OIL. WILL  
BAUXITE, COPPER AND TIN PRODUCING NATIONS SUCCEED IN EXTRACTING PRICE  
CONCESSIONS FROM CONSUMER COUNTRIES BY THREATENING TO WITHHOLD THEIR  
PRODUCTS FROM THE MARKET PLACE? THERE IS EVIDENCE THAT THIS MAY TAKE  
PLACE. BUT I WOULD HOPE THAT THIS TACTIC NOT BE USED. IT IS AN  
UNACCEPTABLE FORM OF ECONOMIC PRESSURE.

*Once started it  
could lead to retaliation & that is not the responsible  
way to solve the problem.*



THE SECRETARY OF THE INTERIOR WARNS US THAT DEVELOPMENT OF DOMESTIC MINERAL RESOURCES HAS NOT BEEN KEEPING PACE WITH DOMESTIC DEMAND. SECRETARY MORTON SAID THAT EXPROPRIATIONS, CONFISCATIONS, AND FORCED MODIFICATIONS OF AGREEMENTS HAVE SEVERELY MODIFIED THE FLOW TO THE U.S. OF VITAL FOREIGN MINERAL PRODUCED BY U.S. FIRMS OPERATING ABROAD. WE HAVE JUST BEEN JOLTED BY THE NEW VENEZUALAN GOVERNMENT'S ANNOUNCED INTENTION TO NATIONALIZE THE U.S. STEEL AND BETHLEHEM IRON ORE OPERATIONS.



SUCH ACTIONS ALSO HAVE MADE IMPORTED MATERIALS MORE COSTLY.  
SECRETARY MORTON ALSO <sup>reports</sup> SAID THAT U.S. INDUSTRY IS ENCOUNTERING GREATER  
COMPETITION FROM FOREIGN NATIONS IN DEVELOPING NEW FOREIGN MINERAL  
SUPPLIES AND IN ASSURING THE LONG-TERM FLOW OF MINERALS TO THE  
UNITED STATES.





*let me assure you* 8 -

THIS ADMINISTRATION IS NOT PASSIVELY OBSERVING THESE  
DEVELOPMENTS. IN HIS FEBRUARY, 1974, BUDGET MESSAGE, THE PRESIDENT SAID:

"THE ADVERSE IMPACT OF ENERGY SHORTAGES ON THE ECONOMY  
COULD BE AGGRAVATED BY SHORTAGES OF OTHER RAW MATERIALS.  
A COMPREHENSIVE STUDY ON SUPPLIES OF METAL ORES AND OTHER  
BASIC RESOURCES AND OUR NEEDS FOR THEM IS NOW UNDERWAY.  
THIS STUDY WILL HELP INSURE THAT OUR POLICIES PROPERLY  
ANTICIPATE POTENTIAL PROBLEMS."



AS PART OF THE ADMINISTRATION'S EFFORT TO EXAMINE THE  
PROBLEM OF SHORTAGES, INTERAGENCY TASK FORCES HAVE BEEN MOBILIZED  
TO IDENTIFY AND EVALUATE DIFFERENT COURSES OF ACTION.

*I would strongly urge that private industry be included. Industry does have valuable know-how that should be affirmatively used.*



IN ADDITION, DISCUSSIONS BETWEEN CONGRESSIONAL LEADERS AND ADMINISTRATION OFFICIALS ARE UNDERWAY ON THE PROBLEM OF SHORTAGES. THESE DISCUSSIONS WERE INITIATED BY AN EXCHANGE OF CORRESPONDENCE BETWEEN SENATORS MANSFIELD AND SCOTT ON THE ONE HAND AND PRESIDENT NIXON ON THE OTHER. THE PARTICIPANTS ARE SENATORS SCOTT, MANSFIELD, BYRD AND GRIFFIN, SPEAKER ALBERT, CONGRESSMEN RHODES, O'NEILL AND ARENDS, SECRETARY SIMON AND MESSRS. ASH, FLANIGAN, DUNLOP AND STEIN. ON MAY 20, THE GROUP ANNOUNCED FORMATION OF A TEMPORARY COMMISSION TO DEAL WITH THESE PROBLEMS.



TWO THINGS ARE APPARENT, WE NEED TO INCREASE U.S.  
PRODUCTION. <sup>1</sup> AND WE NEED TO INCREASE TRADE OPPORTUNITIES FOR  
EXCHANGE OF MINERALS.

THE RESOURCES OF THE UNITED STATES ARE VAST. I AM  
FULLY CONFIDENT THAT WE HAVE THE CAPABILITY TO FURTHER DEVELOP OUR  
OWN MINERAL RESOURCES IN LINE WITH ANTICIPATED FUTURE DEMAND IN  
THIS COUNTRY. BUT IT WILL NOT HAPPEN AUTOMATICALLY.

*There  
must be government & industry cooperation  
& teamwork.*



AN EXAMINATION OF DOMESTIC POLICIES IS IN ORDER.

POLICIES DEALING WITH TAXATION, INVESTMENT, TRADE AND ENVIRONMENTAL

CONTROL SHOULD BE CLOSELY COORDINATED AS THEY RELATE TO CRITICAL

INDUSTRIES. LARGE INVESTMENTS WILL BE REQUIRED OF THESE INDUSTRIES

IN THE YEARS AHEAD. PLANS AND POLICIES TO DEVELOP DOMESTIC PRODUCTIVE

CAPACITY MUST BE BASED ON INCENTIVES FOR PRIVATE INDUSTRIES.



OUR TAX AND REGULATORY SYSTEMS CAN BE USED TO INCREASE  
PRODUCTION IN INDUSTRIES WHERE SHORTAGES EXIST. OUR POLICIES SHOULD  
ENCOURAGE FORMATION OF NEEDED CAPITAL INVESTMENT.

*principally in the field of transportation*

*Frankly I am concerned*

*about some of the talk about <sup>so called</sup> tax reform in these areas.*

ENVIRONMENTAL POLICIES MUST RECOGNIZE THAT THERE IS A  
BALANCE BETWEEN GENERAL SOCIAL WELLBEING AND ECONOMIC NECESSITY.

MATERIALS POLICIES MUST ENCOURAGE THE DEVELOPMENT OF  
DOMESTIC RESOURCES, WHILE SIMULTANEOUSLY PROTECTING OUR ECONOMY  
AGAINST EXCESSIVE DRAINING ABROAD OF VITAL RAW MATERIALS.



I'M CONFIDENT OF OUR CAPABILITY TO DEVELOP OUR OWN RESOURCES TO MEET AMERICA'S NEEDS AS WE HAVE IN THE PAST. BUT WHAT ABOUT THE SUFFICIENCY OF SUPPLY IN THE REST OF THE WORLD, AND OUR ACCESS TO IT? THERE THE OUTLOOK IS NOT SO CLEAR. THE PROBLEMS REFERRED TO BY THE SECRETARY OF THE INTERIOR ARE VERY REAL AND VERY TROUBLESOME.



THE ORGANIZATION OF ONE GROUP OF COMMODITY PRODUCING COUNTRIES AS A BLOC SOONER OR LATER WILL PRODUCE A SIMILAR ORGANIZATION OF CONSUMING COUNTRIES. COMMODITY PRODUCERS WILL DISCOVER THAT THEY ARE NOT INSULATED FROM THE IMPACT OF RESTRICTIONS ON SUPPLY OR THE ESCALATION OF PRICES. A RECESSION IN THE INDUSTRIAL COUNTRIES SHARPLY REDUCES DEMAND. UNREASONABLE PRICES FOR RAW MATERIALS ACCELERATE SUBSTITUTION. AND, AS THEY PURSUE INDUSTRIALIZATION, RAW MATERIAL PRODUCERS WILL ULTIMATELY PAY FOR EXORBITANT COMMODITY PRICES BY THE INCREASED COSTS OF THE GOODS THEY MUST IMPORT.





THUS, THE BEST PRICES FOR COMMODITIES ARE THOSE THAT CAN  
BE MAINTAINED OVER THE LONGEST PERIOD AT THE LEVEL THAT ASSURES  
ECONOMIC GROWTH EVERYWHERE. ONLY THROUGH COOPERATION BETWEEN  
CONSUMERS AND PRODUCERS CAN SUCH PRICES BE DETERMINED.



WE ARE DEVELOPING AN APPRECIATION OF THE DIFFERENCES AMONG  
ECONOMIC SYSTEMS IN ORDER TO RECONCILE THROUGH NEGOTIATION THESE  
DIFFERENCES AS THEY AFFECT INTERNATIONAL TRADE. WE MUST BE PREPARED  
TO CARRY OUT TRADE AND INVESTMENT RELATIONSHIPS WITH ANY NATION WHICH  
HAS EXPORTABLE SUPPLIES OF MATERIALS. WE MUST BE READY TO RECOGNIZE  
THAT NEW POLITICAL RELATIONSHIPS ARE CREATING NEW BUYERS FOR AMERICAN  
EXPORTS, INCLUDING NATIONS WITH WHICH WE DO NOT AGREE IDEOLOGICALLY  
AND WHOSE ECONOMIES ARE ORGANIZED WITH A MUCH HIGHER DEGREE OF  
GOVERNMENT ECONOMIC <sup>control</sup> ~~PLANNING~~ THAN WE WANT OR WOULD TOLERATE.



