

# HANCOCK *and* WRIGHT

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**and**  
**WRIGHT**

## AUTHOR'S NOTE

April 2, 1973

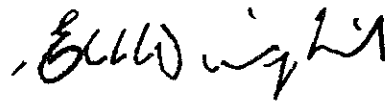
DEAR READER:

This is a revised version of a publication originally commissioned in February 1972, and it was a condition of the contract that Mr Moyes had complete freedom to write the facts as he saw them. This he has done, and we do not necessarily agree with everything he says. Such a publication, we believe, was necessary because we felt it important that the book should be completely independent. It is our hope that this book will give you the opportunity to make your own appraisal, not only of Hancock and Wright, but also of past and future government policies concerning the development of Australia's iron ore resources.

Yours sincerely,



L.G. HANCOCK



E.A. WRIGHT

This does not pretend to be a biography of Lang Hancock and Peter Wright. No-one could attempt that in 80 pages—or do the necessary research and writing in twenty-one days.

I had known of Hancock and Wright, of course. But my real interest in them began when I heard Lang Hancock address a meeting of the Contact Club in Sydney on November 4 last year.

His story was hard to believe. The general reaction was that there must be more to the situation in Western Australia than Mr Hancock was revealing.

Later, talking with Mr Hancock I suggested that the only way to bring the Pilbara story into the open was to have a book written about it. I named a prominent journalist, who was then free-lancing, who might take on the job. But the journalist accepted an editorial post on a leading magazine and was not available. There the matter rested.

In mid-January a colleague who was on holiday telephoned me from Perth. He had been talking to Peter Wright, who told him that the Government was going to decide on the re-allocation of vital Hancock & Wright reserves soon after February 18. Anything written to present the story to the public should be published before then.

Would I take on the job? Hancock & Wright would foot the bill but I would have complete freedom to report the facts as I found them.

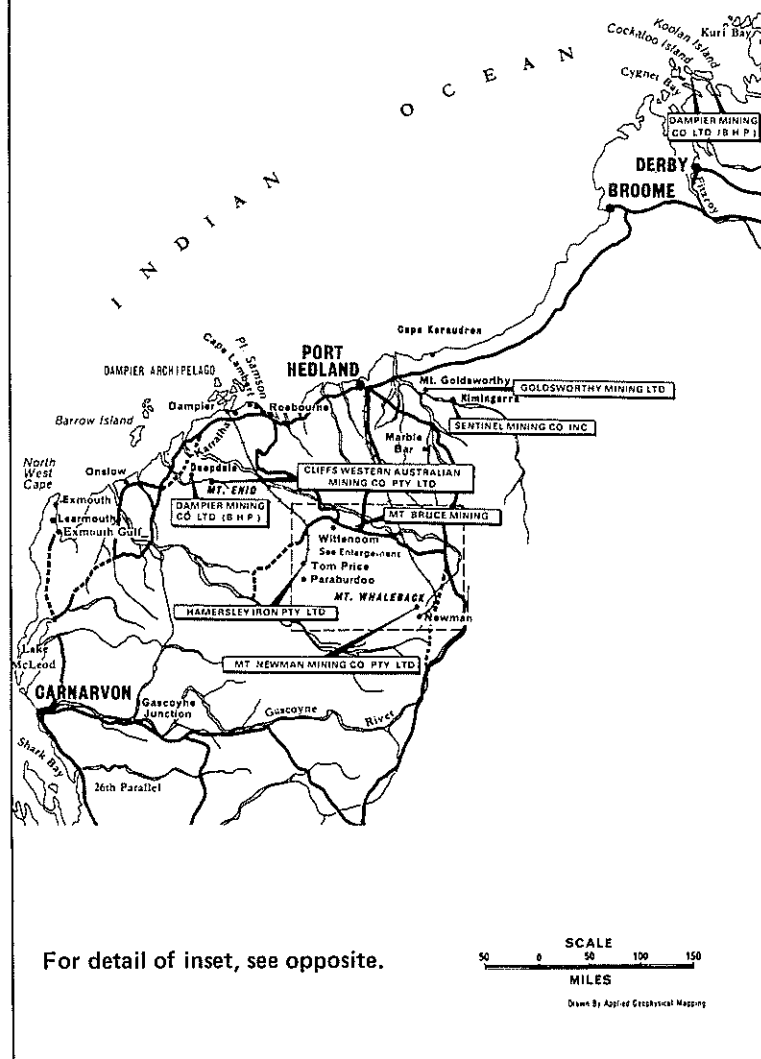
I have had complete freedom. I have had access to personal diaries and correspondence with companies and governments. I have spoken to as many people as the 21-day timetable has allowed—from the Premier and Minister for Mines to mining experts and political writers.

Perhaps some of them will not agree with what I have written. Perhaps Hancock & Wright themselves will not agree.

We shall know the Western Australian Government's attitude in the next few weeks. We shall know if more of the previous Hancock & Wright reserves are to be handed to overseas interests and the "Big Five". Or whether Hancock and Wright will retain them and achieve the Australian equity for which they have fought so hard for so long.

J.F.M.  
Perth, February 1972.

## MINING COMPANIES IN NORTH WEST AREAS



## "BURY HANCOCK WEEK"

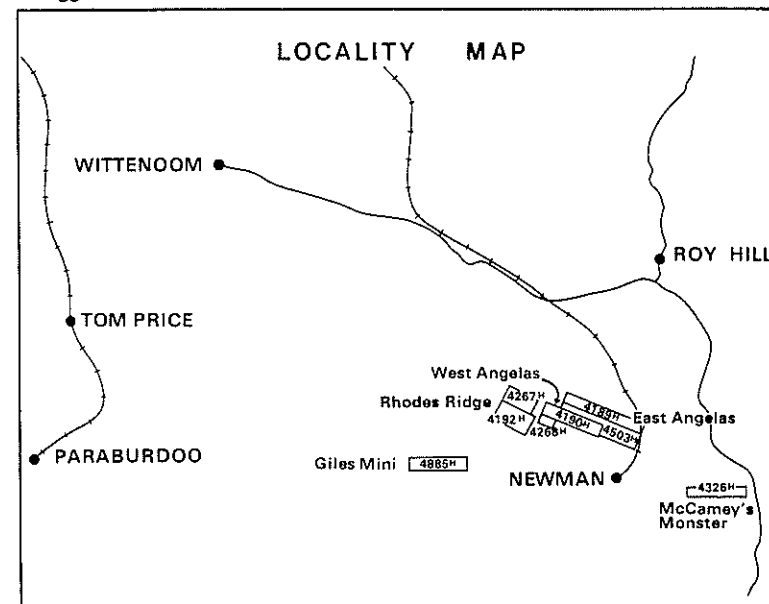
In the first few days of November 1966 some 100 guests flew into Perth from Europe, the United States and Japan. About 150 more flew in from all parts of Australia.

They'd arrived for what the Perth Press described as a "millionaires' party" and the "most expensive bun-fight the West has ever seen".

They sat down to dinner at the Adelphi where they ate (and drank) smoked salmon (with sherry), iced Spanish soup, lobster thermidor (with French wines) Bombe Vesuvius (with champagne) and cheese, biscuits and greens (with coffee, liqueurs and, later, port).

The following day the 250 guests flew north to the Hamersley port of Dampier. Three Friendships and two Skymasters had been chartered to supplement Consolidated Zinc's own Gulf Stream, and the airstrip had been specially reinforced to support the aerial armada.

The gathering of the giants was for the official opening of the Hamersley Iron project—a public relations exercise which cost "something in excess of \$200,000". And why not? As one Hamersley official told the Press: "You can't make an omelette without breaking an egg".



The Australian Press was, of course, well represented. But, to ensure that the message of the might of Hamersley was heard overseas, representatives of influential overseas publications were flown in for the occasion. Among the overseas representatives was John Lawrence from the "Wall Street Journal". He wrote:

... "As the speeches droned on, extolling engineering and financial genius, it became apparent to a few American visitors that one man sat in surprising obscurity, never called on to speak.

"It was the man who made it all possible—the fellow who found the ore ...

... "It's not that this forgotten soul isn't getting something for his trouble. Thanks largely to his own negotiating ability and a good sense of timing, he'll clear some \$10 million or so in royalties, possibly much more, in the next 16 years. His long-time business partner (E.A. "Peter" Wright) will get an equal share.

"But despite the fact that he may be responsible for Australia's most important industrial development to date, hefty, muscular Lang Hancock is actively ignored, even despised, by many of the Australians now involved in the mining venture. It will be surprising if his name survives in the history books."

(Perhaps Lawrence's doubt about the name of Hancock appearing in history books was inspired by the formidable commemorative book Hamersley produced to mark the official opening. Lang Hancock rated fewer than a dozen lines).

Lawrence began asking questions—and reported the answer.

"Hancock had nothing to do with our project; anybody could have found that ore," snaps one of the top Australian officials of Hamersley Iron ...

It seems that the second week of November 1966 had some fairly healthy backing as "Bury Hancock Week".

Officials of C.R.A. (60% owner of Hamersley) were already claiming that their geologists had, in fact, discovered Mount Tom Price (a claim which, on the evidence of Hancock, Rio Tinto geologist Bruno Campana, and Rio Tinto's own records will be shown to be palpably false).

Western Australian Premier Brand, in his speech at the opening of the project, side-stepped the delicate question of who discovered what (and of mentioning Hancock's name on such an occasion) by saying: "Of the 40 significant mineral discoveries in Australia during the last 20 years, 36 were made by company and government geological teams ..."

This statement, too, seems to be quite incapable of proof. But it did, at least, give "private" prospectors credit for four discoveries and the Premier wasn't going to go into any detail such as naming any of these four.

"Bury Hancock Week" ended on the Sunday with the publication of a 16-page Hamersley project supplement in the Perth Sunday Times.

Lang Hancock's name did not appear even on a full page devoted to a list of guests. It seemed to be a fairly comprehensive list, too. It included the names of at least three Shire Clerks.

But "Bury Hancock Week" hasn't been entirely successful. Lang Hancock is alive and well and has his office in Lombard House in Perth. His company (Hanwright) and Lombard are the only tenants in the 16-storey building—Hanwright on the 14th floor, Lombard on the first.

Maybe there's something symbolic about this, too. Here's a fine new building—one of many built and building in Perth since the mining boom began—and it is almost empty. Except for Hanwright.

Hancock, it seems, has spent half a lifetime of being first in—and being surrounded by pessimism, apathy and lack of vision.

From 1952 almost to 1960 he had known of huge iron ore deposits which, on their own, would more than treble Australia's known iron ore resources. But, because of the government export ban on ore, he could do nothing with it.

When it seemed likely that the ban would be lifted he tried to interest Australian institutions and companies to provide finance for developing the field. But no-one was interested.

He began writing to the world's steel-making giants—in Pittsburg, Chicago and elsewhere—telling them, in guarded terms, what he had found and seeking financial and technical support.

"Payment," he wrote, "would be by way of result i.e. no result, no payment to me."

Almost every day for a month the replies came back "Not interested." "Area too remote". "You appear to have access to a very good grade of ore, but ... " The words were different but the message was always the same: "No."

Eventually, when he did succeed in interesting Rio Tinto he spent days flying their geologists over the area. In nine months they had established the presence of more than 1,000 million tons of limonitic ore and 350 millions tons of high-grade hematitic ore, with inferred reserves many times greater.

But Hancock did not feel things were moving fast enough.

"I don't think Melbourne realised just how big the thing was. So I wrote to Val Duncan (Chairman of Rio Tinto) and he came out to see me."

This was not, of course, calculated to engender any great love for Hancock by some of the people in Rio Tinto. He had gone to Duncan over their heads.

There is no doubt that, in the last 10 years Hancock has done a lot of wheeling and dealing—but there's also plenty of evidence that he didn't have the field to himself. He has learned the hard way and in a pretty tough school.

He has seen his partner, Peter Wright, shake hands on an agreement with the head of one of Australia's largest companies—and then see the agreement denied.

He has seen a Mines Minister write to Japanese steel mills a letter which said, in effect, "Don't deal with Hanwright."

He has seen temporary reserves, on which Hanwright had spent thousands of dollars in road-building and drilling, taken from him so fast that they were given to a company with a paid capital of only \$2 and which was formed to manufacture cosmetics.

He has seen Robe River—rejected by BHP, rejected by Ludwig—spend only \$35,000 on drilling over a period of 8 years and still get extraordinary favouritism from the government. Extraordinary because the government hasn't just promised them temporary reserves in which they can prospect for high-grade ore. It has promised actual iron ore deposits.

He has seen Industrial Development Minister Charles Court go round the world on a "don't talk to Hanwright" mission—a mission which took in (according to Mr Court's Cabinet Minute of August 28, 1970) Armco, August Thyssen-Hutte and Texas Gulf Sulphur. Closer to home, Mr Court had "talks" with BHP and CSR.

Hancock persuaded Val Duncan to include a proposal for a steel works in the Hamersley offer to the WA Government. And he heard Brand and Court deny in Parliament that the offer was ever made (despite the fact that the present Premier, Mr Tonkin, has since said that he found the proposal in the Premier's office and that "this was definitely a proposal for a steel works").

Hancock and Wright have seen a lot of things and heard a lot of things. They've learned a lot, too. The international steel business is the big league—a league in which even the kind of money they're getting in royalties is petty cash. Especially when they, and their associates, have ploughed back \$5.7 million of it in the last few years on trying to prove up temporary reserves—some of which have already been confiscated to give to the "big boys". And others which may still be taken away.

But to return to the Hamersley opening in 1966. Lawrence of the Wall Street Journal found that the "hate Hancock" campaign was confined to Australia—and the Australians in Hamersley Iron. A superficial view, I think. The Melbourne Establishment could hardly be called Australian—in fact I doubt if its members would like it.

Lawrence did, however, report some American reaction. He quoted on American "close to mining operations here" as saying: "The more we see of Hancock the more we realise that in an American venture he'd be on the board of directors. He's a man of real vision."

And an official of Kaiser Steel Corporation, which owns 40% of Hamersley: "He's the type who built our West."

The Americans, of course, weren't claiming they'd discovered Mount Tom Price. They weren't claiming, like the Hamersley official, that "anybody could have found the ore". They weren't concerned with petty jealousies, with Hancock going direct to the Boss because he felt he wasn't getting enough action locally.

The Americans weren't, like the West Australian Government, concerned that Hancock was moving too fast for Court's ever-coming, never-coming "Pilbara Plan". And perhaps they weren't quite so sensitive to Hancock's bluntness when he was trying to get something done.

Like his letter to Deputy Premier Watts in February 1961 which said, in part:

"I don't want to bring the Managing Director of Rio Tinto over to Perth on another wild goose chase as these schoolboy fiascos do not do the State any good when dealing with international firms . . ."

Or a later letter to the members of the Iron Committee which began: "Dear Sirs,

This letter is meant to be informative, not offensive. So, if at times the language may appear to be a little blunt in an effort to maintain clarity, we hope you will be fair-minded enough to consider the contents without taking offence, because none is intended . . ."

American industry's opinion—and, after all, they put up 40 per cent of the money—is perhaps best expressed by one of Kaiser Steel's top

engineers and a man who played a vital role in the development of the Hamersley project.

In a letter to an associate, about the time of the Hamersley opening, he wrote:

"More than any one man, Lang Hancock is responsible for the Hamersley iron development . . ."

"At times his efforts on behalf of his State and country cost him personal popularity.

"He and his energetic partner, Peter Wright, encouraged participation of Australian mining companies in these Australian ore developments. They took their message and potential to Rio Tinto in Melbourne. An agreement aimed at developing these mineral resources, brought to light by Hancock, was signed.

"This agreement is the foundation of what is now Hamersley Iron and had much to do with the subsequent merger of Rio Tinto and Consolidated Zinc into what is now CRA of Australia, a far stronger company than either of the two individually.

"This alone was a tremendous contribution to Australia.

"Hancock and Wright also encouraged participation by overseas firms such as our own. Kaiser Steel has never had stronger or more steadfast friends.

"Lang took Tom Price in hand when he went over to examine the ore deposits. He flew him about, showing him the ore, and talked to him.

"A great deal of Lang's contagious enthusiasm and appreciation of the potentials involved rubbed off on Tom. Lang exerted himself in every way to help Kaiser fit into the picture. Our company owes him a deep debt of gratitude.

"The personal relationship established by Lang Hancock and Peter Wright with Val Duncan, Rio Tinto's chairman in the United Kingdom, was invaluable inasmuch as it kept alive Mr Duncan's very active interest and gave him a better understanding of what was needed.

"Without Lang Hancock there would be no Hamersley Iron."

\* \* \*

"Bury Hancock Week" in November 1966 had some influential sponsors . . . but it failed.

A second "Bury Hancock Week" begins on February 18, when applications close for tenders for temporary reserves formerly held by Hancock and Wright and on which they've spent a considerable sum of money.

Only time will tell whether the sponsors on this occasion will be influential enough to have the Labor Government abandon its pre-election stand.

Here, just for the record, is what Premier Tonkin said a week prior to his election:

"The next subject about which I wish to talk this evening is that of the Pilbara regional development programme of the Hon. Charles Court which was referred to in last Saturday's "The West Australian" by a correspondent—a supporter of the present Government—as a "socialist Pilbara plan of confiscation".

"The plan is built around low grade deposits at Robe River which cannot be economically exploited unless the company has access to considerable quantities of high grade ore.

"In the area Hancock and Wright have temporary reserves granted under the Mining Act in which, after the expenditure of a very large amount of money, they have discovered and proved large quantities of high-grade ore at Rhodes Ridge and McCamey's Monster . . .

"Hancock and Wright have discovered on their reserve iron ore in payable quantities are entitled to enter into negotiations leading to a grant of mining tenements.

"As the Hon. Charles Court is in the way of any negotiations taking place with Hancock and Wright, no offer of mining tenements can be made to them and in the absence of this requirement it does not appear possible for the Hon. Charles Court to make the ore bodies discovered by Hancock and Wright available to Robe River for that company's benefit without complete disregard for the law.

"Sir David Brand either is unaware of the provisions of the Mining Act in relation to temporary reserves, or like Mr Court has no regard for them, because when delivering his policy speech he said: 'We will not surrender our mineral policy to suit anyone's personal interests, no matter what the pressure.'

"The Government's mineral policy for the Pilbara involves the deprivation of the rights under law of an occupant of a temporary reserve who has spent a large sum in discovering a payable ore body.

"Such a policy strikes at the very root of mineral exploitation and savours of bushranging.

"It must make every occupant of a temporary reserve fearful that he may find himself in a similar position to that of Hancock and Wright and be deprived of the fruits of his labour.

"There is one company, however, that need have no worries about Mr Court's mineral policy, and that is Broken Hill Pty. Ltd.

"In November 1964 the Government provided the company with a guarantee that temporary reserve 3358H in the Pilbara was granted to it for a period of 50 years.

"Labor will not have any favourites but will administer the Mining Act impartially and observe the spirit and the letter of the law.

"For fair and good government, vote Labor on Saturday next."

The people of Western Australia did vote Labor. The next few weeks will decide whether they voted for a "fair and good government".

## HANCOCK AND WRIGHT

Lang Hancock isn't the first of his family to pioneer new horizons.

Almost a century after one John Hancock in the United States signed the Declaration of Independence another John Hancock was sailing north from Fremantle in the three-masted schooner Sea Ripple, 187 tons.

Also on board were:

\* Emma Withnell (Hancock's sister), her husband and two sons. (Emma was expecting another child. The baby, another son, was born a few months later—the first white child born in the north-west).

\* Fanny Hancock, another sister.

\* Robert Withnell, Emma's brother-in-law.

Their destination was Cossack (then called Port Tientsin), near Roebourne and 1,000 miles north of Perth. And the Withnell-Hancock family's protection in the north-west was hardly calculated to make them feel at home.

First they were becalmed two days out of Cossack. Then a storm drove then 120 miles past their destination and the schooner ran aground on a small reef.

In the next few days, with the schooner aground and listing so badly that many of the sheep in the holds were smothered, the men made repairs. They refloated their ship, reached Cossack and John Withnell went up the Harding River to find a place for a homestead. The place he found, and on which they erected their tents, was later to become the site of Roebourne.

Langley George Hancock was born in Perth on June 10, 1909—but he is very much part of the north-west. His father was manager of Mulga Downs, a run-down property not far from Wittenoom Gorge. He changed the station from a liability to a flourishing sheep property of which he eventually became owner.

Lang Hancock went to Hale School in Perth, and it was there that he met Peter Wright, later to become his business partner. Hancock's father would have liked him to enter one of the professions, but Lang wanted to get back to the land.

Sir Valston Hancock, former Air Marshal in the R.A.A.F. and a close relation of Lang Hancock, believes that this decision had much to do with shaping Hancock's character.

Sir Valston says: "His virtual isolation in the great empty north west during his early manhood is a factor which shaped his character and bred intolerance of prevarication.

