

Comment to MMSD

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General Comment

I am stuck by the impression throughout this paper that the writers' real target is bad government, not mining companies. From 80 to 90% of the prescriptions offered to right all wrong are in fact solely or at last mostly the prerogatives of government, not the private sector and not the NGOs. If the editors were to extract the mining industry specific technical requirements of emissions control, waste management and land reclamation (and perhaps a few others) from the body of the text, the report could be republished under the title "Good Government Generally Aids Human Development".

Specific Comments

Chapter	Paragraph	Comment
Page Exec Sum 16	Minings Interaction	The writer appear to be generally opposed to "fly in, fly out" but a survey of the former Soviet Union will reveal that this approach should have been used in the remote regions of that collapsed empire.
Exec sum 17	The redistribution	It is naive to believe that individual private companies have power to tell a sovereign government how to distribute the national revenue
Exec Sum 19	Community Sustainable	Certainly a cooperative approach to community planning is useful. I have some problem understanding what value is added by an "independent party" in the middle of the process
Exec Sum.20	Whether any	This text assumes that global warming is a scientific fact. There is plenty of conflicting evidence that casts doubt, and while global warming may or may not be a problem, it should not be presented as absolute fact
Exec Sum 23	Energy use	the scientific evidence regarding global warming is not as conclusive as this statement would have us believe.
Exec Sum 26	Sufficiency Efficiency	When environmentalists and others in affluent comfortable countries of Western Europe and North America actually leave their urban homes and move to a more simple life style in say the Nevada desert (sorry no mobile telephones, or blush wines) then I will believe that they are actually serious about what they preach to others.
Exec Sum 27	Competition and others	These pressures have come from the interactions of a free – market not generally from government dictate. It is difficult for me to understand how governments can add much to this process.
Exec Sum 28	ASM is an	To those who wish to ban ASM and who live in wealthy western countries, it is the height of inhumanity against the poor to advocate that they have no right to earn a living from the resources available to them.
Exec Sum 41	NGOs as	It is refreshing to note that the authors do not always place the NGOs on the side of the angels.
1-4	Operating in	Many people may fear international companies, but history shows that they

	many	actually have more to fear from their own governments. Companies do not operate gulags, imprison competitors or engage in genocide against their customers. Governments do however.
1-4	Yet there is	Of course the concern is mainly in the North. When these concerned, affluent people actually convert their personal wealth to donations to the poor, then their concerns will become believable.
1-7 Box 1-1	Also in 1972 the Club	The Club of Rome is only the latest of series of prophets wailing that minerals are about to be exhausted.. The earliest of these Doom and Gloomers of whom I am aware was a writer in the late stages of the Roman Empire, third century AD, who was convinced that Rome would fall because the lead mines in Gaul were becoming exhausted.
1-9	A more fundamental	It would appear that the “hard” approach folks have little love for people or much interest in human development.
1-10 Box 1-1	With the retreat	The dispersion of economic power from the hands of dictators or bureaucrats in 269 odd sovereign nations into 60,00 or more transnational corporations is no bad thing. Better to have economic power in the hands of diverse, competing firms whose main interest in making profit, than in the hands of governments who can and do kill their own citizens
1-17	long-term damage	The nature of government and of human activity is to trade off benefits and costs. If 10 acres of land are to be taken out of use by mining in exchange for 100 jobs, is that a bad trade off? How about 100 acres or 1000 acres? The point is that cost benefit analysis of trade-offs is an essential part of our daily lives as private individuals or governments.
1-18	In their use	What generation should we be concerned about? My grandchildren or some groups 500 years from now? The point is that the ability of this generation to plan or control what our great – grandchildren do or have is at best extremely limited.
2-24 Box 2-3	Choosing between	It should be noted that with the exception of the possibly mis-guided Danes, these choices are made by individual consumers and suppliers, and not by some all-knowing, all-wise government agency. If an individual’s basic freedom has any meaning, then he or she must have the freedom of choice on what to buy with his or her personal money. There is no guarantee that government choice will result in better over-all decisions.
3-15	NGO’s concerned	Given the rhetoric that comes from some of the NGO’s, a less charitable view is that their aim is a pure political power move, not to stop “ill-conceived or irresponsible mines”, <u>but all mining.</u>
3-16	There is a great	The Christian Aids` call for ending all Greenfield projects without consideration of the economic impact is a perfect example of point 3-15 above.
4-3	The problem with	The problem with needs versus demand is exactly who is to define “real needs”: a pack of academic experts, or government bureaucrats, or an NGO with its own political ax to grind? Given the failure of the Soviet Union which regulated every need and activity (except vodka drinking), the world should be extremely way of relying on a government or a group of concerned souls to define what other people can use or buy. A free market does not provide equality, but all things considered, it remains the best

