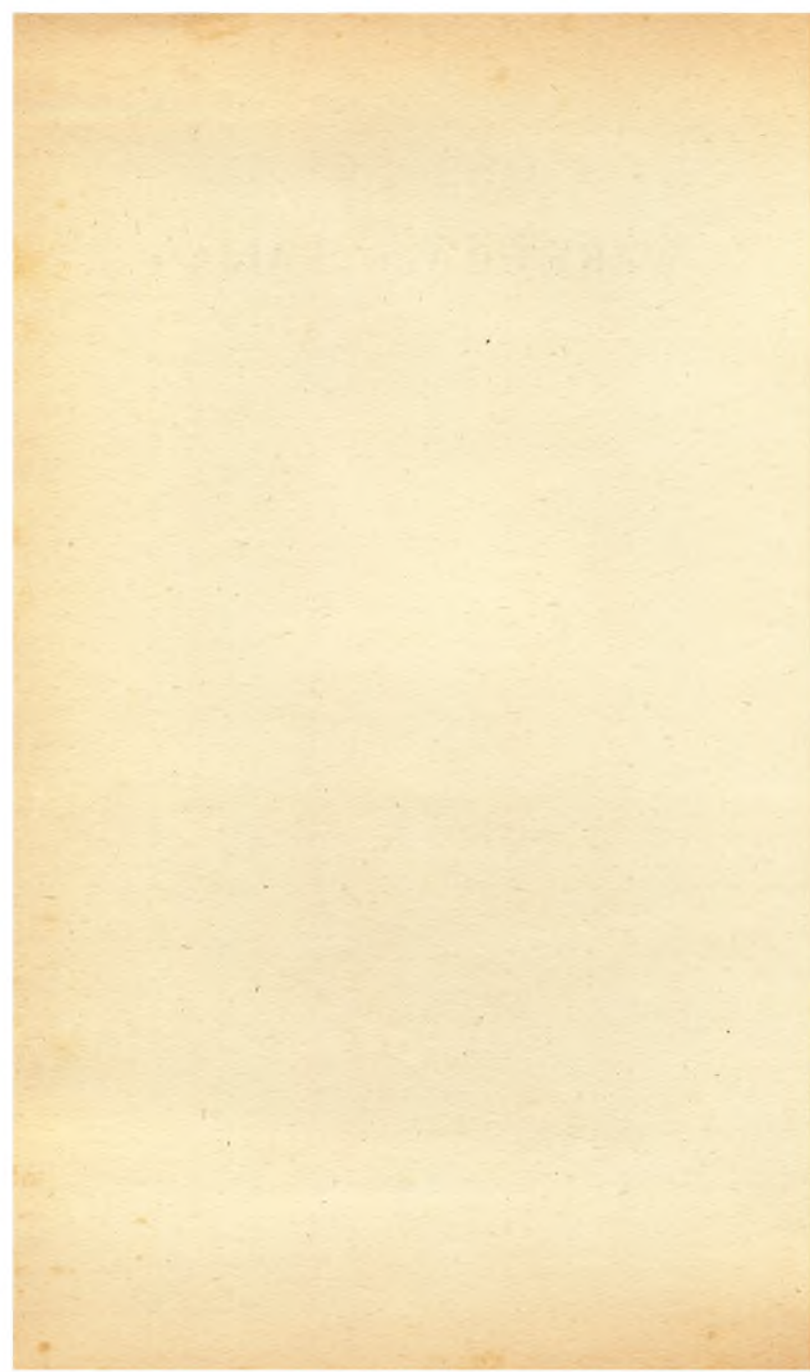


**WAKE UP AUSTRALIA**



WAKE UP AUSTRALIA  
by  
LANG HANCOCK

E. J. DWYER (AUSTRALIA) PTY. LTD.

**E. J. DWYER (AUSTRALIA) PTY. LTD.**  
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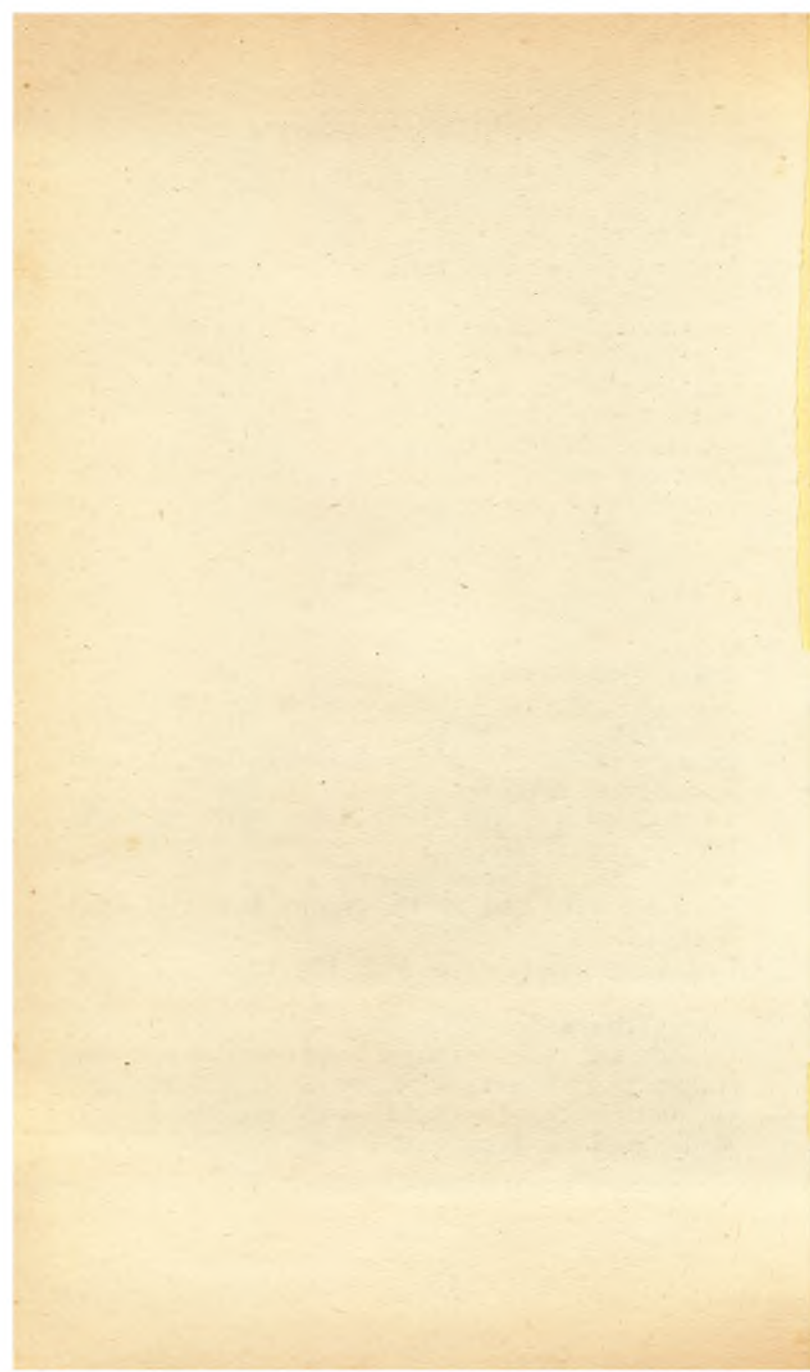
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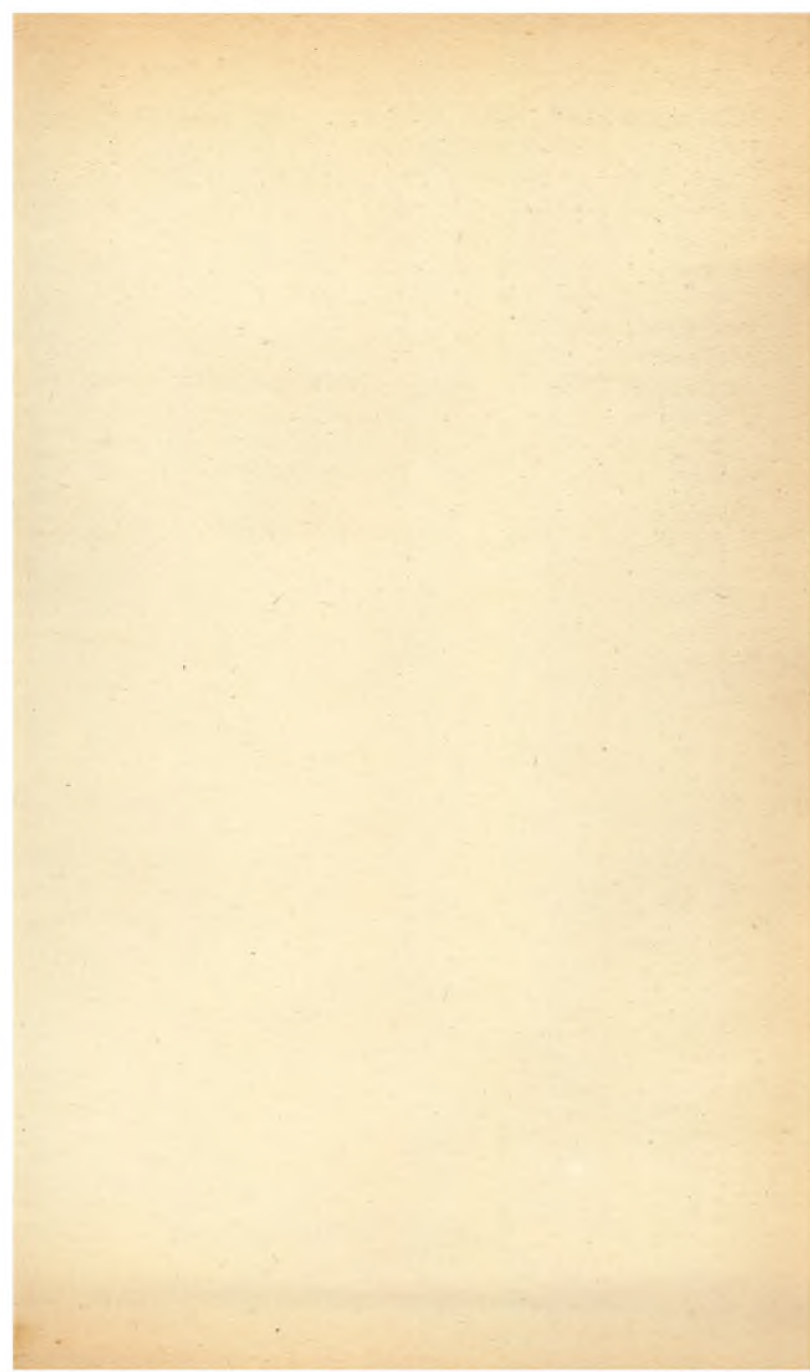
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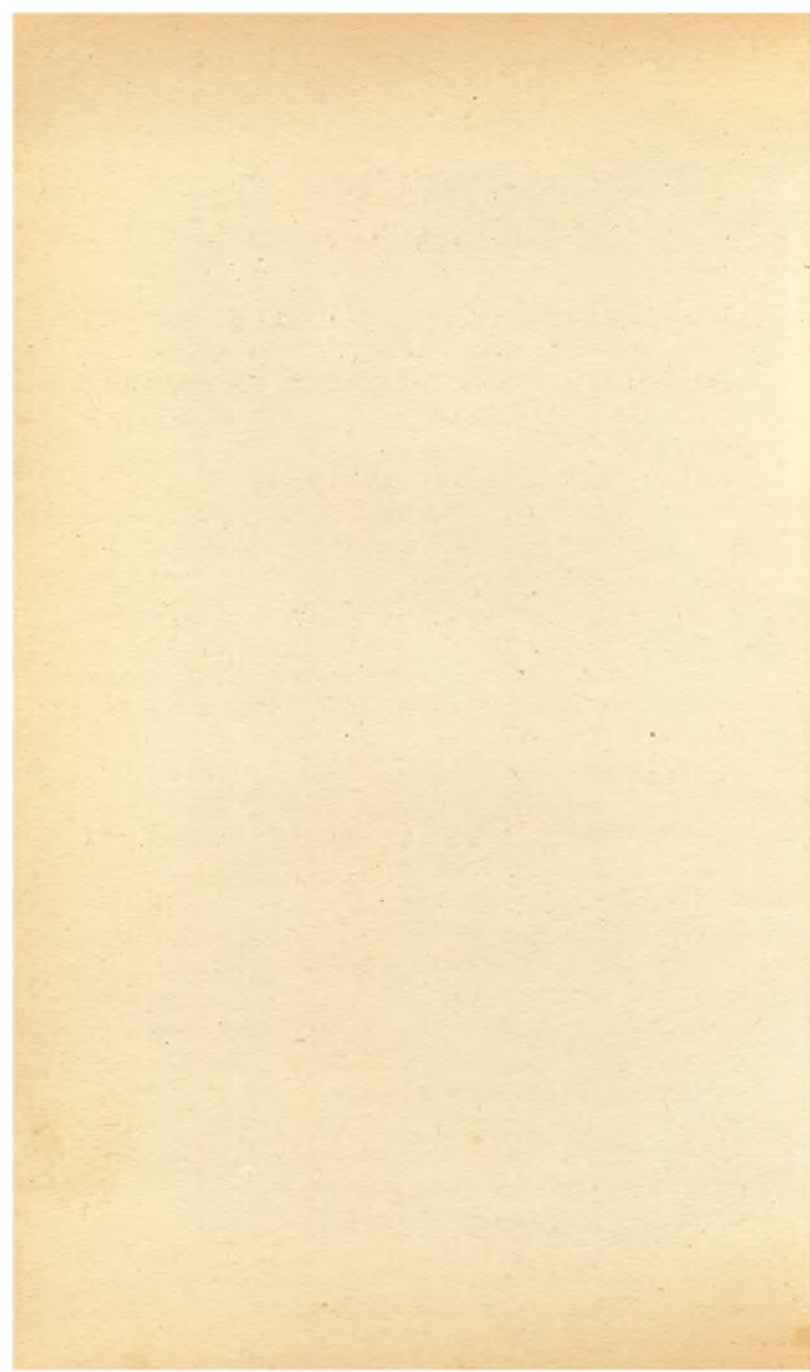
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## **LANG HANCOCK, AUSTRALIA'S IRON MAN**

Lang Hancock, now a 70 year-young grandfather who's had a lifelong love affair with mining, is the man responsible for turning Australia into the world's second biggest producer of iron ore immediately after the Soviet Union.

Before Hancock entered the scene, nobody thought Australia had any major iron ore deposits. In fact, the Australian government, believing that the country's iron ore reserves were less than 250 million tons, imposed an embargo on exports in 1938 - and enforced it for the next 22 years.

Today, Australian iron ore reserves are conservatively estimated at 35,000 million tons [38.5 billion st] - virtually all of them in Western Australia's Pilbara region, where Lang Hancock grew up.

On an overcast day in November 1952, Hancock at that time part owner of an asbestos mine in Pilbara, was flying south with his wife over the mountainous Hamersley Range. As the cloud ceiling got ominously lower and lower, Hancock, a skilled pilot, was forced to fly lower and lower following valleys and gorges through the rugged country. In passing through one gorge, he noticed the rust coloured rocky walls. Solid iron ? Hancock wondered.