"Unlike most of us in society who are constantly exposed to the foibles of human nature with its mixture of selfishness and sacrifice,

greed and generosity, laziness and energy and so on, Lang sees problems starkly in black or white.

"The grey areas he either does not see, or brushes aside as diversions from the central issue.

"He cannot compromise on issues of principle, nor can he understand others who do. Many of his reactions and attitudes seem to stem from a puritanical streak and an intolerance of weakness.

"This uncompromising attitude is so very obvious in the many interviews given to the Press and yet in his personal relations he exhibits an amused tolerance of those who have fallen from grace.

"He is essentially a man of action who wants to get things done speedily. This obsessive drive may lead him into error, but it is also the source of his achievements.

"A life spent mainly in the field has endowed him with a great respect for people who are practical and effective—the antithesis of those who theorise with little regard for the realities of life.

"The image which seems to emerge from the media predominantly is that of a ruthless, uncouth, greedy, intolerant, obstinate character softened somewhat by a keen sense of humour and a capacity of friendliness. This is not the real Lang Hancock"

The real Lang Hancock is pretty hard to find. He's not gregarious by nature, yet he doesn't shun company and talks and laughs easily. He has, of course, a vast number of acquaintances. His friendships are few—but they're deep and lasting. He and Peter Wright have been friends since their school days, and business associates since.

He has firm friendships with some of his employees, too. Bill Newman, the gnarled prospector who, in the early days, sweated on the ground helping to test and peg areas discovered from the air. Ken McCamey, who has worked for Hancock for about 20 years and has learned all that Hancock could teach him—and more—about aerial prospecting.

Thousands of words have been written about him in newspapers and magazines in Australia and overseas. And perhaps too much attention has been paid to the fact that he doesn't look, or act, or even spend as a millionaire is popularly supposed to do.

He dresses for comfort—a legacy, no doubt, from long hot days at Mulga Downs. It's frequently said that he "looks uncomfortable" in a suit and, even if this is journalistic licence, it is probably true that he prefers not to wear one.

At home, and in his office, he favours a suede jacket or, on hotter days, a safari jacket. Almost invariably he wears comfortable half-Wellington boots.

He neither smokes nor drinks, but this doesn't stop him dispensing "hospitality" at home. Mulga Downs was a long way from the nearest pub—black tea was much more readily available.

There are legends, too, about his unwillingness to spend money unnecessarily and doubtless some of them are true. Sir Valston Hancock says: "There is little doubt that Lang would have created a more popular image had he publicly made large donations to charities etc. What he has done, he has done anonymously."

Hancock, in many ways, is a shy man. He seeks no publicity for himself—only for the cause to which he is dedicated. The development

of Australia's north-west. For his projects, his discoveries and his proposals for the future he tries to get as much publicity as possible.

But his gifts to certain causes are anonymous, possibly for two reasons. One is his lack of interest in personal publicity and the other is probably the fear that any announcement of a gift would inevitably turn into a torrent of money-seeking letters which arrives at his office and home every week.

John Lawrence, in the Wall Street Journal, pointed out that Hancock's name may not survive in the history books. Unless someone does something about it there will be no "Hancock" in the geography books, either.

Hancock has named "McCamey's Monster" and "Rhodes Ridge". The Angelas are named after his partner's daughter. But he has never bothered to name any of his discoveries after himself.

At school Hancock was an excellent batsman, a determined footballer and a competent swimmer. Today he prefers tennis, a game which he plays with surprising agility.

He is an excellent shot, having been accustomed to handling a rifle since the age of eight, and a fine horseman although he no longer has occasion to ride. The car and the aeroplane have replaced the horse, satisfying Hancock's demand for getting places quicker and also his love of machinery.

This mechanical aptitude enabled him to develop a new extraction process for his blue asbestos mine at Wittenoom. He also developed a revolutionary wet concentrating plant which greatly increased the recovery of minerals from beach sands.

And, faced with delays if his aircraft needed service or spare parts he studied for, and obtained, his Department of Civil Aviation certificate which entitled him to service his own planes.

He is an expert pilot, and though he uses aircraft as just another tool, one suspects that he has a great affection for them.

His first plane was a Klemm Swallow, a two seater in which he learned to fly. The inadequacies of his course of instruction would horrify the Department of Civil Aviation today! But learn to fly he did—and learn well. In an area where there were no landing strips where he wanted to put his plane down, and where up and down draughts could be frighteningly sudden and severe, he had to be good.

Labour was becoming scarcer as men left the north-west. Roads were shocking and vehicles using them didn't last long. Hancock used his plane to transport people and equipment and to fly between Mulga Downs and the recently acquired Hamersley Station.

But, flying over the Pilbara, he was impressed by the superficial signs of mineralisation. He spent hours prospecting from the air and often landed in tiny clearings to check his observations on the ground.

It was chance, and a storm, which caused the dramatic flight through the headwaters of the Turner River in 1952... the flight on which he saw the massive deposits of iron ore. But it was not by chance that Hancock recognised the deposits for what they were. This was the result of hours of flying prospecting perfecting a technique which has led to the discovery, in the Pilbara, of more than 500 separate deposits of iron ore.

Hancock's name has become almost synonymous with iron ore, but long before his original discovery he was pressing for a better deal for the Pilbara. He had watched the post-war wool boom fade into an industry with little future in the north-west.

But he was also convinced that the Pilbara was rich in minerals, and that mining would bring the people and towns that the north-west so badly needed. But it was difficult to convince others.

Hancock and Wright were mining blue asbestos at Wittenoom and white asbestos at Nunyerry. They had established Whim Creek Copper for the use of its products in the manufacture of superphosphate. They had formed Pilbara Exploration for the extraction of tin near the Shaw River. And they had persuaded an Austrian firm to establish Klinger Asbestos of W.A., with a factory in Perth for processing asbestos.

But no-one else seemed interested. Hancock wrote to politicians, industrialists, financiers; he sent letters to newspapers; he tried to preach the potential of the Pilbara wherever he went. It cost him time and money.

Then he found that others were prepared to join the crusade. With some colleagues and State Government representatives, he went to Canberra in 1955—a mission to present the case for north-west development to the Federal Government. Nothing came of it.

In May 1958 the Prime Minister visited Wittenoom at the invitation of the Northern Rehabilitation Committee, of which Hancock was a member. In his address, Hancock said:

"It is indeed gratifying to the members of our committee to know that our Prime Minister has come to see for himself the enormous empty spaces of our north-west.

"These spaces need NOT be empty . . .

"As you can see for yourself, Sir, the crying need of the North is capital with which to develop the country—to create jobs—to populate the area by producing wealth and material from it.

"To our minds the quickest and most effective means of attracting money to the North is to declare (for a trial period of 20 years) a tax holiday for all workers and salary earners.

"To make certain that the country is developed, and not exploited as the Northern Territory was, we propose a 40 per cent re-investment clause for capital, with absolutely no residential qualifications which would exclude capital from America, from Britain, from Timbuctoo and from Australia south of the 26th parallel.

"To those of our critics who say 'Yes, but what are you going to develop' we are not backward in pointing out that the Pilbara area is one of the most highly mineralised areas in the world.

"Of the 80-odd commercial minerals 78 can be found in the Pilbara.

"Just in what quantity nobody knows, but add a sufficiently attractive bait to capital and labour and you will find that discovery will follow upon discovery . . .

"Sir, your aircraft today was not very far away from one hill which alone contains several million tons of manganese.

"We have large deposits of iron, as well as a host of other minerals.

"We do not say that our scheme is a cure-all for every problem of the North. But we think it is the first essential step to generate development and interest in an area which is half the size of Europe and

yet contains fewer people than work in Myers store in your home city of Melbourne.

"We have met criticism of our scheme in Canberra. But not one of our critics has ever come forward with a better scheme or any concrete scheme at all for that matter.

"The few suggestions that have been made all involve the spending of untold millions of the taxpayers' money. And it is extremely doubtful if after all this money has been spent that it would result in any great permanent increase in population."

The tax holiday scheme might have seemed revolutionary but it really wasn't. It was working most successfully in Singapore, bringing in foreign capital, know-how and factories. Singapore, of course, was closer to Perth than was Canberra. The "Wittenoom Welcome" to Sir Robert Menzies was a waste of time.

Hancock may have been disheartened. But he didn't give up. The Commonwealth Government wasn't interested in developing the North-West. The State Government could do little—and, anyway, its pool of competent personnel was almost a mirage. Most local industrialists and financial houses looked on the Pilbara as being as remote as China or Tibet.

But Hancock had found a mountain of iron. He'd found asbestos and manganese. He knew he—and anyone who really tried—could find more.

At last he persuaded one company to look seriously at the Pilbara. Rio Tinto.

Ernest Archibald Maynard (Peter) Wright was born in Kalgoorlie in 1908 and was taken to Perth when his family moved there some four years later.

Like Hancock, he was educated at Hale School. After he passed his Junior Certificate he went into a bank for two years, then joined a firm of chartered accountants and did a night course in accountancy, passing one of the first three in Australia in his final exams.

By 1929 he had entered the family business and nine years later was appointed general manager, becoming managing director when the business floated as a public company.

Wright is married, with a daughter and two sons.

The Press has found him less of a "character" than Hancock and his name appears in the news columns less frequently than that of his partner. But, friendship apart, Hancock makes no bones about Wright's role in the partnership.

"He has an outstanding brain," Hancock told the Australian Financial Review. "And he is a man of immense courage . . . a very strong character with an immense capacity for detail. A very honest chap, and lion-hearted."

The Hanwright partners consult about every move, and they have a tacit agreement—if one partner says "no" then the partnership answer is "no".

The partnership itself began in 1938 when Wright went to Mulga Downs for a holiday, soon after Hancock had begun mining blue asbestos.

"We formed a partnership in which he was the business head and was to do the financing and I was to do the field-work," Hancock recalls. It was the beginning of a partnership which still continues.

Wright has the reputation of being a tough, but honest, negotiator who likes to get every "i" dotted and every "t" crossed. In some ways the partnership is incongruous because the two men are different in so many ways. But the combination of their individual capabilities is a formidable one.

Lloyd Marshall, one of Perth's top journalists, once likened Hancock to a bulldozer and Wright to a grader. The one batters down obstructions and the other consolidates and tidies the path thus cleared.

It's probably as good a description as any, although there have been times when the bulldozer has failed to batter down the obstructions. Still, when this has happened, the grader has been invaluable in smoothing things over.

## ENTER RIO TINTO

In 1959 the Hawke Labor government was defeated and the Brand government assumed office on April 2. One of the Liberal Party's pre-election proposals was a "North-West Charter" and Hancock and Wright believed that it might mean a new deal for the Pilbara.

Hancock has had, for many years, a copy of the Liberal Party's "Broad Highway—a statement of Liberal values today." Its preface states: "Broad Highway is the first of a series of statements on liberal principles and values we honor . . .

"The statements were prepared by the Policy-Research Group which was set up by the Federal Council of the Liberal Party of Australia at its annual meeting in February 1956."

The chairman of the Policy-Research Group was William McMahon M.P.

Hancock has underlined the opening paragraphs in his copy—the paragraphs under the heading "The Liberal Party—What it stands for." The paragraphs read:

"We are apt to take liberty in Australia for granted. Yet it is under constant challenge, and chiefly by those who yearn for the all-powerful State.

"Liberalism IS Liberty.

"It rejects the notion of the State as the Supreme Master.

"It places the highest value upon human personality, which it is the duty of the State to encourage, not to suppress, to strengthen, not to weaken.

"Liberalism, because of this, is a positive faith. It believes in the individual. It aims at helping him. It restricts his freedom only to the extent that the proper needs of the nation and community are to be served . . ."

In 1959 Hancock was prepared to believe that these were the things the Liberal Party stood for. It's not surprising that, after about a dozen years of State Liberal government, he's become cynical. He's seen preferment for big companies. He has seen government intimidation of overseas companies who wanted to negotiate with Hancock and Wright. He has seen some of his discoveries—not only iron ore—taken from him and given to powerful interests. And he knows that, had Labor not won the last election, the Liberal Government planned to give two more major discoveries to "friends".

The "Broad Highway", in fact, was a devious route and full of pot-holes.

In April of 1959, though, Hancock and Wright were full of hope.

They had deposits of manganese, blue asbestos and white asbestos.

And, seven years earlier, Hancock had discovered what later proved to be a deposit of more than 1000 million tons of iron ore—and which led to the discovery of thousands of millions of tons more.

In the early summer of 1952 Hancock, and his wife, Hope, decided to leave their headquarters at the Nunyerry Asbestos mine and to go south for the summer. Nunyerry was in a gorge, about 35 miles long, in the Chichester Ranges about 80 miles east of Roebourne.

He had built an airstrip on the floor of the gorge so he could fly his Auster in and out—from Mulga Downs or from the Hancock and Wright mineral interests elsewhere in the Pilbara. Without an aircraft the Nunyerry mine was almost inaccessible. At one stage it seemed that packhorses would be the only means of getting the fibre out of the gorge and when the Wet came around November each year even packhorses couldn't move. The mine would close down.

But it was still dry in the first few days of November 1952. The Sherlock River, which passes through the gorge, didn't have enough water in it to make a cup of tea. The miners had gone south, and Lang and Hope Hancock climbed into the plane almost too late. As they took off they could see the rain coming—torrents of it. And over the Hamersley Ranges, across which he usually flew "at a fairly substantial altitude in the interests of safety", there was a barrier of towering cumulus. The Auster could never have got through it.

Hancock could not go back to Nunyerry—the rain and low clouds were building up on all sides. He had to fly below the cloud . . . skimming lower and lower as they forced him down closer and closer to the steaming red cliffs and the boulder-strewn flat tops of the Hamersleys.

He had flown over this country many times before, but never as low as this. This was the Turner River country and he was somewhere over the source. The water running south in the gorges must join the Turner, so he groped through the gorges following the growing torrent.

Sometimes he was just over the tops of the trees, with the cliffs of the gorges perilously close. The neck of the gorge at the headwaters of the Turner is not more than a dozen wingspans wide, but he flew through it, and, as he did so, he saw that the walls of the gorge were different.

Perhaps it was the rain on them. They were red, but a red he hadn't seen before. A deep ochre red.

As he flew out into the comparative safety of the Ashburton Valley he was convinced that the walls he had seen were walls of iron.

"At that time I thought it was low-grade," he recalls.

There was no way of going back while the Wet was on. It wasn't until April of 1953 that Hancock flew back over the area. He crossed and recrossed the deposit, tracing it for about sixty miles. Convinced that it was a major discovery, but still believing the ore to be lowgrade, he was impatient to get on the ground. He found a place to land in the spinifex and took his first samples.

"I realised the size and importance of my discovery but nothing could be done about it at that moment because all iron ore was under complete export embargo by the Commonwealth Government.

"Before this discovery the total known Australian resources of iron ore were 368 million tons. According to official calculations the



Hancock in the 50s, with the Auster in which he made his great ore discovery.

national supplies would be exhausted in 70 years—sooner if Australia's rate of development stepped up.

"This figure still stood in 1959 when the Western Australian Government issued a special publication called 'Bulletin No. 7' listing all the known iron deposits in WA."

It was about the time this bulletin was issued, and soon after the Liberal Government came to power in Western Australia, that Hancock and Wright interested Rio Tinto in looking at their deposits of asbestos (blue and white) and manganese. Hancock and Wright hoped for a massive injection of capital which would lead to the development of the North-West.

The preliminary talks with Rio Tinto were the beginning of a kind of "love-hate" relationship on both sides. There were to be many recriminations, many blunt words, many jealousies. But the long-term result was Hamersley Iron.

By August 1959 Heads of Agreement had been signed between Rio Tinto Australian Exploration Pty Ltd and Hancock and Wright covering manganese, blue and white asbestos and iron ore. Hancock and Wright were to receive a royalty of 2½ percent, except in the case of manganese. There Rio Tinto had the option to form a company and Hancock and Wright were to have a 33-1/3 percent interest with Rio Tinto having the right to buy back a quarter of the partners' interest within six months of the formation of the company.

In the event none of these things came to fruition.

Rio Tinto decided that the white asbestos at Nunyerry was not a viable proposition and withdrew.

The iron ore mentioned in the Heads of Agreement was not, of course, the ore Hancock had discovered in 1952. It was in the Mt Goldsworthy deposits and the Deepdale limonite areas.

Before the final agreement was signed (in December 1959) Rio Tinto asked that iron ore should be excluded, and this was done. The reason seemed to be that, while Hancock and Wright were confident that their tender for development of Mt Goldsworthy would be accepted, the Government had told Rio Tinto that Hancock and Wright would not necessarily get titles to the iron—these would go to the successful tender.

Rio Tinto decided not to tender jointly with Hancock and Wright. Both parties put in separate tenders—and neither of them were successful.

The manganese venture was no more successful. On December 2, 1959, the "West Australian" reported: "Rio Tinto expects to have spent \$125,000 by the end of this year on the exploration of manganese deposits in the Pilbara field.

"Representatives of the group said in Perth yesterday that the company had options over manganese areas from Northern Minerals Syndicate, D.F.D. Rhodes, Bell Bros. and Hancock and Wright.

"A camp is being established at Ripon Hills."

On December 10 Lloyd Marshall of the "Daily News" visited the Ripon Hills camp where 30 men were working. But less than two months later he reported:

"Rio Tinto intends to leave its air-conditioned assay village at Ripon Hills temporarily.

"They are waiting for the Minister for Mines to give a final decision on the granting of another major mineral lease in the Pilbara. It is understood that the area in question was open when pegged and not covered by the existing Government blanket.

"It is certain, however, that if the titles sought by the company are not forthcoming then Rio Tinto will have no option but to pull out of this state immediately."

Marshall estimated that in exploration and in building the camp Rio Tinto had spent \$600,000.

But Rio Tinto did not go back to Ripon Hills. Six months later, in a letter to Wright, Hancock asked: "Why did they waste all the money and not look at the guts of the manganese?"

Why indeed? Proved deposits of ferruginous manganese at Ripon Hills are 60 million tons.

There was now only one major mineral remaining in the original agreement—blue asbestos. And Rio Tinto were never to be allowed to have a proper look at it. C.S.R. had a monopoly, and the Western Australian Government kept it that way.

Blue Asbestos had been Hancock and Wright's first mining venture when their partnership began in 1938. It wasn't a mammoth enterprise by any means and its success depended largely on Hancock's mechanical expertise and ability to get things done efficiently.

Hancock had first noticed the blue asbestos "floaters" among rocks of the creek bed of Wittenoom Gorge, about 20 miles from his station homestead.

"I was out hunting dingoes or playing bushrangers—the kind of things most kids did in the north-west," Hancock says. "I was only a youngster at the time and I didn't know what the fibre was so I told my father and his partner Frank Wittenoom. They told me it was blue asbestos.

"Some years later—around 1930—I began to think about it again and I asked the local Mines Department people what blue asbestos was worth. They told me the price was around 18 pounds (\$36) a ton.

"I calculated that was less than the cost of transport to the market, let alone mining, so I left it alone.

"About 1934 Islwyn Walters, manager of the Asbestos Molybdenum and Tungsten Co. Ltd, came out from England. We were using a specimen of the asbestos as a doorstep on the Mulga Downs homestead verandah. When we told him there was lots of it around he offered to pay 75 pounds (\$150) a ton for it.

"News travels fast up there, and it wasn't long before some 200 men were camped in Yampire Gorge gouging out the fibre from the cliff face.

"They were a pretty rough lot as you can probably imagine. They'd gamble and pay their debts in fibre. Booze came in by the truckload.

"One day a fellow was almost hanged. Another day a throat-cutting attempt was given up only because the knife was too blunt.

"The first man to peg a claim was a knockabout bushman, Leo Snell, who borrowed some horses from me and went through Yampire Gorge. But I thought the fibre in Wittenoom Gorge had better prospects for establishing a mine suitable for full-scale commercial development, so I pegged out my own area there.

"This was where I built my own plant—around 1938.

"The fibre was in a precipitous wall about 300 feet up from the bottom of the gorge. We used to put it in bags and send it down to the floor of the gorge on a flying-fox to be loaded on to donkeys.

"We'd put two bags on each donkey. They'd carry it about two miles to a donkey dray and then it would go to a dump outside the gorge. The present town of Wittenoom has been built where we used to dump the fibre.

"We had old 30 cwt Chev trucks to take the fibre the 200 miles to Roebourne so it would be shipped to Europe.

"It wasn't all plain sailing, of course. One day the string of donkeys must have been standing on a bull ants' nest and they stampeded. We spent two days rounding them up and gathering as much of the fibre as we could from the broken bags. It was spread along the floor of the gorge for miles."

For the mine to be successful Hancock needed plant. So he built it himself in the workshop at Mulga Downs. It was at this time that his former schoolmate, E. A. Wright, arrived to spend holidays. They financed the plant together—and Hancock and Wright was born.

