

Australia: This land - these people

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The big man behind the boom

BY JOHN McILWRAITH

Lang Hancock is like King Midas—he seems to turn to gold everything he touches. In his dominion is much of the wealth of Western Australia. He has revealed that the inhospitable environment is guarding great caches of valuable minerals

THE MAN WHO WILL EARN about \$2 million a year for many years rifled through his pockets for some loose change. "Never carry much cash," said Langley George Hancock.

Not surprisingly, his credit is good. As the man generally credited with discovering the richest of the fabulous iron ore deposits in Australia's north-west, he has made at least \$5 million in the past few years in royalties from the sale of iron ore and iron pellets.

He tested his credit rating in 1966 in a way that would make the average banking client gasp with envy. He and his partner, Peter Wright, decided to buy a township of 1000 people, the mine that supported it, and a couple of small ports. The partners wouldn't say how much all these purchases cost, but it was between \$2 million and \$3.5 million.

Although both men had already made considerable fortunes, the royalties from iron ore sales were only just beginning to arrive, so they went to their bank to arrange a loan to buy the town and mine.

"The bank people were very good about it," recalls Hancock. "We got the money we needed."

Buying the township of Wittenoom, tucked away in the picturesque, remote Hamersley Range of northern Australia, was a typically dramatic gesture by a man who has been doing the daring, the imaginative and the unpredictable all his life.

The gesture came when Wittenoom was dying. Its previous owners, the Colonial Sugar Refining Co. Ltd., had decided to close the blue asbestos mine which provided the town's livelihood. Many people had left when Hancock and Wright arrived to stop its becoming one of the hundreds of outback ghost towns.

By 1970 the partners were in the midst of building a port, an oil refinery, a railway system and iron-ore-pellet plants. They were mining huge iron ore reserves and planning a vastly expanded rate of asbestos production. Even in the superlative terms which have been applied to development in Western Australia's north in recent years, such a programme was big indeed.

Just before the plans for it were announced, the *Wall Street Journal* suggested that Hancock's role in establishing Western Australia's \$2600 million iron ore industry would be forgotten—that Australians were suspicious of success. It hardly seems likely that Hancock will be forgotten now.

It is true that he has often been an embarrassment to

governments; he readily admits that tact and diplomacy are not among his gifts. There has been barely disguised antagonism between Hancock and some government officials and even cabinet ministers. There may be conscious or unconscious efforts in official circles to minimize Hancock's achievements, but he is already a legend in his own State, and well known all over Australia.

He says it matters little to him who gets the credit for jolting the north out of slumber. But few men in Australia can be as dedicated as he is to that vast, empty region where a few thousand live. The top half of Western Australia is about five times the size of Victoria, yet has in it "about the same number of people you will find working in a big Sydney department store," as Hancock puts it.

There is a sense of destiny about the Hancock story, which began with the first settlement of the north-west. John Hancock (Lang's grandfather), his sister Emma Mary, and her husband, John Withnell, were with the Withnell family group who sailed to the north-west in 1864 in the *Cossack* to found the first settlement. Emma Withnell, first white woman in the area, became known as "the mother of the north-west."

This tiny group founded the township of Roebourne, which is not far from Port Sampson and Cape Lambert, the site for Hancock's new port. Emma Withnell's son, Jimmy, began the Pilbara gold rush of 1887 when he picked up a stone near Roebourne to throw at a cow, and found it was gold. Lang's family took up pastoral land at Woodbrook station about 100 years ago, and it has held pastoral interests in the north-west ever since.