		method of resource allocation.
4-5	What is clear	The challenge for those who would like impose controls on consumption is to prove their seriousness. “When you leave your urban home for a simple life in the Nevada desert, then you will make your point”.
4-5	But it was	It is well to remember that the “oil shock” of 1973-74 was a political move, which had nothing to do with resource depletion.
4-6	Assessing the long	This is one engineer who is not a pessimist. Anyone engaged in mineral exploration poor learns that one runs out of budget money long before the number exploration targets exhausted. Other than some deep-think academics, I have yet to hear of an engineer or geologist who thought that the end was near
4-8	Copper provides	The key words here are “Using current technology”. Who can predict what the technology will be in 200 or 3000 years?
4-12	Although trends	The bullet points here imply that availability is more likely than not to be constrained. But the opposite may also be true, the issues listed may not prove to be serious constraints.
5-9	More work is	It will be interesting to learn how the income transfers from North to South are to come about. The western nations have been in the foreign aid business for some 50 years, with at best very mixed results
5-15	While it is	Since it is beyond the scope of the study to discuss automobile ownership, why is this blatant value judgment included? Does it not occur to the authors that in a democracy the citizens can choose to increase their investment in public transportation?
5-21	The central banks	The Rule of Unintended Consequences in action. An attempt by the banks to aid their own economies results in the greater poverty of the Third World Nations.
5-25	Some suggest	The people who suggest that the world does not need gold mining might also “suggest” how unemployed gold mines and their families in the Third World Nations are expected to survive.
5-28	Emissions of	Back to the same point as before: the idea of global warming is being presented as scientific fact without acknowledgement of the considerable controversy surrounding the issue. The authors at least have an obligation to acknowledge this controversy. There are certainly some observers who claim that the Kyoto Protocol is nothing more than an attempt to disadvantage the economy of the USA for the benefit of the EU.
6-19	The same principal	A considerable problem in dealing with governments both local and national in Central Asia has been the practice of many companies to try to micro-manage project by remote control from London, Perth or Denver. The successful companies, not just in minerals, have installed a chief executive, locally based, who speaks for the company and has the executive authority to resolve local problems on the spot.
6-24	Despite reductions	The Rule of Unintended Consequences again: while asbestos has been widely condemned, there is now a theory that the removal of asbestos from the World Trade Center buildings may have contributed to their rapid collapse after the terrorist attack of 11 September.
7-3	More than 50	Of course ecologists such as Leopold want to dismiss economics as a factor