By 1943 the mine was showing a profit of about \$1,800 a month and the partners decided that, if it were to achieve a bigger share of the world market, it needed more capacity—and that meant more capital. In 1948 C.S.R. took a 51% interest leaving 49 per cent for Hancock and Wright, and the company was named Australian Blue Asbestos.

CSR was to provide additional money to expand the mining operation. Wright became a director of A.B.A. and Hancock was assistant manager—appointments which proved to mean nothing at all. Hancock soon found he had no say in the management and Wright discovered that Board meetings were always held in Melbourne. No travelling expenses to attend meetings were allowed so the six CSR nominated directors made all the decisions.

Hancock and Wright could see the writing on the wall. In 1948 they got out.

Says Hancock: "We put into the partnership a proven mine, a tested method of treatment with plant producing a saleable fibre, and an overseas and local market.

"CSR got into difficulties which I believe were of their own making. They ruined the business they got from us and eventually got rid of us for about \$8,000. A losing deal for us—a losing deal for Western Australia.

"The W.A. Government gave CSR a remission of its three-fifths responsibility to pay for the costs of the town in the event of failure, road and sea freight subsidies, a road to Port Sampson and a road to Hedland.

"In addition the government promised Australian Blue Asbestos protection for ten years. To implement this promise it imposed a blanket on all areas known to contain, or suspected of containing, asbestos."

All this government aid, however, was to go for nothing.

On December 1, 1966 CSR announced that the Wittenoom mine would close by December 30. The mine had produced asbestos worth 20

\$31 million since 1943 but it had lost something like \$2.5 million—including about \$850,000 in 1966.

Reporting the closure announcement, the "West Australian" said on December 2:

"The State Government has a big stake in Wittenoom.

"The outstanding capital debt on Housing Commission homes there is \$687,000.

"The Treasury has contributed about \$225,000 since 1962-3 to a \$500,000 diamond drilling programme carried out by A.B.A.

"Coastal Shipping Commission freight concessions on asbestos have been worth \$382,270 since 1960."

The announcement of the closure, made by CSR general manager Sir James Vernon, said "it was not a pleasant duty to make such a decision" and that "the closure of the mine would represent a small retreat in the advance of settlement in Australia's North-West."

The Minister for the North-West (Charles Court) was much more voluble, and sprang to the defence of CSR as well as the Government. He said the Government "had been kept informed" of the company's difficulties.

When the time came to close the mine it was impracticable to give long periods of notice, he said. The position would have been chaotic. There would have been an immediate exodus of people who wanted to get into other employment quickly . . .

But Mr Court did not explain why, if the Government "had been kept informed", it had, in the previous six months, opened a \$300,000 hospital and built a \$152,000 police station and \$51,200 worth of Housing Commission homes.

Even the "West Australian" was compelled to publish a "methinks he doth protest too much" kind of editorial.

"In which of his many capacities does Mr Court emerge as spokesman and apologist for CSR, which should be big enough to stand up for itself," the "West" asked.

"As Minister for the North-West and Industrial Development he made it appear that his main concern was to justify the company in a move adverse to W.A. interest in both spheres.

"... the notice given to the Wittenoom community was brutally short; the reasons it (CSR) has given, through Mr Court, for confining the notice to a month are entirely selfish . . ."

"... with Parliament sitting and the Federal election approaching, the Government sat on the information (about the mine closure) for nearly a month instead of bombarding Canberra for special help . . ."

A few days later Australian newspapers published the Wall Street Journal story about the Hamersley Iron opening snub to Hancock. And the West Australian, in an article from Peter Ellery in Wittenoom, published this:

"All eyes (in Wittenoom) are on the burly figure of Mr. L.G. Hancock, the prospector-pastoralist who began mining blue asbestos in the area at a profit in 1938 and whose initiative in drawing attention to the rich iron-ore deposits nearby led to the formation of Hamersley Iron Pty. Ltd. and the establishment of the towns of Mount Tom Price and Dampier.

"Mr Hancock visited Wittenoom three times this week, flying over from his North-West headquarters at Hamersley station with his partner, Mr E. A. Wright . . .

"Long-term Wittenoom residents who would like to stay on believe that he is a realist rather than an optimist and that his efforts to keep the blue asbestos industry alive are likely to be more successful than any efforts by the Government."

Less than a week after CSR closed the mine Hancock and Wright telephoned an offer. That day they had a verbal option to buy the mine, the hotel, store, staff housing, power stations, administration block and picture theatre, plus CSR's assets at Point Sampson, 130 miles away.

The cost to Hancock and Wright was around \$1.25 million.

\* \* \*

None of this, of course, did Rio Tinto any good. They were interested in mining blue asbestos but there didn't seem any way round the CSR monopoly. The government's 10-year protection period had long expired but the protection continued.

On February 23, 1960—two months after the final Rio Tinto-Hancock and Wright agreement was signed—Hancock had an appointment with Premier Brand. On February 22 he wrote to the Premier outlining points he wished to make.

After the partners' break-up with CSR Hancock had gone looking for more blue asbestos and had found a deposit in Bee Gorge, not many miles from Wittenoom. He found other deposits, too—all of them outside the area of "known or suspected deposits" which had been blanketed by the Government to protect CSR.

"The Government promised CSR protection for 10 years," Hancock told the Premier.

"We waited for 16 years and then, with a discovery new to the Mines Department and with the prospect of new capital, we sought to get back into the blue asbestos industry.

"And what happened? The Department took all the details of our new discovery and the Government has now offered it to CSR.

"We found other new deposits outside the area that was under Government blanket. We pegged them and asked the Department for a temporary reserve and a licence to prospect.

"The Department pressed us for details of the area and we gave the details in confidence against the assurance that we would not lose anything by disclosing them.

"Our applications were refused. And the blanket to protect CSR was extended to cover all the areas we had indicated—areas the Department had never suspected of containing asbestos.

"It is pretty obvious, Mr Premier, that if we show the government where there is manganese outside the manganese blanket, the blanket is going to be extended. If we discovered diamonds—any minerals in large quantities—on would go a blanket.

"Before capital will spend money it must have a title, and that title must commence with the man who finds the mineral."

Hancock sought a compromise. His proposal would not only protect CSR's investment but would give their mine an additional 60 years of life.

"Establish a neutral zone, also of 60 years life, on their extended boundary, and then grant us the rest of the ground we have pegged in the Bee Gorge area.

"In 60 years the government can give the neutral zone to whichever company has proved it can make best use of it."

The argument must have been persuasive. Hancock and Wright were allowed to prospect in some areas and Rio Tinto began work. By August 1960 Rio Tinto had discounted three areas because they believed the grade of asbestos was too low. One area remained, and they would look at that later.

Hancock and Wright had been unsuccessful with Rio Tinto in manganese and now blue asbestos. Only iron remained.

## HAMERSLEY AND TOM PRICE

The Federal Government export embargo on iron ore was lifted in 1960—a partial relaxation which, the Government hoped, would encourage people to look for new deposits. But as far as Western Australia was concerned the Commonwealth's hopes were quite naive because there was a long-standing State blanket on iron which precluded the prospector or discoverer from having any rights to his discovery.

Though Hancock welcomed the Federal Government decision as being the first step in stimulating exploration he could not announce his 1952 ore discovery. Under the State laws he had no right to it.

But the writing was on the wall and he knew that it could not be long before the W.A. Government would have to encourage people to go out into isolated country and to find iron ore with the prospect of their efforts being rewarded. Hancock and Wright knew the size of the ore body they had found. They wanted a partner big enough to handle it.

There was still need for caution because the State blanket remained. The partners attempted to canvass the proposition inside Australia, but they found that the local response was very cool. They wrote to 30 of the world's largest mining companies, and again the answer was "No".

The best response came from Rio Tinto, and Hancock and Wright welcomed the response for two reasons. One was that Rio Tinto was one of the world's largest mining companies, and the other reason was that the partners had some protection of their rights under a letter from Rio Tinto dated December 1, 1959.

So with the Federal embargo relaxed and the prospect of a fairly speedy removal of the State blanket, Hancock and Wright opened talks with Rio Tinto.

The partners were back to square one, where they'd been with CSR over the blue asbestos mine. They had, they believed, a viable asset. But they had no capital to prove it. And so they could only negotiate on one basis—the basis of result. No result, no payment.

The CSR deal had taught them the lesson of not selling their assets, and so they sought (and received) a royalty. The same royalty they had negotiated in their agreement with Rio Tinto over asbestos and other minerals—2½ percent of the f.o.b. value of the ore.

In the dying days of 1960 Hancock rang the Managing Director of Rio Tinto (Mr Pat Robinson) in Melbourne, and it was agreed that Hancock and Wright would arrange to send vehicles and land parties into the field to peg out the principal areas of interest pending the

lifting of the State blanket. Hancock himself went north, and on January 4, 1961, he received a telegram from Rio Tinto:

HANCOCK  
HOTEL FORTESCUE  
WITTENOOM

DR. CAMPANA LEAVING MELBOURNE 1/25 4TH ARRIVING  
WITTENOOM 12/25 THURSDAY 5TH STAYING UNTIL TUESDAY

Bruno Campana, a Swiss geologist, had joined Rio Tinto in Australia in 1957 and had worked on the west coast of Tasmania and then at Mary Kathleen. Rio Tinto had a lot of faith in his ability.

Robinson called Campana to his office and asked if he'd ever heard of a station owner and prospector in Western Australia named Langley Hancock. Campana hadn't—but over the next few years he was to know the name, and the man, very well.

It was 120 degrees at Wittenoom when Campana landed, and the small room at the hotel to which Hancock took him was not much cooler despite the air conditioning. They began to talk and Hancock told him, briefly but convincingly, of the discovery he had made in November 1952.

Campana asked him if he would draw a sketch map indicating the distribution of the suspected deposits. Hancock drew the map and then, at Campana's request, a typical cross-section of the deposits.

"I'm not much of an artist," Hancock said. "But in profile it's like a flat-topped tent and on top of it there's an iron slab."

Campana understood immediately. What Hancock had discovered and pictured with simple accuracy, was a type of ore body known as a superficial limonitic table.

"We call the tent with the iron slab on top a mesa," Campana said. "When can we go and have a look at it?"

"Let's fly there tomorrow," Hancock said. "I'll be ready to take off at dawn."

The early sunlight and morning shadows threw the iron ore tables into magnificent relief. They were like huge slabs paving the bottom of the broad valley along the Turner River, Duck Creek and Boolgeeda Creek.

Hancock flew about a hundred feet from the cliffs which formed the edges of the deposits—a 60-mile-long belt of flat-topped hills, each one up to three miles long.

Campana was eager to get down and examine the ore on the ground. He'd only spent a few hours with Hancock but already he'd summed him up as a man whose passion for minerals was equalled by his passion for flying.

"Can you land down there?" he asked and Hancock nodded.

The plane flew low along the dry valley floor and then Hancock put it down in a small patch clear of the dry scrub, rock splinters and ant hills.

Campana scrambled from the plane and waited. In 25 years of field research he'd become accustomed to prospectors and he'd never found

one who would leave him alone to study a prospect. But Hancock was different.

"I'll boil a billy and we can have some tea for breakfast," he said. "You go and look around and get whatever samples you need."

Three days later they were in Perth, and Peter Wright was waiting for them. He was anxious, full of questions. What did Campana think of the ore? How much of it was there? Was it pure or impure?

Campana told him that the deposits were undoubtedly very large—at a guess in the order of 1000 million tons. But they'd have to wait for chemical analysis because deposits of the kind he'd seen were often contaminated by impurities which made them almost worthless for making steel.

Wright pressed his question. Were Hancock's deposits pure or impure?

"According to the text books they should be very impure," Campana said. "But judging by what I have seen for myself they should be very clean."

And so it proved. On February 20 Campana presented his preliminary report to Rio Tinto.

The report made four major points.

1. The deposits discovered by Hancock formed an iron field of world class.

2. The reserves, in the order of 1000 million tons, were much higher than the total reserves of iron ore known at that time throughout Australia.

3. The limonitic ore had a 50%–57% iron content and low impurities (0.04–0.06 phosphorus) and therefore was suitable for steelmaking.

4. That Rio Tinto should immediately secure the reserves.

But there was no way of securing the reserves. The state blanket was still in force—though not for long. On March 29 the Premier announced a new policy.

To implement the new policy, Western Australia's iron ore resources had been divided into three categories, the Premier said. They were:

1. The known major deposits of high-grade haematite ore not at present covered by lease agreements.

2. The big number of medium and low-grade deposits.

3. Now unknown deposits which were believed to exist.

The major known deposits were at Talling Peak, Mt Goldsworthy, Wilgie Mia, Mt Hale, Mt Gould, Mt Gibson, Mt Walton and Joyner's Find.

The government was now inviting individuals or companies to apply for an exclusive right to temporary reserves—for a permit to explore under the second and third categories. If a permit to explore led to the discovery of economic deposits, titles of mineral claims or leases would be granted.

This was the announcement Hancock and Wright had been waiting for since 1952—almost 10 years during which they knew they had an iron ore deposit bigger than anything in Australia and they hadn't been able to do anything about it.

But now the way was clear. Hancock had moved men into the iron belt weeks earlier. Michael Wright, Peter Wright's son, was at the southern end where he'd been alone, isolated by floods, for three weeks.

Keith Wilkin, later manager of Hamersley Station, was in the centre and at the northern end was Jack Johnson, lonely as a lizard while he awaited the signal for action.

It came on March 29—a rocket signal, clear against the blue sky. And the three men swiftly moved through the sixty mile long valleys, attaching dated claim forms to the three-foot pegs they'd earlier driven into the ground.

The claims were pegged in the name of Hancock Prospecting Pty Ltd, whose Miners Right number was 18770 issued at Perth on June 14, 1960.

On May 29, 1961 the State Government allocated more than 100 iron ore exploration reserves. The following day the West Australian reported: "Rio Tinto, in association with Hancock Prospecting Pty Ltd and Wright Prospecting Pty Ltd, has received a new search area of 650 sq miles in the Hamersley Range-Duck Creek area."

Bruno Campana had not found much encouragement at some levels within Rio Tinto. His preliminary report was considered impetuous.

But at Board level there was greater acceptance first from Pat Robinson and then from John Hohnen, an Australian mining engineer, who succeeded Robinson as managing director.

Hohnen and John Rodd, the Vice-Chairman visited the field in March to make a first-hand assessment of the limonitic tables.

In view of the impending visit, Hancock thought he should do something about a landing strip. He didn't mind landing among the scrub and the ant hills, but he felt that things should be a little safer for Hohnen and Rodd.

So he sent Bill Newman, a prospector, out to cut down the mulga trees along the river beds. It took Newman four days driving, covering seven miles a day, and even after the trees had been cut down the landing ground still remained rough and cracked. But at least it gave Hancock a straight run when landing or taking off.

From March to September Campana made a number of visits to the field, flying with Hancock almost daily. They would fly out at dawn, and at sunrise the low-angle light threw the huge geological structures into sudden relief. The vast chain of mountains became a splendid array of rock layers which, Campana knew, had piled up some 2,000 million years ago in what was then the Hamersley Sea.

It was on these flights that Campana noticed what geologists now call the "Bruno Band". Hancock, who saw it at the same time and immediately realised its significance, called it the "Campana Horizon".

The "Bruno Band" was black, hard and prominent in the landscape. It underlay the ore-forming horizon and stood out as a marker-bed for the mineralisation throughout the Hamersley Range. Hancock and Campana followed it from the air and mapped it over a total distance of 1100 miles.

By September 30 Campana had established the presence, within the original reserves and others which had been granted, of

- \* 1000 million tons of limonitic ore, mapped and sampled

- \* Extensive limonite deposits along the Robe River Fortescue River and Dales Gorge areas.

- \* 350 million tons of high grade haematitic ore (58-62%) in the

Hamersley Station area, Mt Brockman syncline and Mt Pyrtton and Mt Lockyer areas.

Campana could also infer that the reserves of bedded haematite were many times greater than those recognised so far because only about a sixth of the marker bed had been explored.

And what about Mount Tom Price? Who really discovered it?

There are, and no doubt always will be, conflicting claims and the evidence is pretty clear that the conflict arises from a combination of jealousy and the definition of the word "discovered".

Hancock says that he first saw the area in 1958, and certainly it does seem to be included in the first list of temporary reserves for which Hancock asked Rio Tinto to make application. Hancock was seeking some 40 TRs, but when the Rio Tinto executives arrived in Perth only 24 hours before the deadline for applications Hancock found they had cut the number down to four.

There was quite an argument! The outcome was that Rio Tinto agreed to increase the number to 13 or 14. But the area including what is now Mount Tom Price was left out.

At this stage, certainly, Hancock had no idea that Mount Tom Price was the bonanza it has proved to be. Neither had anybody else. But Hancock did not forget it, and in June 1962 he flew Dr Campana over the area. Campana was impressed, mapped the area roughly in the plane and later transferred his rough map to the "master" map in the company's headquarters at Bulgeeda.

Campana says he included a recommendation that the area be investigated immediately on the ground because BHP had temporary reserves a few miles east. Two geologists from CRA (the company formed in July 1962 by the merger of Rio Tinto and Consolidated Zinc) reached the deposit in September.

So who "discovered" Mount Tom Price? The man who first saw in 1958, recognised it as iron, and sought to persuade Rio Tinto to apply for a Temporary Reserve over the area? That was Lang Hancock.

The men who flew over it in June 1962, mapped it and recommended it be investigated on the ground? Dr Campana and Lang Hancock.

Or the two CRA geologists who arrived on the ground in September 1962 and confirmed that it was an iron ore deposit?

Depends on the definition of "discover", doesn't it?

There seems also to be more than a trace of jealousy on the part of CRA directed at both Campana and Hancock. They had both been associated with Rio Tinto and, in Australia, Rio Tinto people seemed to become very much the poor relations after the merger with Consolidated Zinc.

The Annual Report of CRA for 1962 reported: "During the year Messrs F. Byers, R. H. Harding, J. H. Hohnen and R. W. Wright (former Directors of Rio Tinto Australia) retired as Directors of the Company. Sir Maurice Mawby and Messrs F. S. Anderson, R. C. Atherton, C. A. Byrne, D. J. Hibbert, R. Pitman Hooper and A. J. Rew (former Directors of Zinc Corporation) were appointed additional Directors... Mr B. R. Pelly retired as Chairman and Mr J. M. Rodd retired as Vice-chairman."

Zinc Corporation was firmly in the saddle.

It's not surprising that Campana left the field soon after CRA took over. He returned to Melbourne to find that Rio Tinto had moved into the CRA glasshouse in Collins Street.

There they fed him cups of tea ("It was delicious—a special Ceylon drop") and files containing old technical magazines. Sir Maurice Mawby gave him a silver plate with clouds of engraving around the name "Bruno Campana". And Campana decided to go back to Switzerland.

He'd been employed by Rio Tinto. He'd been guided by Hancock to the original discovery and he'd done the detailed work which led to the discovery of 4,850 million tons of commercial iron ore. But CRA, it seemed, didn't want him any more.



Rio Tinto's first Hamersley visit—from left: Rodd (vice-chairman) Hohnen (Managing Director), "Bill" Newman (pro prospector) and Hancock.

While Hancock was busy flying Dr Campana over the deposits for aerial mapping he was equally industrious in other directions. His talks with Campana, and the first assays, had convinced him that his discovery was not only a major one but that the ore was of a grade and purity which made it suitable for steel making.

He was impatient and he was enthusiastic. He wanted to make sure Rio Tinto was equally so. Early in February 1961, before the State Government had lifted its blanket, he wrote to Robinson to give him a comparison of the U.S. Steel deposit in Canada and the figures compiled by Campana for the Hamersley deposits—a comparison which favoured Hancock's discovery.

He added: "I think we can confidently look for some action (from the government on lifting the blanket) in the next day or so and, at the risk of repeating myself, I would like to emphasise that as I see it we must leave no stone unturned to make certain that we get title to these areas without any further delay."

He was to write many similar letters during the next 12 months.

John Hohnen took over from Robinson as Managing Director a few weeks later, and Hancock urged him to apply for Temporary Reserves covering about 650 square miles.

"It is always possible to come down, but it would be difficult to increase the number after you had made your submission," Hancock wrote.

On May 30 the "West Australian" published a list of reserves allocated by the State Government. Included was:

"Rio Tinto, in association with Hancock Prospecting Pty. Ltd and Wright Prospecting Pty. Ltd. has received a new search area of 650 sq. miles in the Hamersley Range-Duck Creek area."

Six months later Hancock and Wright proposed to Rio Tinto that application should be made for 17 additional areas, including some of Mt Enid and four at Robe River.

Rio Tinto wasn't idle, but neither were other companies. In October Rio Tinto received a report that a BHP helicopter had landed on a deposit being drilled by Rio Tinto at Hamersley and that there had also been "some visits by light aircraft which did not land". The "spies in the skies" era, which was to reach its peak some years later during the nickel boom, had arrived.

