

THE CARLSON CHRONICLE

Don't Shuck and Jive!

Pure unadulterated balderdash. Pure B.S. That's the only way to describe the baloney Coeur—the Precious Metals Company is serving up as its excuse for relocating its corporate headquarters from Coeur d'Alene to Chicago later this year.

It's bad enough that most corporate Chief Executive Officers (CEO's) and Presidents are grossly overpaid by compliant boards, even when the CEO has failed miserably but is still given the proverbial golden parachute. When boards though give way and acquiesce to pure CEO vanity, shareholders ought to sue.

Make no mistake, folks, this move is an exercise in personal vanity by Coeur's president and chief executive officer, Mitchell Krebs. He and his wife both hail from the Chicago area and want to get closer to home.

So let's just pick up the corporate headquarters and move, ma!

What does it matter that 45 of their 65 employees will not be moving and will lose their jobs? After all, the company offered to relocate any one that wanted to keep their job by moving. Such a deal. So what then if a supportive community loses 45 good-paying jobs? And add 90 more secondary jobs (2 to 1 economic multiplier) for a total of 135 lost jobs.

So let's examine the proposed rationales. Chicago supposedly provides improved access to key stakeholders. Just what does that mean? Krebs can more frequently have lunch at a downtown club with a shareholder who if he really wanted to talk face-to-face could be in his corporate jet and in Coeur d'Alene within three hours?

More and easier access to your operations? Come again. Presumably he must mean commercial air access since Coeur does not have its own jet. To get to their Kensington Mine outside of Juneau one has to go through Seattle. Last time I checked Coeur d'Alene and Spokane's airports are closer than Chicago to Seattle.

Or their Chilean property. Best way to go is through Los Angeles. I think Spokane is closer than Chicago to LA's Airport.

Where the B.S. really starts to get thick is Krebs parroting Mayor Rahm Emanuel's propaganda about Chicago being a totally pro-business city. Really? More so than Coeur d'Alene? Extremely doubtful. Chicago has one of the worst public school systems in the country. Chicago is very much a union town and make no mistake the historic patronage system is still alive and well.

Oh, but Coeur will also have access to a larger talent pool? Really? In this age of the internet that is doubtful. Besides, when mining companies go shopping for talent they tend to look where there are still vital schools of mines such as the Colorado School of Mines, or Montana Tech in Butte, or the University of Nevada at Reno or the University of Arizona.

Indeed, if one really did need to move for most of the trumped up reasons Krebs mentioned, most industry observers say that Phoenix or Denver would make much more sense.

What really tells that this is a vanity move is Krebs ego being so big as to insist that the Mayor personally announce this bit of community raiding and chicanery and that the Illinois governor's office also weigh in. Give us a break.

Idaho's Job Plus, under the capable leadership of Steve Griffitts, did everything it reasonably could to try to get Coeur to stay. To its credit Governor Butch Otter's office also did what it could. However, they never stood a chance.

This move is not about logic or facts. It's all about ego, vanity and selfishness. It's not really rational, it is purely emotional. Long-time Coeur supporters and board members like former four-term Idaho Governor Cecil Andrus have to wonder now about all the times they went to bat to help Coeur overcome bureaucratic problems in Alaska and Nevada.

There was an implied commitment that he, and another board member, the late Senator Jim McClure, were assisting an Idaho, Coeur d'Alene based company, not an Illinois, Chicago based firm. That comes under the category of loyalty, a concept apparently foreign to Mitchell Krebs.

By the way, be sure and tell your shareholders how much this vanity move is going to really cost. One hopes current Idaho related board members Michael Bogart and Jim Curran are at least asking that question.