'I flew back some time later, found the same spot, and traced it for about 70 miles. At that stage I didn't know whether it was low grade or high grade. I nosed around and eventually found some pretty rough

spot to land, picked around and took some chip samples. Back in Perth I got it assayed privately and, to my surprise, it was about 2 percent better quality than the standard blast furnace feed of the United States. I was elated. The greatest industrial might in the world was built around the Lake Superior deposits - yet, here I had stumbled on a deposit that was bigger and better ... I told my wife, who didn't grasp the significance of it. The only other person I told was Peter Wright, my partner, and we agreed all we could do was keep quiet about it until the embargo on iron ore exports was lifted.'

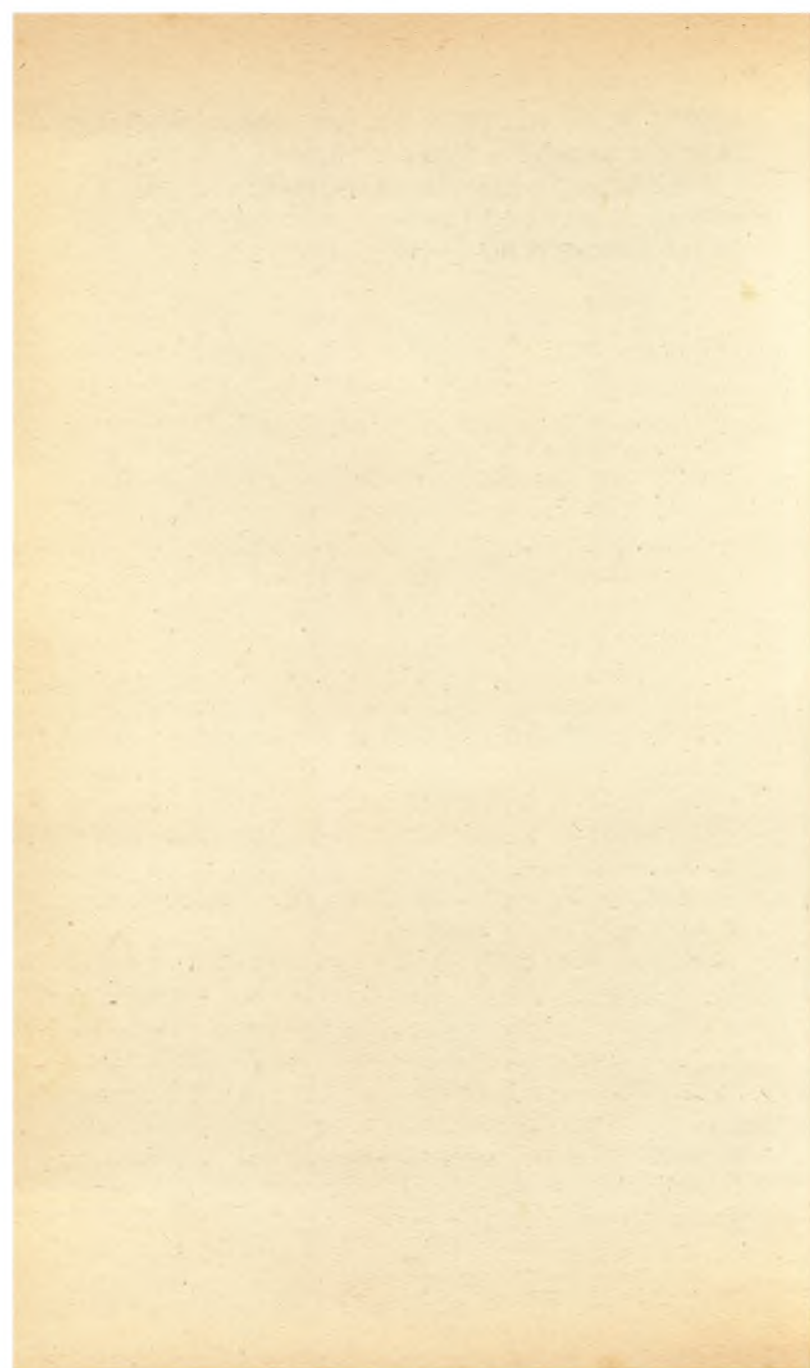
'In a sense, finding the ore was the least of Hancock's achievements,' says Australian reporter Colin Chapman, adding that 'Hancock's real value to Australia has been his brute force drive and restless energy in getting both federal and state embargoes on ore exports lifted, and in scouring the world for someone prepared to mine and develop the Pilbara.'

A blunt and outspoken man, Lang Hancock often broods about the future of the Australian mining industry which he sees endangered by big government [Governments consume wealth - they don't create it; the greater a government, the less wealth there is for people.], by a power-hungry bureaucracy, and by those he identifies as the 'eco-nuts'.

His most ambitious dream is to build a coast-to-coast railroad that would link Western Australia's Pilbara iron ore region to the coal fields in Queensland, and thus provide all the ingredients for the birth of a steel industry at either end. 'Based on railway construction costs in Pilbara four years ago,' he notes, 'the total finance involved would be A\$350 million, plus inflation - a cost that infinitesimal when compared to the facts that the federal government

spends some A\$600 million annually on relief for people who can't or won't find jobs.'

Are Australians grateful to Lang Hancock? That is a subject of profound indifference to him. He does what he thinks is right. He usually is.





## INTRODUCTION

On June 10th, 1979 a Boeing 747 departed Sydney for Northern Australia for a two day flight around a territory which has been described as "potentially the richest on earth".

This "Wake Up Australia" flight was the conception of Gina Hayward, daughter of Australia's most successful prospector, Lang Hancock whose 70th birthday occurred on June 10th, 1979.

Seeing that Dr. Edward Teller (father of the hydrogen bomb) had agreed to attend any function that Gina cared to arrange, she and her father felt it fitting to use the occasion of Dr. Teller's visit, linked to her father's birthday, to wake up Australians to the need to develop their own country. One of the best ways they believe of doing this is to make Australian and foreign risk capital conscious of the enormous potential for investment that Australia offers, provided, and only provided, our governments (both Labor and Conservative) can be made to return to the path of true free enterprise.

The passengers, all with a great interest in the potential of this nation, representing heads of banking institutions, business firms, politicians, media (local and overseas), scientists and trade unionists, were flown over Australia's mineral resources, given commentaries and shown films so that they could see and be informed of Australia's mineral wealth at first hand.

## PURPOSE OF TRIP

The purpose of the "747" trip was to try to persuade people to indulge in a first hand 'see for yourself' understanding of the latent wealth that is in this country and what has to be done to force our governments (State and Federal) to get out of the road and allow it to be developed.

Lang Hancock stated:-

"Firstly it is necessary to have a thorough understanding of the fundamental basis on which all modern civilisation rests; namely mining.

"If it were not for the mining industry being the foundation on which all industry is built, there would be no money to pay salaries because there is no source of money other than that provided by extracting wealth from the earth.

"During the entire history of the United States this great wealth has come from a tiny area less than .3% of the total acreage of the U.S., and of that infinitesimal quantity, one-third has already been restored.

"Yet the ecologists have obtained such **disruptive power** that two-thirds of the U.S. is banned to mining.

"The question begging to be asked here in Australia, as it is being asked in the U.S., is: Why is it then, that the mining industry, which is the industry most vital to our economy, to the defence of our country, to our 'quality of life', to our once rising standard of living — has become the target for the most vociferous of the environmentalists and the most power-hungry of bureaucrats?

"It is 'from the earth ... a better life', not from environmentalists' propaganda."



# INTRODUCTION TO DR. TELLER

For those of you who have no idea of what the western world owes to Dr. Teller, the following facts given by Lang Hancock may prove of interest: Scientists who have worked with both Einstein and Teller regard Edward Teller with no less distinction. For instance, Nobel Laureate in physics, Eugene Wigner, said of Teller: "the most imaginative person I ever met — and this means a great deal when you consider that I knew Einstein".

Then Vice-President Nelson Rockefeller said: "Once in a while, I have encountered an individual of energy, dedication, and genius so extraordinary as to mark him indelibly on my memory and leave me eternally in his debt for the services he has rendered mankind. One such person is Dr. Edward Teller".

However, such is the modesty of Dr. Teller that he abhors the label of "father of the hydrogen bomb" which conferred such blessing on mankind.

For the 10 years **before** Russia learnt the secrets of the atomic bomb we had 10 years of peace.

Dr. Teller's achievements however do not stop at developing this nuclear tool. I am sure that he himself regards it as a minor accomplishment compared with his achievement as Chairman of a U.S. Government Committee.

Dr. Teller's appointment as Chairman of this Committee was for the express purpose of deciding whether or not nuclear power was safe. Upon his carefully considered recommendation, U.S.A. went nuclear 30 years ago, followed by practically all the



Dr. Edward Teller addressing Queensland parliamentarians at the invitation of Premier Joh Bjelke-Petersen in 1977.



civilised nations of the world (except Australia).

It is important to note that since his decision not one member of the public has been killed by the generation of nuclear power. Also that this method of producing energy has been proved, after more than 27 years of operation, to be the safest and cleanest form of energy production known to man, Exit the so called "Nuclear Debate". What remains is noisy unscientific propaganda emanating from disruptionist forces in our midst.

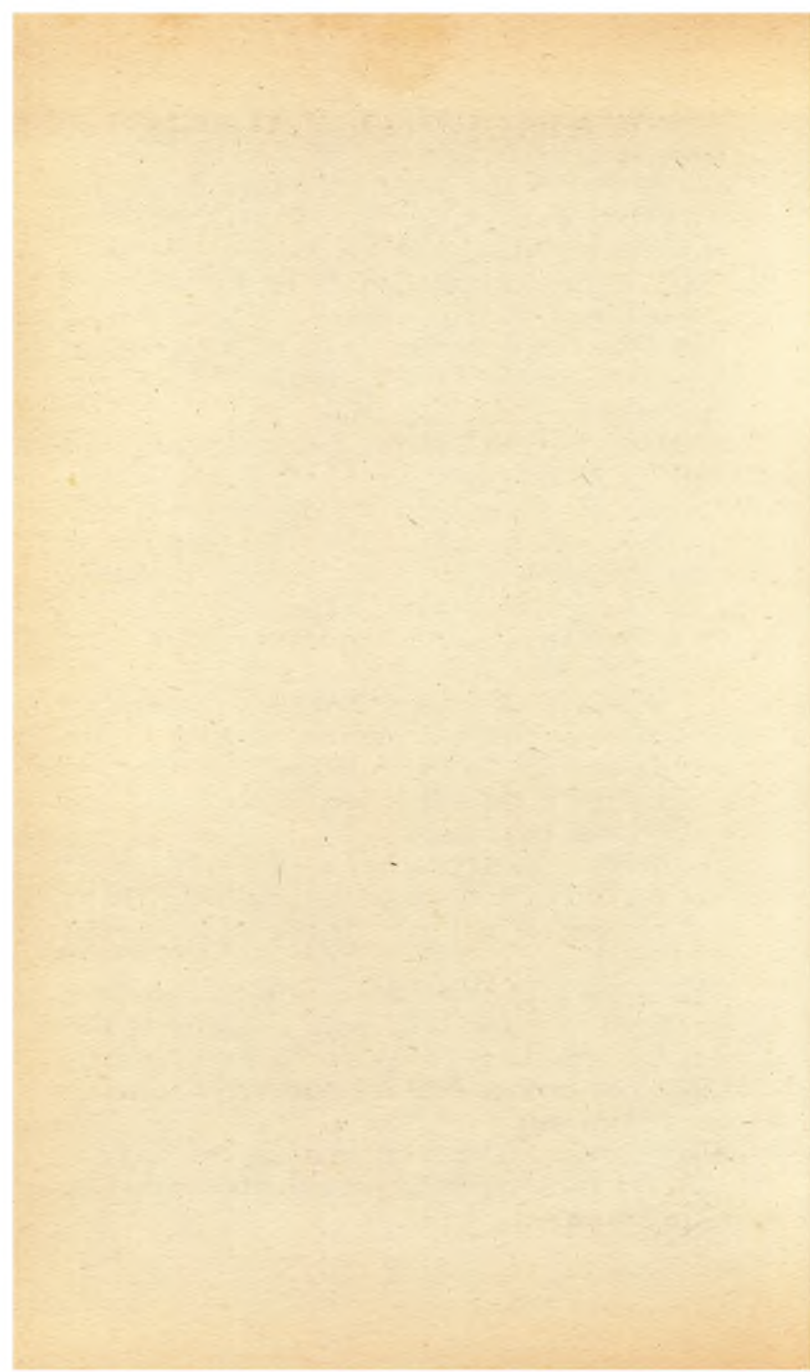
Had it not been for Teller's courageous decision the world could have been faced with a global energy shortage of such magnitude as to promote a crisis the like of which mankind has never seen; that is, some thousands of millions of people would have died of hunger, cold and starvation.

On at least two other occasions the western world has had cause to be grateful for Dr. Teller:

1. When he persuaded President Truman to continue nuclear research leading to the development of the hydrogen bomb, thus giving the world still greater protection against Russian dominance; and
2. When on his advice the American Government decided to have nuclear submarines. What a blessing for humanity that he made the right judgement.

This is the man that Lang and Gina have been privileged to know, both in this country and in America over the last 12 years. They wish to share their good fortune with all Australians, through Dr. Teller's visit.

The following publication contains the views of Lang Hancock; the man intent on a better deal for all in Australia.



## "WAKE UP AUSTRALIA"

Most people pass their days with no thought of the role mining plays in their lives. In fact, it never enters their heads that without mining they could not live.

The great bulk of people have probably never seen a mine and yet it is the foundation of their very existence with an impact that touches on everyone's life. How would we live today without motor cars, telephones, television and modern medicine?

Imagine a world without steel, aluminium or glass. Without minerals we could not harvest our food, till our soil, build our machines, supply our energy, transport our goods or maintain any society beyond the most primitive. Our horn of plenty starts with a hole in the ground.

We are in great trouble if we forget it, and people in Australia, particularly in Canberra, and government circles generally, **have** forgotten it, whilst it would seem that the western world generally has never realised it.

Throughout history civilisations have been shaped by the use of minerals. Mineral supplies have determined the rise and fall of empires, patterns of populations and the evolution of human enterprise in industry and rising living standards.

## GRAVE DIGGING

The western world is mainly dependent for its existence on the minerals of Africa and yet the United Nations and the majority of the world's media



seems to have so little realisation of this fact that they are, in the main, helping to foment a blood-bath by power-hungry, militant, revolutionary groups whose leaders' main aim is not to benefit their own country, but to put into practice for their own selfish interest the philosophy of the 3 M's. —

- (1) Motor cars;
- (2) Mansions; and
- (3) Mistresses.

If the United Nations and do-gooders are successful in stimulating revolutions in Africa to the point where its mineral output dries up, then untold millions of people in the western world will undoubtedly starve because of their present almost total dependence on African minerals.

For instance, South Africa alone possesses a disproportionately large share of the world's strategic minerals. Not only does it have iron ore and bauxite, but the following percentages reflect their treasure trove relative to the rest of the world:

<b>Minerals</b>	<b>Percent of Non-Communist Reserves</b>
Manganese	85%
Gold	60%
Vanadium	95%
Chrome	85%
Platinum	89%

## **AUSTRALIA THE ALTERNATIVE**

An alternative source (in fact perhaps the last great unpopulated raw resource frontier) is Northern Australia, particularly the Pilbara, which realists such as the Russians regard very highly.



