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WHAT'S MINED IS OURS!

THE CASE FOR THE RETENTION AND DEVELOPMENT OF IRISH MINERALS UNDER PUBLIC OWNERSHIP

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FOREWORD

The public demand for our earlier document has prompted this second and more up-to-date edition of **"What's mined is Ours!"** Although our first effort was primarily aimed at our own membership, a demand from the general public clearly demonstrates the wish of many people to discover more of the facts about the true potential of Ireland's mineral resources.

We welcome the announcement by the Minister for Industry and Commerce that it is the intention of the Government to publish a White Paper on Irish mining. We sincerely hope that the public will have the benefit of Mr. Keating's White Paper prior to any decision being taken on the development of the Navan mines. Even Tara concede the enormous potential of the Navan "Find" when they agree that it contains the richest Lead/Zinc deposit in Europe and probably in the world.

We are convinced that a thorough debate, objectively analysed by the media, will clearly demonstrate that the proper development of Ireland's mineral resources under public ownership has the potential to change the face of this nation. It is difficult to grasp the enormous potential of an Irish Mining industry when traditionally we have been taught that this country is endowed with no such wealth. All that is necessary now is the political will on the part of our Government to ensure that this enormous wealth is exploited on behalf of all the Irish people.

The present controversy is very lob-sided in the sense that those with a vested interest in the development of Irish mineral resources appear to have access to unlimited finance for public relations purposes. Generally speaking, the media has been less than anxious to explore the other side of the story. The purpose of this booklet is to contribute to an informed debate in the firm conviction that public awareness will effect the best possible solution for the economy and people of this country.

Finally, we are grateful to David Giles, Colm Regan and Alan Wallace for doing the research for this booklet.

Pat Rabbitte	Kieran Mulvey	Pat Brady
President	Deputy President	Education Officer

INTRODUCTION

The widely prevalent myth that Ireland is a country bereft of mineral deposits has not yet been finally eradicated. Despite the work of the Resources Study Group and the admission by Tara that the largest zinc deposits in Europe lie within 30 miles of Dublin, our politicians persist in turning a blind eye to the huge potential which proper use of such a resource could realise. On the 21st February 1973 Mr. Liam Cosgrave stated, "In this country we have few natural resources except arable land. Compared with other countries we have no great natural resources of raw materials, nor minerals capable of exploitation." This is a gross contradiction of the facts. It has now been proved on the basis of the mining company's own figures that the gross metal value of the Navan deposit alone exceeds £2,000 million. All industrial development derives, in the end, from either agriculture or mining. Ireland continues to realise the enormous benefits which accrue from a well-established agricultural system. The value of the mining industry if developed at home is even greater. No developing economy can afford to place this wealth in private hands.

The Union of Students in Ireland was among the first national organisations to raise the now controversial issue of the development and ownership of Irish mines. Successive National Congresses have called for public ownership and democratic control of the mineral resources of Ireland. With other sections of the community this Union has been calling for equal educational opportunity and adequate educational facilities and has received answers from successive Ministers of Education to the effect that the country simply cannot afford "to cherish all the children of the nation equally". A fraction of the profit from the Navan deposit alone would give the present Government the financial means to effect a revolution in the education system throughout this country.

The Land Acts and the 1940 Minerals Act vest the ownership of all the minerals under Irish soil in the State. The minerals under the ground belong to the people of Ireland through the elected representatives and not to any private company. The Government is seriously contemplating giving our resources away. Thus the question of nationalising the mines does not arise. The fundamental question which does arise is — what is the best course of action for the Government to take in the interests of public welfare in the matter of the extraction and processing of the minerals?

The Union of Students in Ireland holds the position that there is no justification whatsoever for government action which entails relinquishing any of the rightful property of the Irish people. It is a position much in accordance with the constitution of the country.

Article 45 2 (ii) "The State shall in particular direct its policy towards securing; that the ownership and control of the material resources of the community may be so distributed amongst private individuals and the various classes as best to subserve the common good.

(iii) That especially the operation of free competition shall not be allowed to develop so as to result in the concentration of the ownership and control of essential commodities in a few individuals to the common detriment."

The Union of Students in Ireland believes that the government must retain State control of all mines and mineral resources by asserting its ownership of all natural assets (Constitution 10 : 1).

That the State must take over all existing mines, their equipment, property, leases and management and develop all other minerals which may exist, through the utilisation of its own resources.

