The Cost of Gold
by William C. Patric

Most of us would not refuse an offer of gold. Many of us own gold in one form or another, often as jewelry. Yet for something considered highly desirable, gold has a dark side worth contemplation. Few substances have caused as much cultural and environmental devastation as gold. Start with its discovery. It is what Columbus came looking for in 1492. And when he found...
Letter from the President

Who’s A Hero?

Earlier this year I sent a letter to the CEOs of 100 mining companies around the world asking them for their environmental policies and any case studies or examples of responsible mining. A number of companies have sent us their environmental policies but as of yet, none have nominated a model mine. Let’s face it, modern mining is an inherently destructive business, but there must be some case studies demonstrating where ecological values have been protected, water runs clean and clear, and the site has been reclaimed. We’ll keep asking because, quite frankly, we need more examples of success.

If you call up Time.com you will see the McLaughlin mine profiled as an example of “mining now” under the banner “Heroes for the Planet.” The piece presents the mine as an example of how the industry has cleaned up its act.

This is greenwashing. Greenwashing occurs when advertising and public relation claims outpace the environmental performance of an industry or company, giving them more public credit than they deserve. In this case, Time.com is the culprit because they needed to force the mining sector to fit neatly into their “then and now” template, irrespective of the evidence. Unfortunately, because the industry hasn’t made enough progress, the industry doesn’t fit.

There is no doubt that Homestake mining has done a commendable job with reclamation at the McLaughlin mine. We’ve said it before and we’ll say it again. But Homestake’s efforts are simply commendable, not heroic. And the mine is the exception, not the norm.

The real problem here may be that heroism has been dumbed-down to fit today’s limited journalistic needs. But there are still real heroes out there. They may not appeal to the corporate sponsors of Time.com’s web site, but they’re out there. And they’re not hard to find.

Here’s my list of ten heroes who have worked tirelessly to hold the mining industry accountable for its environmental performance, and to improve its performance, in 1999:

★ Will Patric, MPC’s former circuit rider, and ★ Gene Sentz, a schoolteacher, who doggedly fought a four-year battle to protect Montana’s Rocky Mountain Front from mining.

★ Dave Kliegman, who is leading the Okanogan Highlands Alliance in a multi-year fight to protect his community from what would be Washington State’s first open pit cyanide process gold mine. It was the fight over this mine that sparked the national furor over illegal dumping of mine waste. While this mine has received a special exemption from waste dumping limits, Dave continues the fight on other fronts.

★ Interior Department Solicitor John D. Leshy, ★ Congressmen Nick Rahall (D-WV), ★ Christopher Shays (R-CT) and ★ Jay Inslee (D-WA), who stood up to the mining industry and put their collective muscle behind an effort to enforce the law and limit the dumping of mine waste on public lands.

★ Dr. Kalia Moldogazieva, who put her career and livelihood on the line through her efforts to discover the long-term environmental and health impacts resulting from the tragic cyanide spill outside the Kumtor gold mine in Kyrgyzstan.

★ Jim Cooney, Director of Sustainable Development for Placer Dome, who works tirelessly inside the company and the industry to promote better environmental and social practice. While we may not agree on everything, change will require champions like Jim working from the inside.

★ Roger Flynn, an environmental attorney, who on behalf of his community-based clients pursues mining company missteps tirelessly.

As we enter the new millennium these are just some of the heroes we will count on to push the mining industry into the 21st century of environmental protection. ☉

Stephen D. Esposito
President, Mineral Policy Center

Thanks

All of us here at MPC wish to thank Gil Orndorff for his ongoing support to MPC. We also want to say a special thanks to Stewart L. Udall, a founding MPC board member, who continues to work tirelessly to protect our nation’s public lands and reform the mining law. Thank you Gil and Stewart.

Board
J. Michael McCloskey
Chairman
Thomas A. Troyer
Vice Chairman
Stewart L. Udall
Member
Jay Halfon
Member
Dr. Glenn Miller
Member

Staff
Stephen D’Esposito
President
Valerie Keels
VP Operations
Aimee Boulanger
Senior Circuit Rider
Dan Randolph
Southwest Circuit Rider
Susan Brackett
Communications Director
Cathy Carlson
Policy Advisor
Krista Dahlberg
Project Coordinator
Alan Septoff
Campaign Director
Lydia Wicker
Development Director
Danielle Denenny
Intern
Brian Loughran
Intern

 Philip M. Hocker
President Emeritus

Thanks for all your comments on the MPC News format. We have designed this issue with many of your suggestions in mind. Please continue to let us know what you think!
In late June, we decided to push for passage of a House resolution to enforce legal limits on mine waste dumping. We expected a very close vote. This full-page ad ran in the west coast edition of *The New York Times* on July 15th, the morning of the House vote.

It generated significant interest from the press and the public. It led to stories in other newspapers and on the radio. The ad was subsequently used on the floor of the U.S. Senate. Copies were distributed to every Congressional office, other environmental organizations, and the press. We expected a close vote.

We won by 122 votes.
It’s Time to Enforce Waste Dumping Limits, and Reform the Mining Law
This past spring the Clinton administration began enforcing waste dumping limits at mines on public lands. It was good news and long overdue. Almost immediately, mining industry lobbyists filled the halls of Congress trying to engineer a special exemption. So far, they haven’t succeeded.

Believe it or not, these limits on waste dumping are contained in the 1872 Mining Law. The industry now argues that they long ago outgrew these 127-year-old limits. Could it be that the industry is slowly coming around to our position that the 1872 Mining Law is, in fact, obsolete, and that it’s time for a change?

As we go to press, the White House and Congressional negotiators have just reached agreement to enforce dumping limits at most new mines. Here’s what Congressional Quarterly had to say about our work: “[from this summer] The House vote ... was a signal that the industry’s clout in Congress has eroded.” Stay tuned.

