United States
Department of the Interior

News Release

For Release at Noon, October 11, 1965

Remarks by Under Secretary of the Interior John A. Carver, Jr., Before the American Mining Congress, Las Vegas, Nevada, October 11, 1965

Minerals Policies Administration in the Department of the Interior

The responsibility of keynoting the biggest mining show ever, the biggest convention Las Vegas has ever hosted, and of leading off on a program which is graced with the country's leading figure in virtually every subject scheduled for discussion is a sobering one.

The Department of the Interior touches the economic lives of each person here, whatever his connection with the mining industry. For some, the relationship is frontal, for all of you it is vital and far reaching.

It is from or through the Department that the title derives to certain minerals, the exploration, development, mining or recovery of which is your business.

It is through Interior that Federal laws on health and safety in mining are administered.

It is through Interior that the Federal Government conducts its research programs on improvement of minerals extraction and on processing and utilization technology, and on economics that are relied upon and used by the entire industry.

It is through Interior that several new laws, those, for example, dealing with strip mine rehabilitation and the amelioration of air pollution and pollution of the environment by solid wastes are administered.

It is through Interior that Government collects and distributes the mineral revenues from public lands which touch the economic circumstances of counties and States throughout the West, and in other parts of the country as well.
It is through Interior that geologic and topographic maps, which among other uses are basic tools for modern mining activities, are prepared.

It is through Interior that the classification of the public lands—including classification which closes it to prospecting and other mining activities—is conducted.

It is through Interior that the Government conducts commodity oriented programs of direct importance to the mining industry and to the economy at large. These include the support program for lead and zinc, the helium conservation program, and the Department's program of direct assistance to exploration.

It is through Interior that the Government conducts the quasi-adjudicative and quasi-legislative functions of refereeing disputes which turn upon the mining laws, and of advising the public and affected agencies of the interpretations and constructions which guide such determinations in published rules. The manner in which the Department of the Interior executes these functions is important to the mining industry. I have emphasized, most recently to the Rocky Mountain Mineral Law Foundation, that it is also important to the country.

Myriad other relationships suggest themselves. The critical factor for many industrial mining operations is water, wherein the Interior Department has a major responsibility, particularly in some of the mineral-rich and water-short areas of the country.

The trust responsibility for Indian resources makes for special rules governing the rights to extract minerals from Indian lands. These are private property, not publicly owned resources, and the differences have to be understood.

In a major way, our Department is charged with promoting the development of the Nation's mineral resources and thus we have a strong interest in the general economic well-being of the mining industry. This interest brings us into consultation with you and our Government colleagues in the field of import and export policies, taxation policies, stockpile administration and even monetary policies. We do not have direct responsibility in these fields but our voice is heard in government councils.

I've thrown the blanket of Interior Department involvement over almost every aspect of your industry. It's really a patchwork quilt. Some of you, seeing one part of it, may not know so much of the other pieces, and all of you would like to know whether there is any pattern to the whole.
That explains my title—"Minerals Policies Administration in the Department of the Interior." The emphasis is on the plurals. The plural "Minerals", and the plural "Policies." And the emphasis also is on "Administration."

The insistent question often posed has been "When are we going to develop a 'national minerals policy'?"

In the years immediately following World War II the country was very conscious that it had been caught short of many strategic raw materials. We resolved that never again would we get in the position of being forced to divert our energies, our scarce machinery and manpower, on a forced draft basis to, for example, open mines which would never have started during normal times. And we resolved not to get ourselves into a position of excessive reliance on imports in times of national emergency.

We were digesting these lessons when the Korean conflict came, and President Truman's Materials Policy Commission (the Paley Commission) stated the public policy objective:

The over-all objective of a national materials policy for the United States should be to insure an adequate and dependable flow of materials at the lowest cost consistent with national security and with the welfare of friendly nations.

The decade since the Paley Report has not reassured us about our ability to foretell the future. For most of these years, our problems seemed to be more with surpluses than with shortages. Although at the moment, free world production of several minerals is short of demand. Stockpiles concern us as problems of disposition rather than acquisition. And international trade is a complex arena where the domestic mining industry seems always on the defensive for the simple reason that our mineral imports are derived, in the main, from countries whose friendship and support we need and court.

I am no more qualified than others who have tried to answer these long unanswered questions, nor am I qualified to enlighten you more than you already are on the substance of "policy" or "policies" for the United States in the minerals field. At a previous appearance before this group I likened the United States Congress to "our board of directors." The Congress mirrors the diverse, pluralist nature of our society and our system, and all the interests in the devising of a "national minerals policy" or a "national trade policy" or a "national tax policy" come together here. In each of these fields, although no set of policies is
explicitly stated, a consensus is reached for a longer or shorter term which provides the guidelines for actions at the Federal level.

In light of this, perhaps I can most usefully this morning address myself to the administration of various minerals programs, rather than to underlying policy.