That the Government must establish a State mining board or a series of such boards to take over the operations of the companies which are presently operating in our country.

That the companies be compensated only for such capital investment and exploration costs as have been incurred and which have not already been recovered by profits made by a company.

The people of Ireland own the mineral resources of the country. There is no reason why the Irish people should pay mining companies for shares or rights in what is the property of the Irish people. A Government which fails to retain public ownership will be negligent in its duty to the Irish people and will not be acting fully in accordance with the constitution of the State it serves.

Despite the fact that the Navan minerals belong to the State, government policy has so far been totally inadequate and has failed to show any consideration of the huge benefits which retention of the mines on behalf of the country will mean. It is essential that an informed electorate be made fully aware of the potential of the Navan mine. The value of these deposits lies not only in the value of the ore but in the industries which will derive from the smelting of the ore in Ireland and the processing of the metal into goods both for home consumption and export.

An evalution of the Navan deposits based on the figures of the Tara Mines Company clearly shows how very urgent is the need for action to protect our resources.

THE VALUE OF NAVAN

The deposits of lead and zinc around Navan, now the largest known such deposits in Europe, were first discovered by the Agricultural Institute. They were subsequently "explored" by Tara Mines who now await a lease from the Government which will allow them to extract the 77 million tons of ore which they (Tara Mines) estimate lie beneath the ground. Tara further estimate a mineralisation level of 10.9 per cent for zinc and 2.63 per cent for lead (Tara Annual Report 1972). It is on these figures, which are considered by some to be conservative, that this evaluation is based.

At 10.9 per cent zinc mineralisation, the 77 million tons of ore will yield 8.393 million tons of zinc. The 2.63% mineralisation value for lead will yied 2.02 million tons from Navan. The total mineral value cannot be extracted, the recovery rate for zinc being 90 per cent and for lead 82 per cent. This means that 7.55 million tons of zinc will be extracted from the Navan mine and 1.66 million tons of lead.

Fielding Newson-Smith, a firm of brokers based in London, have projected a long term value for zinc of £250 per ton. A conservative value for lead may be assessed as £160 per ton.

7.55 million tons of zinc at £250 per ton will yield £1,888.425 million and the 1.66 million tons of lead at £160 per ton will yield £265.69 million.

The total conservative gross metal value of the ores at Navan is —

£2154.11 million

EXTRACTION AND OPERATING COSTS

The mining company has not issued estimates of its future extraction and operating costs but we do have the precedent of Tynagh. The extraction costs at Tynagh during 1966-71 were £2.20 a ton for open cast operations. This can be raised to £3 per ton to compensate for inflation. Taking the conservative assumption that at Navan only 5 per cent of the ore body can be extracted in this way, the cost of the open cast operations will be 3.85 million tons at £3 a ton or £11.55 million. The authoritative Canadian Journal "Northern Miner" estimated 8 dollars (£2.50) a ton as extraction costs overall. It is probable that open cast operations will not in fact take place in deference to public opinion about their environmental consequences but our overall costings are high enough to allow for a totally underground operation. Assuming that underground mining is 50 per cent more expensive (£4.50 per ton) the cost of extracting the remaining 73.15 million tons of ore would be £329.175 million. This expenditure of course could be financed by previous operating surpluses rather than by share or loan issues. The ore would be broken down in a concentrator plant at Navan to about twice the quantity of the metal content (i.e. 18.4 million tons); this plant would cost about £12 million to construct and we can allow £12 million for operating costs (the concentrator cost would be in line with Tara's own figures) — concentration costs £24 million.

The concentrated ore would be transported at 1.6 pence per ton per mile (approximately the C.I.E. rate) to a smelter. Assuming 18.4 million tons, and assuming that the distance to the smelter is 120 miles (and the smelter may be closer), the transport cost would be £1.92 a ton or £35.32 million.

It has been calculated by the R.S.G. on the basis of figures published on comparable smelters elsewhere, that the capital and operating costs of smelting Navan's ore body would be £26.40 a ton. As this study is using the figure of 77 million tons of ore and 9.2 million tons of metal, and as an allowance must be made for inflation, £35 a ton may be a more realistic figure. This amounts to a smelting cost for the 9.2 million tons of metal of £322.49 million.