Six Mines, Six Mishaps
In September, MPC released a new report, Six Mines, Six Mishaps. The report analyzes environmental problems at six mines in the western U.S. According to the Environmental News Network, “The report takes a close look at six mining operations to demonstrate the gaps in environmental regulation of mining on public lands.” We predict that unless mining regulations are modernized, taxpayers will spend billions to clean up public lands polluted by mines.

Taxpayers Overburdened by the Cost of Mine Cleanup
In August, MPC released its latest issue paper, Overburdened. The paper analyzes the problem of inadequate taxpayer protection from mine cleanup costs, and calls for the financial burden of reclamation to be shifted to mining companies. The report was excerpted in the journal Mining Environmental Management.

The Ok Tedi Mine Disaster: It Gets Worse
Officials from BHP have admitted publicly what environmental watchdogs have been saying for years: the environmental problems at the Ok Tedi mine in Papua New Guinea are worse than the company predicted. The CEO of BHP stated, “With the benefit of 20/20 hindsight ... the mine is not compatible with our environmental values and the company should never have been involved.” Over 70 kilometers of river and 500 square kilometers of forest are biologically dead. Environmental groups and human rights organizations including MPC, Mining Watch Canada, Mineral Policy Institute of Australia, and Greenpeace Pacific issued a joint statement calling on BHP not to abandon its environmental responsibilities or the impacted communities.

Environmental Times, “Read All About It!”
In May, MPC staff and volunteers spread out across Washington, D.C. and distributed over 8,000 copies of Environmental Times to Washington, D.C. Metro riders.

Sustainable Mining?
An MPC report released in July, 14 Steps to Sustainability, calls for the mining industry to end environmentally and socially destructive practices and implement policies that promote sustainability. In particular, the report scores the efforts of one mining company, Placer Dome, to execute sustainable mining practices. 14 Steps to Sustainability was distributed to over 100 mining companies worldwide, as well as the U.S. Congress, World Bank officials, and individual activists who live at or near Placer Dome mine sites around the globe. The report is available from MPC and is also on our web page www.mineralpolicy.org with all other recently released reports and publications.

Cyanide Certainty at the UN
Recently, a United Nations delegate in Paris read MPC’s Cyanide Uncertainties, written by Dr. Robert Moran. Impressed with the report, he invited Dr. Moran to a conference at the beginning of December in Johannesburg to discuss cyanide technologies. The workshop, hosted by the United Nations and the Chamber of Mines of South Africa, will focus on the environmental technology assessment of cyanide technologies. More information about the conference can be found at www.natural-resources.org/environment/entacnhome.htm.

In addition, Cyanide Uncertainties is now available from MPC in Russian, Spanish and Bahasa.

Reform Barometer
- Stock of Battle Mountain Gold Removed From Domain Social Index
- MPC Wins 273-151 Vote in House to Enforce Mine Waste Dumping Limits
- USA Today Takes Strong Pro-Reform Stand
- Forest Service Protects Rocky Mountain Front From Mining
- Citizens in Montana Pass Cyanide Ban
- Gold Prices Go Up, Then Down, Then Up: Where Next?
- BHP Admits OK Tedi Mine Mess, So While Environmental Problems Are Worse, This Could Lead to More Pressure for International Oversight
- Senators Stevens, Murkowski, and Craig Continue to Use Committee Power to Block Real Mining Reform in the Senate
- National Academy of Science Ignores Science: Calls for More Funding to Study Mine Pollution

Campaign Reports
The Cost of Gold, continued from page 1

gold in the Caribbean, it unleashed two centuries of unmitigated suffering for Native Americans. Taino Indians died by the thousands as forced laborers in the gold mines of Hispaniola. Bartolomé de las Casas, witness to much of the Spanish conquest, said “gold was mined with the death of Indians.” Those that survived Spanish subjugation and the brutality of the mines succumbed to diseases introduced by the gold seekers. Tainos, who probably numbered in the millions before Europeans arrived, were extinct a few decades later.

The “Black Legend” was carried to the mainland under the able direction of Hernando Cortes. It took this infamous conquistador only a few years to completely destroy the Aztec civilization of central Mexico. The Aztecs valued gold for its beauty, as a malleable and durable metal worked by accomplished artisans. They did not have a lot of it, but enough to draw a ruthless army that stopped at nothing to get what it wanted. Outright theft turned to warfare that raged through the Aztec capitol of Tenochtitlán in a struggle of Homeric proportion. The result was uniquely American, however. Another vanquished Indian culture.

Even after the conquests ended, “New Spain’s” gold and silver mines remained a plague for indigenous people driven to produce the metal that supported an empire. José de Acosta wrote in 1588, “The order that forces the Indians to work in the mines is harsh ... many in this job die or are consumed by exhaustion ... It is horrible to relate the appearance of the caves inside the mine in the entrails of the earth ... perpetual and horrendous night...” From Balboa to Onate, two themes ring true throughout the period of the Spanish conquest: gold and death for literally millions of Native Americans.

The first United States gold rush began not in 1849 in California, but half a century earlier, on the other side of the continent, in central North Carolina.

The wonders of the Aztecs and their great city, of which we know so little—a gleaming metropolis, perhaps the largest in the world in its day—seem almost inconceivable. Beyond the human misery wrought by Cortes, we are left with a tragic loss of knowledge about an incredible Indian civilization.

De Soto and Coronado brought gold hunting into what would be the United States in the mid-1500s. North of Mexico, gold was unknown among indigenous people. But the Spaniards had struck it rich with the Aztecs, and even more so when conquering the Incas of Peru. They expected the same to the north. Tribe after tribe failed to deliver and suffered dearly. Repeatedly, chronicles show Native Americans welcoming newcomers only to be crushed by the single-minded invaders who also brought smallpox and other pathogens that cut a far wider swath than horse-mounted troops, armored swordsmen, muskets, and cannons ever could.