## RUSSIAN REALISTS

The Russians, as you may know, are intent on making the Indian Ocean a Russian lake. They have spent more than a little time studying the situation "down under" as a result of which they have made three remarks which I think are worth repeating:

1. There will not be one ton of uranium ever to leave Australian shores commercially;
2. The Pilbara is "the pearl of Australia"; and
3. What fools the British were to give away such a colony!

## BIG GOVERNMENT THE KILLER

Before we can wake up we will need to outlaw the drug (big government) which has put us to sleep, no matter how uncomfortable or embarrassing the withdrawal process may be.

I don't think anyone can deny that Australia is in an economic doldrum and getting worse, which is inexcusable considering our natural wealth, but which is inevitable because of the form of misgovernment under which we (in common with much of the western world) are hogtied. Describing our form of government as democracy is a misnomer; in practical application it is the most diabolical form of dictatorship imaginable — economic dictatorship.

Irrespective of what party is in power or who leads them, Australia is heading for bigger and bigger government with more and more restrictive con-

# MINING

UNDER-SHEDS

GOVERNMENT  
RESERVE  
**KEEP OFF**

RESOURCE  
RENT TAX

IVORY  
TOWERS

WHITE  
ELEPH

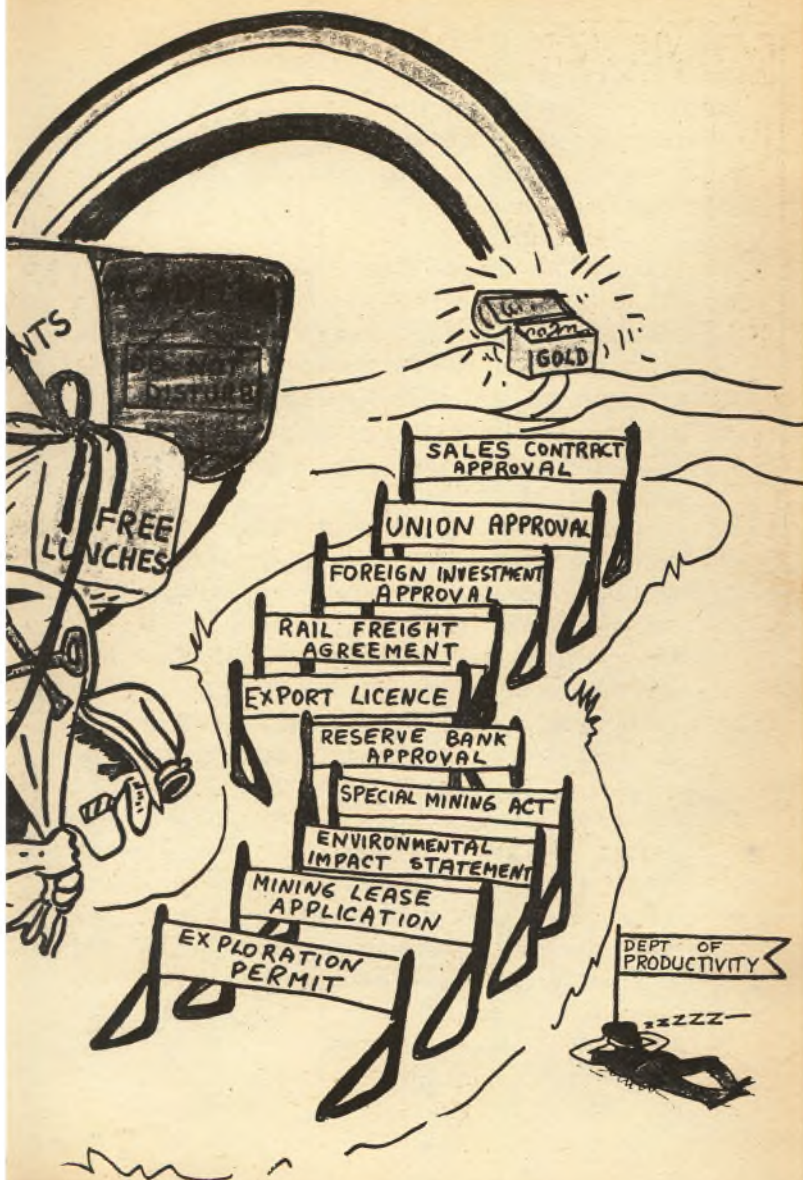
**TAXES**  
INCOME, STAMP  
ROYALTIES  
PAYROLL  
SALES

**OVER-HEADS**

MLA'S & MHR'S  
SENATORS & SHIRE CLERKS  
BUREAUCRATS & BUSYBODIES  
COMMISSIONS & ENQUIRIES  
FORMS & STATISTICS  
INSPECTORS & EXPERTS

RED TAPE







trols, forcing us even further down the slippery slope to total socialism.

Because of these strangulated inroads into the economic life of the western countries, the position as it stands today in Australia, for instance, is somewhat as follows:-

1. A top heavy degree of government control;
2. An inflated cost structure;
3. Canberra imposing economic dictatorship through the Reserve Bank. Lenin said any government which had central bank control was 90% on the way to communism;
4. Repudiation of privately negotiated international contracts;
5. We have seen the poor, unfortunate taxpayer being saddled with an ever mounting debt through borrowing money to bolster the falling Australian dollar instead of earning foreign exchange from the wealth that lies untouched in the ground in Australia.
6. Discouragement of foreign risk capital despite the fact that there is little hope of Australian ownership or control.
7. We have offended our chief trading partner, Japan, as a result of which we have lost our "most favoured nation" position with them. This is madness considering we are today more dependent on the Japanese economy than we ever were on Great Britain. We depend on them to buy from us:
  - (a) 100% of their alumina;
  - (b) 50% of their iron;
  - (c) 44% of their coal.

## RECORD DEFICIT

It is obvious that the budget deficit will be a record, yet Canberra seems oblivious of the appalling increases in government spending in Australia in the past decade or so . . . \$6000 million in 1969, \$30,000 million in 1979, and the equally appalling tax increases levied to sustain such spending.

Countries whose tax rate exceeds 25% automatically show an economic decline. Great Britain and Australia are but two examples.

In 1971-72 the total tax rake-off (Federal, State and Local) was \$9,809 million. By 1976-77 the figure had rocketed to \$24,814 million, an increase of 154 per cent.

Net wage and salary payments (i.e. after tax) increased by 157% and running a miserable last, net corporate profits have increased by a mere 72%.

Meanwhile the government extravagances go on and on with a corresponding deterioration in government services.

## AUSTRALIA'S DECLINE

If Australia continues on its present downward path, towards total government control of industry, high tariffs, increasing unemployed, economic stagnation, energy shortage, falling dollar value, strangulation of big mineral development, then the time is not far distant before we will be overrun by people who are virile enough to develop resources which we are unwilling to develop.

The way things are going we will end up having more Vietnamese refugees in this country than the present unemployed.



# AUSTRALIA Vs SINGAPORE

Comparisons are odious — never more so than when one compares Australian Governments (Liberal and Labor) with that of Singapore.

Mr. Lee Kuan Yew's Government was recently returned after capturing 60% of the vote, which compares favourably with the record majority which brought the Fraser Government to office. Unfortunately, the comparison stops there. Singapore occupies less than 300 square miles. It has no resources whatsoever other than leadership which inspires people and makes them willing to work.

Australia covers three million square miles. It has every resource in the world (except water).

Australia has a people whose character is being slowly sapped by communist activities which have infiltrated the unions and various 'do-gooder' movements such as ecology.

By comparison between 1959 and 1975, Singapore's GNP grew from \$US643 million to \$US5,773 million. In real terms, it could be said that Singapore's GNP multiplied five times, and that the annual compound growth rate was 11% — Australia's is 2%. Singapore's foreign exchange reserves increased during this period from \$US110 million to \$US3,351 million. Australia has had to devalue because our reserves have decreased.

Singapore has a shortage of labour problem.

Australia has a shortage of jobs problem.



# WHO IS THE REAL GOVERNMENT

The above is the sorry picture which confronts us. How do we get out of this mess? Simply changing the government will not rectify the matter. No one doubts that our elected representatives are doing their best but no Prime Minister can get on top of the **real government** which in any western type democracy (so-called) is the four great pressure groups, namely:

1. The bureaucracy;
2. The communist-controlled unions;
3. The high protectionist sweetheart dealing lobbies;
4. The media.

When I talk of government, the above, (the real government) is what I am referring to; not the elected Parliament.

Obviously in order to extract ourselves from the mire we must develop our raw resources, including our energy sources. We could be the richest nation on this earth if we vigorously developed these latent riches.

## ATTRACT CAPITAL

It is essential therefore that capital be attracted so that giant new mines — that is, iron, bauxite, uranium, oil-gas, manganese, etc. can be brought into production; with or without Australian participation.

## **DEVELOP THE NORTH OR DIE**

I think there are sufficient facts available to show that Australia must develop the wealthy north or perish. We need not only steel mills and railways, but all kinds of development if we are to hold our country. The point is how do we go about it without impoverishing the taxpayer?

## **HOW TO DEVELOP OUR WEALTH**

If we want huge capital investment in the north of Australia; if we want to protect Australia; if we want to survive; we must join in the international incentive race to make it worthwhile for capital to come in to develop our raw materials.

We have to raise the wind on the international money market, and do it so effectively that the wind we raise becomes a cyclone, blasting hundreds of millions of dollars into circulation north of the 26th parallel.

The proven method that has worked elsewhere in the world is to declare an income tax holiday. For example, in 1940, Puerto Rico had no factories and no capital. The administration decided to make Puerto Rico tax free. In came the capital, big and small, for everything from roads to brassieres.

## TAX HOLIDAY

"Operation Bootstrap" they called this tax free policy. In 17 years it brought Puerto Rico 667 factories, 80,000 new jobs and the expectation that by 1975 there would be 2,500 factories and a standard of living equal to the United States 1960 standard. In came General Electric, Maidenform, Union Carbide, Parke Davis, Remington Rand, and so on. In the 1950s and 1960s, Puerto Rico experienced a German-like economic miracle. But in the early 1970s the economy sputtered and then, with the quadrupling of oil prices, economic growth disappeared because at the behest of a blue ribbon committee of American economists, bankers and financiers, Puerto Rico **raised taxes**. The theory was that the increased taxation would reduce inflation and dampen consumer spending.

The programme was a flop. The economy continued to "sit down" as Puerto Ricans put it. In 1976 voters threw out the incumbent governor and his party.

Thanks in large part to the incoming ruler's tax cutting moves, Puerto Rico's economy is reviving. After experiencing no growth in 1974 and 1976, it expanded almost 5% last year and should do even better this year.

What makes the new governor's actions more noteworthy is that, **under their constitution, the budget must be balanced**. The Government has therefore little margin for error. (Australia please note.)



## IRELAND TAX INCENTIVE

Another example of using the tax weapon to promote industry is Ireland. In the less than nine years that they have been following this policy, more than 175 U.S. companies have started manufacturing in Ireland. Also companies from Australia, Japan and Ireland's Common Market partners are doing the same.

This investment is doubling every four years. In Ireland profit is a holy word (and not a dirty word as in Australia) where the government gives companies plenty of incentive to expand and export.

Export profits are tax free, taxes on domestic profits are reduced from the normal 54% to 25% for companies that expand and create jobs. In Ireland companies are guaranteed freedom from government intervention or expropriation. It is one of the few countries that guarantees the right to private property.

There is however no right to protection against failure. Unlike Australia, Ireland does not bail out inefficient failing companies but of course, with such incentive to investors, there are very few failures. For instance, the return on capital in Ireland of United States branches operating there is 28.5% which is 50% more than American firms earn in West Germany and 400% more than they earn in Britain. As a result of these policies, jobs are being created so fast that forced emigration has been stopped. No longer can it be said that Ireland's greatest export is men. The population is rising for



the first time in modern history. Irishmen are returning home from distant lands.

A most remarkable development is that, at current growth rates, the Irish standard of living in 1980 will surpass that of once mighty Britain.

## **PROFIT – DIRTY WORD**

Capital can only be attracted if it is made to feel welcome, and in this respect there has to be a change of attitude on behalf of all major political parties and the media. I refer particularly to the stigma that attaches to profits. This is so widespread that unless it changes there is no hope of getting the north-west gas going for instance, which will require such an astronomical capital investment by the time it becomes even remotely feasible. Just imagine the public outcry there would be if the consortium of foreign investors financing the Nor-West Shelf made a profit of, say, \$500 million per year which they would probably have to do to earn even bank interest. Utah's record profit which provoked such senseless hostility would look-quite niggardly by comparison. A first corrective step in this direction could be to encourage the publishing of profits in Australia as a percentage of capital invested.

## **ACTION NEEDED**

In the north we need action and we need it now: The sensible way to develop Australia's richest and

most vulnerable area (without cost to the taxpayer) would be to declare north of the 26th parallel of Western Australia, the Northern Territory and a part of north-western Queensland (to be defined), a frontier country, (free from government controls) and in that frontier create a deliberate anomaly of a 100% income tax free holiday for a trial period of 20 years, with a 40% re-investment clause applicable to capital only, in order to qualify for this 100% income tax immunity.

Wage and salary earners would be exempt from this re-investment provision so that they would get the benefit in their first pay envelope.

Such a scheme would attract capital "know-how" and highly qualified technicians from all over the world, as well as from within Australia from those living south of the 26th parallel.

The point to remember about this is that it is to apply to income tax only, so that if this tax is foregone in order to get the scheme going, developments would soon snowball to the point where the indirect tax exceeded by far the amount of income tax not collected from current businesses. In other words a plus for the Treasury.

In addition, once new projects were developed they would generate their own field of ever-mounting indirect tax flowing to the Treasury. In this way no one can say that we are asking for a big hand-out scheme. What we are asking is for the Australian Government to be business-like and forego a sprat in order to catch the biggest mackerel in the sea.

No one is suggesting that the scheme is fair and equitable. (It wouldn't work if it was). A deliberate anomaly must be created so that people south of



the line think they are getting something for nothing by moving north.

No one is asking Canberra for a giant hand-out to promote some white elephant scheme. On the contrary, the government is being offered a development scheme for the north and the means of self-preservation for the whole of Australia; free gratis and for nothing as far as the ultimate cost to the taxpayer is concerned.

Surely with the stakes so high and the danger so great to the north of us, it is not asking too much of leadership to display a little courage by making the north income tax free for a trial period of twenty years.

## **TAX ON NOTHING IS NOTHING**

In the instances where this move became successful in starting up new projects the gain is 100% to the Treasury because the tax on nothing is nothing. In other words, mineral lying unworked in the ground pays no tax, pays no royalty, creates no jobs, earns no foreign exchange.

By comparison, let's look at a recent year's tax from one of the areas biggest mines —

\$22.8 million was profit after tax of which

\$12.9 million was paid in shareholders dividends upon which the Treasury reaped tax.

\$11.9 million royalty

\$5 million payroll tax, plus sales tax,

and excise duties on the millions of dollars worth of equipment the mine buys, plus stamp duty, land tax and profits from rail freight charges, not forgetting that the Treasury also receives all the indi-

rect taxes on everything that the employees buy. These indirect taxes would increase from existing projects as well as springing into being from minerals at present unworked and yielding nothing if my income tax free development proposals were implemented.