To this we can add Tara's own estimate of £1 million for a port development at Mornington, Co. Meath (Note: an Irish smelter would not necessarily need a port at Mornington as envisaged by Tara but port development could be one of the direct infrastructural costs of industrial development based on the Navan minerals). We can add in Tara's own estimate of £34 million for development costs at Navan to date although this figure may not be reliable. We can add in £20 million for future development costs and contingencies. Total development costs: £54 million. Tara's figures are probably on the high side and it is probable that the costs in this estimate are excessive.

PROFITABILITY OF NAVAN

Total Costs

	£	
Open cast mining	11.550	million
Underground	329.175	million
Transport	35.328	million
Smelting costs	322.490	millon
Port construction	1.000	million
Development costs	54.000	million
Concentrator costs	24.000	million
Total costs :	777.543	million

Profit Projection

We can subtract costs from		
gross metal value of	2154.118	million
Costs	777.543	million
Profit	**1376.575**	

This is a conservative Profit Projection

Annual profit over 20 years — £68.83 million.

The exact figures themselves are not of prime importance but what is important is the scale of the figures and the social loss which would be sustained if the control of these profits remained in private hands. The profit projection is annually equal to 6.8 times the annual profits of the most profitable Irish Banking Group (£10 million) and is greater than the 1972/73 profits of Lloyds of London (£65 million).

The annual surplus from the extractive and smelting stage combined would be comparable to the total income which has been calculated that would accrue to the State if the State were to tax Tara's profits at 25 per cent and charge royalties at 25 per cent over the entire twenty year life of the Navan mine. The indications are however that profits will be much greater and that increased costs will be more than compensated for by increased metal prices. The Navan mine is the largest and most important in Ireland but to gain an overall picture it is necessary to take the other mines into consideration and it is also necessary to remember that other discoveries of mineral wealth are likely both on land and sea. The metal will only realise its full value to the Irish economy, however, if it is smelted in Ireland and if a substantial proportion of the refined metal is processed and manufactured into commodities in Irish factories.

ALTERNATIVE STRATEGIES OF DEVELOPMENT

The mines at Tara represent our only historical chance of real economic development to date. Whatever Government action is decided upon will not only determine the extent to which the Irish people as the owners of the mine, will benefit, but may set a precedent for Government policy on future discoveries of resources. Murrough O'Brien, ex-director of the Geological Survey and vice-president of Tara has stated "one or two substantial deposits every five years was to be expected" (Jan. 14th 1971).

The mining companies have been quick to underestimate the value of the mine and to imply that there are circumstances which will preclude major profit making. This is not surprising but, it is significant that the Government has completely accepted what the companies have to say. The companies have been claiming that the revenue from Navan's production of unrefined ore will be £22 million per annum. Given a life of 20 years (although Dr. Waldron, Chief Executive of Tara, forecast a life of 30 years) this gives a total revenue, according to Tara, of £440 million from the unrefined ore. Metal prices have increased dramatically since these figures were issued in early September. The Government has calculated its figure of £65 million taxation revenue by accepting a figure of about £440 million calculating that as Tynagh's profits were 30 per cent of revenue, these profits therefore equal about £130 million and the State would take 50 per cent of this, i.e., £65 million. This would apparently leave £65 million for the mining company shareholders after all costs had been paid for.

This calculation by the Government is wrong because:

(a) it accepts the mining companies figures which are too low.

(b) it draws a direct comparison between the costs of Tynagh and Navan when the two mines are quite different as engineering operations. Navan will, in fact, be much more profitable because of its scale.

(c) it makes no allowances for the probable increase in metal prices and is based only on concentrates not on smelted metals.

Moreover, the policy is wrong because (as pointed out by C. J. Haughey), a good accountant can arrange a company's books so that some profits are absorbed into costs. There could be a large discrepancy between the apparent, declared, and real costs and profits of the company. If the Government wants to make a charge on the company in return for the lease — and that would also be a misguided policy economically — it should charge royalties on the total revenue from the mine i.e. charge a percentage on the £440 million or whatever. Even within the limitations of capitalist economics the Government's policy does not make sense — a 50 per cent charge on the true revenue of Navan would yield many times £65 million.

Taxation does not represent a just return to the Irish people for their wealth. It will not change the structure of our economy and it is too weak an instrument to secure firmly the opportunity that is now slipping away from us. The argument for taxation is unsound because the Irish people own the mineral wealth and there is no reason why it should be shared with, or presented to, either Canadian financiers or Irish entrepreneurs.