		in setting land use, they know that if their belief that “every acre is sacred” is put to a cost- benefit analysis, they would find that many acres are not as sacred as supposed.
7-4	Right of veto	It is amazing how the assertion of a no-go declaration or a veto so often follows the actions of an explorationist who has “Done-Gone” under the rules at the time. These unknown “sacred sites” “areas of unique, fragile environment” and “great cultural zones” only become identified and loved <u>after</u> a commercial activity has started. A less charitable view might conclude that there are many opportunists among the ingenious people, environmental activists, and social reformers who simply want to extort something from the system: money, political power, or status.
7-9	A mining or	This entire issue is a failure of government to reconcile national and local interests and there is precious little a private economic activity, be it mining or anything else, can do other than compensate the local groups for their losses, real or imagined.
7-11	Problems arise	Again the ex-post-facto assertion of rights that were never tabled when the original decision was made.
8-5	How should a	A recent estimate indicates that the economic benefit to the local economy for a proposed mine in Kyrgyzstan will actually exceed the value of the minerals produced. In this case the total of direct payments for wages, taxes and royalties, and supplies purchased locally, plus the indirect increase in general economic activity that result from the direct payments, will exceed the value of mineral production itself. Payments made to retire bank loans, import equipment, and for dividends are not included in the local benefits.
8-7	Governments can	It should be noted that price cycles are not restricted to mineral commodities. The swings in farm prices plus adverse weather conditions can render agriculture more risky than mining.
8-8	Another difficulty	The “Dutch Disease” is often cited by anti-mining advocates, but this involved natural gas not hard minerals. Has there been a significant outbreak of this disease in the past 10 years in a metals producing country? Further, at the time Holland was a rather small economy, now that it is part of the EU, would a new natural gas boom have the same effect?
8-8	Some economists	Econometric studies clearly indicate that the best economy is a diverse economy. No mining company is advocating the promotion of minerals to the exclusion of any other sector
8-9	The third main	Again this is an indictment of bad government not the presence of, or development of mineral deposits.
8-11	Not everyone accepts	Where has the feared “race to the bottom” actually take place? The reforms in mining law have resulted in improved land tenure not a relaxation of environmental rules.
8-13	Over the years	The focus by governments on the direct taxes they collect from a mining enterprise is too narrow. Considering the taxes on wages of the mineworkers and supplies, and the taxes on the indirect economic activity induced by the mine operation, a government can receive a net benefit even if direct profits tax is zero.
8-14	Box 8-1	If Oxfam America is serious on this issue, it should be the leading lobbyist

		for tariff reform.
8-25	There are always	There is another side to the security issue. Without adequate security the company stands a good chance of being robbed blind, as it is often a natural target for thieves of all types.
9-3	Mining's interaction	The authors seem to have a bias against fly-in, fly-out, but in fact their arguments almost always favor this approach. If the indigenous tribal groups are so fragile such that they can not withstand contact with an advanced world, what better way to keep them apart. If there is concern about an influx of people onto the mine-site, what better way to limit the numbers admitted. If there is concern about towns being left high and dry after the mine closes (an actual problem in the former Soviet Union), what better way to stop the development of such towns in the first place. Better to develop more accessible and economically diverse regional centers for the miners' families and support industries and have the workers commute. The near-by local communities also have an option; drive-in, drive-out or mule-in, mule-out.
9-11	Migration effect	The authors did not say whether creating this "area of influence" was good or bad, but making land available for poor people to farm would generally be considered a good thing.
9-16	Often the very	This is the same issue that was raised at the time of the oil development on the North Slope of Alaska. Activity was projected to destroy the Caribou herd. At last report, these herds were doing quite well, thank you, and were several times larger than prior to development. The authors should tell us why the situation at Voisey's Bay is different.
9-18	Another environmental	The cyanide spill in Kyrgyzstan was a transportation accident not a mining accident. Occasionally a propane tanker will have an accident and explode, this usually does not result in a cry to shut down the refinery, because people with reasonable sense know that they need propane for heating.
9-35	When a mine	This again is an argument for a commute based, fly-in, fly-out or drive-in – drive-out operation "Don't build on unsustainable" town in the first place.
10-2	There is obviously	Since no one can pin down exactly what "critical natural capital" is, or what trade-offs are acceptable between one item and another, the temptation is to call every acre "sacred" and elevate the environment to some sort of nature worship. This is certainly a departure from our Greco-Roman culture and Judeo-Christian and Moslem religious traditions.
10-3	Best practice	There is entirely too much useless hand wringing about the past, Potosi may be a mess, would it be mined in that fashion today – No!
10-11	Sustainable acid	This is a fact question rather than a comment. Somewhere I have read that the tests imposed in Wisconsin have in fact been met, and that examples of mines, meeting the requirements have been found. Unfortunately I am overseas and don't have easy access to references on this point. Perhaps the authors could check on the status of this once again.
10-28	The current level	I have complained about this before. Global warming is not a proven scientific fact, but is a theory with conflicting data and great controversy. Much of the debate appears to be political or even economic. The authors should be requested to acknowledge the differences of opinion surrounding