In addition to pressing Rio Tinto to apply for additional Temporary Reserves, Hancock was urging the company desperately to secure titles to the areas they were drilling. He believed that there were two reasons for urgency. One was that, when the full extent of the deposits became known the Japanese might well seek contracts at lower prices. And the Western Australian government would extract a higher price.

Somehow, he felt, he wasn't getting his message through. He wondered if internal jealousies had "watered down" Campana's reports on their way up to management. He wondered if the thing was so big that the people "down the line" in Rio Tinto couldn't comprehend it—or were frightened to indicate to the Board what it was going to cost.

So he wrote direct to Rio Tinto's Chairman in London (Sir Val Duncan). It was a letter—in fact, the first of a number of letters—which, naturally enough, Rio Tinto in Melbourne resented strongly. Duncan

probably became accustomed to the bombardment, but there was no way in the world in which he could avoid it.

Hancock was determined that Duncan would "get the message", but he softened the attack as much as he dared. One letter, for instance, began::

"Sorry Val, but here's another burst!"

In March 1962 the Hamersley area welcomed a V.I.P.—although he didn't look or act like one. This was Tom Price, vice-president of Kaiser Steel. He brought with him Bill Donaldson, the corporation's geological consultant, and the Australian party included John Hohnen, Campana and Hancock, who was to be guide and pilot.

Price was 71, small, energetic and with tremendous drive.

"He was the first one who really got this thing into perspective," Hancock recalls.

"Despite his age he kept walking ahead of us, hammering the ore-bodies and asking questions. He only had time to have a look at a portion of the field, but the portion he did see was sufficient to establish the proper importance of the field in his mind."

Price asked about tonnages and grades. The tonnages were tremendous, the grades higher than those in many American mines. Price was enthusiastic.

"As he was leaving he said: 'Good luck to you, boys. But remember that God made man out of a bit of dust. If you can't make money out of the mountains of iron ore I've seen then God has wasted his time.'"

Price died at his desk a few hours after the Hamersley agreement was signed. Mount Tom Price is his memorial in the Pilbara.

In 1962 Duncan came to Perth and Hancock insisted that he would have to offer to build a steel mill if they were going to get title to the temporary reserves. Hancock suggested that two companies should be formed—Hamersley Iron and Hamersley Steel, and pointed out that a levy of a fraction of a penny per ton on the Hamersley reserves would build a steel mill.

This undertaking to build a steel mill was part of the Duncan proposal to the West Australian Government—yet the Premier (Brand) and Industrial Development Minister (Court) both denied in Parliament that it was ever a firm proposal.

In December last year Court (now Deputy Leader of the Opposition) again denied, in a clash with Premier Tonkin, that the proposal existed.

Tonkin: Why did you deny there was a proposal originally?

Court: I denied it because there was not one.

Tonkin: I found it in the Premier's office . . . This was a definite proposal for a steel works.

Court: No it was not.

Tonkin: I will produce the document.

Court: The Premier may do so if he wishes and he may also produce all the information that goes with it.

The Government had completed the original Goldsworthy agreement on February 27, 1962, and did not appear keen for any opposition to develop in the matter of iron ore contracts. CRA, now confident that they had very large deposits (although no title to them) began negotiations in Japan.

On November 30, 1962, Mines Minister Griffith wrote to Makoto Watanabe, Commissioner for Overseas Iron and Steel Manufacturers in Japan:

"I confirm that because of undertakings already made between us and because of the ratified Acts of Parliament it is the desire that Talling Peak and Mt. Goldsworthy be given the first priority by both sides, and I would emphasise that no other iron operators than these two companies already mentioned plus Scott River (about which I have already written) have in fact received any mining leases from my Government."

It wasn't until June 30, 1963, that the Hamersley agreement was signed.



**LEFT:** Hancock's Find: In the Hamersley Range.

**B E L O W :** Looking down into one of the gorges through which Hancock and his wife flew when he first found iron ore.



## NEWS IN THE WEST

Traditionally Western Australians buy only two newspapers—the only two available to them. The “West Australian” in the morning and the “Daily News” on the way home.

But there are people—and their number is growing, who realise that more than the Nullarbor Plain separates the West from the East. There’s also a communications gap which results, largely, from the West Australian Newspapers’ comfortable monopoly.

Neither “The Australian” nor the “Australian Financial Review” arrives in time to compete with the “West”—they’re not on sale until around lunchtime. But their readership is growing as more and more people become increasingly aware that the “West” tells them only what it feels they should know.

Take the Minsec business, for instance.

The “West Australian”, on January 25, 1972 reported a Press conference given by the official liquidator of Minsec, Mr J. H. Jamison. The “West” reported:

“He (Jamison) asked unsecured creditors to be patient till Robe River’s new iron reserve totals were disclosed—which he expected within three months . . .

“When the ore reserve position is settled a sale may be possible at a price in excess of \$1.15 a share”.

Readers of the “West” could be excused if they read this to mean that Robe River was re-assessing its reserves. Only if they read “The Australian” or the “Australian Financial Review” would they know that Robe River was going to get ADDITIONAL reserves.

“The Australian” reported: “Mr Jamison is pinning his hopes on getting \$1.15 for the Robe shares, and he bases this figure on the expectation the Robe River venture will be awarded new iron ore reserves within the next few months.”

“The Australian Financial Review” reported: “Mr Jamison told reporters he would ask creditors to be patient until the company got the new reserves.

“I expect to hear about these reserves within three months,” he said.

“That is not based on just a thought of mine but on information gleaned from proper sources—naturally one cannot anticipate a Cabinet Minister’s decision.”

Maybe this was just another instance of bad reporting by the “West Australian”. But people who watch these things say that the “West” is often guilty of indifferent reporting—or whatever it is. And maybe there is no connection with the fact that Hancock and Wright own a Sunday newspaper and could, by using their iron royalties, perhaps compete in the daily newspaper field.

Take another example. On December 3, 1971, the “West” carried a banner headline on its front page.

“Court: Hanwright used mafia tactics.”

The story of Court’s attack on Hancock and Wright occupied 28 inches on the front page and continued with 27 inches on page 10. A total of 55 inches.

A week later the Premier (Mr Tonkin) said in the Legislative Assembly “there was no known evidence in any Government department of mafia-like tactics having been used against the former Premier or any Ministers in the former Government.”

Tonkin’s statement appeared on page 13 and it occupied only six inches.

And apparently the “West” didn’t believe Mr Tonkin. A few days later, in a leading article, it said: “The State Government has evaded its responsibilities in deciding against appointing a royal commission to investigate allegations that the mining partners Lang Hancock and Peter Wright had used standover tactics and intimidation in their dealings with the previous Government.”

In the article the “West” did admit that “It is surprising that the Leader of the Opposition, Sir David Brand, and some of his former Ministers were opposed to a royal commission. . .” and . . . “It is astonishing that the Brand Government did not have the whole matter thoroughly investigated when it was in office.

“Its failure to do so is no reason why the Tonkin Government should sweep the matter under the carpet. It should think again. On one hand the rights and responsibilities of Government are involved; on the other, the reputation of two internationally known men . . .”

One wonders, if the “West” was so concerned about the “reputation of two internationally known men”, why Mr Tonkin’s denial of their mafia-like tactics didn’t receive the same prominence in the “West” as Mr Court’s original and unsupported allegation.

One wonders, too, why other statements in the Legislative Assembly, failed to find room in the “West”. Here, for the record, are a few, taken from Hansard:

Mr. Grayden (Lib. South Perth): Has the Minister (Mines Minister May) experienced mafia-like tactics from Hancock and Wright?

Mr. May: “Definitely not”.

Mr. Young (Lib. Wembley): “I am not making this speech on behalf of the Leader of the Opposition. My own belief is that the inquiry should be made on all facets.

Mr. Graham (Deputy Premier): “Including whether the Deputy Leader of the Opposition threatened overseas firms that if they held talks with Hancock and Wright they would be investigated too?”

Mr. Young (Lib. Wembley): “The last Government did everything possible to get Hancock and Wright to the table.

Mr. Graham (Deputy Premier): “Are you sure of that. For months the Minister (Court) could not even talk to them.”

None of this appeared in the “West”.

“W.A. Newspapers has always been sceptical and uninterested in the colossal growth in the State’s North-west,” said an article in “Nation” in 1969.

"This stems from an official news attitude within the organisation that has been expressed as: "What the average housewife in Perth doesn't understand, we don't print".

In 1969 Hancock and Wright began publication of the "Independent", a Sunday newspaper. A major reason for the partners moving into the publishing business was one which "Nation" included in its May 1969 article:

"The trigger that set off the Hanwright train of thought of establishing a newspaper was remote from the world of printer's ink. Mr. Hancock, a station owner near the present Mount Tom Price operations, was once the operations manager for Australian Blue Asbestos, Colonial Sugar Refining's operating company at the Wittenoom Gorge asbestos mine. When CSR closed the mine as uneconomic in 1966, Hanwright bought the mine, the town and the equipment for an undisclosed price, believed to be around \$1,600,000 and announced plans to reopen the mine for iron.

"Hanwright proposed to build a railway, port facilities and beneficiation plant. A journalist, Lloyd Marshall, working for W.A. Newspapers' evening daily, the "Daily News" reported and commented on this significant development.

"Mr. Marshall was summoned to the office of W.A. Newspapers' chairman of directors, Mr. S.J.F. Hocking, to be told that there was no iron at Wittenoom. Mr. Marshall came from an old-established Western Australian literary family, he had done extensive work on developments in the north-west, and many of his views coincided with those of Mr. Hancock.

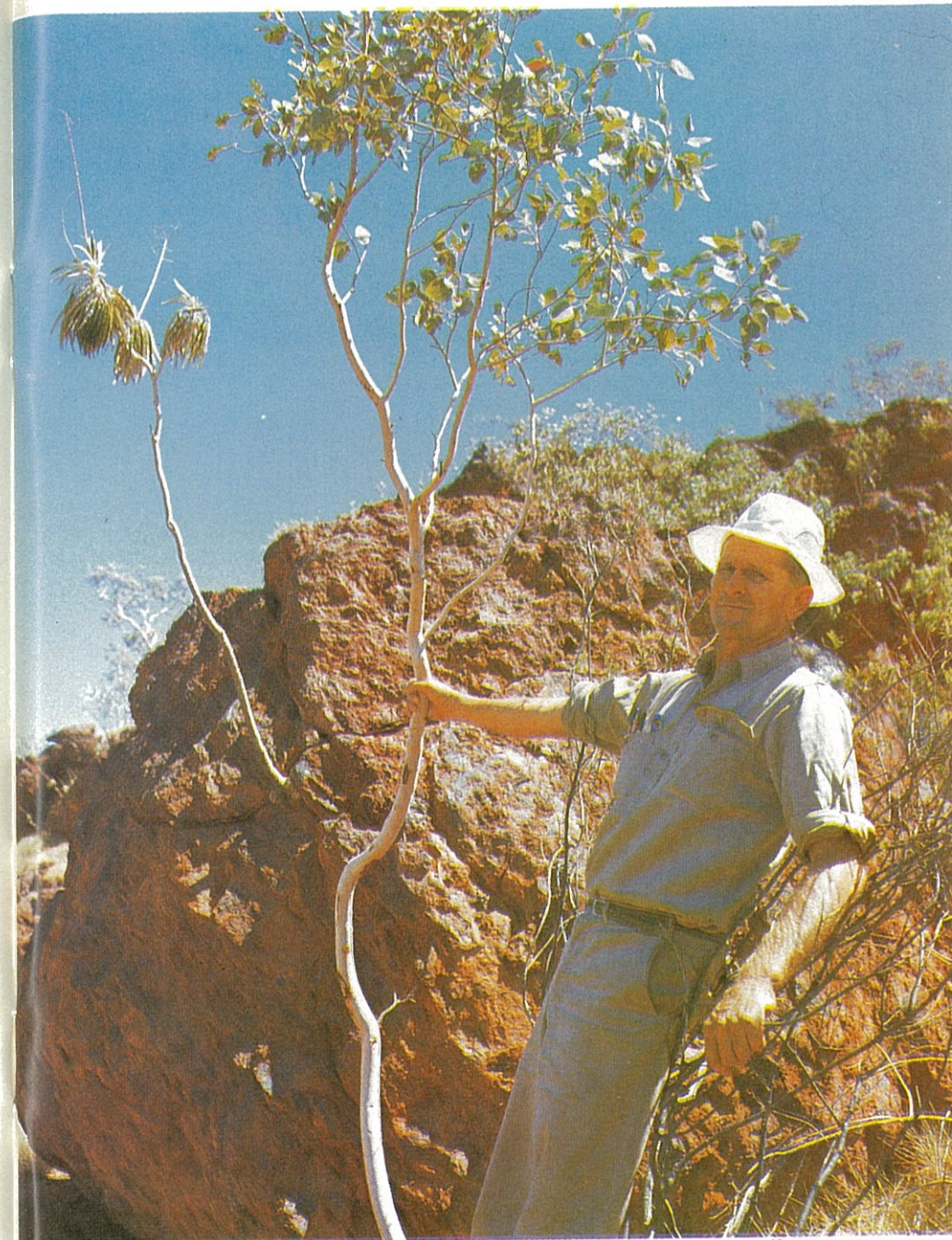
"Mr. Hocking, who also runs the "Kalgoorlie Miner" in the Goldfields, is said to have had what he believed to be reliable information from a geologist that the iron potential of Wittenoom was nil.

"Mr. Marshall told Mr. Hancock of his employers' views, and this was apparently the straw which broke Mr. Hancock's toleration."

Later, when Mr. Marshall announced his resignation, he was given an hour to clear his desk and told never to be seen in the building again.

Hanwright's "Independent" is, as yet, no threat to Rupert Murdoch's "Sunday Times" and, of course, it does not compete with the Melbourne Herald-owned "West Australian" or "Daily News".

But Hanwright have said that the "Independent" will, one day, become a daily. This prospect of competition does not enhance the Hanwright partners' popularity with the newspaper Establishment. But it has given them a voice, even though it's cost about \$2 million to date to do so.



Ken McCamey pulls aside a sapling to reveal an "iron tree".

## McCAMEY'S MONSTER

Ken McCamey is 44, married, has three children and has discovered four times as many iron ore deposits as Lang Hancock—more than 400 of them, in fact, and that's not counting the deposits of up to 10 million tons which he ignores.

A trained geologist? No. McCamey's a fitter and turner. He learned from Hancock how to spot iron ore from the air but he's developed Hancock's theories until now Hancock freely admits that the pupil has outstripped his master.

McCamey was born at Roebourne, and his early education was by correspondence. It wasn't exactly easy because he admits that he didn't really want to learn and sometimes lessons took as long as six weeks to reach him. McCamey Senior spent 33 years "up north" in the trucking business and, as soon as Ken was old enough, he sent him to school in Perth. At the end of three years things weren't too good, economically, back north so McCamey left school and went back home. He wishes now that he'd had a better education and he's seeing to it that his children get it. His two sons are at Christ Church—his daughter's only two and a half years old.

McCamey finished his apprenticeship as a fitter and turner, worked on whaling ships for a while, and then joined Hancock about 20 years ago. He's been working for him ever since. And he's flown with Hancock for hundreds of hours.

"I first prospected the Wittenoom area with him," McCamey says. "Every time he'd come north, on business or on a holiday, we'd put it into the air."

"It" was an Auster at first, then a Cessna 337, then a 172 and now a 182.

"Lang had already found iron ore. He knew what to look for. Between us, over the years, we've developed a lot of theories and we've found they work.

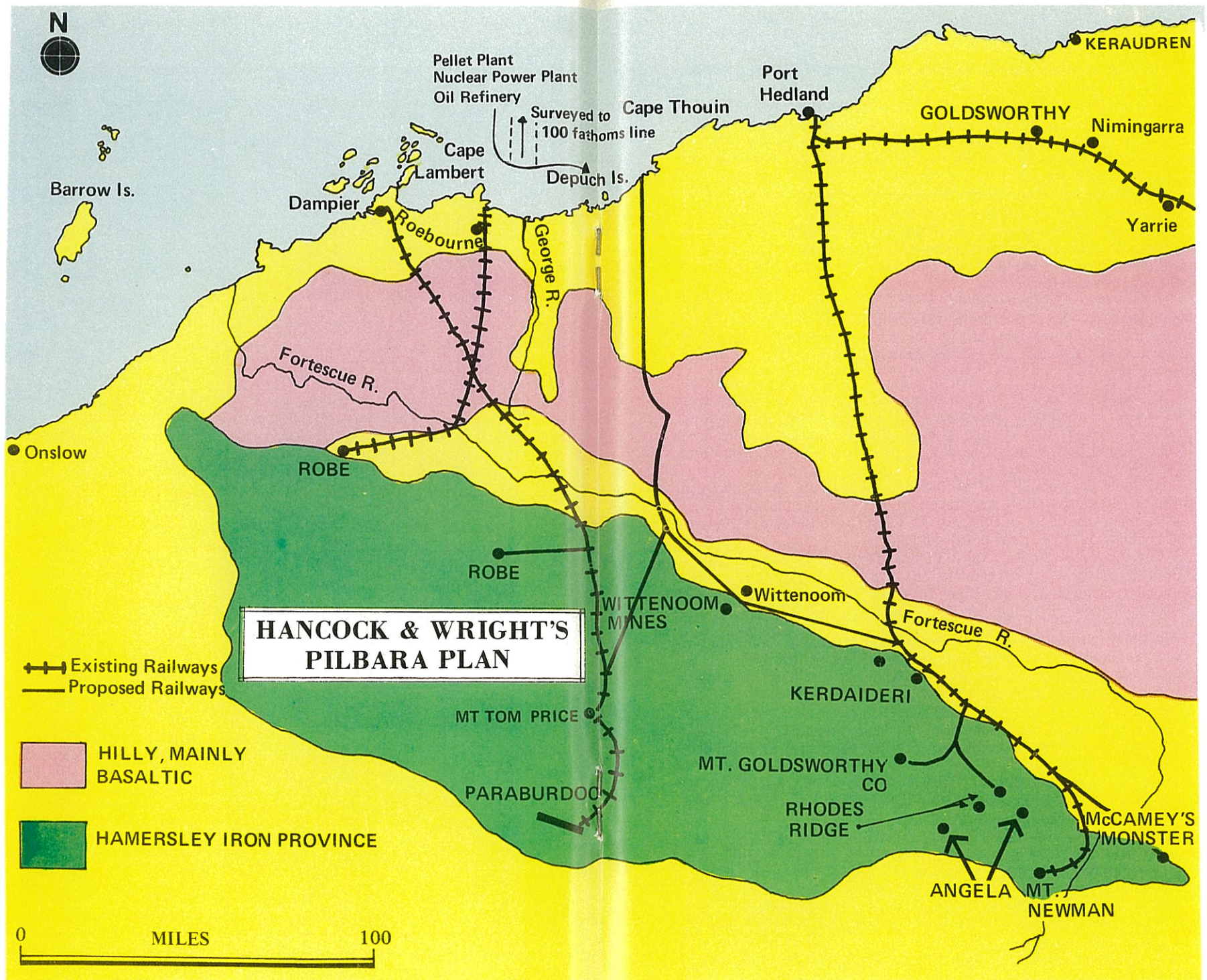
"Originally we always used to start out from Wittenoom. That was when Lang first noticed Rhodes Ridge. He put Nicholas and Rhodes on to it."

As McCamey tells it, aerial prospecting is simplicity itself. First you fly at a couple of thousand feet to get your bearings, then you come down to about a hundred feet and you keep your eyes open. Easy. Except you have to know what to look for.

"Well, the first thing is change of colour—you can pick that up from a distance," McCamey says. "Then there's the rock formation—if it's a square cliff or if you see a rill down a hill you know it's not iron ore.



The beginnings of Dampier.



"One almost certain sign is what we call the 'iron tree'. It has a white trunk and a green top and grows to about eight feet. Nine times out of ten you find it in iron, and always on the southern side of an ore body. Its roots go down in the leach holes where the silica has leached out.

"Then there's smaller vegetation to watch for. Poor quality, hungry-looking spinifex, for instance. Or a tree with red curly bark the natives call 'minnarichie'.

"And sometimes there are big boulders rolled down from the top of a hill. They're probably solid iron."

McCamey can fly a plane, but usually he's the passenger. He sits with a geological map on his knee and uses coloured pencils to mark in the position of the iron ore deposits. He uses his left hand to signal the pilot—up, down, left or right.

"If you take your eyes off the ground you could miss something," McCamey says. "So it gets pretty tiring and we try to limit each flight to about three hours. It's hard on the pilot, too—flying at about 75 knots between the hills and keeping his eye out for a place to land in case we have to."

