

[Talking about controlling conflict minerals](#) [1]

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I was having a chat this past week with a senior bod in a charity that is trying to do something about conflict minerals. These are the ones where child slaves are sent out to dig up the ores which the armed militias then greatly profit from. Something I'm sure we'd all like to see stopped.

During the course of that hour long chat (I'll use no names, so no pack drill) it became apparent this senior bod, indeed the group of NGOs pushing for new EU regulation along the lines of the US's Dodd Frank rules, had not the slightest clue about how the world works. I'll grant you they knew where the exploitation was taking place but other than that pretty much bupkiss.

"So, this proposal of yours, how much will it cost?"

"We've not done a cost analysis of it".

"What will be the value of the benefits of your proposal?"

"We have not done a benefits costing."

This is, please recall, a group that is campaigning to change the law for 500 million people. And they don't know how much what they are campaigning for will cost, what the benefit will be, not even whether the benefit will be greater than the cost and that thus there will be a net addition to human happiness or utility.

That's bad enough but then I found myself very much through the looking glass. Their proposal is that everyone (yes, all individuals and all companies, those who first introduce a product onto the EU market) must be legally responsible for the entire supply chain of the ingredients in what they are selling. They seem not to get that no one at all knows how to make any particular product. They'd not even heard of [Pencil](#) [3]. No one person, no one company, knows how to make a pencil: or a smartphone, a computer, nor almost any piece of modern day gizmoidery. So how in heck can anyone track down the entire supply chain for doing this? Let alone agree to be legally responsible for the entirety of it?

They are quite literally insisting that if I ship in a box of Chinese pencil sharpeners to sell on e-Bay (of the soon to be popular "Hello Rover!" brand) then I am legally responsible for ensuring that the steel making the blade was not made from conflict mineral tungsten. Which means tracking back through any number of Chinese companies not just to a steel mill but to the ferro-alloy producer before that and interrogating him as to where he got his ammonium paratungstate from. Which means going further back to the plant that made that from the original ore. And I've got to do that again with the screw that keeps the blade in place.

These people are of course mad. For the entire point and purpose of a market economy is that I cannot know all of that and it is the markets that ensure that I don't need to. I can just look at the prices to see where I'm going to get my gear from. I am entirely blind as to what happens two or four steps down the line from me: the point being that the system simply cannot work any other way. Full supply chain analysis, of the sort they are insisting that everyone should do, entirely negates that value of a market economy for us. We're back to being GOSPLAN and look how well that system worked.

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