WHERE EXISTING AVENUES OF INTERNATIONAL CONSULTATION PROVE  
INADEQUATE FOR CHANGING WORLD ECONOMIC CONDITIONS, WE MUST WORK OUT  
NEW CONSULTATIVE MECHANISMS OR WORK OUT NEW INTERNATIONAL ARRANGEMENTS.

WE MUST REINFORCE OUR COMMITMENT TO INTERNATIONAL INSTITUTIONS  
AND FOCUS AS A MEANS OF EXCHANGING VIEWS AND INFORMATION AS WELL AS  
WORKING TOWARDS SPECIFIC OBJECTIVES. THESE INSTITUTIONS INCLUDE THE  
WORLD BANK, UNITED NATIONS, O.E.C.D., G.A.T.T., INTERNATIONAL MONETARY  
FUND, AND NORTH ATLANTIC ALLIANCE.

*For the last several years I have been  
deeply concerned with a developing trend toward  
neo-isolationism or non-involvement*

*The evidence - ① substantial reductions in  
foreign aid.*

- ② unilateral withdrawals of  
U.S. <sup>military</sup> forces from Western Europe  
and elsewhere were those in Western  
Europe the Alliance has momentarily since for 25 yrs*
- ③ Attacks by organized labor  
& other groups against ~~the~~ trade  
bill. world trade.*



WE MUST PASS <sup>a</sup> THE TRADE BILL WHICH IS NOW STALEMATED IN THE  
*largely* CONGRESS ~~DUE~~ TO CONCERN ABOUT RUSSIAN EMIGRATION POLICIES. <sup>?</sup> SECRETARY *I hope + trust some reasonable compromise can be worked out.*

KISSINGER SAID IN A RECENT APPEARANCE BEFORE CONGRESS IN BEHALF OF THE

TRADE BILL:

"PAST TRADE NEGOTIATIONS HAVE LARGELY BEEN CONCERNED WITH ACCESS TO EXPORT MARKETS, RATHER THAN ACCESS TO VITAL RAW MATERIALS. AS A RESULT, EXISTING INTERNATIONAL TRADING RULES DEAL INADEQUATELY WITH THE CONDITIONS GOVERNING SUCH ACCESS....WE INTEND TO DEAL WITH THE ISSUE OF BRINGING EXPORT RESTRICTIONS, AS WELL AS IMPORT RESTRICTIONS, UNDER AGREED FORMS OF INTERNATIONAL DISCIPLINE."



THE LEGISLATIVE IMPASSE MUST BE SOLVED BY REASONABLE COMPROMISE AND

THE TRADE BILL PASSED.

*Senator Long told President today his Committee would begin mark-up shortly.*

FINALLY THE GROWTH OF TRADE DEPENDS IMPORTANTLY ON A

NATION-BY-NATION EFFORT TO CONTROL WORLD ECONOMIC PUBLIC ENEMY NO. 1 --

INFLATION. IN OUR COUNTRY WE MUST DISPLAY THE SELF-RESTRAINT,

FISCALLY AND MONETARILY. THIS IS BASIC TO THE CONTROL OF INFLATION.

INFLATION MUST NOT BE AN ACCEPTED WAY OF LIFE, TO BE TAKEN IN

CONTINUING DOSES, FOR IT CAN LEAD--LIKE DRUGS--TO REAL DISASTER.

*Double-digit inflation as a way of LIFE <sup>in the U.S.</sup> will be disastrous. Double-digit federal deficits are a significant cause of inflation in America. We ~~better~~ must do better ~~at~~ in the Congress & the Executive or the Government, not Labor/management, can be blamed for the inflationary spiral.*



I STARTED OUR DISCUSSION BY TALKING OF A POTENTIAL MINERAL  
CRISIS FOR THE U.S. AND THE WORLD. I BELIEVE WE KNOW HOW TO MEET  
THIS CHALLENGE. WE MUST:

GIVE AMERICAN INDUSTRY THE INCENTIVES TO DEVELOP RESOURCES  
AT HOME.

WE MUST ESTABLISH TRADE PRACTICES WHICH WILL ALLOW FREER ACCESS TO  
MINERALS BY ALL NATIONS IN ACCORDANCE WITH THEIR NEEDS.

WE MUST CONTROL INFLATION BEFORE IT CONTROLS US.



THESE ARE NOT EASY GOALS. THEY WILL NOT BE ACHIEVED WITH EASE. BUT I HAVE GREAT FAITH IN THE ABILITY OF THE AMERICAN BUSINESS LEADER TO SURMOUNT THE MANY CHALLENGES HE MEETS. WINSTON CHURCHILL SAW THE NEW PROBLEMS HE FACED AS ENEMIES. HE SAID THEY "CONSTANTLY GATHER UPON THE FRONT OF THE HUMAN ARMY." BUT, CHURCHILL ADDED: "THEY HAVE ONLY TO BE ASSULTED TO BE OVERTHROWN".

SO IT IS WITH THE PROBLEMS WE FACE. THEY CAN BE OVERTHROWN---  
IF ONLY WE MOVE AGAINST THEM. THE TIME TO MOVE IS NOW.

#####



MR MILTICH



*Annual Dinner*

AMERICAN IRON AND STEEL INSTITUTE

*THE WALDORF-ASTORIA, NEW YORK*

*MAY TWENTY-THIRD*

*1974*





*Dinner*

*of*

American Iron and Steel  
Institute

THURSDAY EVENING, MAY TWENTY-THIRD  
NINETEEN HUNDRED SEVENTY-FOUR



THE WALDORF-ASTORIA  
NEW YORK





*Menu*

PETITE MARMITE  
HENRI IV

\*

RIPE AND GREEN OLIVES      HEARTS OF CELERY  
CHOICE NUTMEATS

\*

ROAST FILET OF BEEF PERIGOURDINE  
BOULANGERE POTATOES  
BRAISED ENDIVE AU JUS

\*


SPRING SALAD VINAIGRETTE

\*

BAKED ALASKA  
CHERRIES JUBILEE

\*

DEMI-TASSE



---



---

*Program*

\*

*Presiding*

STEWART S. CORT

\*

Speaker

THE HONORABLE GERALD R. FORD

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MULTICH





*Eighty-second*

GENERAL MEETING  
THE WALDORF-ASTORIA  
MAY 22-MAY 23, 1974  
NEW YORK, N. Y.

AMERICAN IRON AND STEEL INSTITUTE



LANGUILD CONVENTION  
SERVICE

*I*n order to provide members with professional assistance to get the most out of their visit to New York, the Institute has engaged the Languild Convention Service for May 22 and 23. Languild representatives will be available at a desk in the Silver Corridor to assist members in obtaining information on:

Theatre Tickets	Transportation
Night Clubs	Shopping Service
Restaurants	Places of Interest

You are invited to make full use of this time-saving service which is provided as a courtesy of the Institute without charge to its members.

82<sup>ND</sup>

General Meeting

AMERICAN IRON AND  
STEEL INSTITUTE

MAY 22 and 23, 1974  
The Waldorf-Astoria  
New York



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WEDNESDAY, MAY 22

• MORNING SESSION •

9:30 A.M.—Grand Ballroom

Presiding . . . STEWART S. CORT  
Chairman, American Iron and Steel Institute

•

**THE CHARLES M. SCHWAB MEMORIAL LECTURE**  
**“TRYING TO MEET INDUSTRY’S**  
**CHANGING MANPOWER NEEDS”**  
by  
**DR. JEROME B. WIESNER**  
President  
Massachusetts Institute of Technology

•

ADDRESS

**EDGAR B. SPEER**  
Chairman, United States Steel Corporation

•

**“PROMOTION ACTIVITIES IN A SELLERS’ MARKET”**

**DERRICK L. BREWSTER**  
Vice President—Sales, Inland Steel Company

Assisted by

**JOHN L. STEWART**  
Vice President—Sales, Universal-Cyclops Specialty Steel Division  
Cyclops Corporation  
and

**JAMES D. ZINGG**  
Assistant Vice President—Sales, Alan Wood Steel Company

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ADDRESS

**H. STUART HARRISON**  
President, The Cleveland-Cliffs Iron Company

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WEDNESDAY, MAY 22

• CHAIRMAN'S LUNCHEON •

12:30 P.M.—Grand Ballroom

Presiding . . . JOHN P. ROCHE  
President, American Iron and Steel Institute

ADDRESS

CHAIRMAN STEWART S. CORT

RECOGNITION OF  
RETIRING COMMITTEE CHAIRMEN,  
INSTITUTE MEDAL AND  
REGIONAL TECHNICAL MEETING AWARD  
WINNERS

SPECIAL AWARD

(continued on Page 6)