The winter is the best time for flying, and the morning the best time of the day. If conditions aren't good—with pretty savage up and down drafts—the plane stays on the ground. But on some occasions they haven't found out in time. One day a down draught forced them down from 5000 feet to 200 feet.

"Another day, going into Wittenoom, we had the plane pointed down at 140 knots and we were taken up to 7500 feet in no time."

McCamey spent a lot of time with Dr Campana in the Hamersley area and learned a lot from him about geology.

"The ore industry owes a lot to Campana's theories," McCamey says. "But there was a lot of jealousy and a lot of the other Rio Tinto geologists laughed at him. They reckoned the iron ore was just a crust—the icing on the cake. But I guess he has had the last laugh."

McCamey has been Hanwright's exploration manager for a number of years. In addition to aerial prospecting he also runs the town of Wittenoom which, apart from civic buildings, has been owned by Hancock and Wright since early 1967.

He has built 1100 miles of roads and 19 airstrips and, like Hancock, he's an expert with machinery. He has invented an "instant road-maker"—a heavy device which follows bulldozers and smooths rubble into usable tracks.

And "McCamey's Monster"? It was McCamey who pronounced it "monstrous" when he first saw it from the air. It is sixteen miles long, a mile wide and rises some hundreds of feet.

That's a lot of iron ore. Hancock's way of estimating the size of a deposit—and McCamey says it has proved pretty accurate—is that there are three million tons of ore in an area of a square mile one foot thick. Multiply that by the size of McCamey's Monster.

McCamey's Monster is not many miles from Mt Newman, and Charles Court tried desperately to have it brought within the Mt Newman "sphere of influence".

One problem was, of course, that the Monster was larger than Whaleback, so Hancock argued that—if there were to be spheres of

influence—the Mt Newman operation should come within the Monster's sphere.

"After all, the flea goes to the elephant, not the elephant to the flea," he said.

Court made no secret of the fact that he planned to confiscate McCamey's Monster and give it to the BHP-dominated Mt Newman consortium. He did not succeed, but it was not for lack of effort.

Significantly, in his report to Cabinet as late as August 1970 he suggested negotiations over Rhodes Ridge to see if Texas Gulf (who had an agreement with Hancock and Wright) and the Government could work out an equitable arrangement. He suggested that Robe River might be given extra ore reserves. But he made no suggestion about McCamey's Monster.

When the Labor Government renewed Hancock and Wright's Temporary Reserves for McCamey's Monster and Rhodes Ridge, Court issued a Press statement.

"McCamey's logically comes within the Mt Newman area to achieve the best economical development," he said.

"It was intended by the Brand Government to be important in negotiations for big tonnage export steel-making in Western Australia and in which BHP and Mt Newman were to be important partners."

Last December, in Parliament, he said: "I mention the fact that certain deposits—such as McCamey's Monster—were intended to be part of the Mt Newman complex for the development of a great steel industry in Western Australia.

"But this was not a question of confiscation . . ."

It was not the first time that Court had appeared to be favouring BHP. In March 1965 the "West Australian", in a leading article, said that Liberal-Country Party governments, and Court in particular, had shown an "unwarranted partiality" to BHP.

Court replied—making no comment on the "partiality" accusation—and the "West Australian" published another leading article headed "State Favouritism over Yampi ore". It said:

"Whenever Broken Hill Pty Ltd is involved in controversy, Industrial Development Minister Court seems ever ready to spring to its defence. Indeed, the State Government has shown remarkable willingness to help BHP into the iron export field . . .

"Mr Court seemed to suggest yesterday that Yampi exports would somehow finance Deepdale development, though on Saturday he had said that he could not prejudge whether the government would agree to an amendment of the BHP agreement. Yet prior export of Yampi ore, which would be contrary to the agreement, would be essential if the proceeds were to be used at Deepdale."

The confrontation between Court and Hancock and Wright was not confined to McCamey's Monster. Nor is it of recent origin.

Possibly it had its basis in a clash of two powerful personalities, each with a flair for publicity and each with widely-differing views on how Western Australia's mineral wealth should be developed.

Lang Hancock has campaigned strenuously for the development of the North-West for a quarter of a century or more. He has written articles, formed committees, tried to interest Parliamentarians. He has lived in the north-west all his life.

After he had found iron ore in 1952 Hancock set about looking for the things that would be needed if it were to be developed. He looked for a suitable port. He looked for a route for a railway. He flew over the areas for hundreds of hours and he knew it better than any other man in Western Australia. He had eight years before the export ban was lifted and there was a chance that his discovery might be developed. Eight years in which to formulate a plan.

Court, on the other hand, did not know the Pilbara. He is a man of great capacity and, like Hancock, a tireless worker. When iron ore was discovered in the Hamersley Ranges, at Tom Price and Whaleback he began planning to co-ordinate these projects with those already committed—a so-called Pilbara Plan.

Unfortunately Court didn't have a staff capable of producing such a plan. He brought to Western Australia David Lilienthal, a former chairman of the Tennessee Valley Authority. Lilienthal spent only five days in the Pilbara, then produced a document which Court told Parliament was "very much to the point. It is a very simple and straightforward type of document. He supported the concept we had . . ."

Lilienthal's visit was followed by the formation of a local four-man North-west Development Authority. There have been studies conducted into water, nuclear energy, electric power, transport, local government and ports. But there is still no definitive Pilbara plan.

Perhaps one of Court's major frustrations was the fact that Hancock and Wright wouldn't stay still. They kept popping up with new and bigger iron ore discoveries and negotiating for their development. Court, in talks at home and abroad, was able to stop some companies signing agreements with the partners—but not all of them.

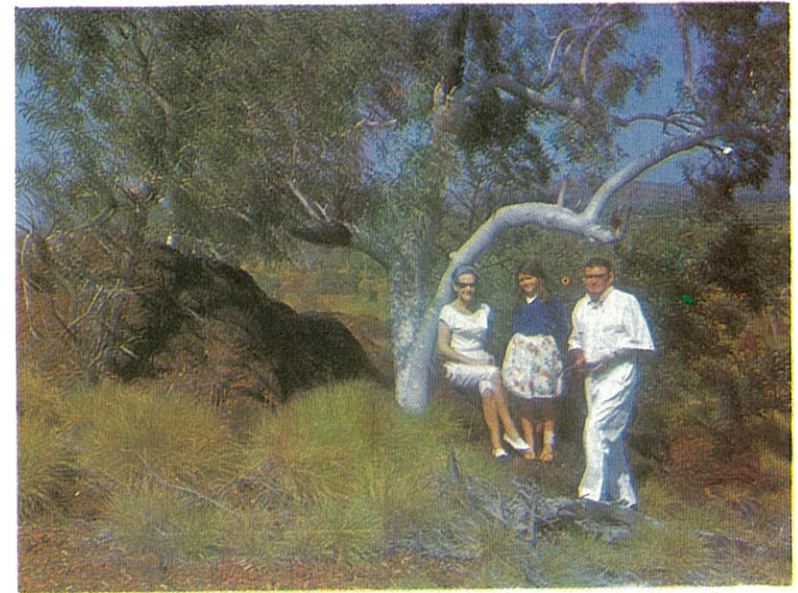
Court's plan was based on an "areas of influence policy". He stated it quite bluntly to Cabinet in 1970: "The Government will define certain areas which will come within the normal area of influence for the development of proved companies, that is, the companies involved in the first five agreements." These, companies, of course, were those involved in the Goldsworthy, Hamersley, Newman, Robe and Deepdale agreements.

Certainly Goldsworthy, Hamersley and Newman were working their deposits and exporting iron ore, and Robe was spending money (assured by Court that he would give them more iron ore). But Deepdale? The BHP operation was "on ice" indefinitely!

Hancock and Wright opposed the "areas of influence" plan. Why would any prospector—a company or an individual—risk money to find an ore deposit if he knew it was going to be taken away and given to one of the favoured few?

The "Big Five" were in a comfortable monopoly position. If any more ore was found in their "area of influence" it would be handed to them on a plate. They didn't have to spend money on exploration—they could sit back and let someone else do that. And if the "someone else" found ore all the "Big Five" would have to pay was the exploration cost and a royalty of 0.25 percent—a lot less than they would have to pay by negotiation.

The effect is obvious if you examine Robe River's position. Ludwig had withdrawn from the project because he didn't believe the deposits



The Hancock family, seated on an iron ore deposit.

"McCamey's Monster"—thousands of millions of tons of iron ore.



were sufficient to make the project viable. (He also believed that the ore was nearer 54 percent iron than the 57 percent claimed by company geologists). Robe River itself, and Government, have since claimed that the company needs more and better grade ore. But the company has done nothing to find any—because it didn't have to.

Robe River was promised it would get iron ore confiscated from deposits within the Pilbara. This promise was made, according to Premier Tonkin (just prior to his election) because Court's Pilbara plan was "built around low grade deposits at Robe River which cannot be economically exploited unless the company has access to considerable quantities of high grade ore."

Tonkin added: "As the Hon. Charles Court is in the way of any negotiations taking place with Hancock & Wright, no offer of mining tenements can be made to them and in the absence of this requirement it does not appear possible for the Hon. Charles Court to make the ore bodies discovered by Hancock & Wright available to Robe River for that company's benefit without complete disregard for the law."

In January 1972 Mines Minister May confirmed that Robe River would receive additional iron ore reserves. It will be interesting to see where they come from.

Another difficulty which Court faced in formulating his Pilbara Plan was lack of information. In 1959, for instance, the Government geologist had tabulated all known iron ore reserves in Western Australia—right down to deposits thought to contain only 200,000 tons. Only Goldsworthy, of all the major deposits we know today, received a mention.

In the early 1960s, Mount Tom Price and Mt Whaleback were considered vast deposits and, of course, they are. But since then Hancock and McCamey have discovered even larger deposits. Court's advisers—and it must be admitted that his department lacked sufficient skilled personnel—just couldn't keep up with the pace which Hancock was setting.

Hancock decided to make his own pace. He knew that, if he did not have powerful partners, his discoveries would go to the "Big Five". He has succeeded in keeping McCamey's Monster and Rhodes Ridge. He has lost some of the Angelas to Armco. And the Government will decide how to carve up other former Hancock reserves within the next month.

Hancock has produced his own plan for the Pilbara. (It is reproduced in the centre pages of this book.) How does it compare with the embryo Court proposal?

Commenting on a Brand-Court Press conference just prior to the 1971 election, "Western Intelligence Report" said:

"Most of the attention was focused on the threat to Hanwright's tenements, but three important asides emerged from the Press conference called during the past month to state the Government's position in shelving the Pilbara master plan.

"The first was that the plan, as such, does not exist; those who are looking for a master blueprint for the carving up of this area over the next 200 years will be disappointed.

"Industrial Development Minister Charles Court made the position

clear when he said the "master plan" started to be developed the day the first iron ore agreement was signed . . .

"The second point was confirmation that all engineering studies so far pointed to Legendre Island becoming the terminal port of the new scheme . . .

"This moves to point three: As journalists were quickly moving back to their offices and studies following the government's tough statement on Hanwright, a map was shown with an interlocking transport network, using the existing iron ore ports of Port Hedland, and Dampier, the planned outlets at Cape Lambert and Legendre.

"In concept, this appeared to be remarkably similar to the plan written about in the early 1960s by the late Harold Wincott of "Investors Chronicle" and the "Financial Times". This plan, for which Lang Hancock was given credit, called for a totally integrated transport web terminating in a massive port . . .

"It is a paradox that, on the day Hanwright's head was laid officially on the block, a plan similar in concept to one originally put up by the partners should emerge as a government effort."



The "Bruno Band", or "Campana Horizon".

Manganese ore



## LUDWIG AND ROBE RIVER

Towards the end of 1963, with Hamersley Iron off the ground, Hancock and Wright turned their attention to the development of other parts of their mineral "empire" and also to the development of the Pilbara itself.

They began negotiations with a number of American concerns and found that the greatest interest came from Daniel K. Ludwig, the principal of National Bulk Carriers and associated companies.

Ludwig started his business career at the age of nine when he salvaged a sunken boat and chartered it out. By 1963—58 years later—his interests included:

- \* Part ownership of Union Oil Co. which was grossing more than \$500,000,000 a year in sales. He sold his share in 1965 at a profit of \$40 million.

- \* Co-ownership with Continental Oil of a 55,000-barrel-a-day oil refinery in Panama.

- \* Co-owner of a 30,000 barrel-a-day oil refinery in West Germany.

- \* Owner of a luxury hotel in Bermuda and builder of a hotel complex in Freeport, Bahamas.

- \* Owner of a 15,000-head cattle ranch in Venezuela, a 10,000 acre orange grove in Panama, and an 11,000-acre housing estate in Los Angeles.

- \* Owner of a salt processing operation in Mexico producing and exporting 1,500,000 tons of crude salt annually.

"Fortune" magazine estimated his personal fortune at \$450 million.

But Hancock and Wright had not negotiated with Ludwig because of his money, his oil or his real estate. They were interested in him as head of National Bulk Carriers, the world's largest shipping construction and operating company, whose operations included mineral exploration, development and transportation.

It has been said that with National Bulk Carriers and his other shipping companies Ludwig owned a greater tonnage of shipping than P & O. Ludwig hasn't denied this—but, then, he has only ever allowed two Press interviews.

Hancock and Wright offered Ludwig a package deal which, in addition to other mineral discoveries, included their temporary iron ore reserves at Nimingarra and Yarrrie—about 100 miles east of Port Hedland.

And Ludwig moved quickly. He promised an initial inspection within two weeks—and he had the inspection made by his chief investigating engineer, Peter Stork. Stork was followed to Western Australia by Malcolm Reed, the man who designed the \$135 million Quebec-Cartier

project, an iron mining, rail and port complex which included a hydro-electric power plant and two towns.

Hancock flew the Ludwig team from mineral deposit to mineral deposit. The aerial and ground investigations apparently satisfied Stork, because Ludwig took a 12 month option to mount a full-scale exploration programme.

On June 4, 1964, National Bulk Carriers submitted to the State Government a preliminary report on their activities in Western Australia. On July 10 they submitted a statement of their planned activities.

In addition to exploration and development of ore deposits at Nimingarra and Yarrie, they would develop low-grade ores from the Mt Lockyer area.

They would, once economic feasibility were established, set up a modern beneficiation plant to convert limonitic ore, sub-shipping quality ore and fines from any deposits in the Pilbara.

They have given "much thought" to planning a co-ordinated railroad and port complex because it was "obvious that construction of all the railroads and ports currently planned to serve the Hamersley-Mt Newman areas by the various interested parties would result in heavy over-capitalisation as well as uneconomical duplication of effort.

National Bulk Carriers therefore proposed:

(a) A much larger central port at Depuch Island or nearby with a capacity to handle vessels of up to 166,000 tons.

(b) A co-ordinated complex of rail connections which could bring together in one operation the iron ore production of BHP, Cleveland Cliffs, Hamersley Iron, Amax and the areas round Mt Lockyer. This complex would reduce the total requirement for rail tracks from 625 miles to about 425 miles. There would also be a reduction of at least three ports.

National Bulk Carriers estimated the potential capital saving could be as high as \$150 million.

The Government rejected the plan. It was, Court told Parliament seven years later, "substantially a Ludwig benefit plan."

Nor was Ludwig any more fortunate with other proposals in Western Australia. He came out to see for himself during 1964, and Hancock flew him to see iron ore and manganese deposits.

"He endeared himself to me by flying in my single-engined aircraft without demur," Hancock says. "That kind of transport wasn't secure enough for a lot of people I've wanted to show around."

By 1966 Ludwig's company, Sentinal Mining Co. Inc., had spent at least \$3 million on drilling and surveys at the Nimingarra and Yarrie iron ore deposits and the Mt Nicholas manganese deposits about 150 miles further south.

On July 7, 1966, the "West Australian" reported that the State Government was negotiating with Ludwig for the establishment, at a cost of \$90 million, of an upgraded-iron and ferro-manganese export industry in the Pilbara.

The following day Premier Brand announced that proposals put forward by Ludwig were being studied but that there was "a long way to go" before any agreement would be reached. The Premier was right. No agreement ever was reached.

Nimingarra and Yarrie were doomed, too, as far as Ludwig was concerned. The State Government was determined to see that the Robe River project developed before anything else, and Sentinal Mining found their efforts to develop their deposits frustrated. The company had entered into the Iron Ore (Nimingarra) Agreement with the Government in 1967. By 1970, faced with rising costs and frustrating delays, Sentinal decided that any independent new project based on the areas would be uneconomic.

Sentinal negotiated with the Goldsworthy consortium, whose mining operation was adjacent to Sentinal's areas. In October 1970 heads of agreement were signed between the two parties whereby Sentinal would transfer the Temporary Reserves to Goldsworthy, Goldsworthy would undertake to carry out the obligations imposed on Sentinal by the Nimingarra Agreement, Sentinal would receive compensation and the royalty interest of the original holders of the TRs—Hanwright, Rhodes and Sims—would be protected.

The Minister made his consent to this agreement conditional on Goldsworthy paying to the government a royalty of 11 percent on production from Nimingarra and Yarrie. Goldsworthy evidently felt this would wreck the economics of the proposition and the arrangements contemplated in the heads of agreement were aborted.

Sentinal therefore "agreed" to surrender the areas, receiving a refund of the major part of its evaluation costs. Goldsworthy got the areas. The original discoverers—Hancock, Rhodes and Sims—get nothing at all.

The Robe River Deepdale deposits were first discovered from the air by Hancock and Wright drew the first samples from what is now part of the BHP holding west of Pannawanika.

Hancock and Wright brought the deposits to the notice of Rio Tinto, but Rio Tinto would not apply for Temporary Reserves on their joint behalf. Hancock and Wright applied but were not successful.

Robe River has been a stop-go affair since the early sixties. BHP joined with Cleveland Cliffs in an arrangement for a pellet plant, town, railway and port and the agreement was ratified by the WA Parliament. Later BHP withdrew.

Ludwig took an option to come in for 50 percent, but he, too, withdrew because his geologists believed reserves were not sufficient and the ore was somewhat lower in grade (about 54 per cent Fe) than the 57 percent stated by Robe River.

Cleveland Cliffs, which originally had an equity of more than 80 percent of the project have watered down their share to about 15 percent and in 1970 the Australian public was offered 9,999,995 shares at \$1.00 each.

Whether it was his paternal instinct (his son was a partner in one of the underwriting brokers) or whether it was his own determination to see a Western Australian project, which had government backing, succeed, Court was prominent on the Stock Exchange floor on the day Robe River shares were listed.

There have always been doubts about the viability of the project—and these were shared by the Labor Opposition. The Robe River ore is limonite. To be viable, the project needs more ore, and higher grade ore.

The Liberal Government, through Court, promised that Robe River

would get additional reserves. The Labor Government is faced with no real alternative than to honour that promise because if it doesn't Robe River will fail.

In Parliament last December, Labor Ministers asked Court where he had intended getting the additional reserves and he told them "from within the Pilbara". Now it's Mines Minister May's problem to find the reserves—or to allocate reserves formerly held by someone else. Minsec receiver Jamison says the allocation will be made within the next two months.

The ball is in May's court.

## ARMCO AND THE ANGELAS

In August 1970 Court submitted to Cabinet a Minute which dealt in detail with his discussions with Armco and the Hanwright partners in London on July 12 and 13. The appointment for the meeting itself was July 13, but Court had "private discussions" with Armco the previous day.

These discussions were "very necessary so that I could make sure that Armco were informed in the frankest terms of our misgivings about their entry into discussions with Hanwright without prior consultation with either the State Government or with their potential partners for development of an Australian steel industry based on the Mt Bruce deposits," he said.

Court said that Armco, only a few weeks earlier, had explained to him "in very forthright terms" why it was impracticable to establish a steel industry in the Pilbara. He believed that Armco had entered into negotiations with Hanwright in an atmosphere of panic and had "been induced by Hanwright to underestimate the Government's position in the matter."

"They are, of course, very embarrassed in their dealings with the other people with whom they were negotiating."

One of these "people" was August Thyssen-Hutte, the big German steel-makers. So Court went to Germany to make sure Thyssen "thoroughly understood the position."

Court was able to report to Cabinet that the head of the German company, "as a result of talks I had with him," has told Armco he wouldn't go along with any arrangement which didn't have the State Government's blessing.

On his way back to Australia via Venezuela, Court had "discussions with the Armco people in Middletown USA." As a result Armco undertook not to enter into any written contractual commitments with Hanwright until the government had a chance to consider its overall policy and make a pronouncement as to what this policy will be.

In his account to Cabinet of the London discussions—the ones with Armco and Hanwright both present—Court said that it became apparent that the Armco-Hanwright proposal was for a plant to produce only about 100,000 tons of metal. "Technically it could be called a steel mill—but only just".

"I had to point out to them that it would be quite unreasonable and, in fact, immoral, if we settled for something like this when BHP were expected to produce a million tons of steel by blast furnace means at Kwinana . . ."

