A BILL

To stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "National Minerals Act of 1950".

Sec. 2. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the de-
development and maintenance of sources of these metals and
minerals within the United States in order to decrease and
prevent, wherever possible, an increasingly dangerous and
costly dependence by the United States upon foreign nations
for supplies of such materials. To this end it is the
further policy of the Congress that every effort be made to
maintain a sound and active mining industry within the
United States; to expand exploration for those ores and
other mineral substances which are essential to the common
defense or the industrial needs of the United States; and to
prevent the discontinuance of mine operations under such
circumstances as to make it probable that production would
not or could not be resumed when needed for the national
economy or security.

Sec. 3. (a) A Minerals Conservation Board, consisting
of the Secretary of the Interior, the Secretary of Defense,
the Secretary of Commerce, and the Secretary of the Treas-
ury, is hereby established. The Secretary of the Interior
shall be the executive chairman of the Board. The members
of the Board may delegate their powers, functions, and
duties, including those relating to appeals, to suitable officers
of their respective agencies.

(b) In carrying out these policies small mining enter-
prises shall be encouraged to apply for aid under this Act,
and for this purpose the Secretary of the Interior shall pro-
vide small mining enterprises with full information concerning this Act, and shall make special provision for expeditious handling of applications from small mining enterprises.

(c) The Secretary as Executive Chairman of the Board shall make annual reports to Congress on the operations under this Act on April 15, 1951, and February 15 of each succeeding year. Such reports shall include current and summary information detailing the activities and results obtained and anticipated pursuant to this Act, and such other pertinent information concerning the administration of this Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

Sec. 4. To carry out the policy of this Act, the Board shall by regulation determine—

(a) the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

(b) the amount of appropriated money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

(c) the amount of appropriated money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;
(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation; Provided, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance under this Act;

(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

(h) the particular metals or minerals that shall be eligible for aid for exploration; and

(i) subject to the limitations set forth in section 7 (b) of this Act, the time limits or dates within which contracts for aid for conservation shall terminate.
The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this Act, and to provide fair and equitable treatment for all applicants for aid. The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this Act and which must be complied with by applicants for contracts under the provisions of this Act. The Secretary may delegate any of his functions under this Act. All rules and regulations issued under the authority contained in this section shall be published in the Federal Register. Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this Act and with the rules and regulations of the Board and of the Secretary: Provided,
however, That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application or examination discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals. All contracts covering exploration projects shall contain provisions for repayment to the United States of sums paid by the United States pursuant thereto; liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to specified modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals
resulting from production from such deposit, the examining
experts, considering economic and practical factors, shall
certify whether the project offers reasonable promise of main-
taining in stand-by condition or in production, as the case
may be, a property the production from which would, in
the absence of financial aid by the United States, be discon-
tinued or remain discontinued under such circumstances as
to make it probable that for economic or technical reasons
such production would not or could not be resumed when
needed for the national economy or security.

(c) The Secretary shall either accept and approve the
application, subject to any modification therein which he may
require, or he shall reject it: Provided, That if the Secretary’s
action on the application conflicts with the recommendation
and certification of the examining experts, he shall refer the
application to the Board; and the Board shall either confirm
and approve the action of the Secretary, or shall reverse it,
or shall direct the Secretary to reconsider it. Confirmation
or reversal of the Secretary’s action by the Board shall be
final, and direction to reconsider shall place the application
in the same status it was in before action upon it by the
Secretary. If the Secretary accepts the application, either
in its original or modified form, the terms of the application
and acceptance shall be merged in a formal, written contract.

(d) Any applicant who is dissatisfied with the decision.
of the Secretary upon his application, may at any time within thirty days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board, as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

Sec. 7. (a) All contracts entered into under the provisions of this section—(1) shall contain an express provision that they are subject to the availability of appropriated money; and (2) may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

(b) No contracts shall be entered into under the provisions of this section for a period exceeding two years or after the expiration of three years from the effective date of this Act.

(c) All contracts for exploration conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, shall include a provision giving to the United States, in any production of ores, minerals, or metals produced from any deposits which was unknown or undeveloped until such exploration was undertaken, a royalty interest, as follows: (1) payment of two per centum of the ores, minerals, and metals so produced,
payable to or for the account of the United States in kind; if the Government so elects, or the approximate equivalent in money; (2) the royalty interest of the United States to attach and be a lien upon production from the property explored from the date of the contract until the amounts paid by the United States are repaid or for a term of twenty years thereafter; (3) the royalty interest and lien to terminate and be fully satisfied after the expiration of said twenty years or when the aggregate total value of royalty payments to the United States shall equal the total sum of money contributed by the United States, without interest, under the terms of such agreement.