RETIRING COMMITTEE CHAIRMEN

E. F. ANDERSON . . . . . Committee of Concrete Reinforcing Bar Producers  
W. J. BATES . . . . . Committee on Systems Communications  
R. D. BAY . . . . . Committee on Product Application Research  
J. R. BEHRMAN . . . . . Committee on Product Standards  
R. M. BOYER . . . . . Technical Committee on Maintenance  
WILLIAM BRENNER . . . . . Technical Committee on Carbon Steel Strip  
V. W. BUTLER . . . . . Technical Committee on Alloy Steel Plates,  
Sheets and Strip  
D. R. CRIDER . . . . . Technical Committee on Flat Rolled Electrical Steel  
E. E. DENHARD . . . . . Technical Committee on Stainless Steel  
R. L. DOBSON . . . . . Technical Committee on Coke Oven Practice  
W. F. DONALDSON, JR. . . . . Committee on Construction Codes  
and Standards  
J. B. DORAN . . . . . Technical Committee on High Strength Steel  
L. K. DOWLER . . . . . Technical Committee on Tin Mill Practice  
M. M. FENNER, JR. . . . . Committee of Tool Steel Producers  
J. E. GROSS . . . . . Traffic Committee  
D. C. HAWLEY . . . . . Committee on Commercial Research  
H. H. HENDERSON . . . . . Showcase for Steel Exhibit Committee  
J. L. HUBBARD . . . . . Technical Committee on Pipe  
W. A. KIRKPATRICK . . . . . Committee on Taxation and Statistics  
L. T. LAZZARI . . . . . Technical Committee on Specialty Tubing  
D. W. McLEAN . . . . . Technical Committee on Rolling Mills  
ROBERT MORGAN, JR. . . . . Technical Committee on Shipping Methods  
C. O. MORRIS, JR. . . . . Committee of Merchant Pig Iron Producers  
E. A. MURRAY . . . . . Committee to Promote the Use of Steel  
J. A. PEART . . . . . Technical Committee on Blast Furnace Practice  
T. E. PERRY . . . . . Technical Committee on Strand Casting  
S. M. PURCELL . . . . . Technical Committee on Open Hearth and  
Basic Oxygen Steelmaking  
G. A. RANNEY . . . . . Committee on International Trade  
P. C. SCHOENFELD . . . . . Committee of Galvanized Sheet Producers  
Committee of Hot Rolled and Cold Rolled  
Sheet and Strip Producers  
C. F. SCHRADER . . . . . Committee on General Metallurgy  
W. M. SMITH . . . . . Committee on Industrial Hygiene  
W. H. STAPLETON . . . . . Committee on Critical Materials Supply  
J. L. STEWART . . . . . Committee of Stainless Steel Producers  
F. E. TUCKER . . . . . Committee on Steel Container Solid Waste  
C. W. VERITY, JR. . . . . Committee on Membership  
C. G. WICKARD . . . . . Committee of Large Diameter Line Pipe Producers  
J. D. ZINGG . . . . . Committee of Steel Plate Producers



GERALD R

• CHAIRMAN'S LUNCHEON •

(continued)

Winners of the Institute Medal

**E. E. HODGESS, JR.**                      **J. M. SACCOMANO**

Joslyn Stainless Steels  
Division of Joslyn Mfg. and Supply Co.

Awarded the Institute Medal for their paper, "The Aragon Oxygen Refining (AOR) Process," presented at the Institute's General Meeting May 24, 1973

Winners of Regional Technical Meeting Awards

**E. W. SIEGER**                      **JOSEPH SWINBURN**

United States Steel Corporation

Awarded the 1973 Regional Technical Meeting Award for their paper in the field of operations, "Alkali Reduction in Blast Furnace," delivered at Pittsburgh, November 7, 1973.

and

**R. E. NELSON**                      **D. L. GUNN**

Interlake, Inc.

Awarded the 1973 Regional Technical Meeting Award for their paper in the field of research, "Recirculation of Rinse Water on Hydrochloric Acid Pickle Lines—An Aid to Pollution Control," delivered at San Francisco, November 15, 1973.

Special Award

**DR. JOHN CHIPMAN**

Professor Emeritus of Metallurgy  
Massachusetts Institute of Technology

WEDNESDAY, MAY 22

• AFTERNOON SESSION •

2:30 P.M.

**TECHNICAL PROGRAM** . . . . . **Empire Room**  
(Lobby Floor)

**Chairman—CHARLES E. SLATER**

Vice President & General Manager  
Jessop Steel Company

•  
Opening Remarks

**J. PETER GORDON**

President  
The Steel Company of Canada, Limited

•  
"STATUS OF ARMCO'S DIRECT REDUCTION PROCESS"

by **ANTHONY B. CRESTANI**

Area Superintendent—Iron and Steelmaking—Houston Works

**JAMES W. NEUMANN**

Senior Project Engineer—Corporate Engineering

**CLYDE L. CRUSE**

Research Associate—Research Division  
Armco Steel Corporation

•  
"UTILIZATION OF DIRECT REDUCTION IRON  
IN ELECTRIC STEELMAKING"

by **RALPH M. SMAILER**

Supervisor—Clad & Process Research

**HAROLD B. JENSEN**

Manager—Purchases

**WILLIAM W. SCOTT, JR.**

Research Engineer  
Lukens Steel Company

•  
"INTEGRATED STEELMAKING AT SIDBEC-DOSCO  
USING DIRECT REDUCTION AND ELECTRIC FURNACES"

by **TERENCE E. DANCY**

Vice President—Engineering & Development  
SIDBEC-DOSCO

THURSDAY, MAY 23

• **MORNING SESSION** •

9:30 A.M.—Grand Ballroom

Presiding . . . **STEWART S. CORT**

Chairman, American Iron and Steel Institute

•  
**REPORT OF THE PRESIDENT**

**JOHN P. ROCHE**

•  
**ADDRESS**

**ROGER S. AHLBRANDT**

Chairman, Allegheny Ludlum Industries, Inc.

•  
**PANEL DISCUSSION—ECONOMIC OUTLOOK**

Moderator

**JOHN CHANCELLOR**

NBC News

Panelists

**DR. OTTO ECKSTEIN**

Professor of Economics  
Harvard University

and

**DR. PAUL W. McCracken**

Edmund Ezra Day University Professor  
of Business Administration  
University of Michigan

THURSDAY, MAY 23

12:15 P.M.

**DIRECTORS' LUNCHEON**

Basildon and Jade Rooms

•  
12:30 P.M.

**MEMBERS' LUNCHEON**

Astor Gallery

**INDUSTRIAL RELATIONS LUNCHEON**

Louis XVI Suite

**PUBLIC RELATIONS LUNCHEON**

West Foyer

•  
2:00 P.M.

**ANNUAL MEETING  
BOARD OF DIRECTORS**

Basildon Room

THURSDAY, MAY 23

• AFTERNOON SESSION •

2:30 P.M.

TECHNICAL PROGRAM . . . . . Empire Room

(Lobby Floor)

**Chairman—RALPH DUFFETT, JR.**

Vice President—Operations  
Great Lakes Steel Division, National Steel Corporation

•  
Opening Remarks

**ROBERT P. HINDMAN**

Administrative Vice President—Operating Affairs  
Armco Steel Corporation and  
Chairman, Institute Committee on Manufacturing

•  
Panel Discussion

**“RAW MATERIAL OUTLOOK TODAY AND TOMORROW”**

Moderator—**JOHN R. LOWEY**

Vice President—Steel Operations  
Republic Steel Corporation

Panelists

**BERNARD LANDAU**

Executive Vice President  
M. S. Kaplan Company and  
President, Institute of Scrap Iron & Steel, Inc.

**RALPH E. BAILEY**

President  
Consolidation Coal Company

**F. C. KROFT, JR.**

President, Ferroalloys Division  
Union Carbide Corporation

**EDMUND PFEIFER**

Director of Purchases and Traffic  
Lukens Steel Company

•  
**“THE USE OF NUCLEAR ENERGY IN STEELMAKING—  
PROSPECTS AND PROBLEMS”**

A Report by the Institute's Committee on General Research

Presented by

**DONALD J. BLICKWEDE**

Chairman of the Committee's Task Force on Nuclear Energy  
in Steelmaking and

Vice President & Director—Research  
Bethlehem Steel Corporation

(The Technical Programs are a joint effort of the Committee on  
Manufacturing and the Committee on General Research)

THURSDAY, MAY 23

• EVENING SESSION •

*Dinner*

7:30 P.M.