The first United States gold rush began not in 1849 in California, but a half century earlier, on the other side of the continent, in central North Carolina. Placer mines sprang up throughout the southeast. By 1830 an estimated 10,000 miners were illegally working lands that had been granted by treaty to the Cherokee Nation. The net result for these indigenous Americans was forced removal to Oklahoma’s “Indian territory” so more land could be opened up to prospectors. By all accounts, the “Trail of Tears” was well named.

Then came the California gold rush, the largest in history. Prospectors and miners—and cholera, smallpox, and other diseases—streamed across the plains to the burgeoning gold fields. Native people often stood in the way of the one thing newcomers coveted. Most disputes were quickly and violently resolved. Land and waters also bore the brunt of increasingly destructive mining.
The Public’s Cyanide Allergy: A Global Reaction
by Stephen D’Esposito

The environmental and social impacts of modern gold mining can be profound. In 1993, in Colorado, the Summitville gold mine was abandoned by Galactic Resources Ltd., leaving U.S. taxpayers with a $170 million cleanup bill. Acid contamination and cyanide pollution from the mine killed a 17-mile stretch of the Alamosa River.

In 1995, 860 million gallons of cyanide-laden mine waste poured into a major river in Guyana from Cambior’s Omai gold mine.

In 1997, the Zortman-Landusky gold mine in Montana was abandoned by Pegasus Gold Corporation after a series of cyanide spills and pollution problems, leaving Montana taxpayers with a likely multi-million cleanup bill.

In 1998, a cyanide spill outside the Kumtor gold mine in Kyrgyzstan resulted in hundreds of people falling ill and may have lead to one or more deaths.

As a result of the troubled environmental record of modern gold mining, citizens around the world have begun to take action to block new proposals, particularly those in ecologically sensitive or culturally significant areas.

In 1998, Montana citizens, fed up with repeated cyanide spills at gold mines throughout the state, passed a ban on all new gold mines that use cyanide. Community leaders in Turkey have waged a successful campaign to block plans for an open pit gold mine in an ecologically and culturally significant region of the country. In the Czech Republic, activists are campaigning to block a number of controversial gold mining projects.

Ironically, this ground-swell of public opposition is a result of modern mining’s technical efficiency.

CONTINUED ON PAGE 7
Over the past two decades, the industry has developed technology that removes microscopic specks of gold from crushed rock. Miners dig up the soil and bedrock, pulverize it to the consistency of talc, and extract small gold particles using a cyanide solution. Low-grade ores, that would not have been mined a few decades ago, are now economical to mine. Because these low-grade deposits tend to be widely dispersed, and because the capital cost of the vast mining machines needs to be recouped, these mines literally consume entire landscapes. Their footprints can be enormous. These operations can remove mountains and leave massive pits the size of a small town. Add to this the industry’s checkered environmental record, (i.e. its history of cyanide spills and water pollution problems) and you have a prescription for public outcry: An allergy to cyanide.

Many in the industry consider this public response irrational. They present a parade of technical experts intended to counter public fears. These experts promote the theory that the industry should be able to safely manage cyanide. But the public’s response is not based upon theory. It is based upon what they have seen with their own eyes. The public’s cyanide allergy is in fact a rational response to the long list of industry mishaps and accidents, the visible landscape impacts, and the public’s desire to protect ecologically significant lands from mining.

Some of the more progressive individuals and companies in the industry are beginning to grapple with this issue. In its recent report on environmental performance, Placer Dome makes the following statement: “...government regulatory bodies and lobby

![Image](image.jpg)

The pristine Barskoon River, in Kyrgyzstan, flows cleanly just above the site of last year’s tragic cyanide spill.

MPC board member, Dr. Glenn Miller, discusses the impacts of acid mine drainage on water, and experimental cleanup techniques.

Orange water occurs when acid waters dissolve and mobilize metals such as iron, copper, aluminium, cadmium and lead. These, particularly the iron, precipitate out as the water becomes less acidic, and coat stream bottoms with orange, red, or brown colored slime called “yellowboy”.

The public’s cyanide allergy is in fact a rational response to the long list of industry mishaps and accidents, the visible landscape impacts, and the public’s desire to protect ecologically significant lands from mining.
groups in many parts of the world are working together towards banning cyanide in their jurisdictions. To prepare for that eventuality, Placer Dome’s Technology Group has earmarked funds for research into: minimizing transport risk and cost by producing cyanide at the mine site, less expensive and more effective cyanide recovery and destruction technology, and alternatives to cyanide for leaching gold, which are environmentally friendly, give good recovery and are economically viable.

In the end, environmental results are what counts. Placer Dome deserves credit for recognizing the public’s cyanide allergy. Yet there are two issues here. One is pollution from cyanide. The other is the massive environmental footprint of these low-grade mines. Until both issues are addressed the public’s cyanide allergy will only worsen.

**Why Horde Gold?**

Many governments continue to subsidize and promote gold mining projects. Over the years, environmental campaigners and taxpayer groups have attacked the direct and indirect subsidies that governments provide to the mining industry through land giveaways, royalty deals, tax breaks, and other measures. Yet, when it comes to gold, they have not given adequate scrutiny to what may be the most significant government favor to any industry, anywhere. Government central banks and monetary institutions hold a massive reserve of gold, almost 1.1 billion ounces. The U.S. holds 261 million ounces. By holding onto those reserves, and keeping what amounts to a vast oversupply of the metal off the market, they essentially promote the extraction of gold. The net result is that governments promote environmental damage by withholding gold from the market.

