On my right is Dr. S. W. Sundeen of the Cleveland-Cliffs Iron Co. Dr. Sundeen has been active in research, in planning, and in operations for over 25 years. Today he serves as general manager, research and development, for the Cleveland-Cliffs Iron Co.

With your permission, Mr. Chairman, I will ask these gentlemen to present their statement and then I will close our appearance with my remarks.

First we will hear from Mr. Boentje, the president of Pittsburgh Pacific Co.

Mr. Boentje. Mr. Chairman and members of the committee, I am John Boentje, Jr., a graduate mining engineer. I have worked in mining operations for over 30 years, of which the past 20 years have been on the Mesabi and Cuyuna Ranges of Minnesota in open pit iron mining. For the past 5 years, I have been president of Pittsburgh Pacific Co., a small independent iron ore producer.

Our company is currently operating mines and concentrating plants on the Mesabi and Cuyuna Iron Ranges in northern Minnesota. We sell our products on the open market to blast furnace operators in the area tributary to the Great Lakes in competition with other United States and foreign iron ore producers.

The mineral properties we operate are held under lease from the owners. The properties we have operated in the past and those we hold today fall into three general categories. They are properties which have been "exhausted" of ores in the past, measured by the economics and technology of the period in which they are mined, or they contain too little ore to have been attractive to larger operators, or they contain lean ore stockpiles, materials which prior operators were unable to process economically because of existing technology so as to produce a usable product. We have been able to operate these properties successfully by employing modern equipment and concentrating techniques.

In the past 10 years, our company has produced an average of over 600,000 tons per year of usable iron ore products which have been sold in the United States and Canada. This figure may seem small compared to total U.S. iron ore consumption or to the production of some of the large companies, however, it does represent about 1¼ percent of the production from Minnesota in this 10-year period. The delivered value at lower lake ports exceeds $6 million per year.

During the past 5 years, payments to and on behalf of our employees have averaged over $1½ million per year. State and local taxes paid during the past 5 years have averaged over $450,000 per year. Our company does have an impact upon the communities in which our operations are conducted.

I have read and attempted to understand S. 3132 from the standpoint of the possible effects upon our company if it should become law, and I have several concerns.

My first concern is that it may not be generally recognized that iron ore is produced by other than the extremely large mining companies. We, as small operators, continue to serve a useful function. In one sense we are conservationists in that our principal work is extracting materials left behind as uneconomic or undesirable by previous operators and converting them into usable and saleable products. In doing this we provide a public benefit in that we create wealth which is distributed to our employees; our suppliers; the local, State,