Grand Ballroom

•  
Presiding

**STEWART S. CORT**

Chairman, American Iron and Steel Institute

•  
Speaker

**THE HONORABLE GERALD R. FORD**

Vice President of the United States

## NOTES

## *Active and Advisory Board Members*

ROGER S. AHLBRANDT, Chairman, Allegheny Ludlum Industries, Inc.  
PAUL B. AKIN, President, Laclede Steel Company  
GEORGE P. BAUMUNK, President, Washington Steel Corporation  
HOWARD O. BEAVER, JR., President, Carpenter Technology Corporation  
JACK J. CARLSON, President, Kaiser Steel Corporation  
STEWART S. CORT, Chairman, Bethlehem Steel Corporation  
C. CLAY CRAWFORD, President, CF&I Steel Corporation  
KENNETH R. DANIEL, President, American Cast Iron Pipe Company  
WILLIAM J. De LANCEY, President, Republic Steel Corporation  
L. GLENN DEWBERRY, JR., President, Atlantic Steel Company  
W. MARTIN DILLON, President, Northwestern Steel and Wire Company  
JOHN J. DWYER, President, Oglebay Norton Company  
EDWARD L. FLOM, President, Florida Steel Corporation  
J. PETER GORDON, President, The Steel Company of Canada, Limited  
WALTER E. GREGG, Vice Chairman, Sharon Steel Corporation  
H. STUART HARRISON, President, The Cleveland-Cliffs Iron Company  
ROSCOE G. HAYNIE, Chairman, Jones & Laughlin Steel Corporation  
D. S. HOLBROOK, Chairman and President, The Algoma Steel Corporation, Limited  
ELTON HOYT III, President, Pickands Mather & Co.  
FREDERICK G. JAICKS, Chairman, Inland Steel Company  
THOMAS J. JOHNSON, Chairman, McLouth Steel Corporation  
FREDERICK A. KAUFMAN, President, Teledyne-Vasco  
WILLIAM H. KNOELL, President, Cyclops Corporation  
FREDERICK C. LANGENBERG, President, Jessop Steel Company  
ROBERT E. LAUTERBACH, Chairman and President, Wheeling-Pittsburgh Steel Corporation  
REYNOLD C. MacDONALD, Chairman, Interlake, Inc.  
EUGENE A. MARCH,  
Group Vice President, Crucible Materials Group, Colt Industries Inc  
HERBERT E. MARKLEY, President, The Timken Company  
DONALD R. MOORE, President, Keystone Consolidated Industries, Inc.  
JAMES F. MORRILL, President, Continental Steel Corporation  
W. E. MULLESTEIN, Chairman and President, Lukens Steel Company  
FRANK A. NEMEC, Chairman, Youngstown Sheet and Tube Company  
JOHN J. O'DONNELL, President and Chairman, Wheatland Tube Company  
JOHN P. ROCHE, President, American Iron and Steel Institute  
MARSHALL SCHOBBER, President, Latrobe Steel Company  
F. H. SHERMAN, President, Dominion Foundries and Steel, Limited  
PHILLIP H. SMITH, Chairman and President, Copperweld Corporation  
WILLIAM P. SNYDER III, Chairman and President, Shenango Incorporated  
EDGAR B. SPEER, Chairman, United States Steel Corporation  
GEORGE A. STINSON, Chairman and President, National Steel Corporation  
C. WILLIAM VERITY, JR., Chairman, Armco Steel Corporation  
GEORGE A. WILSON, Chairman, Lone Star Steel Company  
HARLESTON R. WOOD, Chairman, Alan Wood Steel Company  
IRWIN M. YANOWITZ, President, Sharon Tube Company  
GEORGE G. ZIPF, Chairman and President, The Babcock & Wilcox Company



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American  
Iron and Steel  
Institute



1973-74  
Report of  
The President

By John P. Roche

Prepared for distribution at  
82nd General Meeting  
American Iron and Steel Institute  
in New York, May 22-23, 1974

John P. Roche  
President  
American Iron  
and Steel Institute



At this time last year, steel production was booming and the domestic industry was on its way to a record year. U.S. steel output in calendar year 1973 saw mills pouring 150.8 million tons of raw steel, 9.5 million more than the record 141.3 million tons in 1969. Shipments topped 111.4 million tons, far outdistancing the previous record of nearly 94 million tons, also set in 1969.

To date in 1974 we are matching that record pace. During the first quarter, the nation's mills poured 37,086,000 tons of raw steel. This was just 1,000 tons short of the record 37,087,000 tons produced in the comparable period of last year. First quarter mill shipments, however, were a record. They reached 28,790,000 tons—the highest total for the first three months of any year in history, and more than 1.1 million tons above the old first quarter record of 27,643,000 tons set just last year. And, to all appearances, this boom is not just a domestic phenomenon, but is part of a growing, worldwide demand for steel.

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## Organized for Action

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Our Institute committees have been at work on a wide range of projects. Our committees are the backbone of the Institute. Through them we are able to focus the talents of the industry's most skilled people on matters of great importance to the industry. Presently, over 1,000 dedicated people are engaged in Institute committee activities. Without this dedicated effort from the industry, our staff would triple and our overall effectiveness would be minimized.

Our committees have proven extremely effective in presenting the industry's positions to the various publics—government, press, academic, scientific, etc.—whose understanding is essential to the rational solution of problems affecting the industry.

It has been the policy of our chairman, Stewart S. Cort, to involve himself and other chief executive officers from the Board of Directors in a great variety of conferences and appearances where major policy has been involved. This procedure has provided a significant new dimension to the industry's impact on government and among the press and other media.

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## Tax Reform

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Despite the record output of 1973, industry profits are still too low to attract the massive influx of new capital that will be needed to build the projected 25 to 30 million tons of additional raw steel capacity that the economy will require by 1980.

To meet this demand and to replace and maintain present capacity, as well as meet growing environmental requirements, will require an estimated expenditure of about \$3.5 billion per year, over the next seven years. This figure is more than double the average annual outlay made during the 10-year-period from 1963 to 1972, a period when there was practically no net gain in raw steel capacity because capital funds were committed to modernizing equipment to produce better products and improve the environment.

There is a need for federal tax policies which will encourage vital capital investment. Because of the serious national interests involved, the Institute presented its case for tax reform to a luncheon gathering of 119 members of the United States House of Representatives. Serving as spokesmen were Chairman Cort and Frederick G. Jaicks, chairman of Inland Steel Co., who warned that within the next decade the country would face a steel crisis similar to the present energy crisis if measures were not taken promptly to encourage investment in steel-

making facilities. In his message, Mr. Jaicks outlined the following tax policies which will encourage self-help and growth.

- Retention of the current seven percent investment tax credit, or adoption of an even higher rate.
- Liberalization of depreciation to a true capital cost recovery system through a depreciation rate of at least 20 percent a year.
- Adoption of provisions permitting the immediate write-off of all pollution control expenditures.
- Continued tax assistance in the discovery and production of vital steelmaking raw materials.
- Retention of depletion allowances for domestic iron ore and coal at pre-1969 levels.
- Retention of existing foreign tax credit practices.
- Repeal of the minimum tax as it applies to corporations.

To back the case for tax reform, we published a thoroughly documented 75-page white paper on "Steel Industry Economics and Federal Income Tax Policy." Over 8,000 copies have been distributed.

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## International Trade

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The nation's international trade policy continues to be of deep concern to the industry and, hence, high-priority business for the Institute.

**Speaking to a luncheon gathering of 119 members of the U.S. House of Representatives, Frederick G. Jaicks, chairman of Inland Steel Company, called for federal tax reforms that would encourage investment in steelmaking facilities. The AISI spokesman warned of a steel crisis similar to the energy crisis if capital were lacking to build the additional 25 million tons of raw steel capacity the nation will need by 1980.**





Considering the tight supply-demand situation in the world steel market, one would have anticipated a sharp decline in imports in 1973. Instead imports remained at a relatively high level, totaling more than 15 million tons and creating a negative trade balance for the United States of \$1.8 billion. By comparison, imports in 1972 amounted to about 17.7 million tons.

Although imports were down, the shift to higher value steels continued. Imports of specialty tubing and tool steels actually surpassed their 1972 levels, while imports of tin plate and other alloy steels declined very little.

Last June, Chairman Cort, Roger S. Ahlbrandt, chairman of Allegheny Ludlum Industries, and C. William Verity, Jr., chairman of the Armco Steel Corporation, appeared before the House Ways and Means Committee to present the Institute's views on the Trade Reform Act.

They called for a trade policy that will give the Government the authority to prevent distortion of the domestic steel market by foreign producers.

Mr. Cort concluded his testimony by noting that "the future steel supply for our country's growing economy depends on the willingness of investors to commit funds for investment in the domestic steel industry. This, in turn, depends on the ability of our industry to participate fully

Spokesmen for the steel industry are greeted by Rep. Al Ullman (D., Ore.) at House Ways and Means Committee trade hearings. Left to right are Rep. Ullman; C. William Verity, Jr., chairman, Armco Steel Corp.; Roger S. Ahlbrandt, chairman, Allegheny Ludlum Industries; and Stewart S. Cort, chairman, Bethlehem Steel Corp. and AISI.



in the growth of the market." That participation, he said, is attendant upon "realistic safeguards against unfair competition from abroad."