There is, however, growing evidence that there are detrimental economic as well as environmental impacts from this policy. A number of governments have begun to sell some of their gold reserves and realized significant financial gains as a result. Some economists have predicted that further government sales would result in substantial economic gain.

Historically, gold has had a financial, cultural, social, and emotional significance that transcends its practical use as a metal. Gold has underpinned our financial system. It has led to war and much human suffering (see feature article, “The Cost of Gold” by Will Patric). A small band of gold is used by our culture to signify love and lifetime commitment. Yet many speculate that with each passing year, gold is losing much of its allure and is becoming a commodity like silver, platinum, or copper. It’s too early to tell if this is the case. However, as we have seen over the past few months, governments are in the process of making decisions about gold reserves that will profoundly affect the environmental, social, and cultural health of communities worldwide. While the outcome of this debate can not yet be predicted, it is imperative that campaigners and organizations working to protect the environment and communities play a role in this debate.

With that objective in mind, Mineral Policy Center is taking a leading position in bringing an environmental perspective to what has previously been a debate among economists. We are providing information to the U.S. Department of the Interior as they evaluate their policies on determining the value of gold deposits on public lands. This is important because for a mine project to be approved, a valuable deposit must exist. We are providing training and information to community leaders and activists so that they better understand how this issue and other economic trends may impact them. We are publishing an electronic newsletter, called *MetalsWatch*. It provides the latest on the economics and business of mining. We circulate this newsletter to organizations and individuals worldwide free of charge.

This is an important policy debate, and it is critical that environmental concerns are part of the discussion. It is time to begin shedding some light on the environmental impacts of decisions made, until now, by a small circle of central bankers and politicians.

**MPC's Top 5 Successes in 1999**

1. **Stopped Illegal Mine Waste Dumping on Public Lands** After pushing the Clinton administration to enforce the law and stop future illegal mine waste dumping, we won a 273-151 vote in the House, and beat back Senate riders which threatened to overturn the victory. Along with local groups to secure mineral withdrawal for Montana’s Rocky Mountain Front.


4. **Blocked Public Lands Giveaways to Mining Companies** MPC successfully renewed the moratorium on billion-dollar public land giveaways to mining companies.

5. **Forced Mining Companies to Report Toxic Waste to the Public** As a result of a 7-year campaign, mining companies must report their toxic releases to the public.
**Photo Contest**

**Mining’s Impacts—Images of Devastation and Protection**

The story of mining’s impact on our environment and communities is perhaps best told in photographs—abandoned mine pits, current open pit mines and polluted streams, mining communities and mine workers, photographs of what mining can bring and what it can take away, areas protected from mining, areas that should be protected, and mines that have been reclaimed.

In order to bring these images to the attention of the decision makers, the media, and the public, MPC is holding a photo contest. The contest will also allow MPC to expand and update its stock of photos. Photos will be judged on their artistic merit and their potential as an advocacy tool. Awards will be given in two categories:

- **Images of Protection** including protected areas, lands withdrawn from mineral entry, pristine wilderness threatened by mines, lands that should be withdrawn or protected, communities near proposed mines, activists working on mining issues, reclaimed mine sites, and responsible mine operations.

- **Images of Devastation** including abandoned mines, crumbled mountains, open pits, polluted water, mine accidents, mine waste, and suffering communities.

Finalists will be selected by MPC staff. The winners will be judged by a panel that includes Chairman of Advocacy Arts and award-winning photographer Robert Glenn Ketchum, MPC founder and photographer Philip M. Hocker, and MPC President Stephen D’Esposito.

Winners will be announced as part of an MPC press event. All winning photographs will be made available electronically to the press and published as part of a photo essay on mining.

There will be a first, second and third place prizes and five to ten honorable mentions in each category. On behalf of the first, second and third prize winners, MPC will make a $150, $100, and $75 contribution, respectively, to a community group selected by the winner. These winners will have their photos published in MPC’s newsletter, MPC News. The first prize photos will also be published on the home page of our website at [www.mineralpolicy.org](http://www.mineralpolicy.org). The photos of all second and third prize winners as well as photos receiving an honorable mention will be published in the photo gallery on MPC’s website.

To participate, send photographs (with negatives), or slides to: MPC, Attn: Photo Contest, 1612 K Street N.W., # 808, Washington, D.C., 20006. Include the contestant’s name, complete address and phone number. All entries must be postmarked by Friday, February 11, 2000.

Each entry must be accompanied by a detailed photo caption that includes pertinent information such as location, name of mine, background information, etc. Entries may not be digitally enhanced or manipulated. Photos, negatives, and slides will not be returned.

Winners will be notified by phone by March 31, 2000.

*This is not a commercial photo contest.* The photographs will be used by MPC only for educational and advocacy purposes. MPC will retain the right to print and publish all submissions in any of its materials, including publications, advertisements, promotional materials and newsletter. MPC also reserves the right to provide photographs to the press for non-commercial purposes. In all instances, MPC will require a photo credit for the photographer. MPC will not use, or allow others to use, the photographs for commercial purposes.
methods as small placer operations were replaced by hydraulic mining. High-pressure water was blasted into mile after mile of gold-bearing stream banks; the work of geologic ages turned to rubble in days.

The story of the settlement of America is very much of one gold or silver rush following another. After California, Oregon and Nevada were next. Then Colorado. Montana. Washington. With no regard for environmental consequences. And, according to historian Robert Utley, “More than any other whites, miners disrupted the Indian world of the American West.” Encouraged by the incentives of the 1872 Mining Law, stroking the flames of Manifest Destiny.

