

# EXTENSIONS OF REMARKS

## WELFARE FOR GOLD MINERS

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Mr. MILLER of California. Mr. Speaker, I would like to bring to the attention of all Members an article which appeared in the March 13, 1995, issue of U.S. News and World Report, and to insert in the RECORD an editorial by the editor-in-chief, Mortimer B. Zuckerman. The article, by Michael Satchell, reports on the deplorable situation now confronting Yellowstone National Park due to the onerous and archaic provisions of the 1872 mining law. Mr. Satchell describes the ill-advised efforts of a Canadian-owned mining company to open a gold mine on the outskirts of Yellowstone Park, thereby creating a potentially dangerous predicament for one of the crown jewels of our National Park System. Mr. Zuckerman's editorial confronts the absurdities of the archaic law, daring Congress to "show some muscle about abuses that lose Federal revenues" by taking on "the politically powerful mining industry and its Western congressional allies" and reforming this "silly law".

Mr. Speaker, this coverage by U.S. News and World Report is particularly relevant and timely, in light of the recent introduction in the Senate of yet another industry-backed bill—craftily designed to look like reform but, in reality, devised to insure that the mining industry maintains its free-ride on the public dole. Representative NICK J. RAHALL and I have also introduced legislation, H.R. 357, identical to the bill passed by the House last year on a three-to-one bipartisan vote. Last year, over 300 House Members—including 70 Republicans—voted to bring some fairness into the hard rock mining system. This year, instead of only cutting school lunches and rent money for poor working families, I hope the Republican majority will have the determination to expunge some of the welfare enjoyed by the corporate elite. Reforming the 1872 mining law by enacting H.R. 357 would be a big step in the right direction.

[From U.S. News & World Report, Mar. 13, 1995]

BURY THIS IN GRANT'S TOMB

(By Mortimer B. Zuckerman)

How's this for a dream? You are free to roam anywhere on 600 million acres of public land in the West, staking out mining claims in the happy knowledge that if you strike gold or silver or copper, you can extract your find absolutely free. And, dream on, you will have the option on purchasing the land outright at a price of no more than \$5 an acre.

It's no dream. An antique called the General Mining Law of 1872, signed by President Ulysses S. Grant to encourage migration into the Rocky Mountain states, provides such beneficence. The West has long been settled, but prospectors and mining companies are still getting rich off the 1872 law, and the taxpayers are still getting robbed.

It gets worse. You could have bought—or patented—17,000 acres of oil-shale claims

near Rifle, Colo., for a mere \$42,000 and a month later sold the package to Shell Oil for \$37 million. But someone beat you to it. And that deal was no freak. An investigation by the U.S. General Accounting Office of some 20 patents examined at random found the government had been paid \$4,500 for claims worth somewhere between \$14 million and \$48 million. Just last year the Secretary of the Interior was infuriated to discover he was obligated to let a Canadian company acquire, for a nominal amount, Nevada land with gold reserves estimated to be worth \$10 billion. He called it "the biggest heist since the days of Butch Cassidy and the Sundance Kid."

To date, 3.2 million acres of public land—an area the size of Connecticut—have been sold. More than \$230 billion in mineral reserves in 13 Western states has been given away since the passage of the 1872 law—more than 315 million ounces of gold, 5.5 billion ounces of silver, 79.5 million tons of copper, 19.2 million tons of lead and 13.9 million tons of zinc. Today, as much as \$4 billion worth of hard-rock materials is taken out every year. The language of the law is such that a lot of "mining" land has been bought, then used to build everything from private homes to gambling casinos and luxury resorts. The not-so-funny name for all this is the Great Terrain Robbery.

Injury is added to insult. The law contains no environmental protection. The mining residue—some 70 billion tons of tailings—has been left exposed to the elements, polluting rivers and ground water. There are also 550,000 abandoned mines and open pits, such as the infamous Berkeley Pit in Butte, Mont.—a mile wide, a mile and a half long, half a mile deep—filled with water that is more acidic than vinegar. You know who bears the cleanup cost. Yes, you, the taxpayer. A new crisis has emerged with the plans of Noranda, Inc., a Canadian corporation with a history of environmental problems, to mine 3 miles from Yellowstone Park's northeastern boundary.

Today there is a moratorium on further land transfers. Yet nearly 400 patent applications are back up from companies that hope to slip through their claims to get their hands on \$21 billion in reserves before the 1872 act is reformed.

The reformers want the mining companies to be treated like other extractive industries, which, astonishingly, they are not. First, fair prices for these patents should be determined by the marketplace; they should include the cost of reclamation and the enforcement of environmental standards. Second, there is the issue of royalties. Loggers, coal producers and offshore oil and gas companies pay royalties when they extract wealth from public land. Reformers want mining companies to pay a royalty on their ore based on gross sales. With net revenues estimated at 25 percent of gross values extracted, a royalty is easily affordable. So is compliance with environmental standards—federal standards, because oversight by the states, which the mining industry favors, has proven weak. It also makes sense to withdraw some federal lands from mining if they are close to national parks or similar natural resources.

Why has this silly law lasted this long? Because a politically powerful mining industry and its Western congressional allies have blocked any revision. The argument that it

would cripple a key regional industry and costs jobs in essentially a rational for gouging the public.

Here is an opportunity for the "new" Republican Party. If it is determined to expunge abuses in federal spending, it should show some muscle about abuses that lose federal revenues.

## SECURITIES LITIGATION REFORM ACT

SPEECH OF

### HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes.

Mr. STOKES. Mr. Chairman, I rise in strong opposition to H.R. 1058, the Securities Litigation Reform Act of 1995. We should not, in an attempt to decrease the amount of frivolous class action lawsuits, forsake our duty to act in the best interest of individual small investors and consumers by limiting their ability to seek redress in the courts. This ill-conceived and hurried legislation will not only fail to reform the securities litigation system in the United States, but will in fact compromise Americans' faith in our securities industry.

The bill before us today, the Securities Litigation Reform Act of 1995, will not only attempt to curtail unwanted lawsuits, but will also make it impossible for regular Americans to have access to the Federal courts. Such an assault on American citizens' rights to access to the courts is unacceptable and I will oppose this legislation for many of the same reasons I opposed H.R. 988, the Attorney Accountability Act of 1995. H.R. 1058 is a restrictive bill that will certainly undermine many of our most important efforts to provide a forum that provides legal redress for individual Americans and our ability to insure the integrity of the securities markets.

Mr. Speaker, one of the stated purposes of the Securities Litigation Reform Act is to shift fee burdens to a losing party including defrauded individual small investors. Proponents of H.R. 1058 have stated that this provision is intended to discourage frivolous class action lawsuits, and encourage parties to settle disputes prior to trial.

This bill also establishes new loopholes and limited liability provisions for brokers and firms who defraud investors. Finally, the bill contains other technical modifications that make it easier for wrongdoers to commit fraud and more difficult for investors to seek redress in the courts.

This bill is hostile to the American justice system's over 200-year-old policy that favors access to the Federal courts for citizens with a claim. Adoption of the "loser pays" standards in H.R. 1058 would inhibit the will of the

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