Because the improvements proposed by the Institute Spokesmen were largely absent from the bill as it emerged from the House, Mr. Cort appeared on March 26 before the Senate Committee on Finance to warn that "unless the trade bill is substantially rewritten . . . its enactment will leave us worse off than we are today with the inadequate statutes and administrative procedures now in effect."

Mr. Cort was accompanied in his appearance before the committee by Mr. Ahlbrandt, R. Heath Larry, chairman of AISI's Committee on International Trade and vice chairman of the United States Steel Corporation, and Mark T. Anthony, vice president and general manager, Steel Division, Kaiser Steel Corporation.

Mr. Cort's testimony, later published in booklet form by the Institute, stressed that the industry could not support the bill in its House-passed form and urged that the final legislation contain provisions for the following:

- Structuring of international trade negotiations to deal in depth with steel and other basic industry sectors.
- Negotiation of safeguard arrangements for steel to prevent future market disruption caused by imports, similar to the arrangements negotiated for the textile industry.
- Stronger sanctions and enforcement against unfair trade practices such as dumping and subsidized imports.

International negotiations, stated Mr. Cort, are necessary to the steel industry and can serve the economy in many ways which will encourage the continuing development of adequate and reliable supplies of steel.

To complement the appearances before Congressional committees, the Institute's Committee on International Trade and the Industry Sector Advisory Committee held a three-day orientation meeting in Pittsburgh to acquaint key government officials with the steel industry's position on trade legislation and international trade negotiations. Participating in the program were senior trade experts from six different government agencies.

## Environmental Quality

Throughout the past year the industry continued to set a remarkable record of achievement in the area of environmental quality. The cost of that achievement, however, has been high. To date, steel companies have spent or committed over \$2.1 billion to the installation of environmental protection facilities.

Industry experts estimate the annual cost of operating and maintaining pollution control facilities to be 12 percent of their original installation costs, not including fixed costs such as depreciation, taxes and interest.

Such operating and maintenance costs are now approaching \$200 million a year for steel companies.

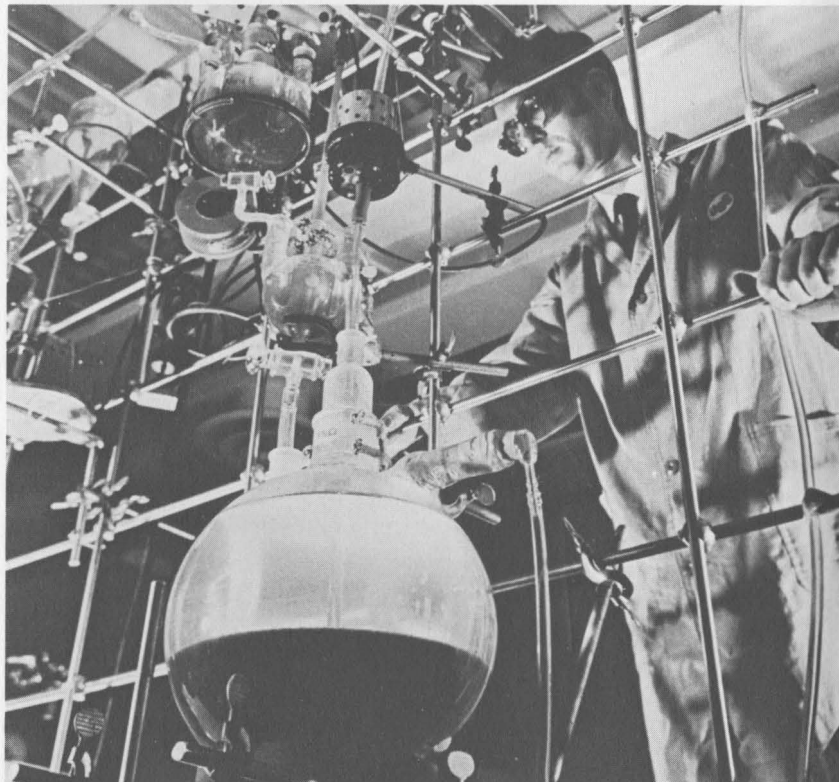
On the average, the industry is now taking 94 percent of the total pollutants out of its water discharges and removing 91 percent of all particulates from its emissions into the air.

It is our position that the government should concentrate on environmental goals that are critically important, and not merely cosmetic, and establish economically realistic standards and timetables.

In a special environmental issue of *Steel Facts*, published by the Public Relations Department, the Institute explained in detail how sharply the costs of environmental control can rise as more and more stringent controls are imposed. It was further shown that environmental control beyond a certain point can be self-defeating; that, for instance, the electrical power generation used in ultra-intensive controls may itself emit several pounds of pollutants for every pound of dust collected by the steel producer.

Realizing that overly stringent standards for emission and effluent control could stifle economic growth without significantly improving the

**U.S. Steel research engineer Paul Damon at work on water quality control problem. The cost of environmental protection comes high, with a 1973 government-sponsored study putting the steel industry's investment in environmental quality through 1983 as high as \$6.9 billion, plus \$2.5 billion to replace facilities shut down prematurely.**



quality of the air or water, the Institute stepped up its drive to achieve more realistic controls. In this effort it has been able to draw on the talents of numerous committees in the technical, research and public affairs areas.

The activities of both the Committee on Environment and the Technical Committee on Environmental Quality Control were greatly intensified, with one principal effort devoted to responding to proposals by the Environmental Protection Agency (EPA) to establish stringent guidelines for the control of industrial discharges into waterways.

Working as an environmental task force, experts from the two committees prepared an in-depth report demonstrating that the proposed guidelines were unrealistic. Later a second report was filed with the EPA. This document, representing months of study and work, advanced a number of recommendations to help achieve improved water quality on a realistic basis.

On May 14, at hearings conducted by the Senate Public Works Committee, AISI spokesmen urged Congress to extend the Clean Air Act deadlines for at least three years. The deadlines presently are set for 1975.

Earl W. Mallick, chairman of our Committee on Environment, said that "unrealistic requirements at all levels of government" and delivery problems involving vital equipment will jeopardize the industry's ability to meet many existing timetables.

Mr. Mallick, who is also vice president—environmental control, U.S. Steel Corp., was joined in the industry presentation by four other top steel industry pollution control executives. They were: Fred E. Tucker, vice president—environmental control, National Steel Corp.; David M. Anderson, manager—environmental quality control, Bethlehem Steel Corp.; John E. Barker, director—environmental engineering, Armco Steel Corp.; and Frank K. Armour, vice president—engineering and research, Interlake, Inc.

An AISI-sponsored study on the state of the art for controlling coke-oven emissions was completed in December, 1973, by Battelle's Columbus Laboratories, and a summary of the findings was published. The six-month study entailed evaluations of 32 modern coke plants in the United States, Western Europe and Japan. Battelle found the state of the art to be greatly advanced since its previous study in 1970 and recommended that "AISI member companies and cognizant regulatory agencies engage in rational selection and application of practical emissions-control techniques, generally from those now available."

To acquaint key federal, state and local regulatory officials with the Battelle findings, the Committee on Environment sponsored a meeting

in Washington in March, at which 34 federal and local government environmental officials and 40 representatives from steel companies heard a report from the head of Battelle's investigative team and discussed the conclusions.

In a second AISI-sponsored research project, Arthur D. Little, Inc., is currently conducting a comprehensive study of the impact of environmental requirements on the steel industry. The study, which will be completed by the end of this year, will:

- Estimate industrywide costs of both present and planned environmental regulations. In addition, Arthur D. Little, Inc., will classify plants and facilities by use and identify costs of environmental regulations for these plants.
- Determine the technical feasibility of meeting such regulations.

Research teams have already made on-site visits to more than 30 plants and received extensive environmental cost reports from the individual companies. Preliminary reports on findings are being made regularly to a special AISI task force.

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## Recycling Steel

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One of the most encouraging developments of the past year has been the serious attention municipalities, as well as the EPA, have begun giving to projects for using garbage as a low-cost, low-sulfur fuel.

In a demonstration project sponsored, in part, by AISI, household trash collected by the City of St. Louis is being shredded, air-classified and magnetically separated—to remove cans and other ferrous scrap; then the light portion of the trash is burned to generate electricity.

Other communities ranging from Ames, Iowa, to New York and Chicago are planning to follow the St. Louis example. It is estimated that more than 10 billion cans can be recovered annually for recycling or other reuse from the dozen systems now in the construction or planning stages.

