

built up and a large skilled labor force was assembled.

With the most important ingredients, labor and infrastructure, already in place, all that is required is the new and rebuilt mills. That means that all the plants recently closed, including the 23 mills being shut by U.S. Steel and Bethlehem's Lackawanna plant, must be kept intact pending rebuilding.

Immediately, one of the biggest markets for the heartland's steel will be the steel plants themselves. Along with the bridges that must be rebuilt and the thousands of miles of rail lines refurbished, two of the nation's most strategic waterways will absorb hundreds of thousands, if not millions, of tons of steel.

### The Lake Erie-Ohio River waterway

The first is the Ohio River, whose locks are in desperate disrepair. The second is the nation's most important new waterway project: the Lake Erie-Ohio River Waterway, a billion-dollar, 10-year project that will slash the costs of hauling iron ore from Minnesota to Pittsburgh.

At present, the ore is shipped from the Superior ore docks to Ashtabula, Ohio and hauled from there to Pittsburgh by rail. The 135 miles from Ashtabula to Pittsburgh, 13% of the mileage, takes 60% of the transportation charge. The new waterway, which includes a 72-mile stretch of the Allegheny River and 128 miles of the Monongehela River, would bring the iron directly by ship to Pittsburgh and beyond. It would also provide a direct water link between Cleveland and New Orleans.

The project was first seriously considered in 1947, but the Pennsylvania Railroad and R. K. Mellon of Mellon Bank—a founder, with the Rockefeller and Hanna interests, of the steel trust—killed it. In 1965 the Army Corps of Engineers made a detailed recommendation for the Erie-Ohio Interconnecting Waterway which was accepted by Ohio but defeated by then governor William Scranton of Pennsylvania.

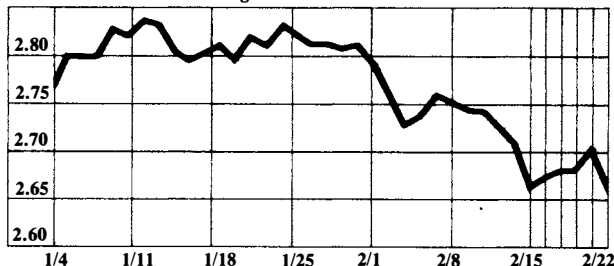
Just as the steel industry had defied President Roosevelt's World War II demand to increase output, and forced a show-down with President Kennedy in 1961 when the industry wanted to begin the "build-down" it is now engaged in, steel companies worked to block the waterway. One of the most vociferous "post-industrial society" forces demanding an end to the "smokestack industries" was the Academy for Contemporary Problems established in 1972 at the estate of Armco Steel magnate George Battelle. The Swiss Battelle family has spawned several leading anti-industry foundations including the Battelle Institute.

As exciting as reviving the steel-making capacity of the heartland is the effect on the metalworking industries in general. The machine-tool, forging, metal stamping, casting, die-making shops and factories, so desperately assaulted by the Volcker depression and flooded by imports, will instantly revive. That is fortunate, because they are just as important to national defense as are new steel mills.

## Currency Rates

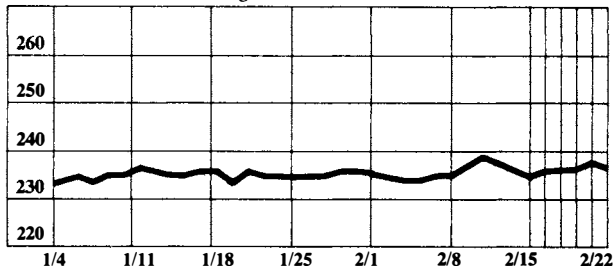
### The dollar in deutschemarks

New York late afternoon fixing



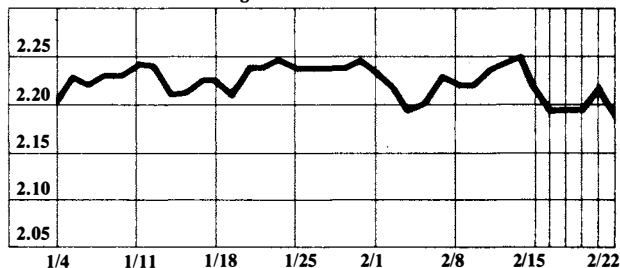
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