## **PARKINSON'S LAW THE KILLER**

The fact that nothing has been done on a government level to develop the most vital part of Australia is not because there are no intelligent people in Canberra (far from it) but simply because the tax-free scheme does not appeal to the self-interest of those in influential places. For instance, it does not envisage the rapid expansion of any large government department, whilst as a source of votes in the political field, the Pilbara has not got a single representative in the Federal Parliament.

## **NO ALTERNATIVE**

It is worth mentioning that since the tax-free scheme for northern development was first rejected some years ago, no one has come forth with any intelligent alternative method of developing our north.

In other words, Canberra must create a favourable climate attractive to risk capital. If it is to be effective all harmful restrictions must be removed and the government would need to declare:



1. An absolute guarantee of security of tenure from the discovery right through to the production stage;
2. That there will be no more Fraser Island repudiations;
3. That export licences have been dispensed with henceforth;
4. That FIRB is abolished and that there are no restrictions on the amount of foreign ownership of raw resources ventures;
5. That the Variable Deposit Rule has been abolished;
6. That there will be no more super tax levies such as the \$6 per ton levy on certain coal mining companies just because they have made good profits;
7. That there will be no "resource" tax;
8. That the Government will honour agreements henceforth.
9. That retrospective tax legislation will not be countenanced;
10. That mining which is the basis of all civilisation must not be molested by environmental lobbies;
11. That the rules won't be changed once the ball has bounced;
12. That our internal cost structure will be lowered by an across the board tariff reduction, at least equivalent to the amount of devaluation of the \$Aust.

F.I.R.B. - Foreign Investment Review Board.

## NOR-WEST SHELF

Unless the above guarantees are forthcoming from our government, can anyone except the more gullible of creatures, imagine that a hard headed consortium is going to invest billions of dollars in a high risk closed loop operation such as the Nor-West Gas — especially when competitive governments have a far more realistic approach to capitalism than do Australian governments at present. Such is the dominance of the real government over our elected representatives that according to Viv Forbes:

“Politicians seem to think that oil is produced by taxes, levies, enquiries, commissions, regulations, export controls and senate standing committees.

“At best these activities merely use up energy. Unfortunately they also deter exploration, defer development and restrict production. They also distract producers who are forced to spend valuable time and energy preparing submissions, appearing before tribunals, educating bureaucrats, and apologising to the media for their profits.

“There are at least 10 State and Federal departments promulgating contradictory and often inept energy policies. In addition there are four Federal energy standing committees continuously debating all aspects of energy, plus the Australian Science and Technology Advisory Council. As if all this was not enough Canberra has appointed a new National Energy Advisory Committee consisting of 7 professors, 5 public servants, 2 laymen, 1 un-



ionist, 1 energy consumer, 1 energy producer, and **not one** explorationist.

"Should anyone be considering using foreign capital to build an oil refinery the approval of at least ten more government departments is required. We are approaching the time when the weight of submissions required for any project will exceed the expected production of oil.

"What needs to be recognised is that government activity can never increase production of anything except laws, and red tape.

"The role is entirely negative."

## EAST-WEST RAILWAY

Is it not commonsense then, that the two great regions of Western Australia and Queensland should be connected (in the national interest), to provide amongst other things, a steel industry at either end. The cheapest way of doing it (considering the impracticability of coastal shipping under Australian maritime laws and the cost of dredging the Torres Strait to take ships of modern economic size) would be to construct a railway.

Some of the thought behind the suggested link-up of the proposed railway between Western Australia's Hamersley Iron Field and the Queensland Coal Fields, is that it would traverse one of the last great frontiers of the world, probably the richest part of Australia, which is the springboard of Australia's only practical means of defence — the fountainhead of our commodity power.

## PERSPECTIVE

Let us put the matter in perspective:

It would take about 3 times Australia's published reserves of uranium to be worth even 1% of Middle East Oil.

The total of Australian Nor-West Shelf gas and oil **published reserves** is about .085% of the value of the calculated oil reserves of the Middle East. (All Australians hope the figure is understated by miles.)

The value of the published reserves of Queensland coal represents 6.15% of the calculated reserve of the Middle East oil.

### — BUT —

The total reserves (not published) of the Hamersley Iron Field are 400% more valuable than the total calculated reserves of Middle East Oil.

You can see by the above that the richest parts of Australia are Queensland, the Pilbara and to a lesser extent the Northern Territory.

What do others think of our north?

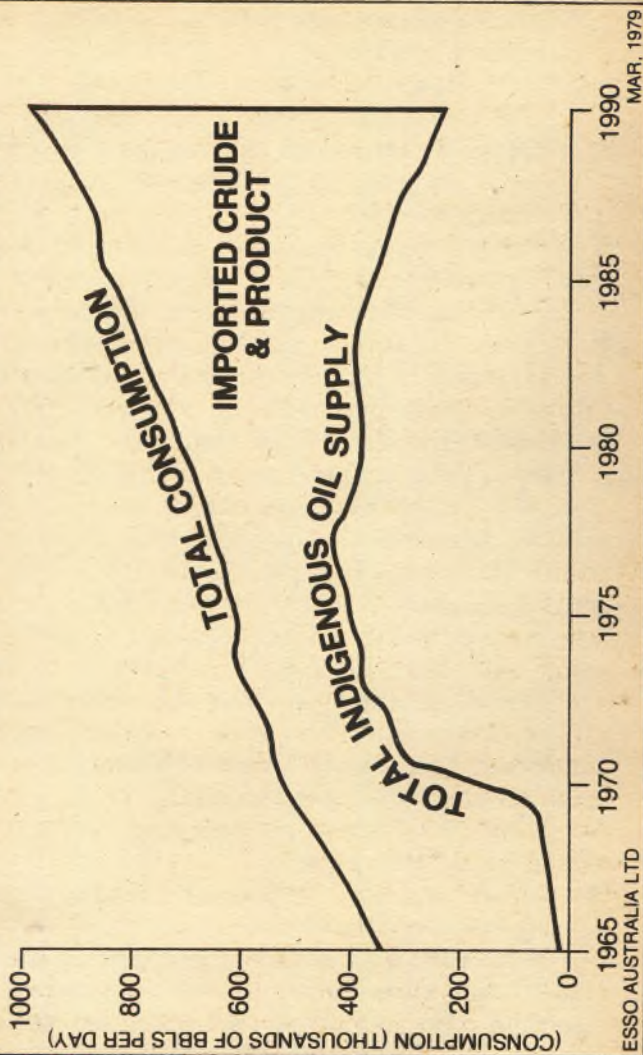
According to an American professor who, in speaking of Northern Australia, and in particular Queensland and Western Australia, said:

"The two states could be the richest places on earth within 20 or 30 years.

"Australia could become one of the most powerful nations on earth, with the centres of power in Perth and Brisbane instead of at the south-east corner of the country.



# AUSTRALIA - OIL SUPPLY (NO NEW OIL DISCOVERIES)



"Australia's position in the world could be similar to that now held by the oil-rich Arabs in the Middle East.

"i.e. Resource power. Remember it was U.S.A.'s withholding of oil and iron from Japan which forced the Japanese to try and force its way out of the net by attacking America."

The Pilbara has no chance of really developing its iron ore to the secondary stage without power. Because of bureaucratic meddling and interference it will not be able to use the north-west gas or nuclear power to process its minerals and turn them into metal, therefore one remaining way open to it is to use Queensland coal. Hence the idea of the suggested Pilbara/Queensland coalfield rail link.

The idea would be to construct a standard gauge railway between the nearest two existing rail points, Hamersley Iron Field to Mt. Isa — a distance of 1,270 miles.

As a defence link, it is vital because I understand it would take something like three months to shift a single division of troops across Australia using the present Trans line. The armed forces have recently conducted exercises in the North-West and have come to the sorry conclusion that "the pearl of Australia" could not be defended without the Queensland-Pilbara line.

Such a railway could be built at a rate of 1½ miles per day.

In view of such a time scale, the financing could be spread over three years. Based on railway construction costs in Pilbara two years ago, the total finance involved would be \$450 million, plus inflation.

This cost is infinitesimal when compared with the fact that the Commonwealth Government spends some \$600 million each year on relief to people who can't or won't find jobs.

This has particular application to Western Queensland, where 10,000 good types, willing to work and live in that area, are now jobless and on sustenance, or have flocked to the cities.

The transport costs on a 30 million ton per year basis would work out at \$3 per ton between the Hamersley Iron Field and the Queensland Coal Field, i.e., half the despicable super tax that Canberra imposed on the coal industry when it discriminated against that industry for committing the crime of making a profit.

This rail link could provide a transport outlet for L.N.G.\* from the present uneconomic central Australian gas fields.

It could be a drought insurance scheme for shifting stock from one side of Australia to the other.

\*Liquid Natural Gas

## POTENTIAL MARKET

A steel mill in Queensland could initially take up the shortfall (in normal times) on Australia's eastern seaboard. Surely it is healthy to have more than one steelmaker established so as to provide competition.

India will require 75 million tons by the time its population reaches 1,000 million. At present its population is approximately 700 million and its steel making capacity is 10 million tons, but India being India, it is producing only 8 m.t.p.y. There are other markets as well within the Australian orbit.



A steel mill in Pilbara could initially supply the local market, as well as being available for two-thirds of the world's population that lies closer to Pilbara than does Sydney when measured by sea distances.

## HOW TO FINANCE

As no Australian Government is ever likely to face up to its national responsibilities and develop out-back areas (because such remote regions are practically voteless), an alternative means of financing such a national project must be found. To this end it may be worthwhile studying the means by which the American continent was opened up by the building of transcontinental railways without the government paying for them.

In order to finance these railways a grant was made of land on either side of the track right across the north American continent.

In the Australian case it may suffice to make a grant **not of land** but of mineral rights (of any land not yet taken up) for 50 or 100 miles either side of the railway track and initiate a bold, genuine tax incentive scheme. The scheme needs to be more attractive than that offered by other countries.

Such a scheme would result in not only linking the two wealthiest regions of Australia but would set off a wealth of minerals and oil exploration right across Australia's deserts.

# **GOVERNMENT CRIPPLING**

Through constant government spending (State and Federal) allied to government crippling of industry (and in particular, giant new mines), conditions in Australia have been such that no new project can get off the ground whilst carrying the governments on its back.

The chances of making much headway seem pretty hopeless unless we can expose and shame the big companies and institutions into withdrawing their under-the-lap support for Canberra and its meddling in what should be strictly private commercial affairs.

## **CAPITALISM MEANS LIFE — ENVIRONMENTALISM MEANS DEATH**

The industrial revolution, bringing about a many-fold increase in the world's standard of living, could not have taken place if that scourge of environmentalists had reared their ugly head at that time. Don't take my word for it, let me quote from Paul Johnson, former editor of a British left-wing weekly, the New Statesman from 1963-1970 who says:

“If the restrictions now imposed on industrial development had operated in 18th century England, the industrial revolution could not have taken place. As it is, the ecology panic has been a potent destructive force. The panic-



mongers played a crucial role in persuading the Middle Eastern oil producers to quadruple the price of oil in the autumn of 1973; the biggest single blow industrial capitalism has suffered since the Wall Street crash of 1929."

That was the beginning of the profound recession from which we have not yet emerged . . . it ended the great post-war boom and robbed Western capitalism of its tremendous elan, perhaps for ever. **And it is significant that the ecological lobby is now striving desperately with fanatic vigor and persistence to prevent the development of nuclear energy, allegedly on the grounds of safety. Now it is a fact, a very remarkable fact in my view, that throughout the West (we have no figures for Russia or China) the nuclear power industry is the only industry, the ONLY industry, which for over 30 years has contrived to avoid a single fatal industrial accident. Its record is unique, and has been achieved by the efforts of the industry itself, without any assistance from the ecolobby. But of course they would like a few fatal accidents. That would suit their purposes very well.**

After nearly five recorded millennia of floundering about in relative or absolute poverty, humanity suddenly in the 1780s began to hit on the right formula: industrial capitalism. Consider the magnitude of the change over the last 200 years or less. In the 1780s, four-fifths of French families spent 90% of their incomes simply on buying bread — only bread — to stay alive.

Unfortunately the steady diffusion of ideas hostile to our free system continues remor-



selessly. Industrial capitalism, and the free market system, is presented as destructive of human happiness, corrupt, immoral, wasteful, inefficient, and above all, doomed. Socialism is presented as the only way out compatible with the dignity of the human spirit and the future of our race. The expanded university threatens to become not the powerhouse of Western individualism and enterprise, but its graveyard.

## DANGER OF ENVIRONMENTALISTS

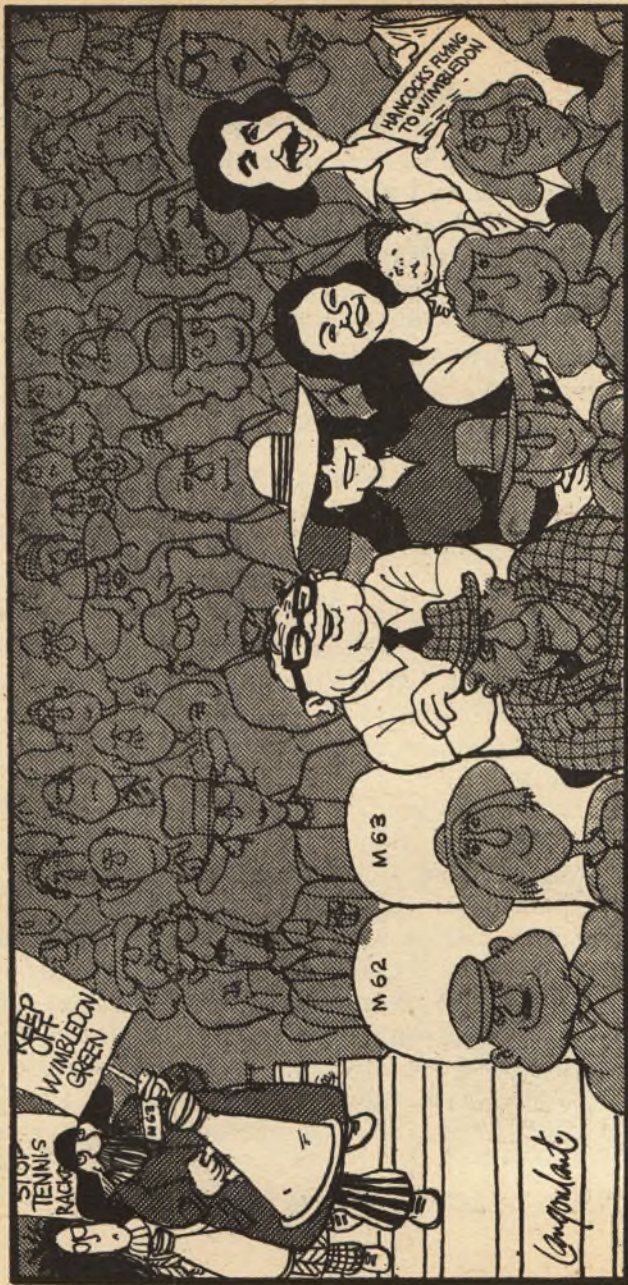
By what peculiar thought process then do environmentalists arrive at the conclusion that they should suppress their very life-blood — mining? Is it ignorance? Is it a desire for publicity? Is it a vested interest in land at alternative plant sites or sources of raw material?

Or, is it simply insidious sabotage of our nation?