The Committee of Tin Mill Products Producers has achieved considerable success in its continuing campaign to demonstrate the practicality of using magnetic separation to "mine" steel cans from municipal trash. Magnetic separation is now at work in 16 localities, including San Francisco (230 million cans annually, with plans to double the recovery rate), Oakland (185 million cans annually) and tiny Franklin, Ohio (population 15,000, with 30 million cans annually).

Despite public acceptance of such positive approaches to solid waste management as materials recycling and conversion of trash to energy, restrictive container legislation has become law in two states, Oregon

and Vermont, and has been introduced in nearly every other state. The aim of such legislation is to reduce roadside litter by placing a mandatory deposit on beverage cans and bottles. Studies have shown, however, that such legislation fails to significantly reduce roadside litter, reduces consumer selection and adds greatly to the cost of the beverages.

Litterbugs continue to defile the landscape, with every kind of trash; and even in Oregon the cost of litter control has jumped from \$500,000 the year before the enactment of restrictive container legislation to an estimated \$800,000 today.

Add it all up, and it's a high price for the wrong solution. The answer to solid waste management, as we stated earlier, lies in such approaches as recycling and converting trash to energy. The answer to littering lies in educating the litterbugs.

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## Critical Materials

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Despite years of warnings from AISI and other responsible organizations, Americans are just awakening to the full realization that there is a limited supply of basic raw materials.

With everything seeming to run short all at once, the members of the Committee on Critical Materials Supply held frequent meetings with gov-

Part of the estimated 225,000 steel soft drink cans reclaimed by AISI at the 1973 National Scout Jamboree-East, Moraine State Park, Pennsylvania, are being magnetically unloaded by a scrap dealer. The cans were compacted by the dealer and shipped to U.S. Steel Corp. for recycling into new steel. The project gained extensive publicity for Institute's program to encourage recycling of metallic wastes.



ernment agencies in attempts to strengthen controls on the export of ferrous scrap, to increase the industry's oil allocation, to improve the supply of metallurgical coal and to prevent passage of an ill-considered embargo on Rhodesian chrome. The committee also prepared numerous reports and statements on the industry's position and its vital needs.

During the past year inventories of ferrous scrap sank to their lowest level since World War II, with scrap prices soaring as much as 200 percent above 1972 levels. The shortage was compounded by an alarming surge in scrap exports. In response to this critical situation, AISI proposed restrictions on scrap exports to the Department of Commerce.

Later, in testimony before both the Senate and the House Banking Committees, Mr. Cort, speaking as chairman of the Institute, urged that Congress halt the export of scrap, stop issuing new export licenses, except for Canada and Mexico, and follow up the scrap embargo with a program limiting exports to 300,000 net tons a month for the balance of 1974.

Mr. Cort was supported in his testimony on scrap by L. Glenn Dewberry, Jr., president, Atlantic Steel Company; James F. Morrill, president, Continental Steel Corp.; Phillip H. Smith, chairman and president, Copperweld Corp.; and William H. Stapleton, vice president-purchases, Inland Steel Corp. and chairman of the Critical Materials Supply Committee.

In his testimony, Mr. Cort noted that both Japan and the European Common Market countries have severely limited or entirely embargoed ferrous scrap exports, leaving the United States as the only industrial country "permitting massive and unprecedented exports of this essential commodity."

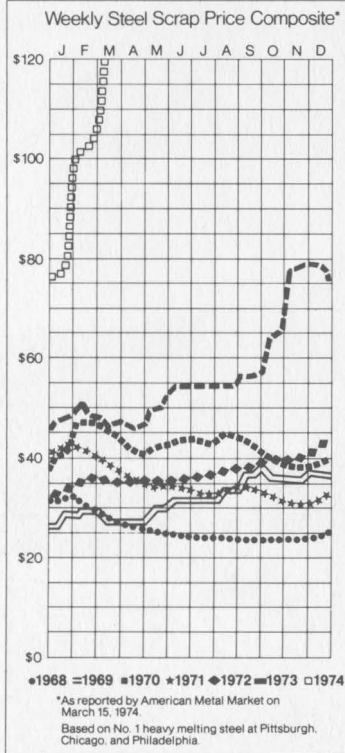
Mr. Cort also called upon the Congressmen to institute a temporary coal export licensing program. He noted that domestic consumption of coal combined with exports, is already running ahead of production and that, with the growing substitution of coal for natural gas and petroleum, demand for coal will soon far outstrip capacity.

A white paper, titled "Ferrous Scrap Exports: The Need for Effective Controls," was published in booklet form by the Institute and distributed to members of Congress, appropriate government agencies and the news media. So impressed by the industry's case was Senator Hugh Scott of Pennsylvania that he had the contents of the booklet printed in the Congressional Record.

For the steel industry, the shortage of residual fuel oil was compounded by the pressure to switch some operations from coal to oil in order to satisfy environmental restrictions. Last November, Chairman Cort presented the industry's position on the energy crisis in a news conference in San Francisco, expressing concern that a cutback on fuel oil to the

On this table the 1974 price of ferrous scrap looks more like a rocket trajectory than a normal graph. In response to this runaway inflation, AISI proposed a temporary embargo on scrap, followed by a program limiting exports to 300,000 net tons a month for the remainder of 1974.

Left to right, at Senate hearing covering scrap exports: L. Glenn Dewberry, Jr., president, Atlantic Steel; AISI Chairman Cort; Sen. Alan Cranston (D. Calif.); and William H. Stapleton, vice president, Inland Steel.



steel industry would adversely affect other major industries, including those producing energy. It was pointed out that large quantities of steel are required in the drilling rigs, pipelines, tankers, refineries and coal gasification plants needed to increase supplies of fossil fuels.

### Threatened Chrome Embargo

The Institute has been alarmed by the possibility that Congress might reimpose a total embargo on ferrochrome from Rhodesia. Such an embargo could add \$80 to \$200 million in costs to the specialty steelmakers and jeopardize the jobs of 65,000 employees.

E. F. Andrews, chairman of the Institute's Chromium Subcommittee, took the industry's case before the House Committee on Foreign Affairs where he pointed out that there is no substitute for chrome in the production of stainless and heat resistant steels. Previous sanctions against Rhodesia, it was pointed out, had badly damaged the United States ferrochrome industry. Mr. Andrews is corporate vice president—materials and services, Allegheny Ludlum Industries.

On November 7 the Institute submitted a statement to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs opposing the reimposition of sanctions against Rhodesia on strategic materials.

Steel industry chief executives confer at House hearings dealing with scrap exports. James F. Morrill (left), president, Continental Steel, was member of panel which presented the industry's position. Paul B. Akin (right), president, Laclede Steel, has presented the industry's case for controls at Senate hearings and before Executive Branch agencies.



### Promotional Activities

In this time of full production, the Institute Promotion Committees have shifted their promotional emphasis:

- To assure a continuing long-range demand for steel products.
- To retain major markets by programs to combat encroachment by other materials, which are still being promoted vigorously.
- To promote the most effective use of steel, or in other words, to show our customers how to make their steel dollars go farther.

The Institute's continuing programs to bring information about steel to architects, engineers and industrial designers is another area of both immediate and long-range potential. We start with these design professionals when they are students, reaching them through college study units and periodicals. Later, after they have graduated, the various product committees, as well as the Committee on Market Development, continue to reach these professionals through seminars, films, publicity placements and publications.

The product promotion committees increased to 14 this year, with the addition of the Committee of Wire Rope Producers. A key objective of this committee is to educate customers about the proper inspection of

E. F. Andrews, vice president-materials and services, Allegheny Ludlum Industries.



wire rope under OSHA (Occupational Safety and Health Administration) and related codes and thus reduce costly demands for the producers themselves to undertake this inspection.

The sheet committees' new film, "Rainbow of Strength," which promotes the use of coil-coated sheet steel for appliances and other products, won the Silver Award in the International Film-TV Festival of New York.

In cooperation with the Porcelain Enamel Institute, the sheet committees continued to combat the encroachment of plastics in appliances with a booklet that tells salesmen how to use porcelain-on-steel as a selling point for major appliances.

The Committee of Stainless Steel Producers culminated a three-year promotion effort aimed at waste-water treatment equipment buyers and specifiers with a 28-page brochure on corrosion control in treatment plants. In the area of air pollution control, the committee completed two projects, one a brochure on stainless steel for gas scrubbers, the other a brochure on stainless steel for after burners and fume incinerators. The committee also continued to promote the data obtained from the completed three-year test program on the effectiveness of stainless in desalting plants.

These are a few examples. Other committees have been equally active.

## Construction Codes and Standards

To assure that code requirements for steel are properly updated and revised to keep pace with steel developments, AISI works closely with various state and federal code-writing organizations. Accomplishments of the past year include:

- Development of toughness criteria for materials used in highway and bridge construction, criteria that have now been approved by the American Association of State Highway and Transportation Officials.
- Development of better labeling practices for structural steel.
- Distribution of a new publication on fire technology, *Fire Resistant Steel Frame Construction*, to 20,000 architects and engineers.
- Presentation of reports on the earthquake in Managua, Nicaragua, to a conference of the Earthquake Engineering Research Institute.

