



Are Boom-and-Bust Cycles Unique to the Mining Industry?

By David F. Briggs

The opponents of the Rosemont Copper project often cite the “boom-and-bust” nature of the mining business as a reason why Arizonans should oppose this 21st century mining project. This discussion will explore the validity of these arguments, identify the real cause of boom-and-bust cycles that plague many of our rural communities and propose changes to government policies that can be employed to minimize the impacts of these business cycles.

By its very nature all businesses regardless of its character experience fluctuations in economic activity. These cycles typically occur over a long-term growth trend, which is characterized by periods of economic prosperity separated by intervening periods of stagnation and/or decline.

The mining industry is commonly associated with boom-and-bust cycles because many of its operations are located in small rural communities, whose economic prosperity is solely dependent on a single large employer, the mine. However, this phenomenon is not limited to mining communities. It also occurs in many other communities throughout our nation, whose economies are heavily dependent on a single industry or business. This was even demonstrated during the recent federal government shutdown, where many communities that are dependent on tourism suffered serious economic impacts resulting from the closure of our nation’s parks and monuments.

The best defense any community can have in minimizing impacts resulting from fluctuations in business activities is to diversify its economic base. Diversified economies weather economic downturns better than those based on a single industry or business. This is particularly true of economic declines that selectively impact a single business sector.

However, the ability of many rural communities throughout the west to diversify their economic base is severely complicated by the presence of large tracts of federal owned lands in the areas where they are located. Current land management policies of the federal government create numerous legal and

regulatory barriers that needlessly thwart access to mined lands, which could be used for a wide variety of commercial activities once mining activities have been completed.

Current land management programs require former mine sites to be reclaimed in accordance with federal land use objectives, which require the lands to be returned to as many pre-mining uses as possible or other beneficial uses that conform to applicable land use plans developed by the Department of Interior or Department of Agriculture. In most instances, approved uses are limited to open space, wildlife habitat, recreation and in some cases ranching and the harvesting of timber. All mine site infrastructure including roads, utilities, buildings and other structures, which could be converted for use by other commercial activities, are required to be removed and the land returned to its natural state.

The denial of access to these lands and existing infrastructure that may exist at these sites once mining has been completed unnecessarily perpetuates the “boom-and-bust” cycles in local economies of many rural mining communities throughout the west.

Two of the primary complaints made by critics of mining relate to its transient nature and permanent alteration of a pristine landscape. Hard rock mining is unique in that the beneficial minerals of value only constitute a minor or trace component of the rock materials mined. Large volumes of rock must be excavated in order to extract the desired contained metals, thereby creating substantial impacts to the landscape. These surface and subsurface impacts cannot be completely eliminated, but can be mitigated to the best extent possible through the use of sound engineering, environmental and reclamation practices and an understanding of the entire mining life cycle.

As long as modern society remains dependent on the products derived from mining, we have an obligation to encourage the long-term productive use of the land once mining has been completed. Utilization of already disturbed sites for other productive uses promotes resource conservation and ultimately minimizes environmental damage, elsewhere.

The removal of artificial barriers from our nation’s land use policies that restrict the manner in which mined lands are used will not only solve the long term goals discussed above, it will also enable citizens of many rural areas throughout the west to build a sustainable economic base that will continue to benefit their communities long after mining activities cease.

Disclaimer: David F. Briggs is a resident of Pima county and a geologist, who has intermittently worked on the Rosemont copper project since 2006. The opinions expressed in this article are the author's and do not necessarily reflect those of the Rosemont Copper Company.

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