Royalties are merely a more efficient form of taxation and do not really change the situation. Each Irish person has an equal claim on the mineral wealth and should receive an equitable benefit.

The trend in the developing countries is for Government to take a **controlling** interest in the mining companies. The Irish government contemplates taking a minority shareholding in Tara. There must be no question of such a share being purchased. After giving away the minerals it owns to a private company it is surely monstrous to consider repurchasing a share of them which will still leave control of the profits in private hands. **Indeed there should be no question of minority state participation** even if the State does not pay for its share.

Such a situation will allow the Tara directors to keep control and continue their present policy of exporting a large part of the profits. The state will only share in that part retained for dividend payments as decided by the Tara board.

Minority state holding is, in fact, a dream solution for the company. It provides for the insulation of a benevolent government partner while leaving control of the company in private hands. It protects a company that is small in international terms from take-overs by mining conglomerates interested in the massive Navan ore body.

Clearly the State must take a controlling interest. Anything less is political window-dressing.

The political argument for nationalisation rests on the rights of a sovereign government and people to own and develop their own sources of wealth and to control the expansion of the economy for the benefit of the people. No man or group of men has the right to claim the ownership of the natural resources of a nation and to monopolise the benefits which accrue from them. No man or group of men was responsible for creating the mineral wealth in the first place and the only debt which society may have to pay is the cost of the initial exploration and development of the mineral resources by the companies. This cost should be paid to those who have genuinely incurred it; the debt will then have been liquidated and society can decide to continue the development and exploitation of its mineral resources in the manner most beneficial to society. If however private enterprise or public (joint stock) companies are allowed to develop the mines, the profits which will inevitably be generated will accrue to the owners of the companies (a minority) and the majority will not benefit to any significant extent. A system which permits a minority to monopolise the benefits accruing from the property of all is one which permits institutionalised theft. If the Irish Government allows private companies to develop and exploit Irish mineral resources, it is allowing the shareholders of those companies to steal the property (or to receive the stolen goods) of the Irish people.

If an Irish Government wishes to secure political control of the destinies of the Irish nation, it must recognise the potential threat that powerful wealthy companies pose to its power. Irish mineral wealth has now been shown to be significant. If the mining companies are allowed to continue, their political power and the consequences of their activities could become an important political factor in the future.

Dr. Oliver C. Waldron, Chief Executive Officer of Tara Mines, in a speech to the Lions club in Dublin on October 4th, 1973, entitled "Nationalisation of our mineral resources — the non argument" posed the following questions (with regard to nationalisation).

(1) Could it (the State) make available the capital from the public sector when such scarce financial resources are needed for more important social goals?

(2) Could it (the State) attract the technology expertise and enterprise to establish a viable industry?

(3) Is the industry large enough to warrant national management?

Dr. Waldron believes the answers to be in the negative.

The State invariably has been capable of raising funds for any essential development. The E.S.B. have recently initiated plans for an atomic powered generating station despite the fact that the costly Turlough Hill project is not yet completed. Moreover if taxed at the British rate (40 per cent) the profits made in one year on the Dublin Stock exchange would realise enough money to build a smelter. Should the Government put its case forward the necessary finances could be raised without difficulty.

It is ludicrous to suggest that the Government refrain from engaging in what is a cast iron investment without having considered all the means by which it can raise the necessary capital. If necessary the Government could "import" the required expertise to operate a State-run mining industry. Dr. Waldron maintains that opportunities will arise which could be filled by exiled Irish experts like himself. The implication in Dr. Waldron's speech that people with the relevant expertise will only work for private enterprise and not for a nationally controlled industry is nonsense. All that is necessary is the establishment of favourable conditions of employment. Indeed a publicly owned mining industry should serve as a model for the operation of industrial democracy respecting the rights of workers.

The argument that nationalised companies are not efficient and that such companies as C.I.E. and E.S.B. run at a loss is often presented. Here, the basic difference between the industries already nationalised and the mining industry must be appreciated. The E.S.B. and C.I.E. are highly capitalised basic service industries. They provide infrastructural services for a relatively underdeveloped economy with a low population density and with a low G.N.P. per head. Nationalisation of such enterprises which are almost intrinsically non-profit making, is inevitable in a mixed economy. Irish policy and experience in this regard is similar to that in most European States. But in a mixed economy run by Social Democratic or Conservative Governments profit-making or potentially profitable enterprises are rarely nationalised. It also remains to be explained how the "diseconomies" caused by State control could be more detrimental to the Irish economy than the presentation of all the profits to a small group of shareholders.

