

colleagues to join me in saluting the Lions Club of New Haven, Michigan as they celebrate their 50th Anniversary on January 23, 1999.

In 1948, the New Haven Lions Club was organized by the Richmond Lions Club and chartered with thirty-three members. Though their membership has grown and changed, their goal has remained the same: to dedicate their talents to people in need. During the 1996-97 year they assisted other local clubs in building a fully handicapped accessible cottage at the Bear Lake Lions Visually Impaired Youth Camp. In 1983, the club organized the New Haven Goodfellows. Each year during the holidays, they assist many families by providing food and toys for the children. The club is dedicated to community service through their membership.

During the last fifty years, members of the Lions Club have contributed their time and resources to the betterment of their community. Among their many contributions include building the Lenox Library, purchasing eye exams and glasses for area residents, sponsoring the Lioness Club, and funding scholarships for New Haven High School graduates. The members have also been strong supporters of Boy Scouts, the Juvenile Diabetes Foundation, and Leader Dogs for the Blind. The club has loaned out wheel chairs, walkers, crutches, canes and hospital beds. I would like to thank all of the members, past and present, who have donated their various talents to improve the quality of life in the New Haven community.

The self sacrificing qualities of the Lions Club members are what makes our communities successful. I ask my colleagues to join me in wishing the Lions Club of New Haven a Joyful 50th Anniversary. Their legacy of public service is sure to last well beyond another fifty years.

OVERDUE FOR OVERALL—THE
MINING LAW OF 1872

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, later this year, on May 10, the General Mining Law will be 127 years old—yet, it remains on the books without change in regard to gold, silver and other “hard rock” minerals. Lack of Congressional action to reform this archaic law is indefensible—albeit a testament to the strength of the mining industry’s influence on certain key Members who have consistently blocked any attempt to amend or replace the law during the past two Congresses. Written to encourage settlement of the West during the last century, the Mining Law of 1872 provides an automatic legal right to our Nation’s hard rock mineral wealth to those interested in developing it. The law is long overdue for a major overhaul to save taxpayers and the environment from further losses.

This antiquated relic allows mining operators nearly unlimited access to our Nation’s hard rock minerals, no matter what other values

(such as fish and wildlife habitat) may also be present. The law lets mining companies extract the minerals without paying a royalty or other production fee to the Federal Government. Finally, the lucky prospector who discovers gold or another hard rock mineral has the right to “patent” (purchase) the land and the minerals without paying fair market value.

Since Ulysses S. Grant signed the law in 1872, American taxpayers have lost about 3.2 million acres of public land containing more than \$231 billion in gold, silver and valuable minerals without benefit of royalties or other fees. This is corporate welfare that subsidizes both foreign and domestic mining companies and should be stopped.

Under the 1872 mining law, the U.S. cannot collect a royalty or fee on the production value of hard rock minerals extracted from public lands. This differs from Federal policy toward coal, oil and gas industries operating on public lands, the laws and regulations of state governments, and leasing arrangements in the private sector. The U.S. collects a 12.5 percent royalty on coal, oil and gas (and an even higher royalty is collected from offshore petroleum development). The Federal Government collects production royalties on “leasable minerals” such as phosphate, potassium, sodium and sulphur. We also require a royalty on all minerals extracted from “acquired lands,” which are lands that the federal government has purchased, condemned or received as a gift.

All western States collect a royalty or production fee from minerals removed from State lands, collecting between 2 percent and 10 percent on the gross income from mineral production. Besides a royalty, 10 western States also collect a severance tax on certain minerals extracted from any land in the States, whether it is Federal, State or privately-owned. On private lands, royalties are usually similar to those imposed on federal and state lands and are usually set at 2 percent to 8 percent of gross income.

As Stuart Udall, former Secretary of the Interior, has noted, hard rock mining has made many men wealthy, built great corporations and caused cities to spring up in the wilderness. But this prosperity has come with a price. Over the past century, irresponsible and unwise mining operators have devastated over half a million acres of land—by acting without thought for the future or by simply walking away from played-out mines. According to the U.S. Environmental Protection Agency (EPA), mine wastes have polluted more than 12,000 miles of our Nation’s waterways and 180,000 acres of lakes and reservoirs. Abandoned mines threaten public safety and health while creating long-lasting environmental hazards. Toxic mine wastes endanger people, destroy aquatic habitat, and contaminate vital ground water resources. The Mineral Policy Center estimates that clean-up will cost between \$32 billion and \$72 billion.

The only mining law reform bill Congress has sent to the President in recent years was part of the fiscal year 1995 budget reconciliation bill that President Clinton properly vetoed in December 1995, for reasons well beyond the scope of the 1872 mining law. That reform proposal, which all of the longtime mining reform advocates opposed, would have reserved

a 5 percent “net proceeds” royalty on future mining operations on public lands. But, it also provided so many exorbitant and absurd loopholes that most mines could have avoided paying the royalty. Therefore, the Congressional Budget Office (CBO) scored the royalty at just \$12 million over seven years as compared to nearly \$420 million attributed to the royalty provision passed on a 3-1 margin by the House in 1993.

Today, I am introducing three bills, in addition to Rep. Nick Rahall’s (D-WVA) comprehensive bill to reform the Mining Law of 1872. These three bills, identical to ones that former Senator Dale Bumpers (D-AR) and I introduced in the 105th Congress would:

(1) Impose a 5 percent net smelter return royalty on all hard rock minerals mined from public lands, eliminate patents, and permanently extend the rental fee,

(2) Impose a sliding scale net proceeds reclamation fee on all hard rock minerals mined from lands that have been removed from the public domain under the 1872 Mining Law, and

(3) Close the depletion allowance loophole on all lands subject to the 1872 Mining Law. Reservation of a royalty would mean that Americans would receive a fair return on the extraction of hard rock minerals from public lands.

Imposition of a reclamation fee on lands removed from the public domain under the 1872 law would give the public a fair return on the value of hard rock minerals mined from those lands. All these revenues would be used to clean up the environment disaster we inherited from past mining operators.

The majority refused to even hold hearings on these bills during the last Congress, instead focusing on crushing Clinton administration policies that would have made miners accountable for their actions and decreased the level of environmental destruction that accompanies mining activities. I therefore call on Chairman Young to allow these bills a fair and open hearing this year.

Now is the time to act. The Federal royalty base is already small and is rapidly diminishing as mining operations go to patent. The GAO believes that nearly \$65 billion worth of gold, silver, copper, and certain other hard rock minerals still exist in economically recoverable reserves on western Federal lands. But, the longer Congress delays, the smaller the royalty base will become as ever more mining conglomerates push through the patent process.

Mining reform is long overdue. The effort to update the 1872 law has enjoyed vigorous, bipartisan support in the House of Representatives for many years. Public opinion—even in Western states with large mining activities—is strongly in favor of mining reform that includes a royalty that raises substantial revenues to be used for abandoned mine clean-up. Four out of five Americans support mining reform, according to a 1994 nationwide bipartisan survey. In 1994, the House and Senate came close during a Conference to crafting an acceptable agreement only to be derailed by the threat of a filibuster during the last days of the session. The mining industry and a few Senators have repeatedly blocked reform from enactment during the last decade.