		the global warming concept.
10-30	During the twentieth	This improvement in energy efficiency occurred in response to free market forces not government dictate. A continued reliance on market forces and only limited government intervention remains the best policy.
10-31	The price of energy	Costs may go up for countries whose politicians were so irresponsible as to ratify an agreement based on unproven science. Expect a number of countries (Canada is a recent example) to have second doubles on Kyoto
10-34 11-5	The above gains These issues also	Does the transportation of minerals really create a greater hazard than do other hazardous materials which move across the land each day? This discussion of supply-chain management is mainly a feel-good exercise. There are very strong limits on how a metal customer can become involved in a supplier's business activities. The real emphasis of the MMSD report should be to encourage each company in the chain to act responsibility, not to attempt a reorganization of business relationships.
11-12	Table 1-1	This is a list of feel good ideas that can only possibly work via massive government interference in the daily affairs of ordinary citizens.
11-16	Over the last	The private sector has made substantial gains in the efficiency of use in response to market forces. Is there any assurance that mandated government programs can do better, or will we simply see the Rule of Unintended Consequences or a larger scale? The history of the Soviet Union in the matter of government control is not inspiring.
11-24	Current resource	Worldwatch Institute has been in the Doom and Gloom Prophecy business for some years, and I am surprised that the authors would quote such a biased source. I am sure that the head of Worldwatch would love to be chosen as the divine authority to decide what "people actually need".
12-13	In the United States	The events of 11September may demonstrate that information in the hands of terrorists can be dangerous to society. Detailed information regarding the production and storage of hazardous materials could be well end up as a targeting manual for people with evil intentions.
Chapter 13 An anecdote		This writer was born and raised in the eastern part of the State of Oregon USA where the very type of mining described in Chapter 13 was the principal economic activity in the mid 1800s. Gold was mined near my home from about 1860 through the 1890s when the easily accessible placer mines were depleted. All of the bad things described in Chapter 13 were in abundance in the region: including in influx of people (the country had about 3 times the population then as today), vast quantities of rotgut whiskey, and ladies of questionable virtue. Yet at a remove of nearly 150 years, what significant damage was really done by the pick and shovel miners? In fact very little. To be sure here and there one can see the cuts and fills of their small-scale activity, but unaided nature has actually covered over much of it, indeed some of the "diggings" are now important historical sites. When the placer gold was depleted many of the people drifted away but some stayed to become farmers, ranchers, lumbermen and businessmen. A number of prominent families can trace their lineage back to the pioneer miners. In the course of 150 years the economy of the area has totally changed, mining is no large important and livestock ranching

		dominates. Now the point of this is that Artisanal mining in the larger scope of things may not be a great burden on the land, indeed it may be for some period the only way for people to earn a living. Thus those who would ban artisanal mining had best be prepared to show conclusive proof of vast and forever un-repairable damage before they deny poor people the right to use the available resources to support themselves and their families.
14-4	The impositions of	The authors have put this point into the most charitable language possible, the fact is that officials in a sovereign country however small and however corrupt do not appreciate being treated as children.
14-11	Because tax incentives	When I see a Scandinavian Country cut its taxes, I will truly believe that a new era has arrived.
15-26	Community and Business	The mineral production value data shown here appears to be out-dated. They do not appear to include the value of the Kuntor Gold Mine, which would be on the order of US\$ 160,000,000 per year.