One argument, lately used by Senator Brian Lenihan, is that State intervention, even to the extent of taxing the profits from the extractive stage, would frighten away the foreign investors "we so desperately need to provide jobs for our people" (especially in marginal constituencies). He compared the Government's latest limited moves to those of a banana republic or of Arab sheikdoms. One can argue about which party went closer to making Ireland into a banana republic in the first place, but Mr. Lenihan betrays his ignorance when he failed to appreciate the significance or the virtue of recent moves by the OPEC countries, Libya, Algeria, the State of California and many other territories to secure a greater return for their people from their natural resources at a time when these resources are becoming more scarce and valuable.

Mr. John Teeling, lecturer in Business Administration at U.C.D. and consultant to Tara Mines, predicted on November 8th, that

Tara would eventually be big enough to take on the world's largest mining companies. An industry with this potential is without doubt of sufficient size to warrent national management.

CONSEQUENCES OF PRIVATE ENTERPRISE DEVELOPMENT

The alternative to national control is the development of the mining industry by private enterprise. Such development entails serious economic consequences for the country.

(1) If the companies believe it more profitable to export the unrefined ores they will do so without establishing a smelter in Ireland. Private ownership of the mines would seem to confer private property rights on the companies over the ore. Even if a smelter is established here the companies can export the smelted metals thus preventing the establishment of industries which should directly result from the smelting stage.

(2) Given the fact that a considerable amount of mining equipment and expertise has to be imported and given the fact that the ores will probably be exported unrefined, only a fraction of the wealth generating potential will remain within the Irish economy.

(3) Even if a significant proportion of the shares are held by Irish people, even if a significant proportion of the profits accrue to these people, there is no evidence to suggest that these profits will be re-invested to produce employment and wealth in the Irish economy. A high proportion of Irish capital is privately invested overseas and the capital that is invested privately here in Ireland is not necessarily invested in the most desirable and efficient manner. State control of the profits, or operating surplus, from the mines should ensure that the profits are most effectively invested within the Irish economy.

(4) Given the present price of shares, only the very wealthy can afford to purchase significant shareholdings. The monopolisation of the profits by a tiny minority who are shareholders means that the wealth from the mines will accrue to a few.

These factors would not be significantly changed by the imposition of higher taxes or royalties as the mines would remain relatively isolated enclaves in the Irish economy. They would provide no additional wealth or employment in related smelting and metallurgical industries. Higher revenues would accrue to the State but these would only be a fraction of the potential social revenues and the economy could not be planned or integrated so as to ensure optimum efficiency and the best way of life for our people.

ECONOMIC POTENTIAL

Although the value of the ores at Navan is of great proportions, the **real profits come at the smelting stage.** Tara hold the only licence to build a zinc smelter in Ireland. They plead they will be unable to finance one until the profits from Navan have paid off the £34 million capital cost of the mine and presumably pay some dividends to their as yet empty-handed shareholders. This delay in building a smelter means that up to 25 per cent of the most valuable ore will have been exported before the metal is produced in Ireland.

The lack of a smelter to process the ore means that Ireland is selling a basic raw material abroad and yet re-importing it in the form of consumer goods while the foreign economies enjoy the major benefits. In fact **Tara have already contracted to sell the ore to no less than seven European smelters.**

It is obvious that the Government must take the initiative in establishing its own smelter and forbid the export of ore until it is built. The profits generated can then be used to establish metallurgical industries which will ensure long term social benefits of stable employment in a country that now relies on the transient investments of foreign industrialists.

Our mineral resources represent the potential for real take-off and development of the Irish economy. Proper development of the minerals could lead to long-term massive benefits rather than short term marginal benefits as at present. Dr. Waldron of Tara mines has stated that "The government must govern in the long term interests of the country and not fashion policy to deal with the short term exigencies. The development of a natural resource industry is a long term business as anyone who has worked in it will testify. It needs the continued and long term attention of Government, consistent policies and a stable fiscal environment." It would seem that Dr. Waldron needs this environment solely for the development of his company's capital, whereas it is needed for the just development of the industry for the benefit of all.