Almost as quickly as the federal government established treaties with tribes, when gold was discovered, they were broken. By the Fort Laramie Treaty of 1868, for example, the United States formally recognized Indian sovereignty in the Black Hills, the sacred “Paha Sapa” of the Sioux people. Six years later the word was out—“gold in them thar hills!” Miners swarmed onto the Sioux reservation, and the government, which essentially spurred the rush in spite of the treaty, did little to discourage them. Custer paid for this at Little Bighorn, but the Indians lost their homeland. Part of that legacy today is five large gold mines in the heart of the Black Hills of South Dakota.

Hydraulic mining and dredging spread like a cancer across the face of the west. Along the American River in the foothills of the Sierras, around storied Montana mining towns like Virginia City and Bannack, in Idaho’s Salmon River country, and through the Klondike following the “Trail of ’98.” Today the scars remain—sterile streams, riverbank moonscapes.

Gold in our own time has brought a new form of environmental degradation of a magnitude unimaginable in pick and shovel days. The treasure troves that fueled the Spanish conquest, or the easy pickings that answered Forty Niners’ prayers, are gone. Gold, through much of the 20th century, was primarily obtained through underground mining. Then, technology found a new way to keep the prized yellow stuff coming—cyanide.

Cyanide, which of course is highly toxic, is capable of separating microscopic gold particles out of mineralized rock, or ore. It’s long been utilized in limited capacities, but it was first applied on a large scale at the Zortman-Landusky mine, adjacent to the Fort Belknap Indian Reservation in Montana, opened in 1979. Here ore was dug from a vast pit, crushed, placed in huge heaps, and then soaked with a cyanide solution. It took about 60 tons of rock—a pile the size of a house—to yield a single ounce of gold.

This is strip mining for gold. And there are a myriad of environmental problems associated with these massive mines. Modern gold mining operations can level entire mountains to make gold rings. They “disturb” thousands of acres of land. Cyanide, applied by the millions of pounds, often contaminates ground water. Acid pollution has accompanied mining for centuries, but is now a much larger environmental threat. Acid forms when sulfide-based minerals in waste rock or on the face of pit walls, for example, are unnaturally exposed to air and water. This acid is toxic to aquatic life and also causes heavy metals—lead, copper, zinc, cadmium, and the like—to be released into the environment.

The cyanide technology worked well at Zortman-Landusky, at getting the gold out that is, and the cyanide leach mining has spread throughout the western U.S. and the world. But today this prototype mine, with its history of Clean Water Act violations and acid pollution, remains abandoned by its bankrupt owners. The mine is an enormous, festering scar on the Montana landscape. Reclamation (in so far as it is possible) and water treatment are discussed in the tens of millions of dollars, with projections for its duration not in years but decades.

A similar story has unfolded at the Summitville gold mine in Colorado, a cyanide leach operation infamous for its impacts on the environment and cost to the American taxpayer. Developed high in the San Juan Mountains, efforts to stop cyanide and acidic pollutants from contaminating the headwaters of the Rio Grande have cost the federal government more than 100 million dollars after the mine’s owner went bankrupt. Similar disasters have accompanied modern gold mining in the Black Hills and central Idaho. A Montana regulatory agency official observed, “Use of cyanide in ore processing probably poses the greatest single threat to the aquatic environment that we are dealing with today.” Another called the technology, “not ready for broad use.”

Cyanide technology created a new gold boom in the 1990s, making the United States the world’s second largest gold producer. Today, Nevada alone accounts for over 70 percent of gold production in the United States. In Nevada, multinational companies operate dozens of big open pit mines, tearing up land and consuming vast quantities of water in an area that also happens to be claimed by Western Shoshone as their ancestral home.

Despite the high costs, in lost landscapes and pollution from cyanide and acid contamination, gold mining in this latest incarnation remains with us. And it is likely to proliferate unless society radically reshapes its values.

The weight of a tragic past can be found in each ounce of gold. But there is nothing we can do to alter history. Today, however, we should no longer be blinded by the glitter of gold. What was once taken with native blood is now traded for mountains and rivers. As policy makers debate our 127-year-old mining law, and consider efforts to strengthen—or weaken—mining regulations, they should remember that the true price of gold is still far more than what we pay at the jewelry store.

William C. Patric worked for six years as MPC’s northwest circuit rider. He is currently working on a research and writing project on the impact of mining on Native American communities.

This is strip mining for gold. These modern gold mining operations can level entire mountains to make gold rings.
MPC Seeks to Double Its Supporter Base, continued from page 1

As I sip the coffee Brian's given me, my eyes turn to the papers stacked along the wall. Brian tells me they're for an upcoming "Hill drop." Later today, MPC staff and interns will distribute these to every member of Congress. I'm a bit startled to learn that this is the fifth such Hill drop in the past two weeks.

"MPC changes laws, brings issues to the public, and goes directly to companies to hold them responsible for their behavior. That's a pretty powerful combination."

I make my way to the cluttered office of Alan Septoff, MPC's legislative director. Alan's on the phone with a Capitol Hill "staffer." MPC has just won a somewhat surprising vote in the House of Representatives, by over 100 votes. He slams down the phone with an incredible amount of energy. I introduce myself and congratulate him, but he doesn't dwell on the victory. "Most people don't know how atrocious the 1872 Mining Law really is. Many folks have no idea how heavily the American public is subsidizing the mining industry. We are working to change that and we need public support." The phone rings and our chat is cut short. I move to the next office, just outside Alan's.

Danielle Denenny, another intern, is on the Internet. What are you researching? "I'm updating our statistics on how many miles of streams and rivers and acres of lakes and reservoirs have been contaminated with mine waste." How many? "About 12,000 miles and 180,000 acres." How contaminated? "Some bodies of water are totally biologically dead! It's horrendous." Isn't there a law to prevent that? She smiles and asks back incredulously, "An environmental mining law?" Yes. "No. That's one of the reasons MPC is here—to work on comprehensive environmental reform of the 1872 Mining Law. The law is outdated, as you can imagine, one hundred twenty-seven years old, and it doesn't have an ounce of environmental protection."

