Senator FANNIN. I am wondering if this will be true worldwide. Will other countries be able to take advantage of the technology you are talking about and increase the production?

Dr. HIBBARD. In the case of the recycling of computer scrap, we have more computer scrap in this country than any other place in the world. And the same thing is true of these gold ores. These particular ores are peculiar to our western States. I don't believe that they are known any place else.

Senator FANNIN. So what you have done to date will not completely affect other world production?

Dr. HIBBARD. No, sir, they won't, as of this time at least.

Senator FANNIN. Thank you.

Senator ALLOTT. Let me ask one question.

I sat in on an institute meeting in the forepart of December, and there was one man there who had made considerable study of the subject who said that, had it not been for the great advances in technology in gold mining in South Africa, the gold situation in the world would not have remained stable as long as it has. Do you have knowledge of these advances in South Africa? Is this true? Not the conclusion of the statement, but is the fact of the increase in technology in South Africa true?

Dr. HIBBARD. The outlook for South African gold is not very bright. The projections that we foresee suggest that by the year 2000 South African annual production is going to be very small compared to what it is today. And this is because these are deep and difficult mines. They are the kind of mines that will have difficulty competing for investment capital, let's put it that way, in today's business world. And I think it is going to be very difficult. In fact, by the year 2000 it might even be that the U.S. production will be larger than the South African.

May I continue, sir.

Senator GRUENING. Yes; please do.

Dr. HIBBARD. We may then lose our market leadership with respect to this mineral production and possibly be obliged to pay world prices which are often controlled by the country of origin during periods of tight supply.

And I would point out that this future period is going to be a period of tight supply unless someone moves very fast to put in new production facilities.

Copper, before this strike, is a case in point. The world price was higher than the U.S. price by significantly more than transportation costs. Chile fixed the price of its copper exports at 4 cents higher than the U.S. price. Peru placed a 10-percent tax on all its exports.

Many of these supplier countries are trying to develop their economies by requiring that the refining be done before export at a higher value added and higher cost to the United States.

Venezuela want blast furnaces and steelmaking facilities.

Jamaica wants to export aluminum—not bauxite.

Peru wants to export copper wire, sheet, and tube—not copper concentrate. This is not bad. If I were in a country like Venezuela I would want to build my economy on my resources. Nevertheless, it has very significant implications.