Heavy industries as well as factories producing consumer goods could be established. While expertise and skills are being imported from the international labour market we can employ and educate our own people to play a major role in the industry. These industries will not be so dependent on foreign capital, on fluctuating markets, on business decisions made thousands of miles from the shop floor or on the considerations caused by the primacy of the profit motive. Our export earnings would be significantly increased by at least as much as £200 million and perhaps by as much as £400 million per annum at current prices. We can also bring into practice various schemes for industrial democracy or worker participation in the context of a State socially or community owned industry. Various types of ownership and organisation of these could be experimented with.

THE SOCIAL POTENTIAL

National development would confer enormous social benefits in terms of employment, export earnings and economic growth.

However, a surplus would be generated at each stage of the process or at particular stages, which would then accrue to the community as a whole. This surplus represents the sum total of all the profits that would have accrued to all the private enterprise concerns in various countries had the mining companies been allowed to develop the mines and to control the subsequent processes. **It could be used by the community for economic and social investments and expenditures in all the fields urgently in need of such assistance.** Such a surplus is required to change the situation whereby Ireland is the poorest country in the E.E.C., with the worst house building record in Europe, with 65,000 unemployed and with 600,000 living in poverty .

It could assist in the development of agricultural, marine and industrial sectors of the economy. It could be used to provide extensive and really attractive housing schemes. It could be used to raise social welfare benefits or to finance a better and more comprehensive educational system. A significant portion of Ireland's earnings from its natural resources could be used to assist other countries in their economic development.

SUMMARY OF SOME RELEVANT POINTS

1. Taxation can only be the beginning surely — it was a move announced by the Department of the Taoiseach in the absence of the Minister for Industry and Commerce who has responsibility for mining policy matters. Obviously the tax situation was an anomaly but it is only the first step — it is not the solution and the Government still has to decide it's policy on the ownership of the extractive and processing sectors.
2. The state already owns the minerals — why should it give the wealth away, for 50 per cent tax on the profits from the unprocessed ores or for any other deal with any private company?
3. If the companies are allowed to operate the mines, hundreds of millions of pounds will still be made by the small number of people who own shares in the companies. They will make these profits free of capital gains tax while workers pay tax on all their earnings and are bound by the National Wage Agreement.
4. Without nationalisation, the companies will still decide employment policies, conservation policies, and will have control over who smelts and processes the extracted ore.
5. Without nationalisation and State control, the greatest benefit accruing from the mineral wealth will be lost to the country — the value generated by smelting and processing the ores. We will have lost the opportunity to develop a strong industrial sector based on metallurgical industries.
6. Irish workers have recently lost their jobs at Tara (Navan) because the company has replaced them with Canadians. There would be less chance of this happening under public ownership and democratic control of the industry.

7. Optimal utilisation of our mineral wealth through nationalisation would bring our education, health, industrial development and social welfare services above those of Northern Ireland and still allow a surplus to relieve taxation on wage earners.

8. Published estimates of the revenue from the minerals are much too low — the Managing Director of the Smelting Corporation of Ireland, Sidney Filer, has said that there would be 200,000 tons of zinc, p.a. At £300 a ton for zinc (present producers' price) this would be £60 million p.a. from zinc alone. According to Dr. Waldron of Tara, the Navan mine could have a life of 30 years — Irish Independent 30th September 1973. **This could be a value of £1800 million for zinc alone.**

Extraction and smelting costs could not possibly exceed 50 per cent of this. The wealth from the silver, lead, mercury, magnesite and barytes deposits already discovered has to be added to that of the zinc content. And other onshore finds are extremely likely according to M. V. O'Brien, former director of the Geological Survey, now a Tara-Northgate executive. The fact that the geological structures which have yielded major fields of oil and gas in the North Sea are repeated in several places in the seabed around Ireland means that further such finds here are a probability rather than a possibility.

9. The only union being allowed to organise many of the Tara workers is the Federation of Rural Workers, whose former secretary is James Tully, the Labour Minister for local Government. Jim Tully's son is secretary of Tara Mines and his son-in-law is the present assistant secretary general of the Federation of Rural Workers. A nice family business. As Minister for Local Government, Mr. Tully will play a decisive part in granting planning permission to his son's employers and he is also involved in the Cabinet discussions regarding the granting of a lease to Tara. Fine Gael Senator Russell is chairman of Silvermines, Mark Clinton T.D. is an ex-director of Celtic Oil and Taoiseach's nominee, Senator Paddy McGrath, is chairman of Celtic Oil. Senator Alexis Fitzgerald is one of Tara's Solicitors. Parliamentary privilege?