I'm in shock. Why didn't I know about this? Why isn't there a better law? Do other people know about this? Questions whiz around inside my head.

I step into another office. Lydia Wicker is the development director. Tell me about your efforts to broaden your base of support. "We want to at least double our membership base. When people learn about this issue there's a sense of outrage—of disbelief. We just have to get the word out!" She tells me that today, 100,000 letters are being sent out to people across the country who are interested in environmental causes. "People are always shocked when they learn about the atrocities of modern mining and our country's lack of environmental legislation."

I'm one of those people learning about the atrocities of mining and she's right; I am shocked.

I visit the office of Krista Dahlberg. Krista has just completed two MPC reports. One, Six Mines, Six Mishaps, shows that each year the environmental damage from mining continues to mount. Another, 14 Steps to Sustainability, challenges the industry to improve its environmental performance. What's your take on what MPC's work is all about? "MPC changes laws, brings issues to the public, and goes directly to companies to hold them responsible for their behavior. That's a pretty powerful combination."

The determination and commitment of the staff here is contagious. I need to keep a balanced perspective, so I ask Brian for another cup of coffee and take a break.

When I return to Krista's office, she's on the phone with a circuit rider. What's a circuit rider? Krista explains that MPC has two field staff: Aimee Boulanger in Bozeman, Montana and Dan Randolph in Durango, Colorado. They spend their days traveling from community to community providing hands-on support to citizens facing mine proposals or pollution problems from current mines. I talk to Aimee. "It's a lot of lonely roads, living room floors, and long conversations. I wouldn't trade it for anything. The way we approach our work is to support the communities as they grapple with the impacts of mining. They decide what they want. We help them get it."

As I give the phone back to Krista, Steve D'Esposito, president of MPC, rushes past the door. He's on his way to testify at a congressional hearing. I ride the elevator down with him and ask him what it is that supporters bring to MPC. "We're taking on a multi-billion dollar industry. This industry has blocked almost all reform efforts for 127 years. We're eight committed, hard-working people that don't give up. That's why we're making progress, but we need all the help we can get. The more support we have, the better."

These people are dedicated. They know what they're about. They know what they're for, what they're against, and what they want to achieve. I head back upstairs to the MPC office to get a brochure on donating to MPC and getting involved. The buzzer brings Lydia to the door. She gladly gives me several brochures and encourages me to share them with my friends and colleagues. "Just think," she said, "if each current supporter convinced a friend, colleague or family member to give to MPC, our support-base would double!"

"We're taking on a multi-billion dollar industry. This industry has blocked reform efforts for 127 years."

Now I'm back at my desk, thinking about my job and my next assignment. Perhaps I could cover Aimee's work traveling from community to community in the western U.S. I could ask western Senators why they refuse to budge on mining reform. I could watch mining company officials squirm as they justify why they continue to benefit from a law that allows them to pollute the environment and gives them free public land for their mining operations.

It's late. I load up my bag with MPC reports and head home. On my way out I distribute the extra MPC membership brochures around my office, hoping to break through the cynicism.

A. Cor R’Espondent
Montana

Protecting the Cabinet Mountain Wilderness: ASARCO, a copper mining company with one of the dirtiest track records in the business, had proposed to mine copper and silver beneath a federally-designated wilderness area in the Cabinet Mountains of Montana. The proposal threatens to drain two alpine lakes. Additionally, ASARCO planned to leave 100 tons of mine waste along the Clark Fork River, which flows across the state line into Idaho’s beautiful Lake Pend Oreille. The Rock Creek Alliance, a grassroots group fighting the proposal, reports that Sterling Mining Company has recently bought out ASARCO’s interest in the Rock Creek claims, as well as the nearby mothballed Troy copper mine. Rock Creek Alliance has asked the Forest Service to investigate the new ownership and changes that it may make to the mine proposal. In this case, however, ASARCO has the right to the mine proposal, reports that Sterling Mining Company has recently bought out ASARCO’s interest in the Rock Creek claims, as well as the nearby mothballed Troy copper mine. Rock Creek Alliance has asked the Forest Service to investigate the new ownership and changes that it may make to the mine proposal. In this case, however, ASARCO has the right idea; the Cabinet Mountains are no place for mining. Call the Rock Creek Alliance for more information at (406) 443-2520.

Cyanide Ban Survives: Mining industry representatives have dropped their legal challenge to the citizen-passed Initiative known as I-137. The Initiative bans new open pit cyanide process mines and was passed last November by Montana voters concerned with private property values, water quality, and threats to some of Montana’s most beloved places, like the Blackfoot River. For a copy of the Initiative contact Montana Environmental Information Center at (406) 443-2520.

The Right to a Healthy Environment Affirmed: The Montana Supreme Court affirmed that Montana’s State Constitution gives state residents a fundamental right to a clean and healthy environment. This brings closer scrutiny to a 1995 law passed by the Montana legislature, which exempted some types of mining discharges from having to meet the intent of the Constitution. The Supreme Court justices stated the Constitution was intended to do more than require a clean environment: It was meant to prevent pollution before it posed a threat to human health or damaged Montana’s resources. Call Montana Environmental Information Center at (406) 443-2520 for more information.

Washington

A New Dawn: Will Newmont Cleanup Uranium Waste? This past September, Newmont Mining Company announced that it would respond to local outcry demanding a full cleanup of the company’s closed Dawn uranium mill site in eastern Washington. Believe it or not, Newmont’s subsidiary, the Dawn Mining Company, had proposed to fund “cleanup” by using revenue generated by dumping radioactive waste at the site. Credit for doggedly pushing for this cleanup goes to the Spokane Tribe, whose reservation is immediately adjacent to the mill site, and Dawn Watch, a local citizens group. But they are not celebrating yet, the details of the plan are not resolved and there is concern about the company’s commitment to a real cleanup. For more information, contact Dawn Watch at (509) 937-2093.

