4-27-1978

Montana Mining Association

Max S. Baucus

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Address Before the Montana Mining Association

04/27/1978
ADDRESS BY REPRESENTATIVE MAX BAUCUS
BEFORE THE
MONTANA MINING ASSOCIATION
BUTTE, MONTANA
APRIL 27, 1978

Thank you. As always, it is a pleasure to have the opportunity to meet with you this afternoon. I would like to share with you my general assessment of present and potential federal policies regarding mining and public lands.

I would hope that at the conclusion of my remarks we will be able to open the meeting to any particular questions that you might have.

I suspect an issue of great concern to you is legislation now pending before Congress amending the Mining Act of 1872. This legislation if enacted -- will have far reaching consequences upon the mining industry, the development of federal lands and the development of domestic mineral production.
Briefly, I would like to sketch the history of the 1872 Mining Act and then summarize two major bills before Congress which would amend the current Mining Act.

The Mining Act of 1872 stands today as a monument to the energy and the enterprise of 19th Century America and as a current obstacle to mineral development and sound public land management.

The Mining Law of 1872 was originally enacted as a comprehensive statute for the disposal of practically all minerals in the public domain. The Act was one of many incentives developed by the Congress to encourage the settlement and the development of the vast territories of the American West. At that time when surface evidence of minerals was abundant and competition among land uses moderate, it successfully spurred risk and effort in the discovery of minerals. Now the situation has changed. Today, with surface evidence largely exhausted and intensive competition among land uses, the Mining Law is now criticized as inadequate by members of the mining industry, government officials and the public.
The major problem with the current Mining Law is the fact that it says so little. The Mining Law defines practically none of the terms which it employs. This has given rise to lengthy and conflicting administrative and judicial interpretation. Over the years the Act has been amended excessively in a half-hearted attempt to adapt the Act to changing circumstances. This has resulted in amendments which overlap and even contradict one another.

A principal argument advanced for the retention of the Mining Law is that it has provided the incentive necessary to induce people to take risks inherent in the search for minerals. But what have been the real costs to prospectors and to miners resulting from a Law which is ambiguous and even contradictory? What about the costs involved in such things as: maintenance of rights, dealing with existing locators, whether or not claims are valid, litigation over rights, losses of investment when pedis possessio is terminated by government intervention. The complaints of the mining industry which have developed from an archaic Act strongly indicate that the costs are both real and significant.
The House of Representatives is currently considering two bills which would revise the Mining Act of 1872. Legislation introduced by Representative Udall and another by Representative Ruppe have been the subject of hearings in Washington and in various cities around the country. Subcommittee mark-up is tentatively scheduled for late May. The Mines and Mining Subcommittee hopes to report a mining bill by June.

These legislative proposals are intended to provide the mineral developer:

1. The opportunity to secure public resources;
2. Continuity in the terms of condition;
3. Security of tenure;
4. Compensation if use is terminated;
5. Reasonable prices; and
6. Minimum controls

I feel certain that Congress can establish laws that will permit compatible mineral development in a manner that is practical, fair, and just. At stake is the management of public lands in the public interest, which includes a sound, vigorous mining industry. This legislation would establish a complete new legal system for prospecting and developing hard-rock minerals on both public domain and acquired lands.
In the weeks ahead, as Congress considers this legislation, many serious and important questions must be answered regarding mineral development on public lands.

- If the Mining Law of 1872 is repealed, what should be done about existing mining claims?
- What incentives are needed to induce industry to take the risks of searching for and developing mineral deposits?
- How can Congress assure that the public lands will be kept open to a reasonable degree to mineral exploration and development?
- Should the administration of mineral operations be centralized in the Secretary of the Interior?
- Should miners compensate the United States for the use of public lands and for the minerals removed from public lands?
- Should the mineral laws continue to distinguish between classes of lands and classes of minerals?

These and other questions will be addressed by the Congress as the debate regarding the Mining Act develops. I strongly urge you to make your views and concerns known regarding the various proposals which seek to amend the present Mining Act.
The country needs vigorous prospecting and development activity on public lands, under sound environmental and conservation management. While the nation cannot become entirely self-sufficient in minerals, the greater its domestic supplies, the sounder its economic and political strength. If for this reason only, Congress must consider whether or not the present Mining Law meets our current and future needs.

At this time I would entertain any questions that you might have.