He also told Cabinet that a proposal had been discussed "in a tentative way" with the Mt Newman consortium. This proposal was based on incorporating the existing BHP development (by arrangement with the State Government) into a massive steel complex.

Peter Wright was, of course, at the July 13 meeting in London. It is his invariable practice, following important meetings or telephone conversations, to record the details immediately. Here are extracts from his records of July 12 and July 13:

JULY 12 "(Armco) rang at 5.30 pm to report on the (' private') meeting with Court. It went on for a little over two hours.

"Discussed all Hanwright reserves except those relating to Texas Gulf Sulphur as Armco's area of interest. McCamey's Monster was not specifically mentioned.

"Armco asked what kind of terms Court had in mind. He put forward his regional idea but gave nothing specific.

"Q: Did they mention Thyssen?

"A: Armco had said they believed there was every reason to believe Thyssen would be interested in joining them.

"Court asked if Armco had reached agreement with Hanwright. They said they had reached agreement in principle.

"Overall Armco were rather happy with the way things went but also that there were great hurdles to overcome and that tomorrow would be a long day."

JULY 13 "(Armco) spokesman reviewed Armco's interest in Australia for making steel and their studies with Kaiser and Hamersley Iron for operation at Jervis Bay or elsewhere from iron ore for which they have been looking in the Mt Bruce areas. No decision yet been made. They not satisfied with source of iron offered them by H. I. nor with its suggested price and consequently they were interested in turning to Hanwright.

"An integrated steel mill in Australia wherever it was, would need the lowest cost coal and iron ore possible, and in addition would need a cash flow from the sale of both coal and iron. They had explained this position to the NSW Government which had immediately cooperated by granting exploration areas from which, if Armco found coal, they could export and use the proceeds to help the steel plant along. This is what they needed with iron ore.

"They said they realised Court wanted development in WA and to get access to iron ore they were prepared to make steel in Western Australia.

"They had studied the position and they were prepared to undertake the installation of direct reducing plant and an electric furnace and the necessary ancillary equipment to manufacture ab initio 100,000 tons of grinding media for the mineral industry (balls and bars for ball and rod mills). They believed the market could take 100,000 tons and would grow. They would undertake to grow with the market and also to develop in other ways as fast as the economics allowed.

"(Armco) indicated that their talks with H & W had covered all our TRs (excluding those committed to Texas Gulf) and that Armco understood H & W were talking with Peko-CSR towards joining forces so that there would be one operation on all of H & W's TRs. Armco felt

this would tie in with Court's overall regional plan avoiding fragmentation about which he was so worried.

"Armco and H & W had reached tentative agreement but had not signed. Felt they should talk with him first because the agreement was subject to terms from the W.A. Government."

It was, as Armco had predicted, a long day. They broke up at 12.15 and agreed to meet again at 2.30 p.m. Wright's notes, in summary, reveal the following:

Armco said:

The project envisaged would be 50 percent Australian, 50 percent foreign. The Australian share to be CSR-Peko-Hanwright. The foreign share to be Armco, Thyssen and any others decided on.

They would be prepared to talk more specifically about steel-making now and in the future. It was up to Court to give a timetable, but they believed the grinding media plant would grow.

They were prepared to negotiate a return to the Government of all TRs after selecting from them an area of 300 square miles on terms similar to other companies. But they would select their 300 square miles before prospecting—not after prospecting, as other companies had done.

They did not want to be badly placed economically in any agreement.

Court said:

The sharing 50 percent Australian and 50 percent foreign wasn't the dominant factor. "It all comes back to our plan for total development. Surely you aren't naive enough to think that you can pick your own 300 square miles?"

He couldn't guarantee that Armco wouldn't be badly placed economically. "The others were pioneers—they had great difficulties. We must not issue the same conditions. The new ones must be very different."

The meeting ended with an undertaking by Court that he would (according to Wright's notes)

- \* Codify Armco's whole proposition
- \* Get the government's reactions
- \* Start more detailed studies of what the government's plan required
- \* Confer with the various companies concerned.

At 10.00 a.m the following day Hancock and Wright had another appointment with Court. Wright's notes say:

"London, Tuesday 14/7/70, 10.00 a.m. Lang and I had our interview with Court. It amounted to a plea to us to be co-operative and reasonable, to do as we were asked and not to expect to get all our own way. The issues at stake were too big (we had to realise that father knows best).

"It seemed obvious to me that he was setting the stage to take McCamey's Monster and that he is hoping to involve us in a compromise so we will voluntarily surrender some of our deposits and he can achieve legally what he would have to take illegally otherwise.

"He couldn't understand why he couldn't deal with us as he did with everyone else. They disagreed with him from time to time and got hot under the collar but it didn't matter. He understood. And in the long run they all agreed amicably and were the best of friends.

"I asked him if the Government had ever taken any temporary reserves away from anyone at any time. He replied that they never had."

\* \* \*

In view of subsequent events it is worthwhile looking in some detail at Court's report to Cabinet in August 1970. It deals extensively with "the Hanwright position" but it also indicates quite clearly his determination to keep Hancock and Wright out of everything but the "remnant Wittenoom area."

Court pointed out that there were five original agreements in the Pilbara—Goldsworthy, Hamersley, Newman, Robe and Deepdale. And he suggested that the Government should adopt an areas of influence policy, defining areas for the development of proved companies "i.e., the companies involved in the first five agreements." The idea would be to integrate "additional areas into the main stream of the original projects."

These areas, obviously, would include McCamey's Monster, Western Ridge and the Angelas. They would be taken away from Hanwright and given to the others.

Pretty clearly, Court also proposed that the government should take Hanwright's 50 percent of Rhodes Ridge because he suggested negotiations on this deposit only with the other 50 percent interest-holder, Texas Gulf Sulphur.

"At the same time we may find it wise to give some thought to the Robe River project being given a chance to participate in this project (Rhodes Ridge) as a form of long-term security to them through access to haematite ores . . ."

In the original "Rio-Tinto" agreement, Hamersley had agreed to pay Hancock and Wright a royalty of 2½ percent—and Hancock and Wright were committed to no exploration expenditure. Last year Hamersley Iron made almost \$30 million.

At McCamey's Monster, Rhodes Ridge and the Angelas, Hancock and Wright had spent considerable money so that they weren't just offering a prospect—they were offering at least semi-proven ore bodies. Despite this, Court wanted to give the areas to the "Big Five" and for Hancock and Wright to get a royalty of 0.25 percent—a tenth of what Hamersley were paying.

"In doing this we would make sure they are reimbursed for all their expenditure on a fair and reasonable and in fact a generous basis . . ."

"It is possible that we would have to negotiate for them to receive a royalty of a reasonable amount where appropriate. But certainly something less than the 2½ percent they are asking . . ."

(Hancock says the logical extension of this scheme would be for the government to confiscate lottery prizes and give back to the lucky winners the money they paid for their tickets.)

After outlining the Armco negotiations, Court told Cabinet about Hanwright's agreement with Texas Gulf Sulphur.

Court said that he had strongly advised Texas Gulf not to enter into any firm agreement with Hanwright, but the company, despite this, entered into a two year option which "is a considerable embarrassment to them and to the State Government."

It was, Court said, a case of an American company not understanding the local scene. It was quite remarkable that TGS were prepared to commit themselves to heavy exploratory expenditure without first ensuring that they had a title from the government.

He also drew Cabinet's attention to the fact that Texas Gulf had taken a 10 percent interest in the Robe River project. This move, he said, had nothing to do with their Rhodes Ridge area.

\* \* \*

In the London discussions with Armco Court maintained that the company's proposals were not specific enough. But the company's steel-making proposition was spelled out to him in a letter from Armco on September 9, 1970 which said:

"We are willing to make an early commitment for an initial steel installation with the provision that if it is practical and economically feasible it will expand as rapidly as possible to a 1,000,000 ton per year plant in the Northern part of the State."

On October 2 Armco wrote to Court informing him that they had signed an agreement with Hanwright, that Thyssen were being invited into the Angela group on a one-third basis, that Armco had talked with CSR-Peko about joining the venture, that Armco was also negotiating with Hanwright over McCamey's Monster and Western Ridge, and that, on renewal of temporary reserves, Armco would be prepared to discuss other amalgamations.

Actually, what Armco had signed was a letter of intent rather than an agreement. Proposed Heads of Agreement were attached to the letter which said:

"Heretofore we have arrived at understandings with respect to the development of certain temporary iron reserves in Western Australia and have orally committed Armco and its associates to work with you in an attempt to conclude a mutually acceptable agreement pertaining thereto. This letter is written to confirm such prior understanding.

"Attached hereto is a proposed form of agreement which, while not in final form, is substantially so, and shall form the basis of further discussions between us . . ."

"If you are in agreement with the provisions of this letter please sign and return the duplicate hereof."

It was signed, on behalf of Armco, by John Griffin and Ward Browning.

Court's reaction to the news of the "agreement" was predictable. A month earlier he had told Cabinet that, as a result of his talks with Armco and Thyssen, both companies had decided not to enter into any deal with Hanwright. So he sent a telex to Armco saying that the agreement was a breach of faith and that there was no scope for further discussion.

There were further discussions, of course. They were to result in Armco withdrawing, at the last minute, a contract sent to Hanwright for completion, breaking off negotiations with Hanwright—and having Angela deposits taken from Hanwright and being handed to Armco. But Hancock and Wright were not to know this.

On October 2, 1970 they received another letter from Armco. It said:

"This letter is written to express our understanding with respect to McCamey's Monster and Western Ridge . . .

"We have agreed to participate in the exploration and development of such reserves on substantially the same basis as the heads of agreement dealing with the Angela attached to our letter of September 30, 1970.

"If you are in agreement with the thoughts expressed herein please sign and return the duplicate of this letter."

It seems clear that, despite Court's statement that there was no scope for further discussion with Armco, there were negotiations with him during October as a result of which he met Armco representatives in Perth on November 1.

Wright, who was at Armco headquarters in Middletown, wanted the company to take Court at his word and go direct to the Premier. A telex message was, in fact, drafted but was never sent because—Wright was told—Armco's President, Bill Verity, was in Paris and wanted to let matters rest where they were until he returned. It seemed that Verity had also been in touch with Court—and with Val Duncan, Thyssen and Kaiser Steel.

It seemed to Wright that Armco's enthusiasm was decreasing. The reason may have been that, in the second week of October, a BHP executive had told Armco that Hanwright was not going to get McCamey's Monster. It was going to be given to Mt Newman.

Armco and representatives of their partners met Court in Perth early in November, and Hancock and Wright met the Armco people the following day.

What had happened at the meeting with Court? Armco couldn't say. They were under an obligation to the Government, to Thyssen and to their other partners not to discuss with Hanwright in any way what had been said.

At this stage Hancock and Wright's Temporary Reserves in the Angelas and McCamey's Monster had not been renewed. As Court pointed out to Cabinet some months earlier these reserves "are virtually being continued on a day by day basis at the absolute discretion of the government"—a procedure which Premier Tonkin pointed out soon after assuming office was completely illegal.

Armco had signed no agreement with Hanwright—only letters of intent attached to proposed heads of agreement which were not completely acceptable to Hancock and Wright. Hancock and Wright, therefore, had not signed and returned the duplicate letters of intent.

Now Armco was negotiating with Court—and wasn't able to tell the Hanwright partners what was going on. One thing did seem evident—Armco was putting no pressure on the Government to confirm Hanwright's tenure of the temporary reserves.

Hancock and Wright had been isolated. If the government confiscated McCamey's Monster and the Angelas and gave them to someone else only the Hanwright partners would complain. So Hancock and Wright needed a powerful partner—in a hurry.

In December 1970 Wright rang Armco in Middletown to say that Mt Isa mines were signing an agreement for a 25 percent share in

McCamey's Monster and Western Ridge. The news was apparently well anticipated. Armco said that Val Duncan had been sending telexes from Melbourne "insisting that we come out there and discuss the position."

"Mt Isa is going to take 25 percent. That leaves 75. If you are prepared to come out now and sign we will do a deal and sign it with you," Wright said.

"Texas Gulf had the guts to sign (the Rhodes Ridge agreement) and to spend their money. I think you should come straight out and sign a contract on Angela."

But nothing happened. On January 8, 1971, Goldsworthy signed an option agreement for 25 percent share in McCamey's Monster and Western Ridge. Hanwright offered Armco the remaining 25 per cent.

Five days later two Armco representatives arrived at Hanwright's Perth office with a signed contract for a 50 percent share of the Angelas. There were some questions about taxation which affected both sides, and these were referred to consultants, but there seemed no major obstacle to the contract being signed. The problems would be ironed out in a couple of days.

The following day the Armco representatives had a meeting with Court.

"The day before the meeting Armco came out hot foot to sign the contract," Wright recalls. "The day after their minds had changed completely."

The Armco-Hanwright contract was never signed.

\* \* \*

In February 1971 the Liberal coalition government was defeated. John Tonkin became Premier, Herbert Graham Minister for Industrial Development and Don May Minister for Mines.

Armco told Hancock and Wright that they proposed dealing direct with the new Government.

On June 3 Hancock and Wright sent to Mines Minister May a "Brown Book"—a request for renewal of all their Temporary Reserves and details of Hanwright's proposals for the development of the Pilbara.

"Our position is that at great expense we have acquired the rights to a number of Temporary Reserves for iron over areas most of which have been explored but none of which have been held under title by other people.

"We have explored diligently. We have made discoveries. We have spent large sums of money—considerably more than any other company has spent without first having the security of an agreement with the W.A. Government.

"We have negotiated extensively with major mining interests both local and overseas and, in spite of opposition and obstruction from quarters where we would have least expected it, we now have four potentially major mining projects on the brink of development."

If the Temporary Reserves were renewed, Hancock and Wright could:

1. Float Hanwright Minerals Limited to allow the Australian public to join with such worthwhile partners as TGS, MIM, Cyprus Mines, Utah Development, Consolidated Goldfields and the Japanese in the exploitation of all the above projects, with the protection that the Australian public will not be committed to participate in development

of any project until after that project has been proved viable by one or other of the above partners.

2. Sensibly negotiate with our present partners towards formation of a combined venture with all partners sharing each project—so that it is in everybody's interests to develop all projects in the most economic sequence.

Hancock and Wright made these points:

- \* They had never refused to deal on a commercial basis with any of the major producers who felt they would like some of our discoveries.

- \* If the Government was satisfied that any of Hamersley Iron, Mt Newman, BHP or Robe River are genuinely short of haematite iron, Hancock and Wright would find ore for them.

- \* A slot would be kept in the Angela deposits for Armco or anyone else offering to build a steel complex. This had been confirmed in writing to ex-Prime Minister Gorton, N.S.W. Premier Askin and W.A. Premier Tonkin.

This letter was dated June 3. On June 6 the Sunday Australian reported that the Armco consortium would build a 100,000 tons a year steel plant in Western Australia. It sounded very much like the offer made to Charles Court in London a year earlier—with a major difference. Hanwright, who had discovered the ore, and proved it to Armco's preliminary satisfaction, were not going to be allowed to participate.

The NSW resident manager of Armco laid it right on the line. He said that the detailed proposal put to the W.A. Government by the Armco consortium sought the right to choose its iron ore reserves.

"We need quality iron ore and we need it at economical prices," he said. The provision of iron ore reserves is the fundamental problem . . .

In the article on June 6 Premier Tonkin is quoted (when asked about Hancock and Wright's temporary reserves) as saying:

"I want to make it perfectly clear that under no circumstances will the government consider confiscation. It would undermine the very confidence that has been in existence in regard to exploration.

"The explorer who spends substantial funds in trying to locate the existence of ore bodies is entitled to believe he has some security of tenure if he finds something."

Less than three weeks later Tonkin announced that the Angela reserves had been taken from Hanwright. Ten of them were given to Armco. Nineteen others would "neither be renewed nor will new rights be issued to the previously registered holders or to Hancock and Wright."

The Premier's Press Release began with the announcement that Hancock and Wright would retain McCamey's Monster, Rhodes Ridge and Western Ridge. The fact that the Angelas were being taken from them didn't emerge until half-way down the second foolscap page.

Two days later the Premier confused the Press—and others—with a statement saying that he hoped Hancock and Wright would continue exploring the Angelas even though their claims to the areas had been rejected.

The Government could not afford to explore the Angela reserves, Tonkin said. But Hancock and Wright were exploring there "and it is the Government's desire that they continue".

Of course, if they agreed to continue exploration they would know that there was no undertaking that rights of occupancy would be granted.

Asked how Hancock and Wright could continue to explore when they had no legal right, Tonkin said: "That is something that has puzzled me previously.

"I am told that it has gone on for years and that there are three or four companies carrying out exploration . . ."

Hancock and Wright stayed and continued exploration. A month later they received a letter from Mines Minister May saying "it would be appreciated if you would kindly cease work on and remove equipment from" the reserves within 10 days.

Mr May told the Press that any results from exploration work done by Hanwright would be available to Armco if the company accepted the offer of the Angela reserves.

On August 13 Hancock, Wright and their associates were granted a temporary injunction by the Supreme Court to stop the State Government from allocating to anyone else iron ore reserves claimed by them.

The Government didn't lose any time. Six days later it introduced legislation designed to prevent the courts determining Hancock and Wright's case.

The bill enabled the Minister for Mines to certify that a person to whom a right of occupancy was granted before August 15, 1971 had failed to satisfy him that payable quantities of iron ore had been found during the term of the right of occupancy.

The Minister's decision was final and was "not liable to be challenged, appealed against, reviewed, quashed or called in question by any court."

The Premier, obviously, didn't like the legislation. He stayed away from the House.

Mines Minister May said the bill was an emergency measure. It had not been introduced because the government doubted its ability to win a court case but because of the procrastination that would result from the litigation.

The President of the WA Law Society, in a letter to the Attorney-General, said it was a dangerous practice for a State, when involved in a dispute, to report to legislation to prevent the courts determining the dispute "by depriving retrospectively the individual of whatever rights he may have had, to which the state takes exception."

In London, the influential journal Metal Bulletin, published an article titled "A place called the Angelas". It said:

"At first glance the squabble over iron ore claims in Western Australia might appear to be a domestic affair affecting the State Government and those pioneer prospectors Hancock and Wright, but the latest turn in the situation must raise a number of doubts in the minds of existing and potential developers from overseas. They might well ask themselves that if the government can act in a seemingly arbitrary and unfair manner to their own citizens then it is hardly likely to pull back in any confrontation with outside parties . . .

"The WA Government appears to have taken the unprecedented step of suspending parliamentary business to rush through both Houses

legislation designed to nullify legal action Hancock and Wright started against the government to protect their rights to prospect and negotiate. In any dispute, when individuals seek protection from the courts, it is the usual custom for the courts to be allowed the right to decide between the contestants . . .

"It was a political rather than statesmanlike reply for Mr May to say that Mr Hancock would use his 'millions' to protect his rights—the basis of most civilised countries is that the law is there to protect all citizens and not to take into account a man's wealth or lack of it . . .

"The issues surrounding the Angelas are fairly complex and technical, but there does seem to be an important principle at stake which the international mining and financial community will wish to have established before it feels confident again about future investment in the Western Australian mining industry."

A week after the bill was passed May tabled certificates dealing with 29 reserves all formerly in the names of Hancock and Wright or their associates. The certificates declared that he was not satisfied that payable quantities of ore were discovered during the period of occupancy.

\* \* \*

The loss of the Temporary Reserves in the Angelas is, at the moment, the main bone of contention between Hancock and Wright and the Government. May, in his letter of August 2, said that 10 of the TRs would be given to Armco and that rights to 19 others would not be issued "to the previously registered holders or to Hancock and Wright."

The Labor Government had inherited an unholy mess. There was a backlog of some 80,000 applications at the Mines Department. Renewals of rights to Temporary Reserves sometimes were so slow that applicants found that, as a result of the time lag, their legal occupancy was reduced from a year to a few months.

This was the case with eight of the Hanwright TRs in the Angelas—including TR4885 (known as Giles Mini). Rights to Temporary Reserves in these eight areas were first granted on October 17, 1969—but the Department did not notify that rights had been granted until June 4, 1970, some eight months later.

Effectively, therefore, Hanwright had only four months legal occupancy of these reserves up to the annual expiry date on October 16, 1970.

Renewal was requested on October 16, 1970 but no renewal was notified. Repeated requests, and approaches direct to Court, resulted in the rights of occupancy being (as Court told Cabinet in August 1970) "still in existence on a day to day basis at the Government's discretion".

This, of course, was completely illegal. Neither Court nor the Mines Minister had any discretionary power under the Act to grant a "day to day" occupancy. Court felt, however, that the procedure gave him the whip hand.

"Our position is rather stronger than it was in view of the fact that—as mentioned earlier—some of these temporary reserves have actually expired and are virtually being continued on a day to day basis at the absolute discretion of the Government" he told Cabinet.

