



U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

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WESTERN MINING INTERESTS TAKE AIM AT RAHALL
Plan Newspaper Advertising Campaign in West Virginia

WASHINGTON, D.C. -- Legislation introduced by U.S. Rep. Nick J. Rahall (D-WV) will be targeted in newspaper advertisements financed by Montana mining interests apparently planned for this Sunday's edition of a number of West Virginia newspapers.

The advertisement accuses Rahall of supporting eastern coal miners while placing Montana hard rock miners in jeopardy and alleges that legislation he has introduced "would have prohibitive impacts on the western mining industry."

"I want to thank these nameless Montana mining interests for contributing to the economy of West Virginia by purchasing these advertisements, and for that matter, reminding my constituents of the work I am doing on behalf of eastern coal miners," Rahall said.

As the chairman of the House Subcommittee on Mining and Natural Resources, Rahall has raised the ire of the Montana mining industry because of his efforts to reform the Mining Law of 1872 and to place restrictions on western coal moving into Appalachian markets.

The Mining Law of 1872, enacted when Ulysses Grant was President, still allows westerners to stake claims for valuable minerals on publicly-owned lands in the western states, use the land for free and produce any gold, silver or other minerals found without paying a royalty to the federal government.

The law also allows the western mining companies to purchase these valuable public lands for a mere \$2.50 or \$5.00 an acre. Rahall has likened this to giving away public lands for "fast-food hamburger prices."

"It is mind boggling that in this day and age multi-national corporate conglomerates are allowed to produce publicly-owned minerals such as gold without paying a cent for it and to further rip-off the American people by picking up these valuable public lands, land owned by all Americans, for the outrageous price of \$2.50 an acre. We're simply not going to take it anymore," Rahall said.

Rahall's bill, H.R. 918, would prohibit the give-away of public lands for \$2.50 an acre, require that the industry pay a fee in return for the use of the lands and impose some basic reclamation standards on the western mining industry, among other items.

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"Obviously, the western mining interests think they have had a good thing going all of these years at the public's expense. But the question has to be asked, is it right, is it proper, to continue to allow this speculation with federal lands, to not require the lands be reclaimed, to permit the public's mineral wealth to be mined for free? I say no," Rahall stated.

He added: "Coal miners have to clean-up when they're through mining; why not gold miners? Coal miners have to pay for the coal they take; why not gold miners?"

Rahall has introduced another bill that has not enamored him with the western mining industry. The measure is aimed at blocking the issuance of new federal coal leases in western states if the coal produced would flood electric utility coal markets served by eastern coal produced in states like West Virginia.

"I, for one, believe that if market demand is being met with non-federal coal produced in states like West Virginia it is not appropriate for the federal government to arbitrarily become a competitor by utilizing its control over publicly owned coal and subsequently, place West Virginia miners on the unemployment rolls," Rahall stated.

According to Rahall: "These newspaper advertisements are a sham tactic being employed by powerful western mining interests in an attempt to hoodwink the people of West Virginia. Obviously, these multinational corporations are vastly underestimating the intelligence level of West Virginians."



Foreign firms mine U.S. gold — for nothing

Third of five parts

By Tom Knudson
Bee Staff Writer

ROUND MOUNTAIN, Nev. — For the right to mine gold in Canada's Northwest Territories, the Echo Bay Mining Co. pays the Canadian government a royalty of up to \$2 million a year.

But here in central Nevada — where it operates one of North America's largest gold mines — the Canadian-owned company pays not a dime in royalties to the United States.

Echo Bay is not unique.

Unknown to most Americans, the United States does not charge a royalty for hard-rock minerals on public land — a privilege rooted in the frontier spirit of the General Mining Law of 1872, which sought to lure settlers westward with the promise of free access to the nation's mineral wealth.

But today, as the biggest, richest gold mining boom in U.S. history sweeps across the West, that 19th century policy is costing the

nation dearly. Nevada alone has 75 million ounces of gold in the ground, worth \$30 billion at today's prices — most of it on public land and all of it free from federal royalties.

And what's more, millions of ounces of American gold are being mined by foreign companies. Sixteen of the top 25 gold mines in the United States are owned in whole or in part by Canadian, British and Australian companies, according to federal and industry data.

And much of that gold is being bought by Japanese investors. Industry sources said Japanese and Taiwanese investment in gold has jumped dramatically in the late 1980s.

No one knows precisely how much the United States loses by not charging a royalty for hard-rock minerals. But based on official estimates of mineral reserves, the figure easily runs into the billions.

"Over the next five years, more than \$10 billion worth of gold that you and I own is going to pass into private hands in the state of Nevada alone," said Philip Hocker, president of the Mineral Policy Center, a Washington-based group working to reform the 1872 mining law. "And I think the public has a right to expect a fair return for that."