If it is the latter, then there is no more effective way of bringing Australia to its knees than by crippling the mining industry. This fact is not recognised in Canberra, but is well known to the communist-controlled unions, as is demonstrated by an over preponderance of strikes in the mining industry, which endures some 65% of the strikes in Australia, whilst employing only 5% of the workforce.

In dealing with the growing menace of environmentalists it is futile to quote facts to counter their lies and propaganda. One should aim at their jugular vein; why do they wish to subvert the na-

# LANGOULANT AND LANG HANCOCK



"Isn't it wonderful sitting here at Wimbledon, away from all those eco-nuts . . ."



tion? Where does their money come from? Who activates and controls their movements from behind?

In considering the disease of environmentalism and its parrot cry of "protecting endangered species", surely the most "endangered species" on this earth is mankind — his greatest danger comes from unbridled conservation.

In U.S.A. the environmentalists have been even more effectively disruptive. So much so that the flow-on of their efforts resulted in the present world depression.

The world balance was upset when ecologists forced U.S.A. to become an importer of oil instead of an exporter, thus creating an oil shortage in world markets upon which the OPEC nations were able to capitalise and increase the price of oil fourfold, with the result that the oil deficient big industrial nations of the world (e.g. Japan, Germany, etc.) had to expend so much of their foreign exchange in purchasing oil that their capacity to purchase other goods was correspondingly reduced: hence the drop in world trade; hence the depression.

Returning to America, the environmentalists were able to delay the Alaska pipeline for 5 years; prohibit the drilling of the North Atlantic Seaboard; stretch out the time span required for building a nuclear power plant from 3 to 11 years; increase the consumption of petrol by imposing restrictive regulations covering motor car exhaust emissions; and so on.



## CORPORATE SUPPORT FOR BUREAUCRACY

Having understood the basis on which our civilisation rests, it is also necessary to understand that Canberra's power structure is largely sustained by Australia's leading companies and institutions who, whilst loudly proclaiming their belief in "free enterprise" and decrying the heavy cost of government, are constantly pressuring the Cabinet for all forms of handouts, privileges and monopoly protection.

Unfortunately, under the present constitution, Messrs. Hayden-Fraser must give way to these pressures if they wish their parties to be elected to government. This is easy to understand and it must always remain so unless it is made constitutionally impossible to buy votes, but a phenomenon which is hard to understand is the blind, unthinking belief (which amounts almost to religious fervour) that Australians have in a magic crystal ball type of all-seeing wisdom with which they credit their governments. Such is their faith in the Solomon like wisdom of government that they encourage the government to intercede in every aspect of their lives. They ask Canberra to lay down **guidelines** for instance, when in fact the government are the people least capable of doing so. So much so that our national anthem could well be called "**the government oughta.**"

Any thinking person should know that no government relying on the ballot box for its life can have any concern for the national welfare. When government talks of acting in the public interest, they mean their own interest.

Unfortunately, instead of sticking by "free enterprise", most principals of organisations in Australia give lip service to free enterprise but "chicken out" when they come up against Canberra. For instance, in the words of the Australian Mining Industry Council: "The industry is subject to bureaucratic controls over many day to day matters and the maintenance of a certain amount of goodwill is necessary for our survival". In other words, people keep feeding the crocodile in the hope that he will devour them last.

This attitude of currying favour with the Canberra bureaucracy is typical unfortunately of not only the big mining companies, but of most major companies in Australia. What they fail to understand is that governments view "Free Enterprise" with hostility because it represents a counteracting power on the state.

When I pleaded with them to take some positive action against socialism, their reaction was: "We do; we are very active on a low key basis; we have done much work behind the scenes to effect the best overall results"; I must stress that these words are an oft repeated chorus. I have personally heard them from the lips of a cross section of the chief executives of the top companies in Australia.

## **THE TRAGIC RESULT OF CORPORATE WEAKNESS**

As far as the mining industry is concerned, "the best overall results" following this corporate low key policy yielded the following tragedies:

1. A super tax on coal;



2. The Fraser Island repudiation;
3. A 'big stick' export licence threat over the whole industry;
4. The Variable Deposit Rule still on the statute books;
5. A threat of Resources Tax only just around the corner;
6. Likewise a wealth tax;
7. A few so-called aboriginals and the communist-controlled unions running the government;
8. Excessive specialised taxes on mining such as royalty which other industries do not pay;
9. The acceptance of the Fitzgerald Report without a fight, resulting in the removal of tax inducements to capital;
10. The acceptance of the philosophy that profit is sinful (the press reported "Utah's sigh of relief" because its profit had declined).
11. No security of tenure either for the discoverer or investor in minerals.
12. The adoption of the all-party policy of stopping foreign risk capital investment under an absurd 50-75% Australian participation rule (A 2 year long all-party investigation was presented to the present Cabinet. It failed to find any instance of foreign capital being harmful.);
13. The vilification of a company that made big profits by working leases that Australian companies would not work;
14. Acceptance of the mining industry being saddled with unnecessary environmental impact studies.
15. Acceptance of Connor's policy (announced by



- Anthony) of government control of major mineral sales negotiations.
16. Control of exchange rates to the detriment of exporters.
  17. Maintenance of enormous tariff barriers, the cost of which is borne by the primary exporters, mining and agriculture.

## MINE CLOSURES

Because of these factors the last five years have seen more shut-downs, cut-backs, losses and deferments in the mining industry than at any time since the 1930s.

We've seen gold mining decimated with the closure of Great Boulder, Hill 50, Lake View and North Kalgurlie; base metal mines to close include Gunpowder, Kanmantoo, Carr-Boyd, Scotia, Mount Diamond, Mount Gunson and Mount Evelyn; mining for manganese and molybdenum has virtually ceased on the mainland of Australia; beach mining has ceased on Fraser Island and Jurien Bay. The Duchess phosphate operation is in mothballs and the vast phosphate deposits at Yelvertoft are undeveloped.

As well as these closures we have seen cut-backs at Cobar, Mount Charlotte, Tennant Creek, Kambalda, Aberfoyle and in the beach sand industry. The Warrego Smelter, the Bellambi coke plant and the North West Acid Plant have closed.

The following mines are threatened with periodic losses every time metal markets weaken: Greenvale, Mount Morgan, Mount Lyell, Golds-

worthy, Mary Kathleen, Savage River and Blue Spec.

The deferments include coal mines at Norwich, Hail Creek and Nebo, the uranium mines, several iron ore, aluminium and beach sand projects, the Central Australian and North-West Shelf gas projects and the Townsville zinc refinery. Exploration activity has halved since 1970 and in 1977 not one oil well was drilled in Queensland.

This list does not include any mine which closed because of exhaustion of mineralisation. In most cases, political action or inaction was a significant reason for premature closure.

Since the bureaucracy has moved in, Parkinson's Law has taken over ensuring that no major mine has been started up in Australia and will not be started up until the pendulum swings the other way and these controls eliminated, and in their place all forms of incentive to risk capital (foreign and Australian) are brought into being.

## **FIRST RIGHTS TO THE DISCOVERER**

I have continually stressed to all companies that no person or group should be given first rights to minerals unless they discover them.

In this regard aboriginals should not be placed in a privileged position; they should have equal rights with everybody else — no more, no less.

It has been the custom of the world since time began that conquest determines land rights. With regard to Australia; there is a case for saying that



this should date from the "Battle of the Coral Sea", when our destiny was being decided by U.S.A. or Japan — not the Australian Government or blackfellow.

Unless leaders in all walks of life are really positive about these things, the government and the press mistake silence for acquiescence.

## **FREE ENTERPRISE PILBARA?**

Before the giant bureaucracies made their restrictive presence felt, the Pilbara iron industry got started entirely with private risk capital.

All infra-structure — that is gaols, schools, hospitals, customs houses, railways, towns, ports, power supplies, etc. — have been built by private money in Pilbara, amounting to \$230,000 for every man employed. The government had contributed nothing in cash or "know how" but it has taken some 80% off the top through tax, royalties, excise, customs duties, etc. — not only from the companies, but from the men employed by the companies and contractors.

Such government pillaging of our sources of wealth production is the path to national bankruptcy following hard on the heels of Canada and Great Britain. The latter will soon have the lowest standard of living in Europe. Already its per capita output is less than that of socialist East Germany. It is now no better than when U.K. had the strike-caused three day week.



# POLITICIANS POWERLESS

In a nutshell, the whole problem is that "big government" has got too big for the capabilities of politicians (no matter how well intentioned) to handle. Therefore it is useless changing government. This is proven by the election of the Fraser Government which, (despite its record majority and the free enterprise beliefs that Mr. Fraser had at the time of his election), has been powerless to depart from the practices of its predecessor. This contention will be proven once again when the electorate swings back and appoints an ALP government the next time around.

A study of these events should convince any intelligent person that the idea of good governments is simply an idle dream under the constitution as it exists today. All economic meddling by government has proved to be counter productive and a menace to the nation. Therefore the less government — the less menace. This requires constitutional limits on the power of parliament to interfere in areas which are not the legitimate concern of government.

The ineffectiveness of the Australian parliament can be gauged if one reflects upon the fact that it passes something like 224 bills in 75 sittings. Can it be seriously suggested that any one of these bills is properly understood by the members who pass them, or that they had any hand in their creation. In fact they have even been known to pass the wrong bill. According to the "West Australian", February 22, 1979:

"Senate officials were red-faced yesterday over a Bill that was passed by the Senate on Tuesday with the wrong amendments, but a

Government official said that 'it was just one of those things'.

"The mix-up occurred when a set of out-of-date amendments to the Crimes at Sea Bill were circulated in the Senate.

"But neither the Government nor the Opposition realised the error till it was too late.

"The old amendments drawn up last year had been superseded by new ones drawn up later by the Federal Attorney-General's Department".

The fact of the matter is that the bills are the work of the various departments aimed at increasing the power and size of those departments. In fact, on balance, the bills will add to the problem which they are allegedly aiming to correct.

As it is impossible to get good government (it doesn't matter what system is employed), it should be obvious that our country should have as little government as possible. There is truth in the words of Thomas Paine:

"Government, even in its best state, is but a necessary evil; in its worst state, an intolerable one."

We in Australia are in the "intolerable" category suffering under the most diabolical of economic dictatorships.

## REMEDIES

How then can we change the situation so as to limit the power of government and so reduce its activities to an absolute minimum?



How then is this central bureaucratic power to be broken?

- (a) One political possibility would be for a minor party, e.g. Progress Party, to obtain the balance of power in the Senate. This would have been possible by an election of one person of character for some of the Menzies era or the election of two for several governments since. This balance of power could be exerted to make certain that no further expansion took place in government departments simply by making certain that no money bill was passed that ran the nation into debt.

It could not however unwind the enormous growth of bureaucracy that has taken place in the past or lessen the power of "Big Government", which by the very fact of having so much power, with so many favours to dispense by way of tariffs subsidies, quotas, licensing, contracts and monopolies that it draws the support of big companies and institutions in Australia; institutions which should be fighting government on behalf of "free enterprise", but who are actually aiding and abetting "Big Government" in exchange for receiving the many handouts that the central bureaucracy has to bestow.

- (b) It could be broken by a referendum to change the constitution.
- (c) It could be broken by a tax revolt, e.g. by "the man in the street" short paying his income tax assessment by a certain percentage or by employers refusing to act as unpaid collectors of PAYE tax and sales tax. This revolt would need to be continued until excessive govern-



ment expenditure was pruned to the bone.

- (d) It could be broken by obtaining control of the media and then educating the public.
- (e) It could be broken by outright rebellion which is a possibility that increases the more Australian population moves from its Anglo-Saxon base to other nationalities who are more politically alive; some of whom have had a taste of communism.
- (f) It could be broken by either W.A. or Queensland or both seceding under a constitution which **limited** the power of government. This would force other states to do the same and then possibly re-unite with government being permitted by the new constitution to carry out only the minimum of activities such as police, defence, a records office (for registering titles to private property), and a very small Treasury to handle minimised public funds.

Control of the press could be obtained for instance by such organisations as the Australian retailers banding together and refusing to give advertisements to any paper which did not support a change in the constitution to reduce government to an absolute minimum.

Control of the press could also be obtained by several of the big mining groups banding together with a view to taking over one or more of the present giant newspaper chains which control the T.V. and radio channels, and converting them to the path of "free enterprise".

## **PRECEDENT SET FOR SECESSION LEGALLY**

Of these alternatives, the most effective would be for Queensland, the Northern Territory and W.A. to join together and secede under a new, **limited** power constitution. Seeing that this would be for the salvation of the whole of Australia, the other states should support and help to facilitate such a proceeding. Not constitutionally possible did you say! After all, if the present government can give away part of Queensland to the foreign state of New Guinea, it would (by reason of the above precedent) have the power to secede the three states that I mention for the sole purpose of destroying forever the central power that has been built up in Canberra; a bureaucratic Goliath quite contrary to the intentions of the founding fathers of the Australian constitution.

It must be clearly understood that to secede without a constitution which reduced the power of government to almost negligible proportions would be to invite failure right at the outset.

## **SECESSION? FEDERATION HAS FAILED**

W.A. has the potential to be the richest place on this earth. It will not reach its potential while it remains part of the Australian Federation under the present constitution.

The ten greatest years in Western Australia's history were those immediately preceding Federation.



It was during this period that the great leap forward was made.

In 1890, our State was granted responsible government, and the following ten years were ones of astounding growth — the population grew by 380 per cent, the railway line mileage increased by 702 per cent, revenue from postal and communication services shot up by 792 per cent, internal revenue went up by 671 per cent, while external trade expanded by 600 per cent and crop acreage was increased by the farmers' efforts by 287 per cent.

These figures are truly amazing, and the doubters of Federation had a substantial yardstick to gauge the success or otherwise of this ill assorted marriage.

We must not forget either, that two great engineering feats were conceived and born during those golden years — the magnificent water pipeline to the Goldfields (still acclaimed these 70 years later, as a great achievement) and the harbour at Fremantle.

During those booming, bustling years of development and expansion there was neither income tax nor land tax. The Colony was financed by funds derived from mines, customs and excise revenue, postal and railway operators, probate and licences. Commencing with Federation, Western Australia went into decline and earned the name of "the Cinderella State of the Federation".

The next big lift was the mineral boom of the 1960's, triggered off by the withdrawal of government intervention in the Pilbara when the Federal iron ore export embargo was withdrawn and the State blanket on the pegging of titles was temporarily suspended.



# **BUREAUCRACY KILLED THE BOOM**

The boom was only brought to a halt when State and Federal Governments made a power-hungry grab to control every facet of private investment, development and export of our natural resources, culminating in the Connor plan of control which Mr. Anthony has now apparently unwittingly endorsed, despite his former remarks about the self-same Connor policy as reported in Hansard on 2 June, 1975:

“Whilst this policy ... when pursued to its ultimate extent is not only commercially questionable, but is also headed for ruinous economic circumstances.”

The above is not quoted as an indictment of Doug Anthony. It simply illustrates the strength of departmental power and helps to explain Australia's continuing downward path towards total government socialistic control.

Mr. Anthony inherited the department. He must defend its policy regardless.

## **DEFENCE THROUGH RESOURCES**

On the other hand, if Western Australia seceded with its government held powerless to interfere and stagnate industry, then we could look forward to making ourselves indispensable to several of the great powers of the world who would be forced by

Blue 2

Western Australia could provide a defense umbrella for the whole nation by hiring a super nuclear submarine from the Americans, Mr. Lang Hancock said yesterday.