## Customer Communications

Last spring the steel industry—through the Institute—launched a major computer-oriented communication system aimed at speeding the order-handling process. Called the Steel Customer Communication System, it was developed by the AISI Committee on Systems Communication, under the direction of the Committee to Promote the Use of Steel (COMPUS).

During the past year the committee published separate Product Nomenclature Handbooks for 39 steel products and a Master Reference Manual on computer-ordering. The program will be completed in 1974, with the publication of six more Product Nomenclature Handbooks and a series of Product Supplements for computer-ordering.

## Industrial Relations

In keeping with the steel industry's traditional concern for safety, hygiene and health, several AISI committees have been working closely with the Occupational Safety and Health Administration (OSHA), of the U.S. Department of Labor.

A three-year research program to evaluate powered air purifying respirators for employees working on coke ovens has been completed under the auspices of the Committee on Industrial Hygiene. A manual on respiratory protection will be distributed to steel companies in 1974 to help them fulfill OSHA requirements. The committee is continuing in its sponsorship of a study on steel mill heat stress.

Among the speakers at this year's AISI Design Seminar in Toronto were Gunnar Birkerts (left), and Marcel Breuer, right, shown flanking J. K. Davy, chairman of the Committee on Market Development and manager-advertising and sales promotion for the Steel Company of Canada, Ltd. Birkerts is holding a picture of the remarkable First Federal Reserve Bank of Minneapolis. In his design a suspension bridge is built right into the structure to provide column-free floor areas and an open plaza.



## Public Relations

The Committee on Public Relations provides communications support for a variety of Institute activities.

In the spring of 1973, in New York City, the committee brought steel industry chief executives and key members of the press together for an all-day briefing session on steel technology, international trade, environmental control, capital requirements and industrial relations. The success of the meeting spurred plans for a series of smaller backgrounding sessions in the coming year in New York, Chicago, Washington, D. C., Pittsburgh, Cleveland, Houston and San Francisco.

One of the most successful business films ever produced was "Steel In America," which has been shown to an estimated audience of more than 100 million people. So that the film can continue to serve the industry through the remainder of the decade, it is being updated for AISI by Walt Disney Studios, which produced the original version in 1965.

"Work In Progress," the Institute's 30-minute film on environmental quality, has already been updated to extend its effective life.

Through a unique barter system, the Institute has been able to reach millions of radio listeners at relatively low cost. High quality radio series produced by AISI and carrying Institute messages are given to sta-

tions which can sell an open advertising spot on the program to local advertisers.

Last year, the Institute exploited the booming popularity of country music by sponsoring a 26-week radio talk show, "The Billy Walker Show," heard daily on more than 200 stations and featuring country music stars.

The Institute's radio messages range from a description of the importance of steel to energy production to information about our industry's environmental accomplishments.

## Education

Two steel industry economics seminars were sponsored by the Committee on Education Cooperation in conjunction with leading universities.

The first seminar, at the University of Maryland, enrolled 51 university professors of economics from 35 colleges and universities. The second, at American University in Washington, D. C., drew participation of 40 government economists. They were addressed by steel industry chief executives and industry experts on international trade, taxation and other economic matters. The economics professors and government economists who took part in these seminars now have a much better understanding of the economics of the steel industry and of its problems and needs.

Stewart S. Cort addresses opening session of press briefing conducted by Institute's Public Relations Committee.



Technology panel answers questions from newsmen at AISI briefing session. Left to right: Moderator Laurence Fenninger, Jr., vice president-public affairs, Bethlehem Steel; Edgar B. Speer, chairman, U.S. Steel; H. Stuart Harrison, president, Cleveland-Cliffs Iron; and Donald J. Blickweide, vice president-research, Bethlehem.



The Steel Fellows Program, which provides "rap" sessions between young steel executives and college students, was continued for the fourth year. By the end of the spring semester, 20 steel fellows from seven companies had appeared on more than 100 different college campuses.

AISI also continued its economic support of the Clergy Economic Education Foundation, which held 30 clergy economic education conferences during the year. Over 1200 clergy of all faiths attended these conferences, along with 600 representatives of business, agriculture, labor and industry.

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### **The Move to Washington**

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The movement of our staff to Washington has been taking place by stages since 1969. The Executive Committee and the Board of Directors decided early this year to consolidate the full staff in the nation's capital by August 31 of this year. The transfer to a single location will improve the administrative efficiency of the organization.

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### **Institute Staff**

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A most noteworthy addition to our staff during the past year was Dr. Stewart G. Fletcher, who became a senior vice president of the Institute last November 1. He came to us from the Latrobe Steel Company, and

we are extremely grateful to Marshall Schober, president and chief executive officer of Latrobe, for permitting us to talk to Stew Fletcher about joining the Institute staff.

Dr. Fletcher, who was Latrobe's vice president-technical director, has been a long-time member of AISI and at one time was chairman of our General Research Committee. He also is a past president of the American Society for Metals.

Dr. Fletcher's area of responsibility includes all of the Institute's environmental committees, as well as those dealing with manufacturing, research and traffic.

An Institute organization chart appears at the end of this report.

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### **Institute Leadership**

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The officers and staff are grateful to Stewart Cort for his innovative leadership and dedicated involvement in the activities of the Institute. He has added a most constructive dimension to the role of board chairman, which has made the Institute a stronger and more effective agency for the industry.

The counsel and policy direction of the Executive Committee of the Board of Directors have been indispensable this past year. We are most grateful to them.

**Dr. Stewart G. Fletcher**  
appointed senior vice  
president of AISI.



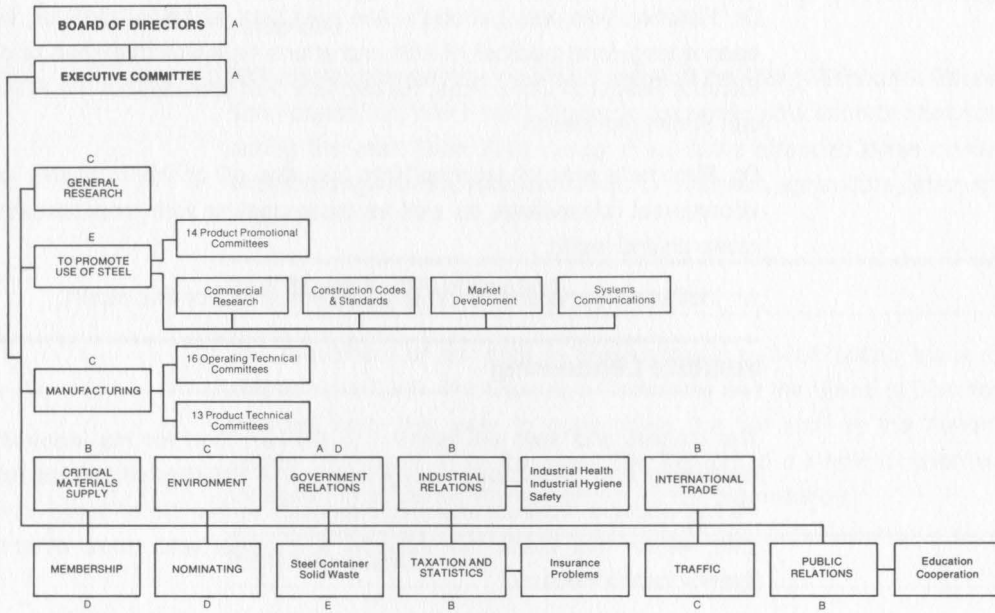
**Stewart S. Cort**  
Chairman  
American Iron and  
Steel Institute





**AMERICAN IRON AND STEEL INSTITUTE**

Organization of Committees



**STANDING COMMITTEES—ALL CAPS**  
**Special Committees—Initial Caps**

EXECUTIVE STAFF COMMITTEE RESPONSIBILITY:  
 A—John P. Roche, President  
 B—James F. Collins, Sr. Vice President  
 C—Stewart G. Fletcher, Sr. Vice President  
 D—E. O. Sommer, Jr., Vice Pres. & Ass't. to the Pres.  
 E—R. Thomas Willson, Sr. Vice President



American Iron and Steel Institute  
 150 East 42 Street, New York, N.Y. 10017



7

ESCORT COMMITTEE AT 6:45 P.M. ---- MAY 23, 1974

Stewart S. Cort, Chairman -AISI & Chairman, Bethlehem Steel Corp.  
H. Stuart Harrison, President, The Cleveland-Cliffs Iron Co.  
Frederick G. Jaicks, Chairman, Inland Steel Company  
John P. Roche, President, AISI  
Edgar B. Speer, Chairman, United States Steel Corporation  
George A. Stinson, Chairman & President, National Steel Corporation  
C. William Verity, Jr., Chairman, Armco Steel Corporation

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ALL OF THE ABOVE AND  
AFTER DINNER COFFEE COMMITTEE

THE ESCORT COMMITTEE (LISTED ABOVE) AND:

Roger S. Ahlbrandt, Chairman, Allegheny Ludlum Industries, Inc.  
William J. De Lancey, President, Republic Steel Corporation  
Roscoe G. Haynie, Chairman, Jones & Laughlin Steel Corporation  
Robert E. Lauterbach, Chairman & President, Wheeling-Pittsburgh Steel Corp.  
Reynold C. MacDonald, Chairman, Interlake, Inc.  
Frank A. Nemeec, Chairman, Youngstown Sheet and Tube Company



General Meeting

AMERICAN IRON AND STEEL INSTITUTE  
WALDORF-ASTORIA HOTEL, NEW YORK, N.Y.  
May 23, 1974



FOR RELEASE AM'S FRIDAY MAY 24

I am glad to be here tonight at the general meeting of the American Iron and Steel Institute with the leaders of an industry so vital to our economy. Steel in one form or another is the foundation of almost every important industry.