Congress Goes to Washington, State: In September, a subcommittee of Congress’ House Resources Committee, actually just two members, held a field hearing in Spokane, Washington. Of the 14 speakers invited by the subcommittee, eight were mining industry supporters, two were federal agency staff, and four were concerned citizens impacted by mining. Those four were Stephanie Shammel, a rancher from Montana; Cesar Hernandez, of the Cabinet Resource Group in Montana; Dave Kliegman, of the Okanogan Highlands Alliance in Washington; and Michelle Nanni, of The Lands Council in Spokane. Stephanie spoke of lost property values at her cattle ranch adjacent to the Kendall gold mine. Cesar and Dave addressed concerns with the proposed Rock Creek copper and silver mine in Montana and the Crown Jewel gold mine in Washington, respectively. Michelle Nanni described ongoing public health risks from lead contamination in the Silver Valley of Idaho. While only 15 minutes were reserved for open public comment, seven of the ten people in the audience who rose to speak also voiced concerns with the antiquated 1872 Mining Law and the need to make laws and regulations match the reality of mining today. Call Dave Kliegman of the Okanogan Highlands Alliance at (509) 485-3361 for more details and for the current status of the Crown Jewel mine proposal.

Alaska

Open Pit Mining Courts the Last Frontier: Alaska, America’s last frontier, is also the newest frontier for a rush of new gold mine proposals. Exploration is up and a number of new mines are proposed. The landscape around Fairbanks, Alaska is one hot spot. Mining claims surround the city. While Fairbanks has had a long history of old-fashioned pick and shovel mining, open pit cyanide process gold mining is fairly new to the area. Kinross runs the Fort Knox mine, but it sits out of sight of Fairbanks. What has area residents concerned is Kinross’ new proposal to blast open pits into a residential and recreational hillside known as Esther Dome. Concerns include water quality and quantity, private property values, the impact of blasting, quality of life issues, and “locking up” this land with chain-link fences. For more information contact Mara C. Bacsujlakya of the Neighborhood Mine Watch at (907) 479-3096.

South Dakota

Progress in the Black Hills: Jack Cole of Spearfish Canyon Preservation Trust, and Dick Fort of ACTion for the Environment, report that they have settled a lawsuit against the EPA. The lawsuit should lead to improved water quality in the Black Hills, which are impacted by five large open pit gold mines and a century more of historic mining along its river systems. This lawsuit should ensure South Dakota’s obligations under the Clear Water Act. For more details, contact Spearfish Canyon Preservation Trust at (605) 584-3778 or ACTion for the Environment at (605) 341-4063 or (605) 584-3832.
Idaho
Cyanide Spills: As of September, the Grouse Creek mine near Stanley is still leaking cyanide into the Jordan Creek despite Hela Mining Company’s efforts to stem the flow. The stream is habitat for endangered chinook salmon, steelhead and bull trout. The cyanide levels are over twelve times the concentration at which chronic exposure negatively affects fish and other aquatic organisms. Contact Scott Brown at the Idaho Conservation League at (208) 345-6933 for more information.

“...We are not opposed to mining. We are opposed to irresponsible mining. We need protection from open pits, slag heaps, and abandoned mine shafts. We need protection from greedy, irresponsible operators who rape the land and take off with their ill-gotten riches, without being held accountable.”
Excerpt from testimony of Ignacio Rodriguez, who lives near the abandoned Summitville mine, to a House Resources subcommittee.

Arizona
Breathing Easier in Yarnell: The small town of Yarnell is breathing a little easier now. In late August, Bema Gold Corporation abandoned its plans to develop Arizona’s first cyanide heap leach gold mine in the California desert, citing expected environmental and cultural degradation. Archaeologically significant sites and critical religious, cultural, and educational sites would be “unduly degrade[d]” according the Council’s chairwoman, Cathryn Slater. The ACHP concluded it “would be so damaging to historic resources that the Quechan Tribe’s ability to practice their sacred traditions as a living part of their community life and development would be lost.” Contact Courtney Coyle, attorney for the Quechan tribe, at (858) 454-8687.

Don’t Dig in the Desert: In a recent letter to Bruce Babbitt, the Advisory Council on Historic Preservation asked the Department of the Interior to stop construction on the proposed Imperial Mine, a planned open pit cyanide heap leach gold mine in the California desert, citing expected environmental and cultural degradation. Archaeologically significant sites and critical religious, cultural, and educational sites would be “unduly degrade[d]” according the Council’s chairwoman, Cathryn Slater. The ACHP concluded it “would be so damaging to historic resources that the Quechan Tribe’s ability to practice their sacred traditions as a living part of their community life and development would be lost.” Contact Courtney Coyle, attorney for the Quechan tribe, at (858) 454-8687.

California
A New Gold Rush: In Amador County, there appears to be a new California gold rush. The small rural county has two proposals for modern gold mines. Both projects would use cyanide and both are generating citizen concerns. The Lincoln Project, a proposed underground mine, would straddle the highway between Amador City and Sutter Creek, with the mine on one side, and the mine waste dumped on the other. An open pit mine, the Upper Dry Creek Project, would be located just over two miles north of Amador City. In August, the Amador County Planning Commission required the proponents to rewrite the Draft Environmental Impact Statement due to the poor quality of the original document. Residents are concerned about the tailings waste piles, the potential for cyanide pollution, and the impact on their rural lifestyle. For more information contact Lee Goodin in Amador City at (209) 267-1073.