In our Department the minerals responsibilities are recognized by designating one of the four assistant secretaries as the Assistant Secretary for Mineral Resources. But his supervision by no means covers all the Department's mineral administrative functions--the Assistant Secretary for Public Land Management, a position I had for four years, is occupied with minerals questions significantly, particularly in the supervisory responsibilities over the Bureau of Land Management.

And I have said more than once that the adjudicative function dominates minerals administration, particularly as it relates to the public lands, which makes the Solicitor of the Department a key official in this area of interest.

Minerals-related activities are found in almost every program area of the Department, and account for somewhat over 10 percent of the Department's annual budget of a billion and a half dollars. To place this in perspective, the industry that produces the raw materials which form the materials and energy base of our Nation's economy and security is in the twenty billion dollar range, perhaps four percent of the national income.

What are the premises and goals of the Department in this program area? Can we be more specific than merely to state the general objective of protecting the Nation's security and improving the people's welfare by expanding economic activity and assuring an adequate supply of minerals and fuels?

I think we can. We can start by noting that the grade of many of our mineral reserves is declining. This decline has been offset so far by corresponding improvements in technology and the acquisition of new knowledge about the geologic composition and structure of the planet, so that even as the grade of our reserves has declined, relative efficiency has gone up. The result of this complex process has been a decline in the real cost of most basic mineral commodities.

In Interior, we believe that the national effort for the development of new mineral reserves must be augmented. We cannot vouch for the adequacy of presently known reserves to sustain the present population through its lifetime at current consumption levels, much less assure a steady increase in economic growth.
Minerals and fuels are the essence of our machine civilization, as they have been the essence of predecessor civilizations whose levels of advancement are related to minerals. The terms Stone Age, Bronze Age, Iron Age, Coal Age, describe man's progress in dealing with his mineral environment. Now we are entering the nuclear age.

Technological progress has created a more efficient use of minerals and fuels, and released a larger percentage of our national effort to other activities than mining--but the contribution of raw materials to our well-being has paradoxically increased in importance.

For this reason we must not permit transitory economic anomalies to provide the justification for avoidance of our responsibilities to the future. In more concrete terms, we should not be blinded in short-lived periods of oversupply to the more fundamental problems of assuring longer-term adequacies. Sixty years ago our copper was derived from ores that ranged between 5 and 20 percent. In slightly more than a half century, a major technical revolution has permitted us to draw on resources averaging less than one percent. This revolution, whether by accident or design, permitted a smooth transition from the old resource base to the new. In contrast, the seeming abundance of high-grade iron ores in this Nation--short-term adequacy--blinded us to the requirement for a longer-term view. As a result, we very nearly experienced a crisis in terms of domestic iron ore supply before the technology which transmuted taconite from a background resource to an active contributor to our economy could be developed.

It is an article of our faith that much remains to be accomplished in the development of mineral technology and methods. Marine mineral opportunities are a dramatic case in point.

These same factors have made us aware that the simplicity which characterized exploration in the past has given way to complexity. The exhaustion of easily discovered high-grade ores has made it necessary to seek lower-grade, more inaccessible deposits. Minerals not capable of being prospected by visual methods have assumed greater importance. All the tasks of your industry--mining, exploration and processing--have taken on a sophistication undreamed of fifty years, or even a decade ago.

Thus science and technology are as important here as in the space and military fields. Division of the research and development responsibilities between the public and the private sector demands hard and often vexing judgments. How to finance research and development of oil shale, for example, divided the Secretary's Advisory Board almost evenly--some of the members regarding it as a public responsibility to be financed directly by public funds, the others favoring an approach which would in effect charge the resource with the R and D costs.
That issue isn't resolved. There will be others like it. But these baffling matters cannot obscure the basic premise of our approach—that we must increasingly emphasize the scientific and technologic aspects of our work.

Minerals, unlike timber and forage, are not renewable. The challenge to assure maximum efficiency in recovery and use, and minimum loss through waste and contamination, is correspondingly great. It seems to me that we have a golden opportunity to wed this concept with the natural abhorrence of contamination and pollution, to achieve a new concept of conservation with a direct link to economics.

To look upon stack gas as a source of sulfur, fly ash as a building material, sewage wastes as a source of energy, and junk automobiles (once again) as a raw material for steel-making—these concepts are constructive and affirmative, and bring the private and public sectors into phase in the effort to improve the quality of our environment. The minerals industry has, in some cases at least, found that the land from which minerals have been stripped, properly rehabilitated, has returned profits to it equivalent to the profits in the minerals themselves.

This necessary linkage between economics and conservation is clearly demonstrated in the field of automobile scrap. The auto scrap problem has become increasingly serious in the past five years, primarily as a result of an innovation in steel-making practice which has reduced the requirement for scrap. Prior to 1960, the demand and supply of automobile scrap were roughly in balance. With the advent of the oxygen converter and its decreased reliance on scrap, the junked automobile problem has become increasingly acute. The problem, then, has been created, or at least intensified, by technology. It is to technology that we must look for its solution.