It is important to look at the "Conditions of Right of Occupancy of Temporary Reserve for Iron Ore." The original (1961) conditions said that "the occupant of this Reserve shall commence prospecting operations forthwith and shall furnish the Minister for Mines with a quarterly summary report applicable to operations being carried on within the said reserve . . ."

The conditions also said: "That in the event of the discovery by the holder of this Reserve of payable iron deposits, mining tenements under the provisions of the Mining Act 1904 and the Regulations thereunder will be granted on conditions determined by the Minister for Mines after negotiation regarding royalty, method of operations, treatment and processing."

Clearly, if payable ore is found, mining tenements "WILL"—not "may"—be granted.

In 1963 amended conditions were announced. A major difference was that the occupier not only had to commence prospecting operations "forthwith", but had to "continue same to the satisfaction of the Minister for Mines."

Another change was that the Minister had to be satisfied payable ore had been discovered before a mining tenement will be granted.

It is equally important to look at the standard practice of all exploration companies over the last 10 years.

The conditions, for instance, contain no right of renewal, but it was the invariable practice to grant renewals to companies which had worked in good faith towards getting an iron ore project off the ground.

The conditions contemplated that each Temporary Reserve would be worked separately, but, in practice, companies with rights to multiple Temporary Reserves were permitted to treat their Reserves as a unit and to concentrate their efforts in one area at a time.

This happened with Hamersley Iron. It happened with Mt Newman. It happened with Robe River.

Hamersley, in five years, proved one ore body—Mount Tom Price. Mt Newman, in six years, proved one ore body—Mt Whaleback. Robe River, in 10 years, had done only \$35,000 worth of drilling (and there was six years between drilling the first 6,000 feet and the next lot of drilling).

Hancock and Wright and their associates, have had security of tenure on 9 temporary reserves for 3 years, on 18 for 2 years and on 16 for 1 year—a much shorter time than Hamersley, Mt Newman or Robe River. But within those reserves they have proved four large ore bodies (Rhodes Ridge, Texas Ridge, McCamey's Monster and East Angela), proved three smaller ore-bodies (Giles Mini, Western Ridge and Bakers Ridge) and discovered and mapped two large ore-bodies yet to be drilled (Mystery 1 and Mystery 2).

The almost invariable extension of the 12 months period of occupancy was necessary because of the great amount of preliminary work to be done before access to a prospective deposit can be achieved.

Mines Minister May contends that "a road in the Pilbara is one bulldozer making a track and an airstrip is two bulldozers side by side." Colourful—but an oversimplification.

Kevin Dalby, an honours graduate in engineering now employed by Hanwright, sees the early problems this way:

"To prospect for iron ore in the Pilbara requires a great deal of time, money an effort to gain access to the desired location before any drilling of suspected ore-bodies can be carried out.

"The topography is rough with an arid erosional surface and rocky outcrops with occasional deep gorges, and in the flats and gullies thickly wooded, although generally the trees are small. Free water does not occur in the area with the exception of one or two very isolated springs.

"Having located potential mineralisation from the air and applied for a temporary reserve the next step is to locate the potential mineralisation on the ground.

"This is done generally by the prospector and perhaps a geologist, using a short wheel base four wheel drive vehicle, who cut and bash their way through the bush and camp out, carrying all necessary supplies with them. This party takes surface samples and tries to get some idea of the extent and surface outcrop of the zone of interest.

"If the area has promise, for example an area such as Rhodes Ridge, the next step is to build access to establish a camp—i.e. roads good enough for trucks. In the case of Rhodes Ridge roads had to be constructed from Mt Newman and Willi Willi Springs. As there is no surface or free water, concurrent with moving camp gear in, a drill programme has to be mounted for water for the camp's use.

"Having established the camp and workshops an airstrip has to be built to keep the camp supplied and allow movement of men quickly. A camp is expensive and very time consuming to build, but it is essential to provide the men with good facilities. The camp is used as a base for the outlying exploration work.

"From the camp further roads have to be constructed suitable for heavy vehicles and the drill— (the drill is about  $\frac{3}{4}$  the size of a bus). Hence the standard of road has to be much better than for a four wheel drive vehicle. It has to be wider, the grades must be flatter and the creek crossings (of which there is one every 100 yards) have to be of a high standard.

"The drill rig carries its own mast and is top heavy and therefore every care must be exercised when moving it about the bush. While this access is being built the geologists, surveyors and prospectors, who are far more mobile, have mapped and assayed the ore body in surface detail after having first surveyed a base line and set out a grid.

"From this work the decisions are made on where to locate the drill holes. Once good access is made to the prospect, drill pads have to be established to enable the drill to work. Naturally machinery for all this work has to be kept working and fuelled.

"Maintenance in the field for dozers, air compressors, light drills etc. is not easy when a part is required and the machinery is 30 miles from camp, which is 50 miles from the nearest telephone, which is a radio phone and the part supplier is a further 800 miles away.

"Hence further airstrips have to be built in the bush close by the prospect.

"Having finally got a drill on site, roads have to be maintained, supplies kept up and the men's welfare cared for.

"Drilling is then carried out. All samples have to be catalogued and transported for assay. Gradually a picture of the geology is built up and

finally the geologist can do some cross-sections. All this before it is known whether the deposit is worth proceeding with. If the ore body still appears to have potential further holes are drilled and generally adits constructed. If it is finally decided the ore body has potential intensive drilling and assessment is then required."

When the Labor Government assumed office in February 1971 the established practice was for exploration companies to expect automatic extension of their rights of occupancy provided they were energetically exploring reserves. Companies with multiple reserves were allowed to treat their reserves as a unit and to concentrate their effort to try to prove one ore body at a time.

The Labor Government found that a number of Temporary Reserves (particularly those of Hancock and Wright) had not had the usual 12 months renewal, but were being continued on a day to day basis. The new Government also found that, where there was a delay in gazettal of the renewal of TRs, the companies continued work pending confirmation of renewal.

So the Labor Government changed the conditions. The terms of the rights of occupancy began on the date of gazettal (not the date of application) and continued for 12 months.

The occupant had to prospect the reserve "to the satisfaction of the Minister" and could make proposals to the Minister for

- \* the development of iron ore within one reserve,
- \* the development of iron ore within a combination of reserves over which the occupant had rights
- \* the development of a combination of reserves including those to which others had rights of occupancy (provided the proposal was a joint one from the occupiers of all reserves included in the proposal).

"The Minister, after considering the proposals . . . together with such other information as the Minister may require, shall, if he is satisfied with the proposals . . . offer in writing to grant to the occupant . . . a mining tenement or tenements for the mining of iron ore . . .", the conditions stated.

If the occupant failed to accept the Minister's offer within 90 days, the Minister could grant a tenement over the reserve "on the same or less favourable conditions" to another company.

\* \* \*

In April 1971 Armco informed Hancock and Wright that they were going to negotiate direct with the W.A. Government over the Angelas.

Within three months the partners received a letter from the Government asking for their comments on two matters. It was matter Number Two which proved to be more than a straw in the wind. The latter said:

"It is considered that neither the previous registered occupants nor Hancock and Wright have satisfied the Minister for Mines that Condition 14 relating to temporary reserves should operate in respect to the undermentioned reserves." These included 17 in the Angelas, Giles Mini (TR4885) and eleven more—a total of 29.

Condition 14 states: "That when it is shown to the satisfaction of the Minister for Mines that iron ore has been discovered on the reserve

in payable quantities...the Minister will offer to grant the occupant...mining tenements..."

The letter seems more than somewhat strange. Why did it specify Condition 14—(the payable ore Condition)—and not Condition 3—(the condition that specifies that the amount of prospecting done should be to the Minister's satisfaction)?

What the government was saying was that Hancock and Wright had not proved a payable ore body "to the satisfaction of the Minister for Mines" after a period of

- \* Only three years occupancy of four of the reserves,
- \* Only two years occupancy in the case of 17 reserves,
- \* Only one year's occupancy in the case of 8 reserves.

Yet it had taken Hamersley five years to prove Mount Tom Price and Mt Newman six years to prove Mt Whaleback.

This letter to Hancock and Wright is the first which has ever said: "You haven't found a payable ore body within 12 months—so get out."

And surely it will be the last, for a very valid reason.

It takes a big investment and a number of years to prove an ore body. No company would risk the initial investment knowing that if they didn't achieve the near-impossible and prove a payable ore body (not to their own satisfaction, but to the Minister's!) within 12 months they would lose their right of occupancy.

The Government's letter compared Hancock and Wright's expenditure of \$2,425 per square miles of reserve with MIM-Goldsworthy and Texas Gulf's expenditure of \$25,300 per square mile and said this demonstrated "how little real proving work had been done".

Hancock and Wright replied that there were two distinct stages in the development of iron ore deposits, and continued:

"Firstly there is the exploration stage leading hopefully to the discovery of an economic orebody.

"Secondly there is Stage 2 when this discovered orebody has to be concentrated upon and proved up to the satisfaction of the bankers.

"It is at this second stage where intensive work and high expenditure takes place concentrated on this one orebody, generally to the exclusion of all other ground that the companies hold but have never been asked to surrender".

Hancock and Wright's reserves totalled 1650 square miles and their expenditure was (up to this time) \$4 million. Their letter to the Government said:

"Hamersley Iron spent just under one million dollars in exploration during a time span of some three years over an area of 2527 square miles up until their whole work was concentrated on the one orebody of less than two square miles at Tom Price. When this occurred all their outside exploration was terminated. No Temporary Reserves were taken from them or not renewed even though they had suspended work on them completely.

"Robe River spent \$9,000 on drilling within a total exploration and proving expenditure of \$35,000 spread over a minute part of their 232 square miles for a period of eight years, during which time the bulk of the ground that they held never had a farthing spent on it. No Temporary Reserves were taken from them or not renewed.

"B H P has held the Fortescue Valley T.R.s for a number of years without spending more than \$50,000 on them. They now have their rights extended for 50 years. There are some reserves which have been held by B H P for years on which they have not even as yet set foot, let alone spent any money on them, yet they are not taken from them.

"In the case of Mt Isa and Goldsworthy in taking over the exploration from Hancock and Wright the present situation is parallel with that of Hamersley Iron after the Tom Price orebody was found for them (that is stage 2 where all work is concentrated on 5-10 square miles) compared with the wide ranging exploration work carried on to find these ore bodies.

"In other words, Texas Gulf Sulphur's, M I M's and Goldsworthy's expenditure is concentrated on orebodies on which we had spent enormous sums of money discovering and creating access to, in the same way that Hamersley Iron concentrated on Mt Tom Price to the exclusion of all else.

"We are further ahead with our work on Angela than either Mt Newman, Robe River, Goldsworthy's Area 'C' or B H P were on their T R s on a comparative time basis. In every case we have done more work in shorter time than any of the above parties since the Temporary Reserves were respectively granted."

The Government obviously was impressed with the rate of MIM and Texas Gulf spending, but perhaps it did not appreciate two factors. One is that drilling expenditure should increase dramatically once an orebody is discovered—and Hancock and Wright had handed to their partners, for further development, ore bodies which were not only discovered but semi-proved.

The other factor which seems to have been ignored by the Government was that the spending by MIM and Texas Gulf was done as Hancock and Wright's partners—and that part of the figures being quoted by the Government were, in fact, Hancock and Wright's contribution!

Under the McCamey's Monster agreement, Hancock and Wright contribute 41 percent of exploration costs (this has amounted to \$572,000 to date).

Under the Rhodes Ridge agreement (with Texas Gulf) Hancock and Wright will pay 50 percent of proving costs if the mine goes into production. Their share of these costs, to date, is \$1,232,000.

Although, according to the Government's letter, the Minister for Mines was not satisfied that a payable ore body had been discovered in the Angelas or on Giles Mini (TR4885) he seems to have been just about the only person in Perth who wasn't. In these days of "mine spies" it's difficult to keep anything secret, and it was common knowledge that the Angelas was a major deposit and that Giles Mini was not only rich in iron but iron was extremely low in phosphorous.

Hancock and Wright wanted to add Giles Mini to Rhodes Ridge, where the phosphorous content was rather high, to make the Rhodes Ridge project secure. They had been searching all their Temporary Reserves for just such a deposit, and Giles Mini was the answer.

Reports to the Mines Department show that in the quarter to March 1970 (after providing access facilities) they drilled 24 holes over Giles Mini, the holes averaging almost 200 feet in depth.

In the June quarter they drilled 40 holes (6380 feet), in the September quarter 38 holes (7600 feet)—a total of 102 holes and about 18,000 feet in 12 months to prove 140 million tons of high quality ore. (Hamersley, in the entire pre-construction period at Mount Tom Price, drilled 121 holes to prove 200 million tons).

Over the East Angelas Hancock and Wright had drilled 55 holes (total depth 8360) before Mines Minister May issued his "stop work" order last August.

On the face of it, it would have been extremely difficult for the Minister to refuse to renew at least these Temporary Reserves on the basis that he was not satisfied with the amount of exploration work being done.

Hancock and Wright were confident that they had proved Giles Mini during 1970 and the East Angela deposits in 1971.

On August 2, 1971, Hancock and Wright were informed by the Mines Minister that some of their former Temporary Reserves would be given to Armco.

With these reserves Armco will get all the access roads (including some which involved considerable engineering skill) and two airstrips. They will also get the results of all Hancock and Wright's assays, numbered hole by hole. A total of 55 holes, some of them going down 270 feet.

It's a nice start for Armco. They didn't have to find the deposit. They didn't have to do any of the preliminary work. They don't have to share the deposits with Australian equity. And, if Armco do begin mining ore, they'll pay Hancock and Wright a Government-fixed royalty of only a tenth that paid by Hamersley. It's a nice deal. For Armco.

## WHAT DOES HANWRIGHT WANT?

What do Hancock and Wright want? They summed up their proposals in a submission to the Minister for Mines on June 3, 1971 in which they proposed for his consideration:

1. That the name of Hancock and Wright be submerged in a public company named Hanwright Minerals Limited, thus giving Australians generally a chance to obtain a shareholding in some of Australia's basic minerals.

2. That the multi-national companies that have signed joint venture option agreements with us in the various projects rationalise their holdings so that they each have an equal interest in our four projects but with Australians having the largest share.

3. That the Japanese be brought into all four of our projects so as to secure for WA a captive market.

4. That we keep a slot for any group willing to set up a second steel complex in Australia by making it a condition precedent with our joint ventures that they abate pro rata out of Angela to cater for the steelmakers.

5. Similarly any group willing to supply nuclear power.

6. That we adopt a unified port, town and rail system to cater not only for our own four major projects but have the system located in such a way that Goldsworthy's Area "C", Hamersley's Koodaierie and Robe River could use it with economic advantage to all.

7. That this system be joined by Mt Newman when convenient, with the construction of two miles of railway near Koodaierie (Hamersley Iron would automatically be joined at their 116-mile rail peg).

8. That three if not the whole four of the Hanwright projects be included in the one agreement with the State Government.

9. That we are prepared to make proposals that will help Robe River to become economical rather than have it subsidised by the Government.

10. That all participants in all agreements signed or envisaged, who have or will have entered steelmaking semi-commitments to the State Government, be invited to join into one steelmaking consortium to take over the Kwinana white elephant from BHP at a suitable time and expand it into a commercial unit in lieu of their present individual commitments to make steel in the foreseeable future.

11. That if it can be shown that either Hamersley Iron, BHP or Robe River are genuinely short of iron ore as a sweetener to get another project going, then Hancock and Wright be requested to find ore, either in government territory or the territory of the complaining companies after Hancock and Wright have got off the ground.

12. That Bezout Island be tentatively reserved for our four projects. (The four projects are McCamey's Monster, Rhodes Ridge and Western Ridge, the Angelas and Wittenoom. Part of the Angelas has now gone to Armco.)

The floating of a public company—Hanwright Minerals—failed to get off the ground last year because the underwriters could scarcely sponsor a company which had no security of tenure on its ore prospects. Hancock and Wright had tried to get security but the Western Australian government would not enter into an agreement.

The partners shelved the proposal. But it is only shelved, for their objective ever since the early sixties has been to get an increased Australian equity in the Pilbara's mineral wealth.

It wasn't always so. In the early days—and probably naturally enough—they were concerned with making money for themselves. And, let's face it, they'll still make plenty if they float as a public company.

The prospect of making money is certainly not abhorrent to either of them. But they both have enough to feed themselves, the Taxation Commissioner and an occasional parking meter and still have half a million or so a year left over. They could sit back and invest in real estate or pour more money into their properties or just put the money in the bank and live off the interest. But they're not that kind of people.

Both Hancock and Wright seem to have a driving urge. The money they make has always gone back into new projects. They're worth millions but they never have any money. And the evolution of two young men with extremely limited capital to a pair of 60 year olds who could finance a \$150 million project with no great difficulty is an interesting study. Wright tells the story this way:

"Hancock and Wright were really entrepreneurs in the early days. Two young men with not a lot of capital.

"We'd been mining blue asbestos at Wittenoom—and making a profit—but we realised we needed more money and more capacity. We figured CSR could provide these things and so we formed Australian Blue Asbestos. We got 49 percent of the equity for our total assets and CSR got 51 percent.

"They contracted to find whatever money was needed to put the industry on its feet, on the basis of 7 percent non-cumulative preference shares. They would get nothing until there was a profit and then they'd get 7 percent on the money they'd put up.

"We were with them for five years. Lang was assistant manager, but actually they kept us out of management. I was a director, but the six other directors were from CSR and the board meetings were held in Melbourne. No travelling expenses were provided and the minutes weren't circulated. In five years they'd made an unholy mess of it. In those same five years they'd put up \$3 million and lost half of it. So, in 1948, we sold out.

"Our next venture was with Union Carbide. This time we insisted on a royalty because we weren't going to transfer our assets except for cash.

"Union Carbide were good people. We had a good contract with them but they decided that the ore body—it was manganese—was not good enough.

"Then came Rio Tinto. Our previous royalty agreement with Union Carbide was so much per ton, with a clause to cover cost of living rises.

"This time we decided on a percentage of the f.o.b. value because this would cover royalty and cost of living variations.

"Hancock and Wright had no money, but we had a great deal of experience in small mining—asbestos blue, asbestos white, tin, tantalite, zinc, gold, manganese and a number of other things.

"We'd had 20 years experience, but we had no particular capital. We'd spent a lot and never taken a shilling out. It had all gone back.

"We had no real capital because it was all represented by mining leases, areas, plant and junk and all sorts of things.

"In the deal with Rio Tinto all we could offer was a prospect. We found the ore body. And we gave it to them on the basis of a royalty.

"By the time we were moving into our next project the royalty had started to flow—or the effect of it had started to flow. We were able to borrow against it.

"Henceforth we didn't offer anybody a raw prospect. We offered something we'd spent enough money on to take all the risk out of it. And this changed our position. We were able to seek far better terms than simply a royalty.

"Hancock and Wright weren't just prospectors any longer. We were developers. And we were potential equity holders on anything that was coming up.

"We spent our money—very great figures proportionally—to take the risk out of whatever we offered to anybody so that, instead of them having to spend a lot of money to find whether the ore body itself was worthwhile, they really only had to check the feasibility of the project.

"They had to check, of course. They were certain in their own minds that the ore body was there but they still had to prove it to their own satisfaction because they also had to prove it to their bankers' satisfaction.

"But they had had a look at our data and our ore bodies and they could see the potential we had discovered and exposed.

"Anyway, the proof of the pudding is in the eating. The first of this kind of project was Mt Bruce.

"We got the right to a 25 percent equity and an undertaking that let Australia in for another 25 percent to make Australia's total equity 50 percent. This had always been our intention—to hold 50 percent of these projects for Australia—we strongly believe that the country—and I particularly believe this—can only become big and rich to the extent that it retains its profits.

"In the same way a company or an individual can only become wealthy out of business—and the business of life is the business of all of us—to the extent to which it retains its profits.

"Give away all your profits and all you have is the turnover of the same money. Wages are only keeping people—the only capital that comes, comes from an accumulation of profits.

"If you give away all the equity in these iron projects then America will get the profit. Or Britain. Or somebody else.

"They'll grow out of it.

"We will get the work for our people. We will get the assets at the job. But the assets of the job only relate to that job. As soon as the ore body is finished those assets are useless.

"What disused or run-out mine has any value? It comes down to nothing. We bought \$7 million worth of assets from C.S.R. for \$1.25 million—and this is the order of things when a mine runs out.

"So, in the case of Hamersley Iron we get the right to an equity, our royalty, and we also got, in effect, a carried interest. It wasn't necessarily a big one, but it was a carried interest.

"When we came to the next project—with Texas Gulf Sulphur—the carried interest was fixed, we got our royalty, and we got the right to direct participation in half the equity.

"We did not seek management in this case because we are not managers and we picked Texas Gulf as people who, in our minds, are unquestionably capable of managing it. They wanted management and we were happy to give it.

