



Importance of Arizona's Copper Industry to Our National Economy

by David F. Briggs

The geological setting of southeastern Arizona, southwestern New Mexico and adjacent areas of northeastern Sonora is unique in that this region contains an unusually large concentration of major copper occurrences. From 1991 through 2005, approximately 71 to 78 percent of the annual domestic copper production was derived from Arizona and New Mexico, with Arizona accounting for 60 to 67 percent of the total.

Annual domestic copper production has fallen from a high of nearly 2.2 million tons in 1997 to approximately 1.3 million tons since 2002. Although this decline can be attributed to a fall in metals prices, the rapid rise in the price of copper since 2004 has done little to restore production to its former level. One of the principal reasons for this sluggish response appears to be related to the closure of several large mines. This illustrates another point. As old mines are closed, new operations must be brought on line to meet the consumers' demand for raw materials. Consider this, no major new copper operation has been placed in production in the United States in more than thirty years.

In 1991, the United States was a net copper exporter. Since 1991, our net reliance on imported copper has steadily risen to 42%, which equates to a trade imbalance of \$3.8 billion in 2005. Although this figure may seem to be small, when it is combined with value of other raw materials we must import to maintain our high standard of living, it becomes very significant. Any restrictions imposed on industry's ability to extract raw materials from domestic sources will only magnify our nation's trade imbalance. In extreme cases, the inability of nations to acquire the raw materials has resulted in wars. One of the goals of expansionist activities by Japan prior to World War II was the acquisition of raw materials. Likewise, the United States' dependence on the importation of foreign oil has often been cited as one of the primary reasons why American troops are currently fighting and dying in Iraq.

Do we want to continue governmental policies, which have resulted in our increased dependence on the importation of raw materials or should we attempt to minimize the quantities we import by obtaining them from domestic sources? This question needs to be answered before any decision to

withdraw public lands is made, since it will not only significantly impair the mining industry's ability to explore and develop our nation's copper resources, but will also ultimately have a profound negative impact on production of all commodities extracted from public lands. Considering the long lead time required to place a large mining operation in production, exploration properties may require five to ten years of work before the first pound of copper is produced. Consequently, it is imperative that responsible development of new mining operations like Augusta Resource's Rosemont project be permitted to proceed in order to assure an uninterrupted supply of copper to our nation's consumers.

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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 those of the author and do not necessarily reflect those of Rosemont Copper.

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