

Mineral industry becoming more important

Oregon needs mining bill, lobbyist says

By GREG WASSON
Of the Emerald

SALEM — Oregon is growing up. And according to Joe Doyle, lobbyist for the Oregon Mining Rights Coalition, unless there are changes in the way the state deals with mining, there are going to be some pains.

"Oregon has rather low grade deposits of a number of different things. What is happening, is that a whole tier of mineral deposits around the world is getting close to being used up. All of a sudden, there's a whole lot of mining interest here.

"There are current proposals

for nickel mines in Josephine County that would take out 6,500 tons of ore a day from the tops of a couple mountains. There is another proposal to do a strip mine for coal in the Wallowas. And there's exploration going on for uranium in Southeastern Oregon."

Doyle's major objective is passage of SB 505, legislation aimed at revamping Oregon's approach to mining. According to Doyle, the state doesn't have statutes capable of dealing with large mines.

"It is being labeled as an environmental issue, but in a lot of ways it isn't. Mining affects

the social quality of a community, the health quality of a community and the economics, often negatively.

"It's true that Oregon has to diversify its economy. Mining is coming and will provide some of that diversification. But the point is that regulating mining in a fair way is not going to chase it away."

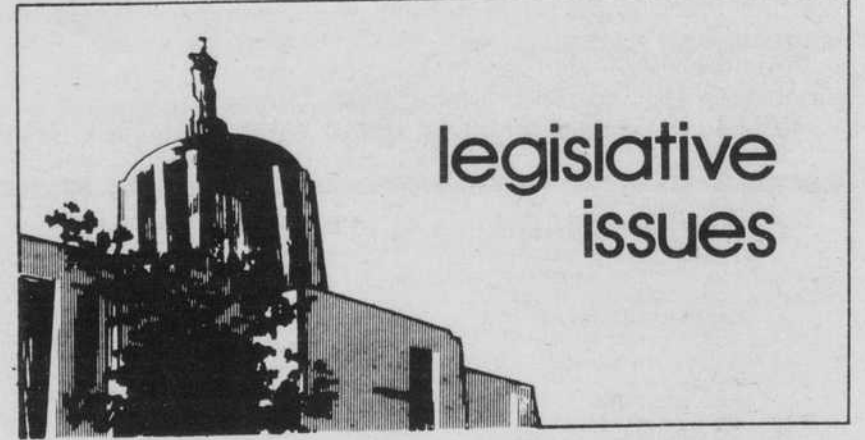
But, a publication from the Associated Oregon Industries says that's exactly what Doyle is trying to do.

"The AOI staff," says the publication, "views the bill as an attempt to limit mining activities throughout Oregon."

Doyle counters that the state has the mining companies in an advantageous position.

"The minerals are here. You can't pick them up and move them. You either mine them or you don't, and there aren't that many mineral deposits in the world. That means they've got to put up with the regulations that are here."

One of the regulations that Doyle wants to enact involves a reclamation of land once the



legislative
issues

mining is done.

"Right now, the two most porous regions in the nation are the iron areas of Wisconsin and Michigan, and the Appalachians where they used to mine coal. They're the porous areas because people were allowed to mine and leave without fixing the land."

Currently, Oregon law requires reclamation, but the state can grant an exemption if the land can't be reclaimed at a reasonable cost.

Senate bill 505 says that if the State Department of Geology

and Mineral Industries decides that the present economic and technical situation makes reclamation impossible, the land will not be mined.

In a way, Doyle sees his and the coalition's role as modern day Paul Reveres.

"The mining companies are here, but they are moving quietly. As an issue around the state, most people don't know that the practice is coming in a big way. That's the primary goal of our organization, to let people know that mining is coming and they better do something about it."


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State expects larger revenues, but foresees no financial relief

SALEM (AP) — The state may have more money than originally expected for the 1981-83 biennium but that's no reason for high spirits, Executive Department Director Bob Smith told legislators Monday.

Smith said that although the revised official state revenue forecast appears to offer some good news it doesn't mean "we're out of the woods."

Smith and state economist Paul Egger gave the Joint Ways and Means Committee the quarterly revenue forecast that projected about \$30 million

more in general fund resources for 1981-83 than originally estimated.

Smith said the beginning balance for the next biennium is now estimated at \$7.8 million more than projected in Gov. Vic Atiyeh's printed budget and that revenues to be collected during 1981-83 are now estimated at \$22 million more than expected.

"If a person stops their consideration of the problem at that point, it would appear that the fiscal problems facing this state are at least well on their way to solution," Smith said in his report. "Nothing could be further from the truth."

He said that unless the tax increases proposed by Atiyeh are implemented "our 'improved' situation means we face a \$206.9 million deficit in 1981-83."

Ways and Means Committee co-chairer Sen. Ed Fadeley, D-Eugene, said that in effect Smith was telling the committee that "we're worse off than we thought we were... even with this good news."

Fadeley said regardless of whether the outlook is based on the new experimental forecast or the traditional one released today "we are behind where we

thought we were two years ago."

Smith and Egger said they would present legislators with their final revised revenue forecast in "very late May." Last month legislators were told the final forecast might not be ready until mid-June and they were concerned the delay might lengthen the session.

The forecasts become more precise as analysts have more tax return information from the Department of Revenue on which to base them.

Smith said the latest forecast does not significantly change the total amounts shown in Atiyeh's recommended budget.

According to the new forecast, the state will collect more corporate income taxes than originally projected due to profits higher than previously expected.

However, this is offset by projected losses in other areas. Personal income taxes are expected to yield \$3 million less than anticipated this biennium and interest earnings are expected to be \$3.2 million lower because of a drop in the general fund cash balance. The drop in interest earnings for 1981-83 is projected at \$18 million.

The report also estimates that Atiyeh's tax increase package will produce \$6.6 million less than expected, in part because the proposed cigarette tax boost could not take effect as early as planned.

Atiyeh had hoped his tax proposals would raise \$241 million. The Ways and Means Committee has been preparing budgets without including the extra money from the tax proposals in case they don't pass.

In his update on economic trends, Egger told the committee that restrictive Federal Reserve Board policy has slowed the pace of economic activity in 1981 more than was anticipated in Atiyeh's budget.

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