"IT'S ADMIRAL HORN-BLOWER-HANCOCK, SIR - AN' I'M AFRAID HE'S GOT POOR JIM KILLEN...!"



their own self interest to see that we were not overrun, because if we were it would affect their whole economy adversely; then we would have a defence umbrella which, today we sadly lack.

Suez was Great Britain's last foreign adventure. Vietnam U.S.A.'s, henceforth they will defend nothing west of Hawaii. We must make them defend Australia and pure selfish self interest is the only thing that will move them to act.

It has been computed that Australia's total defence capability is such that we could defend only 12 miles of coastline. W.A. alone has 4,400 miles of coastline.

The pattern has been set with our relationship with Japan. We are today more dependent on the Japanese economy than we ever were on Great Britain. We rely on the Japanese to buy from us such a preponderance of their iron, coal, alumina, wheat, salt, wool, and so on, that ironical as it may seem, Japan is today Australia's best defence because they simply could not afford to see us go under; otherwise their own economy would be affected disastrously.

## **FREE ENTERPRISE W.A.?**

Let's assume for the sake of argument that Western Australia had a truly free enterprise economy with absolute security of tenure and freedom from all kinds of government restriction.

We could then have the world as a market and not just Japan. We would also be able to dictate terms to Canberra because both Queensland and North-



ern Territory, with economies similar to our's, would be on our side.

With such an economic force to call on, we could force Canberra to join with the ASEAN nations, take advice from Singapore Prime Minister, Mr. Lew Kuan Yew, use our tariffs and our products as a bargaining lever to create a free trade area of 230 million people (somewhat similar in size of population to the United States).

## **THE LIQUID NATURAL GAS MARKET**

We could enter the Liquid Natural Gas market at a later date and earn considerable foreign exchange from the technologically difficult north-west gas reserves. This gas can never come ashore economically due to the impediments that have been placed in its way by governments, State and Federal, but in 10 or 20 years time it may be viable as an export product if those impediments could be removed.

## **POWER TO BURN**

We could satisfy the whole of Australia's electric power requirement by harnessing the Kimberley tide where, with one installation, we could generate six times the total power generated in Australia today by all means. This power source is forever.

## AUSTRALIA NEEDS NUCLEAR TECHNOLOGY

We could enter the Nuclear Age by supplying W.A. with the safest, cheapest, cleanest form of power as yet devised by man by developing our own uranium resources.

I believe that we should enter the Nuclear Age and use it immediately to mine our vast mineral deposits, to create dams to save the water which is now running uselessly to the sea. We must use nuclear power to desalinate the ocean and obtain fresh water and we must use nuclear power to beneficiate our minerals; we must use nuclear explosives to quarry rock and blast tunnels to build and improve the grade of our rail routes. Furthermore, to excavate channels at our sea coast to service ships not of the present 100,000 ton range but the ships of the future of half a million or even larger carrying capacity. We should remember that throughout the world there are currently being built 13 ports capable of servicing 250,000 tons and larger ore carriers. Australia has not one single harbour capable of handling vessels of this dimension.

The time may come when our markets may be taken from us by more virile populations leading to a consequent decline in our standard of living. Australia now has one of the lowest growth rates in the world; by comparison, Brazil has sprung up in the last five years to a growth rate something like five times that of Australia and second only to that of Japan. Neither Brazil nor Japan are shunning nuclear power as we are. In fact Japan is already



re-cycling radioactive waste which is the best means of disposal.

Our political leaders must pull their heads out of the sand; they have a duty to play a decisive part. They must endeavour to destroy the false legend which is the legacy of Hiroshima, thus ensuring that Australia is not denied the benefits of the nuclear age. They must keep the public fully informed at all times to enable them to understand the benefits which can accrue to them just as they now enjoy electricity, the fruits of dynamite, the benefits of nuclear cancer-controlling medicine and the relaxation of colour TV — provided they sit ten feet away from it.

When a government is not confident to adopt nuclear energy, knowing that it is far safer and cheaper than coal, oil, wind or solar power and knowing that its risk at worst is only one in 750,000, then the governed also lose confidence in the government.

Mr. Fraser and Mr. Hayden should remember this and also remember, that when politicians seek to win popular support by professing to pursue policies aimed at eliminating risks, their government in general begins to lose the confidence of the governed. No-one should be more aware of this than Mr. Fraser if he cared to study his declining popularity since giving way to environmentalists at Fraser Island and on uranium mining, etc.

Mankind will accept a level of death risk of one chance in 5,000 without any reflection on the government in power; the motor car has proved this.

The world's population is rapidly expanding: 4,000 million today, 10,000 million in the foreseeable



future; 15,000 million after that. How are they all to obtain a living? Where are the extra jobs to come from?

As the world has expanded in the past, breakthroughs in technology have catered for each new generation. Faraday discovered electricity. The world got a big lift with the coming of the electrical age. Millions of jobs were created flowing ultimately into this century — telephones, radio, television. Just reflect upon the tremendous boost to the world's economy with the advent of the motor car, followed by the aeronautical age. We now need another big breakthrough to cater for the rising generation of school leavers. The nuclear age promises this. The raw materials are here. What is lacking is leadership, guts and foresight.

### **Background:**

Transcript of the address by Mr. L. G. Hancock to the 45th ANZAAS Congress in Perth, Western Australia in 1973.

*I have yet to hear of any public protest when one of the famous Pilbara cyclones swings in and vents wind and water on our great desert spaces. Yet just one of these blows will destroy more rock than 1000 years of mining by nuclear means. This is nature at work. Now man wants a piece; a tiny fragment of the action. So I want to tell WHY AUSTRALIA MUST ENTER THE NUCLEAR AGE. And I will tell under the headings of:*

**SAFETY OF AUSTRALIA  
NUCLEAR POWER GENERATION  
NUCLEAR MINING  
NUCLEAR EXCAVATION  
AND HOW AUSTRALIA IS EMINENTLY  
SUITED TO THIS TECHNOLOGY**

*Let us at first set the scene — as it is now in 1973. Every unorthodox innovation for the large scale benefit of the majority of the human race seems to be preceded by a host of detractors, some of whom are cranks, some of whom are soured and vicious people, but some, in fact the great majority are otherwise sensible human beings who are apprehensive about what perhaps could be called “a leap in the dark”. The outcome of this leap is something of which they have been kept in ignorance, or have learnt to fear through press sensationalism. There are no circulation dividends in presenting unglamorous facts of scientific progress, whereas if the subject in question can be dressed up to present some Frankenstein type phobia the public will buy the newspaper, discuss it, choose sides and argue the pros and cons whether properly informed or otherwise. This atmosphere is heightened by publicity seekers, who, lacking the brains or capacity to invent something in their own right, can see an opportunity for notoriety in decrying a discovery by some really great man — the more ill-founded and way-out the objections are the greater the notoriety — the greater the media circulation.*

*Pasteur was ridiculed.*

*The discoverer of the anaesthetic properties of chloroform, Dr. James Simpson, was ostracised by the medical profession, particularly by those members of it who were adept at hacking off men's limbs with meat saws and allowing women to be tortured in childbirth. The struggle to bring the benefits of chloroform to the human race was not won on scientific grounds or medical grounds, but as a result of the example set by Queen Victoria,*



*who subjected herself to its use at the birth of her son Prince Leopold.*

*The innovation of the motor car saw our legislators at work compelling a man to walk in front of it waving a red flag. The initial railway was objected to on the premise that it would prevent hens laying eggs.*

*Nobel, with his invention of dynamite, was heralded as anti-Christ, whose one aim was to destroy the world.*

*Faraday with his discovery of electricity, in sheer frustration at being unable to penetrate the mind of Mr. Gladstone said, "Look Mister Prime Minister you will be able to tax it".*

*To those of you who wish to exclude Australia from its birthright to enter the technological nuclear age on the score of safety, several comparisons spring to mind, for instance, Faraday when he discovered electricity — Nobel when he invented dynamite.*

*Thousands of people have been electrocuted or burnt in their homes through the misuse of labour-saving electrical appliances, but has any government shown the will to ban this dangerous utility.*

*Untold thousands have been killed with the motor car — a product which could not exist in anything like its present numbers, except for the roads built with the road metal quarried by Nobel's dynamite.*

*Are we then to be without motor cars or the convenience of electrical home appliances on the score of danger? Would the government be game enough to ban coloured TV because the radiation emission is stronger than that emanating from the clean hydrogen bomb. It is worthwhile to remember that the human race has lived with radiation for a very*



long time because radioactive isotopes are part of our very body tissues.

The wartime use of an atomic bomb at Hiroshima has left such a legacy of fear in men's minds that it has carried over to prevent the use for peaceful purposes of the "clean bomb" or as it is better named the hydrogen nuclear device. Press sensationalism, genuine misunderstandings and wilful perversion of scientific facts have generated a host of fallacies regarding the use of the "clean" hydrogen bomb for peaceful purposes.

Therefore if we are to pass out of the superstitions of mediaeval times we must discard this disease of the environmentalists, which, according to Mr. W. J. Gillies of the SEC, is "bred of a parentage of frenzy, fear and unawareness coupled with the indisputable needs of this, our age of environment". Their criticism is, "ill-informed and indoctrinated public opinion promoted by selfishly biased, insular minorities." Or they consist of groups with vested interests who wish to have industry re-located into areas from which they expect to draw speculative monetary gains. However, let's agree we all want clean air and we all want clean water. I think our best chance of getting it is by nuclear means.

## SAFETY OF AUSTRALIA

Geographically and militarily we are an Asian country populated not by hundreds of millions of Asians, but by a mere thirteen million Europeans surrounded by emerging dictatorships with unstable political climates from which a Hitler-like militant adventurer can emerge at any moment despite the present apparent calm on our Northern shores; a calm which is likely to disappear the

*moment the Americans completely withdraw from South East Asia.*

*Notwithstanding the ties of blood and language it would be unreal to imagine that either the U.S.A. or Britain would aid us if we were attacked. Suez was Britain's last foreign military adventure — Vietnam will sound the death knell of America's role of policeman in Asia.*

*Should it become necessary we cannot slug it out man for man with our neighbours; we have not the numbers. One of our near neighbours breeds more people every year than Australia's total population. How then are we to balance the equation? Surely we must make good our deficiency in numbers by superiority in technical ability on all fronts. In short, Australia must enter the nuclear age.*

*We have some of the world's greatest deposits of raw materials. These materials the industrial nuclear armed powers must import in ever-increasing quantities because their own industrial consumption is expanding at an enormous rate. If we develop our resources and markets to the point where for instance, the United States becomes dependent on us to maintain its factories or in fact its very existence as an industrialised nation, then and only then will they be forced to prevent our subjugation by a hostile power to save their own economy.*

*Meantime we may have to defend ourselves as best we can. This I believe can only be done by arming the F111 with a nuclear warhead so that the militarily stronger nations on our borders (who outnumber us ten-fold or more) will know that if they should feel tempted to attack us they will in turn be handling a fairly prickly hedgehog which can*



*strike without being seen and which can "take out" their vital targets such as power installations, water supplies, communication centres and munition factories to the point where it nullifies their capacity to make war on us except at very great cost to themselves.*

*This can be done by the F111 supersonic terrain-following warfare system because the F111 operates below the radar screens, hits an unseeable target in weather that prevents the plane from being seen and returns to base without the enemy having a chance to prevent the attack. Pilots who have flown this machine in warfare say that in not one instance has an F111 been hit by a bullet, i.e. up to the time that I was last in Dallas. Judging by the heroism of the World War 1 pilots in the dog-fighting era this may sound an unsporting method of making war, but to me it would seem uncommon sense considering the otherwise unequal odds.*

*This then is the first step towards Australia entering the nuclear age and seeing that it is a case of self preservation it is probably the main one. Please do not let us fool ourselves by thinking that the F111 or any other aircraft offers us adequate protection if loaded with "iron bombs".*

*It has to be nuclear or nothing.*

### **NUCLEAR POWER GENERATION**

*The next step should be to develop our natural resources on the cheapest possible footing in order to capture world markets thus bringing a nuclear-powered nation's trade channels to our door. This means installing nuclear power stations in our big mineral fields. It means building nuclear power stations in our cities, not only to supply cheaper fuel with which to make our industrial output competi-*



*tive on world markets, but to improve the health of our work force by eliminating smog. It will gain Australia nothing to develop our industrial output breathing an unhealthy atmosphere such as one experiences in Los Angeles and other industrial cities powered by fossil fuels. A reduction in smog we are told means a reduction in cancer and other diseases which can be still further reduced by the adoption of nuclear medical techniques.*

*Probably the mineral that is in shortest supply in Australia is water, yet untold millions of gallons pour into the oceans from our rivers when in flood and are unretrievably wasted. Again the use of the cheap nuclear tool will need to be used to dam these waters or turn them inland for use in the development of the giant projects in the outback. Apart from saving these natural waters one of the by-products of a nuclear power station would be desalination of the water thus providing an addition to our fresh water supply.*

*These horizons sound easy on paper — are they achievable? Let us look at the Pilbara iron situation where we have several ports in existence with several companies operating; all with their own small power plants spread miles apart.*

*These companies are dynamic, privately-owned enterprises not dependent on government handouts in any way, but on the contrary making huge contributions to the Treasury. Operating singly, not one of them has a need large enough to justify the installation of a nuclear power station; jointly they could consume some 200 megawatts which at the moment is the minimum justification for a nuclear plant.*

*This seems beyond the imagination and capability*

of government to supply. You will remember Mr McMahon cancelled Australia's first proposed nuclear plant authorised by Mr. Gorton. How then is the breakthrough to be made?

The answer could lie in attracting some huge multi-national company with adequate capital and experience in building nuclear power plants to the Pilbara iron field by offering them equity in a large iron ore deposit, whereby they would become basic operators in their own right so that in their own interest they would find it worthwhile to instal a nuclear power plant and sell off the surplus power to the other producers in the field. They could not, of course, do this under the onerous taxation conditions that exist at present relative to mining installations not lodged on a mining lease. The place for the nuclear power plant must be on the coast adjacent to sea water at a centrally located point relative to the Hamersley Range Iron Field. It could not be installed on one company's mine site, which it would need to do under the present unrealistic tax set up to avoid hardship.

#### NUCLEAR MINING

Our giant resources must be mined with nuclear explosives to increase their scale of operation, reduce the cost, speed up the time factor and lessen transport and storage difficulties.