"With Texas Gulf our carried interest works out at 5 percent. But if we had said simply "O.K., we'll have five percent of the profits" that would not have helped us in any shape or form to finance the most important part—the 50 percent Australian equity.

"So we converted the carried interest to a cash payment.

"Since the estimated cost of building this is \$300 million they agreed to pay us \$15 million in lieu of the carried interest. If we'd received that \$15 million as a premium we'd pay \$10 million of it in tax—so we couldn't receive it!

"The 15 million is paid into a company which we control—but we can't get it. We can use it, though. We can use it as a pledge towards the \$150 million Australians have to find to get their 50 percent equity.

"The only way these big projects are financed is through international finance companies advancing against a long-term sale contract plus profitability. Unless it is so profitable that it will repay within a limited number of years and unless there is no question that the buyer will take the goods, these projects are not capable of being financed.

"But if they can be financed you get a lending ratio of four or five to one. In the case of Hamersley it started off at about 10 to one, but it settled down at about five to one.

"We always reckon that we could get five to one and this means that if we can put down \$15 million we can borrow \$75 million. That gives a total of \$90 million out of the \$150 million required for Australia's 50 percent equity. It's virtually the backbone of Australia's contribution.

"There are various channels available to finance the other \$60 million. The first one is a public company, and this is why we want to form a public company. All it has to find is \$10 million, because five times ten is 50 million—and there's the money.

"If we can't do this through a public company—and we hope we can—there are alternatives. Insurance companies, for instance. In the case of Hamersley they were prepared to lend nine dollars for every dollar of equity given to them.

"Or we could use our royalties. At present these run at about \$3½ million a year.

"In the construction of these mining projects a good deal of money—about 90 percent of it—is tax deductible. About 80 percent is tax deductible over five years.

"Now this means that most of the initial \$15 million which we could put down is tax deductible and this helps materially to repay the \$75 million borrowed. Let's face it—our tax is 66 cents in the dollar.

"It's a much simpler matter to repay a debt if you're not paying taxes. Even a public company pays 47½ percent—virtually 50 percent. So you have double the money to pay your debts if it is tax deductible. You can pay it all back in five to six years.

"Now look at the other angle. If we put up an extra \$10 million of our own and spent it in tax deductible ways, it means that we can receive three years of royalties without paying taxes. And there's our \$10 million.

"We could borrow \$10 million against three years' royalties knowing full well that we could repay it out of income. And with that \$10 million we could borrow another \$50 million.

"So if it's a \$150 million project we could finance the lot.

"But neither of us want to finance the lot. We want the public to come into this as much as they can—and we will finance the rest.

"It's strange, but we've been criticised for getting royalties from Hamersley Iron and we've been painted as a couple of misers raking in the money. If we'd have sold out and let a company make a few million more a year we would have escaped the criticism.

"The money we have received in royalties would have gone, largely, to Britain and America.

"Instead of it going overseas we have put it back into more and more exploration, more and more testing and proving of ore bodies. Hancock and Wright have spent \$1,957,000 on their own in this way. We've spent \$572,000 as our share with Mt Isa Mines, and \$1,232,000 as our share with Texas Gulf. That's a total of \$3,761,000 we have put into exploration.

"Because of the agreements we've negotiated our partners are committed to spend money too. If you add their spending and ours it comes to a total of \$5,782,000 in the four years between October 1967 and November last year.

"The result of all this is that we are in a unique position in that we can secure for Australia a 50 percent equity in all our 'future' projects (and by 'future' I mean projects where we have already discovered and proved major ore bodies plus any major ore bodies we still might discover).

"When one of these projects gets going and our royalties start to flow we'll be in an even stronger position. And so will Australia.

## IS IT A MATTER OF MONEY?

The first thing to be said, I suppose, is about their money. Because the amount of their royalties has clouded a number of issues, aroused jealousies, and tended to alienate public opinion.

From their royalties Hancock & Wright get in the neighborhood of \$3½ million a year—which, as someone once remarked, is a pretty nice neighborhood. But \$3½ million a year GROSS is small potatoes in the mining business. Hamersley Iron—which pays the 3½ million—last year made more than \$29 million NETT (a pre-tax profit of nearly \$60 million).

But Hancock & Wright's royalties go to only two people—not a company. And it is because of this that issues have become clouded.

Hamersley was content to negotiate the Hamersley agreement on a royalty of 2½ percent. And Hamersley is doing very nicely.

The previous Government, with Court calling the shots, decided that companies granted deposits found by the partners would have to pay a royalty of only 0.25 percent—a tenth of what Hamersley was prepared to pay. The present Government intends to do the same in the case of the Angela deposits which have been handed to Armco.

The attitude seems to be: "Hancock and Wright have got enough."

But this official attitude doesn't apply to the mining companies. The BHP-CSR consortium at Mt Newman have Mt Whaleback—but Court was going to give them McCamey's Monster as well (and Hancock and Wright would have had to accept the 0.25 percent royalty, making it a nice deal for BHP-CSR).

Robe River have considerable deposits (and have admitted they can't find any more) but there's no suggestion that Robe River "has enough". In fact, the Government has promised them extra iron ore.

It's obviously advantageous for Robe River not to try to negotiate for more ore—from the nearby Hamersley deposits or from Hancock & Wright. It will be much cheaper if it is given to them.

Armco were negotiating with Hancock & Wright on the basis of a 50 percent Armco-50 percent Australian equity in the Angelas. How much better to have the Government give them the lot—and have to pay a royalty of only a quarter of one percent!

The big companies aren't satisfied—so they're going to get more. Hancock and Wright have "got enough".

What does seem to have been overlooked is that, if Hancock & Wright HAD been satisfied to sit back and take their royalties from Hamersley—if they had NOT risked spending some \$4 million on further exploration—there would be no McCamey's Monster for Court to ear-mark for BHP-CSR, no Angelas for Armco. There would be no

Rhodes Ridge, no Giles Mini. Because, of the 520 deposits discovered in the Pilbara, 509 of them have been discovered by Hancock & Wright.

It could be argued that someone else would have found them. But would they? Rhodes Ridge was in Newman's original area but they didn't know it was there and relinquished the area. CSR geologists drilled right through the iron ore deposits which are part of Hancock's Wittenoom area—and didn't notice the iron.

Robe River can't find any high-grade haematite—but Hancock knows of a deposit "right in their backyard".

(He is, incidentally, making application on February 18 for Temporary Reserves covering this area. If successful, Hancock & Wright are prepared to spend up to \$1 million to prove the ore-body, and then negotiate for its development. The equity they retain—25 percent to 50 percent—will be given to a Trust for Aborigines.

It will be interesting to see if—as has happened before—there are other applications for these areas. It would be quite a coincidence).

No WA Government has set out to control the profits of mining companies. Nor, indeed, should there be any control. As Hancock is prepared to point out at the drop of a prospector's pick, the Federal Government takes 47½ percent in taxation—so the more the mining companies make the more goes to the Treasury. Plus the fact that the more ore they mine, the more they pay in Government royalty.

But if company profits are not controlled why should the Government set an arbitrary figure for Hancock & Wright—a figure of one-tenth (at most) of what mining companies would be willing to pay?

After all, there's no Government objection to the Robe River arrangement where Cleveland Cliffs (which didn't even find the ore) gets a royalty of 5 percent (TWENTY times what the Government says Hancock & Wright are to receive!) plus an operating fee of 1½ percent.

The "Big Five" obviously are in a privileged position. BHP has been given reserves at Deepdale on which it doesn't have to do any work for 15 years and at Fortescue where it has a "freeze" for 50 years. Hamersley and Mt Newman, as long as they are mining Tom Price and Whaleback, don't have to explore the 300 square miles they hold. If, like Robe River, they need more ore they just ask the Government to give them more.

Unfortunately, the Government hasn't found any more ore. So it must take it from someone else. And because there's only one independent prospector risking money on exploration and finding important ore deposits, that's where the ore will come from. Hancock and Wright.

To take deposits the Government has to bend the rules. The law is quite clear: If Hancock & Wright satisfy the Minister for Mines that they have found payable ore he WILL negotiate with them for a mining tenement. The law doesn't say he "may" negotiate. It says he "will".

The Minister can avoid negotiation only if he is not "satisfied" they have found a payable ore body. And the best way to ensure that he's in no danger of being "satisfied" is to take away their temporary reserves, even those they've held for only 12 months.

(Armco obviously doesn't share his lack of "satisfaction" about the deposits.)

The second thing that should be said is that the present WA Government inherited an unholy mess, a staff which was incapable (because of its lack of numbers and skilled personnel) of coping with the tremendous development, and some departmental animosity towards Hancock & Wright (a reflection of the feelings of the previous Minister—Charles Court).

The new Government moved swiftly to re-affirm Hancock & Wright's Temporary Reserves over McCamey's Monster, Rhodes Ridge and Western Ridge. Mines Minister May was faced with what he calls a "de facto agreement" with major companies who had spent large sums of money in exploration. To take away the TRs would have damaged Australia's international reputation.

When in opposition, the Government had been luke-warm (to say the least) about the Robe River project. But when it assumed office it faced the situation where the project was well advanced, was providing employment for some 3000-4000 people—and had been promised additional iron ore to ensure it was viable.

This was a promise the Labor Government felt it should honour. Robe River had already had its fair share of troubles—the BHP withdrawal, the Ludwig withdrawal, the Minsec affair. Tonkin, just before the election, had said that to give Robe River reserves taken from Hancock & Wright would demonstrate "complete disregard for the law."

But there is no doubt that additional high-grade ore must be added to Robe's existing deposits. Perhaps the Government's dilemma might be solved by accepting Hancock & Wright's offer, made to Mines Minister May on June 3, 1971:

"If Robe River is genuinely short of iron as a sweetener to get going, then Hancock & Wright to be requested to find ore . . ."

With Armco, the new Government had a different kind of problem. Negotiations between the company and Hancock & Wright had terminated just prior to the election, but Armco wanted iron ore reserves and was impressed with the Angelas. The Government told Armco it would negotiate directly with the company and, as a result of talks in Australia and in Japan, Armco have been given former Hancock & Wright reserves. Another chunk of Australia has been given—in toto—to overseas interests.

The Labor Government also inherited a huge backlog of mining claims and a situation where a Minister was acting quite outside the conditions of the Mining Act. It has moved quickly to remedy these things.

But it has not been able to overcome the "Court influence" even if it wanted to (which seems to be doubtful). There is a buddy-buddy relationship between the Government and Opposition which extends outside the field of politics to you-help-me and I'll help you. It's a cosy set-up.

In the Liberal Government, Charles Court was the Supremo. The Mines Minister was technically in charge of matters such as Temporary Reserves—but Court was in charge of the North-West, Industrial Development and, as a result, the Mines Department.

His Public Relations staff was formidable both in numbers and output. (His Press in the West, incidentally, has improved noticeably

since the Melbourne Herald group took over WA Newspapers.) He is a master salesman and his arguments are persuasive.

The Labor Government inherited the "Court team"—four Departmental officers selected by Court to form the North-west Development Authority. They and two Ministers (Graham and May) form the "Iron Committee."

In Parliament on December 2 last year, Court said of the civil servants: "Working together as a team, I have never encountered in other parts of the world men who were better than they are. Once given a lead they seem to have a natural capacity to work out the ways and means to plan these developments."

"Once given a lead" seems to be the operative phrase. The "lead" came from Court. And, since he was the boss, they "worked out ways and means" to do what he said the Government wanted done. Persuaded that this "lead" was policy and that it was the best policy, and committed to carry it through, it would be extremely difficult for these four men to embark on a different course.

"I knew I was leaving behind very competent officers who had lived every minute of this exercise and who would be available to the new Minister at any time," Court told Parliament.

"I would be amazed if those men are happy about the way in which the Government has endeavoured to belittle the work of the previous government and about its attempt to rubbish the type of thinking and work which as put in".

Hancock, on the other hand, maintains that the four civil servants on the Iron Committee "have had no experience in mining, major engineering, or international banking and financing of mammoth risk capital ventures. These four people, together with two Ministers . . . form the committee upon whose decisions the future welfare of 12 million Australians largely depends."

Whatever the reason, there is no doubt that Court's policies still carry tremendous weight in the Iron Committee's decisions.

Hancock's criticism of civil servants has, no doubt, done him very little good within the departments. Nor has the spate of letters which have flowed from both partners over a long period. Both Hancock and Wright tend to bombard people with letters, and some of the letters are repetitive. But all of them must be answered and this has created some friction within government departments which already consider themselves over-worked.

The letter-writing position is complicated, too, by the fact that although May is Minister for Mines, Graham is chairman of the Iron Committee as well as Minister for the North-west. In the former Government, the partners had no doubt about where to write on matters requiring major decisions—they wrote to Court.

But now the line of demarcation is not so clear. There is no "Iron Chancellor", as Hancock dubbed Court. May and Graham are both ambitious and both firmly in charge of their own departments. May feels that some letters written to Graham by Hancock and Wright should have come to him.

Hancock and Wright say the letters are written to Graham because he is chairman of the Iron Committee and therefore, technically at least, responsible for overall policy matters. So there is some friction at Ministerial level, too, as far as the partners are concerned.

And what of Premier John Tonkin? Ask people in Perth about him and the first thing they say is "He's honest." The answer is so spontaneous and so universal that one feels that Western Australians are astonished to find that an honest politician exists.

It was Tonkin who, in his pre-election speech, warned that the confiscation of McCamey's Monster, Rhodes Ridge and Robe River reserves from Hancock and Wright could be done only without regard for the law. When May introduced the controversial legislation to deprive the partners of their rights (to other TRs) in the courts, Tonkin did not appear in the House.

Tonkin certainly seems to have the majority of people in Western Australia behind him. But whether he really has the numbers in his own Party is not so clear-cut. There are some who see his honesty as a liability and would like to see him out of the way. But apparently they're not sure, either, whether they have the numbers—yet.

The third thing which should be examined is the way Hancock's public image has been changed—and, with it, Hancock & Wright's.

It has been a process of slow change—but it has effectively eroded what Court described as a "certain amount of folklore" which surrounded Hancock in the early and mid-sixties.

In those days the Press referred to him as "Lang Hancock, the flying prospector" . . . "The man who started the West's mining boom" . . . "Iron Ore Pioneer Lang Hancock".

But when the first ore truck rolled away from Mount Tom Price he became "Iron ore millionaire Lang Hancock". And he's been that ever since. There's not any way he could escape the tag, because anyone who gets just under \$2 million year makes news no matter where the money comes from.

The image-destroying campaign against Hancock wasn't really subtle. But, aided by a tame Press in Western Australia, it has been effective. It needed to be effective if the government were going to confiscate McCamey's Monster and other deposits. Public opinion would not be aroused so much if reserves were taken from the "iron ore millionaire." But take them from the "flying prospector" or the "man who pioneered the mining boom" and it could be different.

Hancock was ignored at the Hamersley opening. Premier Brand avoided mentioning his name by a tortuous statement about mineral discoveries by "governments and companies". The official handbook credited the discovery of Tom Price to somebody else.

A few years later Hancock and Wright were not even the partners who introduced Rio Tinto to Australia's iron ore industry. They were, according to Court, a couple who "went round the corner, did a deal and became part of the Hamersley project."

Or, as he put it to Parliament late last year: "We must understand the history of Hancock and Wright in this exercise. They did not come into it as originators of the Pilbara scheme. They developed a certain amount of folklore around themselves but they came into it as people who were negotiating with RTZ."

The "West Australian" has also helped the campaign. It has, in the last few years, become Court's staunchest ally, so it was not surprising that, when he made his "Mafia" allegations the "West" pulled out all stops on the story. The Premier's denial of "Mafia" activity was published briefly, and way back in the paper.

(It is interesting to watch the Court build-up in the "West Australian." Each week the political parties receive a column of space. The Labor Party's column appears under the name of the Premier. The Liberal Party's used to appear under Brand's name—as Premier and then Leader of the Opposition. Now it appears under Court's.)

The image-eroding campaign has been pretty successful. It has also been helped, in part, by some of the statements and writings of the partners themselves. In their frustration they have tended to lash out in a way that certainly does not win friends—and it's doubtful if it influences people.

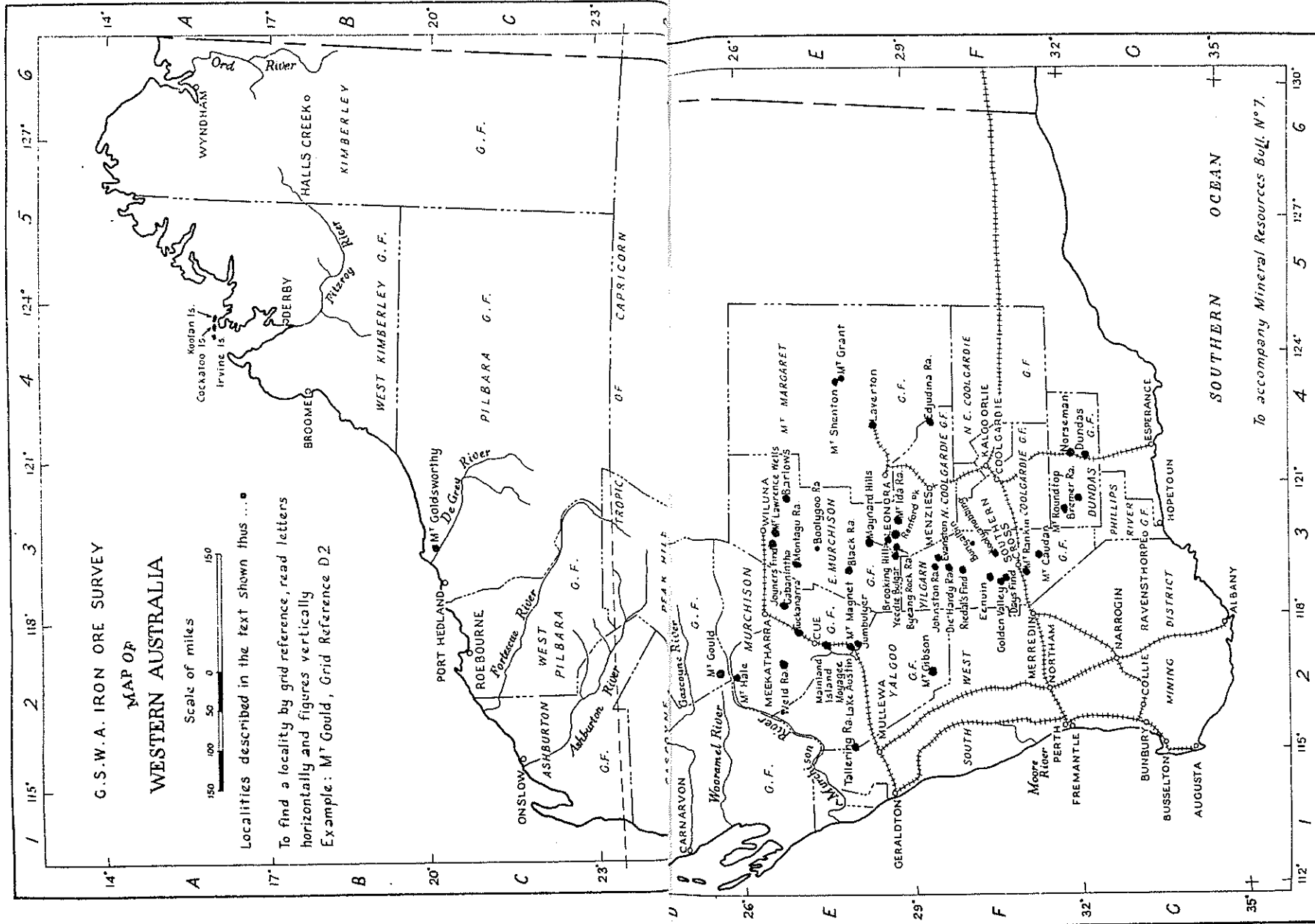
Hancock's answer to this is that, if people aren't aware that he's prepared to fight they'll just run right over him. He might just be right, at that.

We shall all know—sometime after February 18.

John F. Moyes began his newspaper career on "The Sun", Sydney, in 1938. He was chief sub-editor of "The Sunday Sun", then editor of "A.M.", news editor of the "Daily Telegraph", and editor of the "Sunday Telegraph" from 1958 to 1969.

During his service with the Royal Australian Navy in World War Two he wrote three books—"Scrapiron Flotilla", "Mighty Midgets" and "Sea Digest". He has also written film and radio scripts and a number of short stories.

He is now a Director and General Manager of Infoplan, the Australian public relations arm of the Interpublic Group of Companies Inc., the largest advertising, public relations, research, design and sales promotion group in the world, with 102 offices in 48 countries.



After searching all available literature for evidence of iron, the government mineral resources bulletin 7 was published including this map which is proof positive that the claims made that Woodward or the government had any knowledge of the iron ore bodies in the Hamersley ranges until Hancock's flight of discovery six years earlier in 1952, were fictitious.