

Mr. STITT. And agricultural products are products which are restricted by every country in the world, including our own. Japan protects its agriculture community just as the United States protects its and as EEC does.

Mr. SCHNEEBELI. Are four-wheel vehicles important items?

Mr. STITT. Yes, sir, they are, and all that list says is that—this is an extremely complicated subject. The so-called cabinet order to which this letter refers is not a law. It is more of an exhortation and there is a selected list of people who can bid on Government contracts and these people can supply either American-made or Japanese-made goods, as I understand it, and price and quality being equal, the Japanese will be purchased.

I may misunderstand this but my understanding is if these selected bidders were to bid American products of this nature and it is a lower price and equality with the Japanese that the Japanese Government would buy the American.

I can't state that as a hundred-percent fact. This is just how I understand it.

Mr. FULTON. Mr. Schneebeli, do you have additional questions?

Mr. SCHNEEBELI. No.

Mr. FULTON. Mr. Conable.

Mr. CONABLE. Mr. Stitt, I asked someone earlier about importation of iron ore by Japan.

Mr. STITT. Yes, sir.

Mr. CONABLE. As I recall, the answer was that they got somewhere between 10 and 15 percent of their iron ore from this country.

Mr. STITT. I can give you an absolute figure on that.

Mr. CONABLE. What is that?

Mr. STITT. In 1957 Japan imported from the United States \$42 million worth of iron ore and concentrates. Of this I would suspect 90 percent comes from California, the Eagle Mountain reserves of the Kaiser Steel Corp., and about 10 percent from Nevada.

On iron and steel scrap, \$174 million of American iron and steel scrap were exported to Japan in 1957; coal, coking coal, mostly for the Japanese steel industry, \$131 million. I don't have petroleum coke broken down. Most of their purchases of American petroleum coke goes into the Japanese steel industry.

Mr. CONABLE. My understanding is, there is a possibility of a sharp increase in iron ore sales to Japan because of an Arizona project involving pelletized iron ore. Do you know anything about that? I have heard something about competition with the Australians for sale of these pellets. May I ask, is Australia a major importer of Japanese steel, as we are?

Mr. STITT. First, on the Arizona project, I do understand a Japanese team took a look at that project and I don't know what conclusions they reached. Japan has many teams of experts going around the world searching out rich deposits of iron ore because Japan is absolutely deficit in iron ore.

Mr. CONABLE. This would not be rich iron ore. This would be low-grade iron ore pelletized.

Mr. STITT. Of course, but once you pelletize poor iron ore you have quite a rich supply for the blast furnace and pelletization is more and more coming to the fore, as you know.