To date only one exploration program has followed the GEOBOL/BGS effort on the Precambrian. Rio Tinto Zinc, in a 50/50 partnership with the important Bolivian miner COMSUR, has undertaken a US$20 million exploration program which has recently shown promising gold values on drilling in greenstones. In general, the Precambrian region is believed to present excellent potential.

EVOLUTION OF THE BOLIVIAN MINING INDUSTRY

Historical Prologue

While indigenous people had long known of and used metal deposits, exploitation of gold and silver on a massive, sustained basis began in the sixteenth century, early in the Colonial period. Until the end of the nineteenth century, Bolivia was a major world exporter of silver. However, when the abandonment of precious metal coinage together with the opening of large deposits elsewhere in the world led to declining prices, Bolivia was poorly equiped to compete. Primitive technology, difficult access and depleted reserves contributed to a general decline in the importance of silver exports.

Instead, attention shifted to tin in response to increasing prices and high world demand after the turn of the twentieth century. In fairly short order, tin became the dominant export and Bolivia joined the ranks of leading producers.

Ownership of tin production was quite concentrated, and conditions of extraction were notoriously arduous. Nearly 80% of output was controlled by three groups, Patiño, Hochschild and Aramayo, the "tin barons". These groups came to control not only tin deposits but also other important metal deposits and prospects.

With the Revolution of 1952, the interests of the former controlling groups were nationalized by the government of Hugo Paz Estenssoro to form COMIBOL, Corporación Minera de Bolivia. In the process some 163 mines and properties passed into state hands, including 24 operating mines, 20 small mines with limited artesanal workings, 29 partially explored but undeveloped properties, and many prospects and concessions.

While COMIBOL maintained existing operations, it is instructive to note that the state corporation was unable to develop even one of its exploration prospects into a productive operation. It has been suggested that this reflected not just limited economic capacity but also an inherent orientation toward maximization of production in the short term. Exploration and development capabilities were never fostered in any coherent way.

By the mid 1980's, it was possible for the Bolivian government itself to characterize COMIBOL as "inefficient, corrupt and unprofitable". The leading mine producer had become addicted to fiscal-based financing, helping to contribute to inflation which reached the astonishing level of 26,000 percent early in 1985. Populism and years of patronage had