With regard to nuclear mining of the orebodies, the first commercial blast in the world has been set off at Rulison in U.S.A. The American Government will now sell this nuclear device to industry in much the same way as industry can buy TNT and dynamite at present. It is therefore just a short step for us to transfer this technique to the Australian mineral fields commencing on the iron with a 40,000 ton



*TNT equivalent blast at the Wittenoom iron deposits.*

*In U.S.A., at Rulison, there was conducted an experiment, which, if used by industry, will open the way to doubling the known resources of natural gas of the U.S. This technique could possibly be applied at Gingin and the Goldwyer location near Broome in W.A. and probably central Australia.*

*At first every conceivable obstacle by the eco-nuts was thrown in its path up to the point of asking the Supreme Court of U.S.A. to stop the explosion.*

*Judge Arraj found the Colorado Open Space Coordinating Council and the American Civil Liberties Union presented no evidence to support their claims that the project was unsafe. The U.S. Circuit Court of Appeals upheld Judge Arraj's decision. Circuit Judge Delmas Hill of Wichita, Kan. said explosion opponents presented "a very weak case". The Judge found the evidence offered by the Council and the ACLU "Totally lacking" in support of their claims of irreparable damages. The two groups contend:*

- 1. That the explosion set for 8,400 feet underground could vent radioactive material through a fissure in the earth;*
- 2. That underground water could be contaminated by the blast;*
- 3. That danger of poisoning the atmosphere with radioactive materials exists when the Atomic Energy Commission proposes to open the explosion area.*

*However, Judge Arraj noted in his decision that:*

- 1. No witness at the hearing before him could say there was any probability the explosion would vent — that in fact this was highly improbable;*



2. *There was no evidence whatsoever relating to underground water;*
3. *That no plans have been made to open the explosion area until six months after the blast.*

*I went to Rulison to see the world's first commercial shot and whilst there met up with various private contractors experienced in such work. The most impressive of them was Dr. Gerry Johnson who set off the first fifty nuclear explosives in the Nevada Desert. He has now left the American Atomic Energy Commission and is managing a firm which is contracting to use nuclear explosives in private industry. He returned to Australia with me and after visiting the Northwest in my company agreed to make a study and put up a firm quote with a detailed program covering all safety aspects to mine and crush 43 million tons in one blast of iron ore at Wittenoom at a cost of 1.8 cents per ton. It is currently costing the huge Pilbara iron ore companies something like one dollar per ton for the same exercise (this is 55.5 times as much).*

*With Mr. Gorton as Prime Minister an underground explosion had every chance of being permitted in Australia because the P.M. would have had at his elbow the quote and program of the man who had actually set off 50 nuclear explosives. He would have had the support of the American Atomic Energy Commission. He would have had the support of the inventor of the device, namely Dr. Teller, who was prepared to come to Australia and answer in front of the P.M. any of the arguments that would undoubtedly flow from the various detractors of the scheme. He would possibly have had the support of Sir Philip Baxter, then head of the Australian Atomic Energy Commission, who at*

43m. TONS. 1.8 cents per ton.



*Artist's impression of a 40 kiloton contained underground nuclear hydrogen blast to fracture 43 million tons of iron ore. Crushing plant, drive and ore deposit are in existence.*



that time was confronted with the fact that his department had cost the Australian taxpayer nearly 200 million dollars (more than enough to build a nuclear power station in Pilbara) and had, so far, not generated one single horsepower of energy in return for such an enormous expenditure. At Wittenoom the idea was to break the ore and discharge it onto an underground conveyor leading to the old crushing plant at the asbestos mill. We thought that this preliminary use of the nuclear device would be the ideal lead-in rather than aiming for the building of a harbour first, because of people's fears about contaminating the ocean and theoretically discharging radioactive contaminant to atmosphere. By having an underground inland explosion we thought most objections would be over-ruled, added to which was the fact that the only people who really stood to lose were Hancock and Wright because of our investment in the nearby town-site and in the proving and drilling of the orebody together with all our underground equipment at the mine — a total of something like 2½ million dollars.

These were our assets which we were risking, nobody else was risking anything. See drawing. Note the contaminant is hundreds of feet below the orebody.

The first step was to satisfy myself that nuclear mining was safe. So I went to the U.S. accompanied by Dr. Teller, I went down the Piledriver contained nuclear explosion site to within 100ft of the actual shot point and allowed the fractured rock to run through my hands. Piledriver was one of a series of such mining shots. The first was under Rainier Mesa in 1957. The U.S.A.E.C. experimentally



*mined this when it was done 16 years ago. The art was young then.*

*The thing to remember is that the radioactive matter dies; it does not hang around forever.*

*Following on a total disregard for Western Australia's welfare as illustrated by the Treasury and Federal Reserve Bank's currency and capital restrictive policies, Australia has no alternative to enable it to keep pace with our competitors except to enter the nuclear age. We are facing extreme competition from Brazil whose government realistically devalues when ours naively revalues, whose government gives tax holidays when ours charges an exorbitant rate of income tax; whose government levies no royalty when our W.A. government levies royalty at 700 per cent higher than the Commonwealth does. In short, Australia, for a major project, has to raise approximately 400 million dollars worth of capital to do the work of approximately 210 million because at the first bite the Commonwealth Government takes 47½% of the profits.*

*We, therefore, must use nuclear mining to its fullest extent which could reduce the cost from \$1.00 per ton to 1.8 of a cent.*

#### **NUCLEAR EXCAVATION**

*This step should be followed by the excavation of a land backed harbour capable of carrying the world's largest ships of the future and being able to load several of them simultaneously. This can only be done economically by nuclear blasting.*

*It is regrettable that the Australian Government with the ball at its feet, fumbled badly and ended up with a dismal flop at Cape Keraudren; a place that did not justify a harbour of such dimensions but*

*which could easily have been transferred to a site near Depuch to serve practically the whole of the Hamersley Iron Field.*

*The Government, weighed down with a bureaucracy lacking in experience of detonating nuclear charges and bereft of any geographical coastal knowledge relative to the Hamersley Iron Field, has cost Australia dearly through its failure to bring Keraudren or rather its replacement harbour to fruition because of the objections of the eco-nuts. For every human being on earth at present there is said to be more than one million tons of air in the atmosphere. For my part I am willing to risk contamination of my million tons by such an explosion as I don't see how a a device detonated some six hundred feet under the sea bed covered with several fathoms of water with the contaminants sealed in at the moment of explosion, could ever escape to atmosphere. At this stage let me quote from a letter that I received from Dr. Teller:*

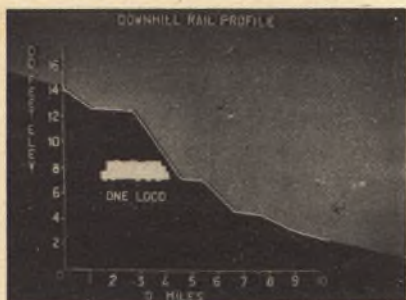
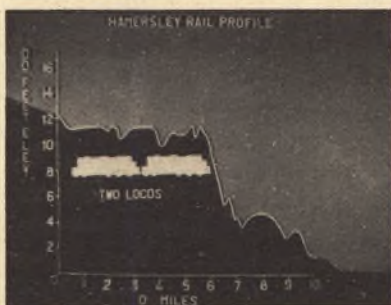
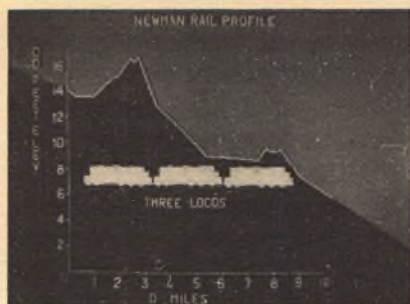
*"There are two instances that need emphasis. One is that the Russians have proceeded with careful use of cratering explosions and have reported on their progress at the International Atomic Energy Agency in Vienna.*

*The other is that in the case of your interest in North Western Australia all the conditions for safe use of nuclear explosives according to the Plowshare procedures are justified."*

#### **HOW AUSTRALIA IS EMINENTLY SUITED TO THIS TECHNOLOGY:**

*We must use a nuclear device to dam our rivers.*

*We must use nuclear power to desalinate the ocean and obtain fresh water.*



*These three profiles are reproduced from clips taken from animation in a movie being made to show operation of the scheme of which the downhill railway is a part.*



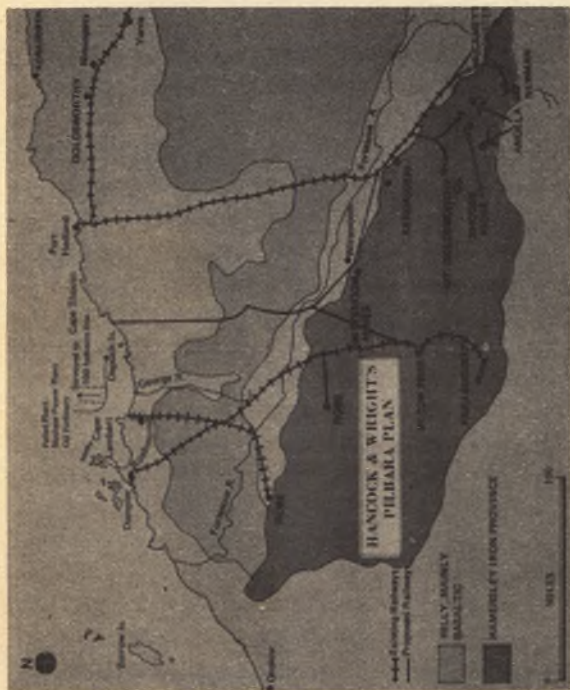
*We must use nuclear power to beneficiate our minerals.*

*We must use nuclear explosives to quarry rock and blast tunnels to build and improve the grade of our railroutes. For instance the current railroads in Pilbara require up to 1.4 HP per ton of train because of the terrain whereas the downhill rail route to Depuch requires only .3 HP per ton of train. See map.*

*The present Commonwealth Government is committed, according to its pre-election platform, to bringing Australia into the nuclear age. If it fails to do so we will never be other than a minor country whose standard of living will decline rather than increase. Our markets for our materials will be taken from us by the emerging dictatorships of Africa and South America. As I have explained, the inroad that Brazil is already making into our iron ore market is a case in point.*

*We should remember that this year in U.S.A. 34 new nuclear plants have been commissioned. We should remember that throughout the world there are currently being built 13 ports capable of servicing 250,000 ton ore carriers. In Australia we have not one single nuclear plant and not one single harbour capable of handling vessels of this dimension.*

*We have all heard much of the "Pilbara Concept" based on the dream of being subsidised by offshore gas, which may have to be brought ashore some hundreds of miles away, after being won from sands some 7,000 feet below the seabed, which seabed is situated some 450 feet below the ocean's surface, which surface sometimes undulates in cyclones with waves of 70 ft. in dimension. Added to*



*On the east and west of the map are the expensive-to-operate existing north-south railways. Centre is the economic solution.*  
 See more recent map on page 90.



*which is the engineering problem of having to build a giant device with its foundations on a sea bottom, which may have to be penetrated some 400 feet or so before a solid foundation is reached.*

*Superimposed on these practical difficulties are all sorts of government impediments in the way of developing this gas as an economic unit such as prohibitions on exports and things of this nature. It may take years before there is any positive outcome, but if there is a positive outcome the cost will certainly be prohibitive and not such as would provide 4 mil power as envisaged in the "Pilbara Concept"; unless it is by way of a monumental bonus to all onshore industry which in this "concept" visualises the usage of 4400 megawatts of power.*

*To the uninitiated, 4400 megawatts might not mean much but it is 20 times the amount of power which early detractors of nuclear power in our Northwest said would be beyond the total needs of the Pilbara i.e. they claimed as a reason for not building one that one nuclear power plant was too big for the Pilbara — now they are envisaging a hand-out from a private gas company to provide us with 20 times this figure.*

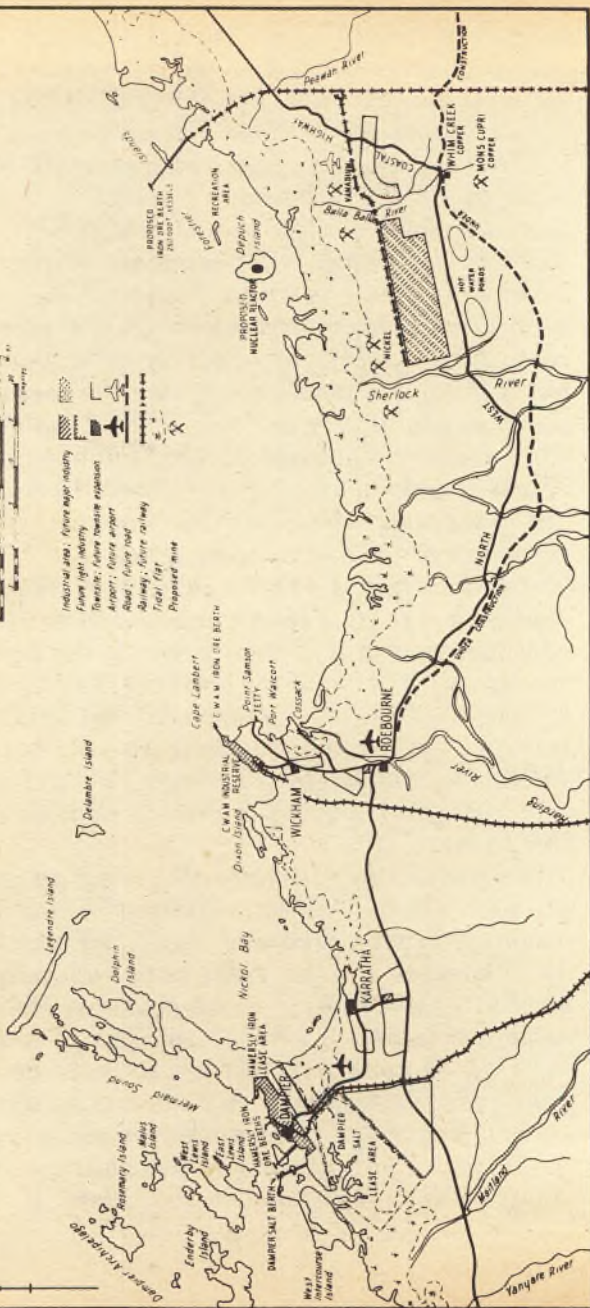
*What then is the sense of sabotaging an imaginative idea like the "Pilbara Concept" by basing it on an air-fairy pipe dream of cheap gas which might never eventuate, when right at our doorstep is the means of establishing cheap power in Pilbara almost overnight. As I have said, this year alone in the U.S. 34 nuclear power plants have been commissioned. In Australia, not one has been commissioned. Yet, if you will familiarise yourselves with the Nuplex Concept you can see what could be accomplished with just one nuclear plant. If you care*



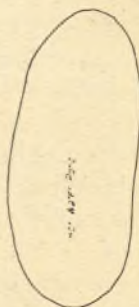
## Indian Ocean



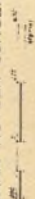
- Industrial area; Future major industry  
Future light industry  
Townsville; Future roadside expansion  
Airport; Future airport  
Road; Future road  
Railway; Future railway  
Tiger flat  
Proposed mine



	Liquid & Solid Pollution Handling	Steel Mill	Conventional Power Generation From Low Temp Heat (As Coal)	Aluminum Reduction	Nuclear Fuel Cycle Industries	Chlorine Chemicals	Fertilizer Plant	Consumer Products Petrochemicals	Liquid & Solid Wastes Handling	Railway Area
2000-2005 1000-2000 1000-2000		Aluminum & Steel Consumer Products	Aluminum & Steel Consumer Products	Copper, Nickel, Vanadium & Manganese Smelters		Consumer Products Petrochemical	Plastic & Rubber Plastic & Rubber Conversion		Research & Development	
		Aluminum & Steel Rolling, Forming								



PILBARA NUPLUX CONCEPT



*to study the Nuplex Concept it will take very little imagination to see on what the Government's Pilbara Concept was based. See drawing.*

*In the Pilbara there are 127 million million tons of iron ore. Enough to last the whole world for a multitude of centuries. Why not insure against our future rising costs by blasting some thousands of millions of tons in the isolated outback and leaving it dormant while the outback is isolated. This could be a tremendous reserve of broken ore at the cheapest cost imaginable as a guarantee of Australia's future.*