Colorado
Another Modern Mine Goes Bad: The unfortunate tale of Battle Mountain Gold’s San Luis gold mine began in 1988. The mine, located just a few miles outside of the town of San Luis, was strongly opposed when it was first proposed. Citizens feared that the mine would contaminate Rito Seco Creek, which serves as a main water source for irrigation in this agrarian community. But, both the company and Colorado’s Division of Minerals and Geology argued that the mine would not impact the Rito Seco. However, during its brief operation, the mine was fined for willfully ignoring cyanide contamination in its holding ponds. The mine was shut down in 1995. By the fall of 1998, contaminated water from the mine began to seep into the Rito Seco, just as the local residents had feared. Currently, the company and the state of Colorado, under the watchful eyes of both the local community and EPA, are trying to come up with a long-term solution to the problem. For more information contact the Costilla County Conservancy District at (719) 672-3213.

New Mexico
An Unusual Meeting in New Mexico: A group of New Mexican activists have been meeting with mining company representatives and state regulators under the joint sponsorship of Amigos Bravos, Gila Resources Information Project, Mineral Policy Center, and Southwest Research and Information Center. The objective of this unusual gathering is to make sure that large mines in New Mexico meet the reclamation requirements under the New Mexico Mining Act. To date, the large mines have not been able meet these requirements. The ecological health of the Red River in northern New Mexico and the Silver City region are at stake. Contact MPC’s Southwest Circuit rider, Can Randolph for an update at (970) 3821-0421.

Decisions made by taxpayer-funded institutions such as the World Bank and IFC, to promote new mine development, can have negative impacts on communities worldwide, such as this remote village in Kyrgyzstan.
**Call to Action:**

#2. Enforce the Law, No Illegal Mine Waste Dumping

The Interior Department has issued a proposed rule that would formally state the government’s intention to enforce the millsite mine waste dumping limitation. They are accepting comments on the rule until January 24, 2000.

Please write in support of the proposed rule via email: WOComment@blm.gov (Attn: AD31) or via post: BLM, Administrative Record, Room 401 LS, 1849 C St., N.W., Washington, D.C. 20240

---

**#3. Join Stewart L. Udall—Sign on to MPC’s Petition for 1872 Mining Law Reform**

MPC wants you! And your signature. We’re collecting signatures in support of comprehensive reform of the antiquated 1872 Mining Law, to be delivered to Congress and the President. Stewart L. Udall is the first signatory of our 1872 Reform Petition. You can be next.

Sign and send the statement below to MPC. Call MPC to get a hard copy via fax or mail. Or sign up via the web: www.mineralpolicy.org/signon.html

---

**Petition to Reform the 1872 Mining Law**

To Congress and the President:

**Protect Our Environment and Taxpayers, End the Golden Giveaways to Mining Companies.** Since 1872, U.S. taxpayers have given away over $240 billion worth of gold, silver and other minerals to mining companies for a return of $0. Mining companies have left us with over 500,000 abandoned mines and a cleanup bill that could cost taxpayers $70 billion. It is time to end the giveaways and protect our environment.

We want environmental reform of our nation’s mining laws including a fair royalty for taxpayers, an end to $2.50 an acre giveaways of public land, the discretion to protect ecologically important places from mining, and strong environmental safeguards.

We support the efforts of MPC to reform our nation’s outdated mining laws.

---

For more information on any of these action items, please see our web site www.mineralpolicy.org or call (202) 887-1872
Help MPC Double Our Supporter Base!

Lydia Wicker is our new development director. Today we can count on support from 3,000 of you, more than ever before. Help Lydia double our supporter base. Ask a friend, family member, or colleague to join. Or give the gift of an MPC membership. Your support goes a long way. Contact Lydia Wicker at lwicker@mineralpolicy.org or (202) 887-1872, x204.

In Your Words

MPC Supporters write...

"Your success in narrowing Senator Gorton’s rider on the Crown Jewel Mine and in getting the Rahall Amendment in the House is to be commended. Enclosed is a check to help keep the momentum going."
Bill McNell, Mono County Mining Committee, Mammoth Lakes, California

"You’re doing a great job MineWire [our bi-weekly electronic newsletter] is a splendid innovation."
Francis M. Wheat, Los Angeles, California

Referring to our House victory in July: “Way to go, MPC! Very good news indeed, not only that this rider was defeated but that in the process some major consciousness raising around the outdated mining act and the industry’s outrageous demands seems to have occurred. Exciting work and progress indeed!!” Catherine Coumans, Canada

You Make the Call!

When you receive a Canary Call! alert, please respond. We only send these out when there is a pressing need for citizens to make their voices heard.

Join MPC’s Mining Activist “Working Group”

Take action to protect our environment and communities from mining impact. Join our mining activist Working Group comprised of concerned citizens and grassroots activists in the U.S. and worldwide. You’ll receive our biweekly news and updates from Capitol Hill, the states, and impacted communities worldwide via our electronic and fax newsletter, MineWire. You’ll also receive our “Canary Call!” alerts. They are easily accessible—and easy to act upon.

MPC—Ask a Friend to Join

Are you part of MPC? now to help protect communities and the environment from irresponsible mining.

Give a gift to MPC today of $50, $100, or $200! We need your support. You can make a difference.

If you’re already a member, give someone a gift membership.

Use the attached business reply envelope or send your contribution to MPC, 1612 K Street N.W., Suite #808, Washington, D.C., 20006.

#5 Give a Gift of Support to Join

#6 Pass on this Newsletter to a Friend!
“As we enter a new millenium, it is time to discard the 19th century relic—the 1872 Mining Law. We need a new mining law—one that promotes responsible mining, pays a fair return to taxpayers, and truly protects our public’s land and water resources for future generations.”

Stewart L. Udall, former Secretary of the Interior, and founding board chair of Mineral Policy Center