



Back in 2012 Michael T Klare, professor of peace and world securities studies at Hampshire College in the US wrote a book called *The Race for What is Left: The global scramble for the world's last resources*.

It was all about the looming shortages of just about everything. Shortages that would lay the foundation for World War III.

Klare was seeing a new world war being fought over the dwindling supplies, not only of food, but of coal, uranium, copper, lithium – you name it.

The book contains a chapter "Rare Earths and Other Critical Metals".

However, this was written before the rare earth bubble burst.

Klare quoted estimates that the demand for these elements would increase by nearly 50% by 2015.

In 2015, that forecast demand seems elusive. In fact, there are predictions that a good slice of China's rare earth capacity will be closed by December as so many mines are losing money at present prices.

Graphite? The world is going to be awash with it if even 10% of the present projects get up. Iron ore? No shortages there.

At about the same as Klare's book, another one came out. Ruchir Sharma, head of emerging markets at Morgan Stanley wrote *Breakout Nations: In Pursuit of the Next Economic Miracles*.

Sharma argued the powerful idea of the inexorable rise of China and other emerging markets had been the factor driving the price upwards of everything from copper to textiles to soybeans.

He tagged this idea "commodity.com" because it was strikingly familiar in some ways to the mania for technology stocks that gripped the world in the late 1990s. Only this commodity bubble had been worse, in his view.

Methinks Sharma was more on the money.

Yes, of course, it will become harder to find many minerals, and more expensive to mine them.

But not just yet, it seems.

The supercycle has turned out to be no such thing. "Stronger for longer" – longer than what, the previous commodity boom?

Indeed, it is looking more and more as if the supercycle was just another alarmist scare – like Sydney's dams never being full again, or the world running out of indium.

In 2007, *New Scientist* magazine predicted the world would be out of that metal by 2012. Recently one read this: "Indium prices slipped by \$20 per kg ... as producers reported slack demand and accepted lower bids from traders and end-users for their material".

Green-backed mining

It will come as a shock to see a mining project getting the support of an environmental group, and a Tasmanian one at that.

Well, apparently so. According to Hobart daily *The Mercury* the Save the Tarkine group is supporting Elementos, which plans to reopen the Cleveland tin mine, last worked between 1968 and 1986 by the late Aberfoyle.

The newspaper's report says Elementos' plan to clean up past pollution from the previous mining activity has the support of the environment activist group.

We are not quite sure how much Save the Tarkine relishes the mine actually opening again though, given it has led spirited fights against other mine projects in the 447,000 hectare Tarkine area of temperate rainforest in northwest Tasmania.

Most recently it went to court to try and frustrate Venture Minerals developing the open cut Riley Creek iron ore project.

However, as the Cleveland project area is described as "heavily disturbed by historical

mining", it may have escaped the wrath of the green movement.

Apart from that, the project does illustrate how even small mining operations can have a beneficial effect. The company plans to begin treating the tailings, which will mean jobs for 30 locals.

By 2021, after some open pit mining, the work will move underground and 200 people will be on the payroll. Priority will be given to locals.

The company has ruled out fly-in, fly-out and people from the immediate area will be preference in the hiring process.

The mine will also revive the town of Waratah, built to house the workforce for the Mt Bischoff tin mine.

Just to show how mining gives a place a lift, Waratah was the first place in Australia to have electric street lighting – installed in 1886.

A small mine, yes, but it is giving a great boost to a lagging regional area.

Colorado calamities

Australian miners have their environmental headaches, but they face nothing like the problem in Colorado.

That US state has 230 closed mines, many of which are causing pollution to rivers.

Just recently the scale of the problem was shown when staff from the Environmental Protection Agency were sent to investigate the state of the old Gold King mine.

The gold mine closed in 1995 when the mine portal collapsed.

The EPA sent a team in August this year to investigate the amount of water in the mine.

However, the workers accidentally disturbed the blockage retaining wall, and sent 11.3 million litres of yellow-orange sludge containing acids and metals into the Animus River.

It is estimated that 2600 km of river length in Colorado is polluted by leakage from old mines.