*I believe that we should enter the nuclear age as promptly as possible and use it immediately to mine our vast mineral deposits, to create dams to save the water which would otherwise run uselessly to the sea and furthermore to excavate channels at our sea coast to service ships not of the present 100,000 ton range but the ships of the future of half a million or even one million tons carrying capacity. The GLOBTIK TOKYO of 476,000 tons is already afloat.*

*To build such a harbour with conventional explosives would cover a time span of some 4 or 5 years involving the slaughter of fish with every detonation. With the nuclear device the explosion would take a fraction of a second. Surely this would present a golden opportunity for some notoriety seeker to do something practical (instead of sabotaging Australia's productivity) by inventing a dye or some sonic device to scare fish away for the small fraction of time necessary to explode the nuclear tool.*

*I therefore propose the following program for the use of the nuclear device in all cases:*

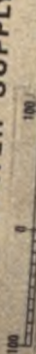
- 1. Set off a contained underground explosion in*



*an orebody at Wittenoom or Marandoo without discharge to atmosphere.*

- 2. Blast a rock dam on the Turee Creek to supply water for Wittenoom, Marandoo, Tom Price and Paraburdoo mines, rather than divest the country of underground water supplies leading to the devastation of the surface by the killing off of all flora dependent on the present underground supplies.*
- 3. Dam the Fortescue River at Gregory's Gap as well as the Sherlock and Shaw Rivers to supply water to the coastal mining towns.*
- 4. Augment the present Pilbara meagre water supply by blasting undulating terrain and channels to enable the otherwise unusable Ord River water to be brought south. This supply could be further augmented, when required, by blasting dams on the Fitzroy and Margaret Rivers.*
- 5. Cheapen the cost of the proposed downhill railway leading from 90% of the known ore in the Hamersley Ranges to a site near Depuch by blasting the Chichester Ranges in appropriate places.*
- 6. Blast a channel near Depuch so that in the foreseeable future ore carriers of one million tons can be used thus keeping Australia up with the rest of the world.*
- 7. Blast some thousands of millions of tons of iron ore and leave it dormant as reserve for years to come. This is particularly applicable where deposits have an expensive overburden removal problem.*
- 8. Instal a nuclear power plant as part of the "Pilbara Concept" on Depuch Island. I hope*

# PROPOSED WATER SUPPLY

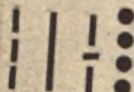


Pumped

Gravity; open

piped

Pilbara Iron Region





*you are aware that, because of the eco-nuts, Americans are considering building platforms in the sea on which to locate nuclear power plants in future.*

*All of these proposals are located in isolated areas totally devoid at present of population (except for Wittenoom). Therefore they will need to be implemented right now whilst they are in total isolation, but before we can do this our political leaders must pull their heads out of the sand; they must play a decisive part. In fact they have a duty to play it. They must make every endeavour to destroy the false legend which is the legacy of Hiroshima, thus ensuring that Australia is not denied the benefits of the nuclear age. They must keep the public fully informed at all times to enable them to have a proper understanding of the benefits which can accrue to them with perfect safety, just as they now enjoy electricity, the fruits of dynamite, the benefits of nuclear cancer-controlling medicine and will enjoy the relaxation of colour TV — provided they sit ten feet away from it.*

*The nuclear age will come to Australia some time; it is inevitable, but, when it does come, it may be too late to be of any great benefit to the Australian people.*

*It may come when our markets have been taken from us by more virile populations leading to a consequent decline in our standards of living. For instance, Australia now has one of the lowest growth rates in the world; by comparison, Brazil has sprung up in the last five years to a growth rate something like five times that of Australia and second only to that of Japan. Neither Brazil nor Japan are shunning nuclear power.*



*The time to cash in on nuclear mining is now when we can be at the head of the queue and whilst the spoils to the victor are greatest. There is no prize for dragging the chain in this fiercely competitive world.*

*If we are prepared to jump into the nuclear age immediately, there is no reason why the Pilbara in Western Australia could not become the "Ruhr of South-East Asia". With the ensuing build-up in economic strength Australia would be strong enough to defend itself. The raw materials are here. What is lacking is leadership, guts and foresight.*

## **HARRISBURG, PENNSYLVANIA**

At the time of the Harrisburg incident, Dr. Edward Teller was in the United States and was interviewed on radio via telephone in Sydney, Australia on the Bill Dowsett Programme — Radio 2GB on April 4, 1979. Following is a transcript of that interview.

Q. (Bill Dowsett) Well as you have heard, the situation is very grave in Harrisburg, Pennsylvania. We understand from press reports here that there is a gas bubble in the reactor. How true this is I do not know, this is only what our papers are saying. However, the person who certainly should know exactly what is happening in Harrisburg is Dr. Edward Teller. Dr. Teller was the Chairman of the first committee reporting to the American Atomic Commission, on reactor safety back in 1948. Now from California:

Dr. Teller, thank you for joining us on this programme.

**A. (Dr. Teller)** I am very happy to be with you.

**Q.** Dr. Teller, from your point of view and from the information you have, how serious is the situation in Harrisburg?

**A.** I have been keeping in touch and for a day or so, the situation was quite unclear, but I can summarise the situation as it now appears, very quickly. There is extensive damage to capital equipment amounting in the end to probably more than one hundred million dollars. There has been no damage to life, no damage to health and the situation now is such that one can say with very high confidence, that no such damage will occur.

**Q.** You are completely confident that there is no danger to people who had been working in the reactor itself, or to the people who live near that place?

**A.** The present radioactive exposure, which is the only danger, near the boundary of the reactor, is, to use a technical term, one millirem per hour. This is the same radiation level you are getting when you are riding the normal high flying jet plane.

**Q.** Right, would you say that the public have been adequately informed about the progressively dangerous situation apparently at the reactor?

**A.** There has been a lot of reporting, there has been an incredible amount of worry, which worry could have been avoided had we followed the same prescriptions as are being followed in most other accidents, merely not to give out speculation at a time when all the data are not yet in. What we now know is that the reactor is cooling. We are approaching the



point where we can say that the safety is complete. There is a gas bubble in the reactor which probably consists of hydrogen with no oxygen, or with very little oxygen and furthermore, the size of that bubble is now being reduced.

Q. You see in the newspapers in Australia, Doctor, we hear news that there is indeed a percentage of oxygen in that bubble in fact we have varying conflicting stories, one officer from the Nuclear Regulatory Commission saying that in between twelve to twenty-four days the oxygen could reach explosive levels of 8%. We have another saying that, that explosive level could arrive in five days and yet another officer from the same commission saying that explosive level could be reached in two days. With information like that we are, to say the least, confused.

A. I can understand that you are confused and the confusion in the United States also is great. It seems to me that with the distance from the actual site the confusion is increasing.

Q. Alright then, if I may quote to you some people from your own country, and I quote for example, Richard Pollock who is director of the Critical Mass Energy Project which is a Washington group and he says:

"This is an accident we were told could never happen. We were told it was a delusion of a few environmental fanatics."

What comment do you have on that sort of statement?

A. The group you mention has been engaged in



**spreading scare stories about nuclear reactors. They are now having a hey-day.**

**Q. They are now having a headache?**

**A. No, a hey-day, a wonderful time.**

**Q. Oh, I see what you mean, yes. So you think that they are merely sort of making these stories up . . . that there is no basis in fact?**

**A. There is a basis in fact to a very considerable damage to the nuclear reactor. There is the fact of a minimal exposure to a number of people who, if they get no more exposure, certainly will not suffer for what they got so far.**

**Q. If I may I will quote to you once again. This time from Dr. John Gofman, who is the emeritus Professor of Medicine at Berkley University and he says:**

**"I don't know how many people will die eventually because of the radiation suffered from this plant . . . it could be one, or one hundred and fifty. A number of people I am quite convinced have had their death warrants signed."**

**A. I did not hear who you quoted.**

**Q. This was Dr. John Gofman who is the emeritus Professor of Medicine at Berkley University.**

**A. I know John Gofman very well, John Gofman in past publications managed to exaggerate the predicted number of expected deaths by a factor of many thousands. I know that you are quoting people whose statements in the past have been consistently and completely disproved.**

**Q. Can you speculate on his motives for saying something like this?**

**A. It is very difficult to do so. But there is the possible motive that people like to get atten-**

**tion. Indeed statements like these do get attention.**

**Q. Tell me how relevant do you think the trouble at present in Harrisburg is to our own Atomic Energy Plant at Lucas Heights?**

**A. I am not familiar with Lucas Heights and as far as I know it has functioned for many years in excellent hands without any incident. I do not think there is any relevance whatsoever. But I might say that I do not know the facts at Lucas Heights therefore I should not say that without qualification.**

**Q. Alright one last area I would like to explore with you. What effect that this event and the reporting of this event is going to have on the Nuclear Power Programme in the United States and probably the Nuclear Power Programmes all over the world.**

**A. I cannot answer that question . . . it is a political one. The fact is that we have one more proof that the errors which are unavoidable in any programme are being paid for in money and not in life, not at all in life. The Nuclear programme has been and remains the safest, cleanest and cheapest form of energy when you want to produce massive electricity. Now that this particular occasion is being used by the opponents of the Nuclear Power Programme to stop that programme is completely clear. If they should succeed the energy shortage, the energy crisis will become even harder. If we manage to acquaint people with the true situation then I believe all that will have happened is that we will have more data about the way, how reactor damage can be avoided. Every accident of this kind teaches us**



**a lesson and as we have bought these lessons for dollars we can easily afford them.**

Q. O.K. Sir, thank you very much for joining us on the programme.

## **MINERALS OUR SALVATION**

We could enter the world's mineral markets on the same scale as we now sell to Japan which would mean that our sale of iron ore alone would be worth \$6,640 million annually, with nickel and bauxite, wheat and wool, also bringing in figures of astronomical proportions.

Within 10 years W.A. could have a greater population than New Zealand and a bigger economy than the whole of Australia now enjoys with no dole — no genuine unemployed.

It should be the duty of every section of the media, every institution of learning, every government department, every author of text books, to print and spread the message that without mining there can be no civilisation.

Man must mine — he must dig or die.



## **"WAKE UP AUSTRALIA"**

### **Flight. (747)**

Itinerary for Flight leaving Sydney, Australia on June 10, 1979.

Depart Sydney at 10.00 a.m.

Orbit Utah's Blackwater operations in coal in Queensland or Theiss' South Blackwater.

Orbit Mt. Isa, Mary Kathleen uranium.

Fly over Ranger uranium or Jabaluka.

Fly over Mitchell Plateau bauxite in Western Australia.

Orbit tidal power site on the North-West coast of Western Australia.

Fly along coastline discussing Ronsard Nuclear Harbour suggested by Dr. Edward Teller. (Comment on Copper at Whim Creek. Mons Cupri, Agnew-Tg Nickel.)

Orbit Oil rigs off Dampier. Dampier and Hamersley Iron ports, pellet plant solar salt.

Comment on Monte Bellos, the site of the first Atomic Bomb.

Comment on the Nor-West Cape, American Communication Centre? (Suggested base for nuclear submarines.)

Arrive Learmonth, Western Australia for overnight stay.

June 11, 1979.

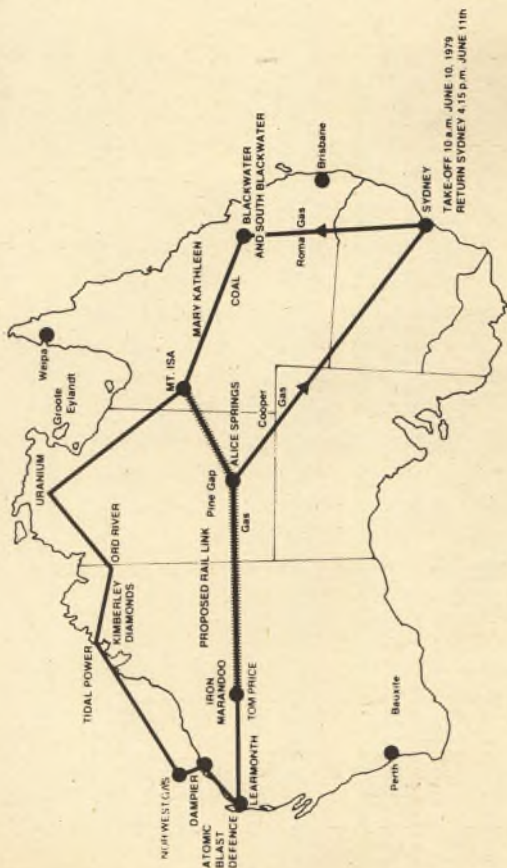
Depart Learmonth and fly Eastward.

Comment on McCamey's Monster, one of the largest known iron ore deposits in the world as yet undeveloped.

Comment on proposed west-east railway via Alice Springs, pointing out the Amadeus Basin drilled by Mr. Bjelke Petersen for gas and oil.

Comment and discussion on the Cooper Basin and Pine Gap.

Arrive Sydney approximately 4.00 p.m.







## LETTER FROM KAISER STEEL

I was very pleased to receive your invitation to comment on Lang Hancock and his contribution to the iron ore developments of Western Australia. My acquaintance with him began in 1962, and knowing him has been a liberal education. I hope the following will be helpful.

Lang Hancock is a most unusual and forceful man with tremendous driving power. It is only by close association that you become aware of his warmth and generosity, his humor and his sense of fundamental values. The fact that his family for three generations has given him a rare understanding of its people, great pride in his country and an instinctive grasp of Australian affairs. He is a man of great vision and feels that industrially the surface of Australia has barely been scratched. He 'believes' in things and arrives at his own conclusions, which may or may not be popular at the moment. He has an innate sense of 'right' and 'wrong' and always gives credit where credit is due. He is what is known as a 'fighter'.

More than any one man, Lang Hancock is responsible for the Hammersley Iron development. Australia is fortunate to have such a man able to contribute to the development of its natural resources. Much has been said and written of Hamersley already, but the following may help round out the picture.

Lang Hancock personally discovered large quantities of iron ore in the Hamersleys as early as 1952, prior to the lifting of the embargo. He collected

samples and had them analysed. He knew he had made major finds which could well alter the world pattern of iron ore supply. From the start he had the vision, the comprehension and the faith that was required to set the stage for the development of these resources on a scale commensurate with their value. He thought in world terms, rather than in just national.

It is this early comprehension of the order of magnitude of the scene yet to unfold that set him apart.

He studied the world ore picture. He mastered the basic statistics. He noted the methods used. He was shrewd enough to realize that he needed help in bringing his dream to fruition. Also to realize that premature disclosure too far in advance of political and economic events in Australia and Japan could harm the orderly development was in the nation's interest. He had to wait the turn of the wheel. In the meantime, being a man of action as well, he set about doing something about moving the wheel along a little faster.

A great believer in the individual and what he can accomplish on his own, Lang exerted his considerable influence and strong sense of direction toward lifting the embargo and encouraging iron ore development by private enterprise. He did much to ensure that an economic climate in Western Australia, conducive to the large inflow of capital which he knew would be required, was established. 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 and Wright 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 Conzinc Riotinto 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 potential 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. Our participation in Hamersley Iron has made Kaiser Steel a larger and far stronger company.

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

I have enumerated a few things of which I have personal knowledge, and I am sure you will realize that without Lang Hancock there would be no Hamersley Iron.

Very truly yours,  
James R. Barber