The American steel industry faces a major challenge. We must be able to satisfy our rising demand for steel. By the end of this decade, it is estimated we shall need 20 to 30 million additional tons of steelmaking capacity beyond the 150 to 160 million tons now produced. We cannot permit our steel supply to become inadequate without also losing the ability to sustain our economic growth. This represents a great challenge, and opportunity, for your industry.

The rest of the world also needs more steel. World steel production in 1950 was 207 million net tons. It is now estimated to be about 760 million tons. To meet projected world demand, steel production must be doubled in the next ten years.

The impact on the world's raw materials used in steelmaking is obvious. There will be great competition for limited resources.

Among the competitors for raw materials, the United States is the largest consumer of all nations. With only 5%

to 6% of the world's population, the U. S. now consumes about 27 percent of the world's raw materials. In 1950 the rest of the world consumed only 58% of the available raw materials. This figure has now risen to 73%. Many countries are more dependent on imported raw materials than the United States. We are self-sufficient in many vital raw materials. But <sup>as you well know</sup> we are heavily dependent upon foreign sources for supply of resources we must import.



Included are manganese, asbestos, zinc, platinum, lead, bauxite, nickel, and iron ore.

We hear of a potential "mineral crises." We know what a natural resource crisis can be after our experience with oil. Will bauxite, copper and tin producing nations succeed in extracting price concessions from consumer countries by threatening to withhold their products from the market place? There is evidence that this may take place. But I would hope that this tactic not be used. It is an unacceptable form of economic pressure.

The Secretary of the Interior <sup>warns us</sup> ~~has~~ indicated that development of domestic mineral resources has not been keeping pace with domestic demand. ~~He~~ <sup>SECRETARY MORZON</sup> said that expropriations, confiscations, and forced modifications of agreements have ~~severely~~ <sup>vital</sup> modified the flow to the U. S. of ~~some~~ foreign

mineral ~~materials~~ produced by U. S. firms operating abroad. We have just been jolted by <sup>the</sup> new Venezuelan government's ~~decision~~ announced intention to nationalize the U. S. Steel & Bethlehem iron ore ~~operations~~.

Such actions also have made imported materials more costly.

~~He~~ <sup>SECRETARY MORZON</sup> also said that U. S. industry is encountering greater competition from foreign nations in developing new foreign mineral supplies and in assuring the long-term flow of minerals to the United States.

This Administration is not passively observing these developments. In his February, 1974, Budget Message, the President said:



"The adverse impact of energy shortages on the economy could be aggravated by shortages of other raw materials. A comprehensive study on supplies of metal ores and other basic resources and our needs for them is now underway. This study will help insure that our policies properly anticipate potential problems."

As part of the Administration's effort to examine the problem of shortages, interagency task forces have been mobilized to identify and evaluate different courses of action.

In addition, discussions between Congressional leaders and Administration officials are underway on the problem of shortages. These discussions were initiated by an exchange of correspondence between Senators Mansfield and Scott on the one hand and President Nixon on the other. The participants are Senators Scott, Mansfield, Byrd and Griffin, Speaker Albert, Congressmen Rhodes, O'Neill and Arends, Secretary Simon and Messrs. Ash, Flanigan, Dunlop and Stein. On May 20, the group announced formation of a temporary commission to deal with these problems.

Two things are apparent. We need to increase U. S. production. And we need to increase trade opportunities for exchange of minerals.

The resources of the United States are vast. I am fully confident that we have the capability to further develop our own mineral resources in line with anticipated future demand in this country. But it will not happen automatically.

An examination of domestic policies is in order. Policies dealing with taxation, investment, trade and environmental control should be closely coordinated as they relate to critical industries. Large investments will be required of these industries in the years ahead. Plans and policies to develop domestic productive capacity must be based on incentives for private industries.



Our tax and regulatory systems can be used to increase production in industries where shortages exist. Our policies should encourage formation of needed capital investment.

Environmental policies must recognize that there is a balance between general social wellbeing and economic necessity.

Materials policies must encourage the development of domestic resources, while simultaneously protecting our economy against excessive draining abroad of vital raw materials.

I'm confident of our capability to develop our own resources to meet America's needs as we have in the past.

But what about the sufficiency of supply in the rest of the world, and our access to it? There the outlook is not so clear. The problems referred to by the Secretary of the Interior are very real and very troublesome.



The organization of one group of commodity producing countries as a bloc sooner or later will produce a similar organization of consuming countries. Commodity producers will discover that they are not insulated from the impact of restrictions on supply or the escalation of prices. A recession in the industrial countries sharply reduces demand. Unreasonable prices for raw materials accelerate substitution. And, as they pursue industrialization, raw material producers will ultimately pay for exorbitant commodity prices by the increased costs of the goods they must import.

Thus, the best prices for commodities are those that can be maintained over the longest period at the level that assures economic growth everywhere. Only through cooperation between consumers and producers can such prices be determined.

We are developing an appreciation of the differences among economic systems in order to reconcile through negotiation these differences as they affect international trade. We must be prepared to carry out trade and investment relationships with any nation which has exportable supplies of materials. We must be ready to recognize that new political relationships are



creating new buyers for American exports, including nations with which we do not agree ideologically and whose economies are organized with a much higher degree of government economic planning than we want or would tolerate.

Where existing avenues of international consultation prove inadequate for changing world economic conditions, we must ~~work~~<sup>ork</sup> out new consultative mechanisms or work out new international arrangements.

We must reinforce our commitment to international institutions and forums as a means of exchanging views and information as well as working towards specific objectives. These institutions include the World Bank, United Nations, OECD, GATT, International Monetary Fund, North Atlantic Alliance.

We must pass the trade bill which is now stalemated in the Congress due to concern about Russian emigration policies. Secretary Kissinger said in a recent appearance before Congress in behalf of the trade bill:

"Past trade negotiations have largely been concerned with access to export markets, rather than access to vital raw materials. As a result, existing international trading rules deal inadequately with the conditions governing such access....We intend to deal with the issue of bringing export restrictions, as well as import restrictions, under agreed forms of international discipline."

The legislative impasse must be solved by reasonable compromise and the trade bill passed.





These are not easy goals. They will not ~~be~~ <sup>be</sup> ~~achieved~~ <sup>achieved</sup> with ease. But I have great faith in the ability of the American business leader to surmount the many challenges he meets. Winston Churchill ~~saw the new problems he faced as enemies.~~ <sup>referred to them</sup> He said they "constantly gather upon the front of the human army," But, Churchill added: "they have only to be assaulted to be overthrown".

~~So it is with the problems we face.~~ <sup>thrown</sup> ~~They can be overcome~~ ---if only we move against them.

The time to move is now.

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REMARKS BY VICE PRESIDENT GERALD R. FORD  
AMERICAN IRON AND STEEL INSTITUTE  
WALDORF-ASTORIA HOTEL - NEW YORK, NEW YORK  
THURSDAY, MAY 23, 1974

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(more)

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The legislative impasse must be solved by reasonable compromise and the trade bill passed.

Finally the growth of trade depends importantly on a nation-by-nation effort to control world economic public enemy No. 1 - inflation. In our country we must display the self-restraint, fiscally and monetarily. This is basic to the control of inflation. Inflation must not be an accepted way of life, to be taken in continuing doses, for it can lead--like drugs--to real disaster.

I started our discussion by talking of a potential mineral crisis for the U. S. and the world. I believe we know how to meet this challenge. We must:

Give American industry the incentives to develop resources at home.

Establish trade practices which will allow freer access to minerals by all nations in accordance with their needs.

Control inflation before it controls us.

These are not easy goals. They will not be achieved with ease. But I have great faith in the ability of the American business leader to surmount the many challenges he meets. Winston Churchill saw the new problems he faced as enemies. He said they "constantly gather upon the front of the human army." But, Churchill added: "they have only to be assaulted to be overthrown."

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