MINERAL POLICY CENTER

Protecting Communities and the Environment

THE TOOTH FAIRY IS A BETTER DEAL

1872 Mining Law Fact #13:

The tooth fairy leaves more money under kids' pillows than multinational mining companies pay U.S. taxpayers for mining gold, silver and other precious metals from public land.

Hardrock mining companies pay zero royalties to taxpayers under the outdated 1872 Mining Law. Coal, oil and gas companies paid $35 billion between 1994 and 2001 alone, but $245 billion in precious minerals has been mined without charge since 1872.

When the state of Alaska created its own royalty, mining interests wielded sufficient influence to limit it to 3%, in contrast to other industries' 8% to 12.5%. And Alaska's royalty is based on company profits, rather than value of minerals extracted. Mining companies therefore deduct myriad costs before the royalty is calculated, rendering the royalty meaningless.

The Fort Knox Mine has mined gold in Alaska for seven years and has not yet paid a cent in state royalties. In the same time span, the tooth fairy has left the children of Alaska about $1 million in exchange for lost teeth. *

*assuming compensation for all teeth lost and current per-tooth value of 50¢

Part of a series on the 1872 Mining Law, highlighting impacts on taxpayers, community health and water resources—and the need for meaningful reform.

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