10. Tara admits to 50 million dollars worth of zinc and lead concentrates annually. The smelted value of these would be approximately 250 million dollars; the company only mentions the price of the concentrates however as it wishes to play down the overall value of its find in Ireland. When the metal is converted into manufactured goods we can multiply this £100 million annual figure by as much as 5 or 8 times again to evaluate the potential addition to G.N.P. of a metallurgical industry based on the Navan ores.

11. "The Navan ore deposit, on the basis of drilling to date, has been estimated to contain 77 million tons grading approximately 2.63 per cent lead and 10.9 per cent zinc. Mining operating costs at other similar deposits in Ireland run about 8 dollars

a ton and Tara expects to realise costs at least as good. It will obviously be a highly profitable operation" — Northern Miner 23/9/73.

12. Tara has admitted that it will have to raise most of the capital necessary for Navan's development from loans. It has also admitted that it cannot immediately construct a smelter in Ireland out of its own finances. While Tara cannot raise the funds, the State certainly can. £100 million of capital gains were made on the Irish Stock Exchange in 1972. By imposing a capital gains tax at the British rate of 40% the Irish Government could raise all the money necessary to build a smelter in Ireland in one year. The State can then develop the extractive, concentrating and smelting stages independently of the mining companies and private financial institutions.

13. In the United States it has been shown that every one job in the extractive stage of a metallurgical mining industry creates at least ten jobs in the preliminary smelting and processing stages of a metallurgical industry. According to Tara about 600 will be employed in the Navan mine, therefore if a smelter is established in Ireland it is probable that 6,000 jobs at least would be created in the smelting and primary manufacturing stages in Ireland. To these 6,000 jobs can be added some thousands of jobs in companies servicing the mine and the ancillary and refining industries, and perhaps as many as 10,000 jobs in a whole new sector of the Irish economy producing consumer goods based on the Navan metals. Navan alone could easily create at least twice as many new jobs as are currently created annually by the Industrial Development Authority.

14. The five Labour members of the Cabinet and the Parliamentary Labour Party are bound by the Labour Party Conferences of 1972 and 1973 to demand exclusive public ownership and control of the mineral extractive and processing industries. By the time the Labour Party secures an overall majority in the Dail, the Navan Deposit could well be an empty hole in the ground. The case for implementation of Labour Party policy as a pre-requisite for continued participation in Coalition is overwhelming.

15. The Government already possesses the legal powers and the moral, political and economic justification to retain the ownership and control of the minerals at Navan. The only thing it may lack is the political will to secure the most just and equitable solution for all the Irish people.

These are the facts pertaining to Irish mining. The controversy has arisen because in an issue where private enterprise development directly opposes the broader National Interest, the Government has not yet shown where its allegiance lies.

PROPOSALS :—

(1) That as the ownership of mineral rights rests with the State, the Government should retain its exclusive ownership of the mineral rights in Navan and not relinquish them to any private company.

(2) That all Government negotiations with Tara or any other private company should cease forthwith in respect of a mining lease for the lands at Navan and that the lease should be granted exclusively to the state-owned Mianrai Teoranta. Mianrai Teoranta should be recapitalised and reactivated by the State so as to be able to exploit the extremely valuable deposit of lead and zinc at Navan on behalf of all the Irish people.

(3) That a state owned national smelter be established simultaneously with the development of Mianrai Teoranta's operations at Navan. The entire suitable output of all Irish mines must be smelted in the state-owned smelter so as to ensure that the maximum value accrues to the Irish people through the smelting of the ores in Ireland.

(4) That the surplus generated by the extractive and smelting operations be used to establish metallurgical industries in Ireland.

(5) That the staff of the mining companies be given the option of transferring to Mianrai Teoranta under mutually agreed conditions of employment.

(6) That the Government should establish a state mineral resources exploration company to work closely with the Geological survey for the prospecting of new mineral deposits.

(7) That the Government should transfer the Irish operations of all the mineral extraction companies currently in Ireland to Mianrai Teoranta.