

If this is an economic process it might well be Japan would be interested. It is also true that while Australia today does not supply a tremendous quantity of iron ore to Japan, there are deposits there underdeveloped which in the future, unquestionably under long-term contract, will be supplied the Japanese steel industry.

Mr. CONABLE. My understanding is that this Arizona project could contribute 5 million tons a year over a substantial period of time and it would make a very substantial contribution to the balance-of-payments situation we have, which is, of course, one of our major concerns here.

Mr. STITT. Japan is already buying pellets from Kaiser, the Blue Mountain reduction facilities. If the Arizona project is an economic one and can be provided at the right price I see no reason why Japan wouldn't be interested, the Japanese steel industry.

Mr. CONABLE. Nobody starts out with the idea that protectionism per se is good. We have a very serious problem here and we have to find ways of balancing imports and exports. One possibility that occurs to me is this sort of exchange. I think we ought to explore it very thoroughly.

Apparently this is all very much in the preliminary stage, though. Is that correct?

Mr. STITT. From what I have seen about it. I am really not too well acquainted with that particular exploration.

Mr. CONABLE. There are no sales of pellets at the present time?

Mr. STITT. Not to my knowledge.

Mr. CONABLE. Thank you. That is all, Mr. Chairman.

Mr. FULTON. Mr. Stitt, thank you for your appearance before the committee. It has been very helpful.

Mr. STITT. You are welcome.

Mr. FULTON. The next witness is Mr. R. L. Cunningham. Mr. Cunningham, we welcome you and ask you if you will identify yourself and your associate for the benefit of the record.

STATEMENT OF RONALD L. CUNNINGHAM, COMMITTEE OF PRODUCERS OF FERROALLOYS & RELATED PRODUCTS; ACCOMPANIED BY LLOYD SYMINGTON, COUNSEL

Mr. CUNNINGHAM. Mr. Chairman and members of the committee, my name is Ronald L. Cunningham. I am president of Ohio Ferro-Alloys Corp. I appear before you today on behalf of the Committee of Producers of Ferroalloys & Related Products, which comprises virtually all of the domestic producers of such products.

My statement today is a summary of a more complete statement which we have prepared, together with pertinent charts and statistics, which I would like to submit at this point for the record, if the committee so desires.

Mr. FULTON. Without objection, your full statement will appear immediately following your oral presentation.

Mr. CUNNINGHAM. With me today is Mr. Lloyd Symington of Washington, D.C., our counsel. Mr. Bliss, president of Foote Mineral Co., one of our committee's member companies, was here but had to leave due to another appointment.