(d) The Secretary, for the purpose of encouraging the greatest ultimate recovery of strategic or critical metals or minerals, and in the interest of conserving natural resources, is authorized to waive, suspend, or reduce the amount of repayments required by the contract whenever in his judgment it is necessary to do so in order to promote development, or whenever in his judgment the contracts cannot be operated successfully under the terms provided therein.

(e) In his discretion, the Secretary may, in contracts for aid in exploration, other than those referred to in subsection (c) above, require a provision for repayment to the United States of all or any part of the money contributed by the United States for such exploration.
(f) Advance payments may be made for exploration projects, in such amounts and on such terms as the Secretary deems appropriate, where the producer certifies the need for such advance payments as working capital. Advance payments received by operators shall not be commingled with other funds and shall be subject to post-audit.

(g) In determining the amount to be paid to applicants under the terms of contracts for financial aid to conserve a deposit of ores or minerals, a reasonable allowance shall be made for depletion of reserves and physical depreciation of property.

SEC. 8 (a) All metals or minerals acquired by purchase or otherwise under the provisions of this Act, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received by the Administrator of General Services at such places and times as may be provided in the contract. The Secretary shall transfer to the Administrator for the performance of his functions hereunder such funds as the Administrator, with the approval of the Director of the Bureau of the Budget, shall determine to be necessary, in addition to any funds appropriated to the General Services Administration, for the proper performance of said functions. The Administrator shall from time to time, and in any event before selling them in the open market, notify the
Munitions Board of the inventory of metals or minerals held by him under the provisions of this Act and shall continue to hold all metals or minerals received by him under this Act until at least sixty days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stockpile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within sixty days after such notice from the Administrator, direct him to hold any such metals or minerals listed in the notice until sixty days after the next succeeding appropriation for purchases for the stockpile has become available. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market (1) if and when open-market prices will return to the Government at least the approximate average price paid by the Government for the metals or minerals, and only in such quantities as will not materially depress the market (2) at current prices at such times and in such quantities as in his judgment will not materially depress the market and will be in the public interest, taking into consideration
the cost of continued storage. No metal or mineral shall be transferred into the national security stockpile under the provisions of this Act unless the material has been found to be strategic and critical as provided in the Strategic and Critical Materials Stock Piling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the current stockpiling procurement program of the Munitions Board.

(e) All moneys received by the Administrator of General Services from such sales in the open market shall be for deposit in miscellaneous receipts of the Treasury, and any transfer of metals or minerals to the national security stockpile shall be covered by a transfer of funds from appropriations available for purchases for the stockpile to miscellaneous receipts of the Treasury in amounts approximating what the cost of the metals or minerals would have been if purchased in the open market at the time of transfer.

Sec. 7.9. As used in this Act—

(a) "Secretary", standing by itself, means the Secretary of the Interior.

(b) "Administrator" means the Administrator of General Services.

(c) "Board" means the Minerals Conservation Board.

(d) "Exploration" means exploration in the United
States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

(e) "Production" means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons on account of flooding, caving, deteriorating, or other natural causes such production would not or could not be resumed promptly when needed for the national economy or security.

(f) "Small base metal mines" means mines or deposits of ores primarily producing or which in the course of conducting an exploration project primarily produce (a) lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined and (b) manganese, mica, chromite, mercury, and
tungsten ores and ores of other minerals and metals the average monthly production of which, by quantity, does not exceed approximately the market value of one hundred tons of lead computed and fixed as of the effective date of this Act, the quantity limitation for each mineral and metal thereafter to remain unchanged.

(g) "Producer" means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

(h) "United States", when used in a geographical sense, means the United States and its Territories and possessions.

Sec. 8 10. This Act shall not be construed as supersed- ing or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended.

Sec. 9 11. There is hereby authorized to be appropriated not to exceed $80,000,000 annually for carrying out the provisions of this Act, including payments to producers for exploration, maintenance, and production, and the costs of administration, such funds to remain available until expended.
BIL:

By Mr. O'Mahony

to stimulate exploration for and conservation

A BILL

81st Congress
2d Session

[committee print]