Recent results of Bureau of Mines research indicate in a preliminary fashion the technical feasibility of two alternative methods for elimination of impurities such as nickel, copper and tin from junked automobiles. The treated scrap appears to be suitable for use in standard or slightly modified steel-making processes. Preliminary results indicate that a relatively small plant with low capital cost and hence with application to low-density scrap yard areas may be competitive with modern large scrap processing installations. We are hopeful that the Bureau will be able to expand its effort in this particular area. If the effort is ultimately successful, it will, through the application of technology, have converted an otherwise waste product of our society into a further source of strength. This, in my view, is an outstanding example of the approach that we will have to adopt to the conservation problems that are generating increasing national concern.
Our economy has developed to the point where we can turn our attention to developing an environment with the emphasis on quality. Under the inspired guidance of Secretary Udall and responsive to the leadership of President Johnson, the channels of communication between industry and government toward the accomplishment of the objective of a quality environment have been opened. We must keep them open.

There is no conflict between your industry and the Federal Government in the general principles I have outlined above. We both have faith in the future of the minerals industry. We both are resolved to serve the needs of our country for materials and fuels technology, each in our own way, and our commitment to the idea that we can achieve our material objectives and still contribute to the quality of our environment is mutual. There is, then, no disagreement between us in principle. It is in the realm of administration of the laws and policies that affect your industry, rather than in the laws and policies themselves, that most of the friction between us is found.

Let me read to you a couple of sentences: "Law and legal difficulties are to many engaged in the mining business little short of a terror. There has been so much misery and anxiety caused by the uncertainties of titles, by the ups and downs of legal decisions and the irrepressible conflicts of laws . . . ."

Although this may sound like a recent editorial from a mining journal, in fact it comes from an 1882 mining treatise. And quoted in the treatise is an open letter discussing the Mining Law of 1872, then only ten years old:

It has repeatedly happened that the disputed possessory title to valuable mining property has turned upon the memory or honesty of contradictory witnesses, concerning records which could not be found, landmarks which had disappeared, "customs" which had been repeatedly amended, in violation of such customs by persons who had long since left the district or the world . . . What remains to be done is to abolish altogether the irregular and whimsical subdivisions known as "mining districts", with all their officers, and to make all mining titles in the public land originate in entries duly attested and preserved in duplicate or triplicate by the regular officers of the United States.

The Department in this session has requested the Congress to enact just such a reform, also recommended by the Paley Commission in 1954.
The open letter of eighty years ago was emphatic:

In all the suggestions which I have heard . . . it seems to have been taken for granted that no location should be made until after the discovery within it of "valuable mineral." This phrase is vague enough, and the administration of the law containing it is very likely to be a farce.

The statement was not only profound; it was prophetic.

Uncertainty about the term "valuable mineral" as the most laconic statutory guideline would be comic if it were not so tragic in terms of uncertainties created, resources wasted, and animosities developed.

But there is light on the horizon in the beginning work of the Public Land Law Review Commission. Chairman Wayne Aspinall is on your program, and I would not presume to trespass on his subject. Suffice it to say that a week or so ago he told the Rocky Mountain Oil and Gas Association about the Commission's plans and his statement alludes to a number of administrative problems—the multiplicity of agencies and of rules within agencies; conflict between statutes and interpretations by departments; time lag in obtaining decisions; withdrawals; and control of surface uses.

To sum up, the Department of the Interior has several roles in the minerals field—advisory, administrative, and investigative. In the first, the executive establishment looks to us on most minerals problems. In the second, we carry out regulatory and management responsibilities prescribed by the Congress and the President, including the mining and mineral leasing laws, mine safety regulations, helium conservation, oil import controls, financial assistance for exploration, and classification and management of public lands and publicly owned minerals.

In our investigative function, we conduct topographic and geologic mapping, appraisals of the magnitude and character of the Nation's known and potential mineral resources, research in earth sciences and minerals technology, and the collection of statistics.

The President is determined that we do each and all of these things well; that we justify our programs by identifying the goals we seek, the measures we think should apply to determine our effectiveness, and compare those programs against alternatives which might be available.

This is a healthy exercise. It should result in time in better administration of the laws and in the development of mineral-oriented
programs which more closely serve the Nation. The point that I would like to leave with you, however, is simply this: Those elements of the Nation's minerals policies that are administered by Interior cover a vast series of considerations. In almost every instance in this, as in other spheres of Government policy, contending forces must be recognized and reconciled, to the extent possible. In Government, as in physics, every action tends to have an equal and opposite reaction. Therefore, it is a source of wonder that the Federal Government is able to move at all in so contorted and complex a realm as minerals policies. Nevertheless, it does move and it moves, I believe, effectively. In a very real sense, the flourishing state of your industry is in part at least a product of the complex of elements that constitute our minerals policies and testimony to the effectiveness of their administration.