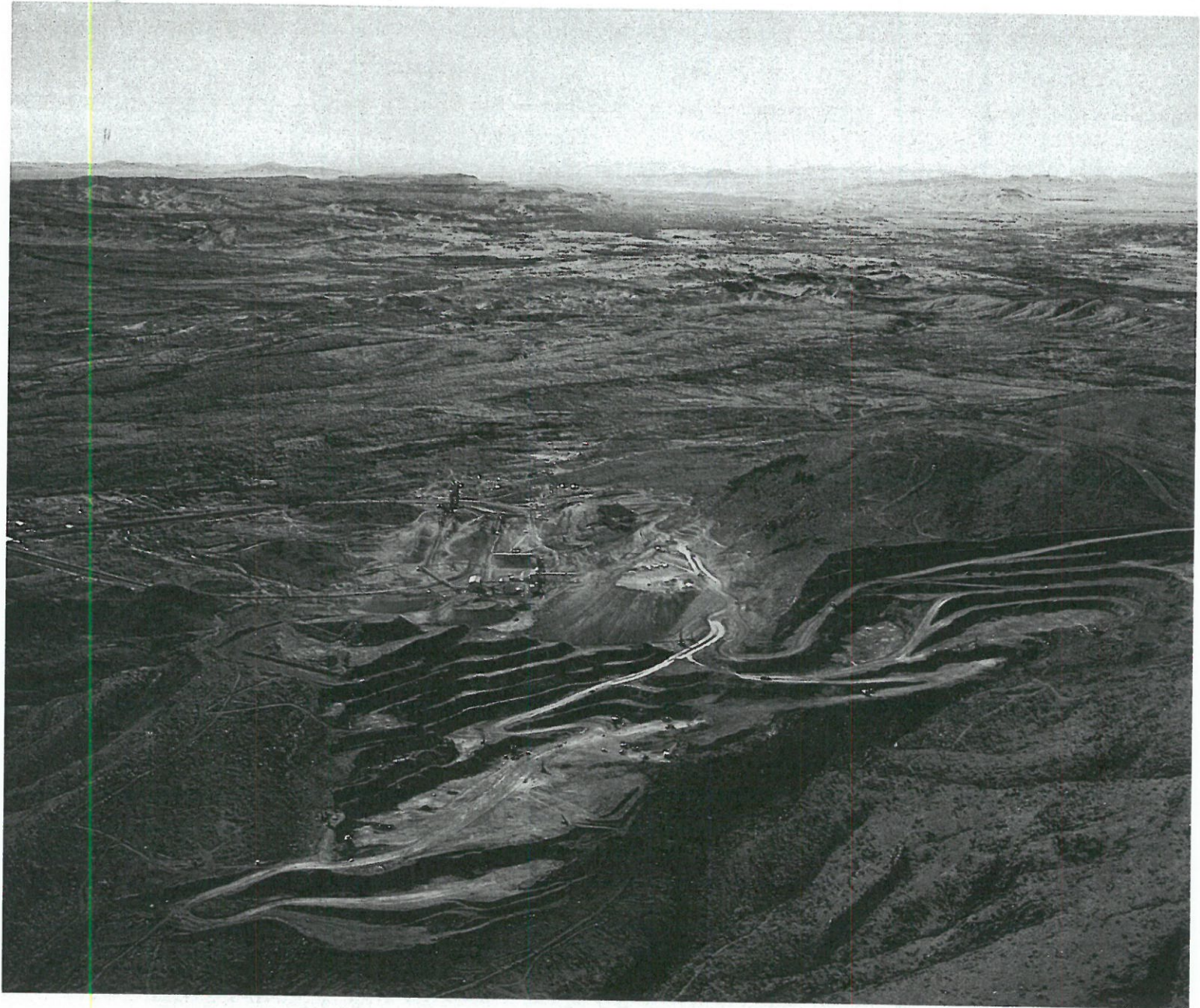
Practically the whole of Lang Hancock's life has been spent in the dry, sometimes harsh, land. Exceptions were periods at school with an older cousin, Valston—who was later to become Air Marshal Sir Valston Hancock, Chief of Air Staff.

Lang Hancock devoted himself to the family's cattle and sheep stations. He worked with his father at Mulga Downs station, which he later managed.

It is easy to forget that Lang Hancock is a pastoralist. He recalls, with as much pride as in his iron-ore discoveries, his work on the family stations.

"When I managed Mulga Downs station we had up to 40 thousand sheep and sold just under one thousand bales of wool," he says. "We sold 36 thousand sheep off the place in 12 years. This great build-up of Mulga Downs was mainly due to my father."

Bought town 1966 (and mine)
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om Price in the Hamersley Range in Western Australia is flattened. Work at the iron mine goes on 24 hours a day, days a week. Huge shovels scoop out the ore and dump it

into 100-ton trucks. It is crushed and taken by trains to the coast. Workers live four miles from the mine in a town with air-conditioned houses and facilities for 3300 people

ersley and Mulga Downs have a total area of at 1.5 million acres. Hancock owns 75 per cent of stations and a sister owns 25 per cent. It has been though never confirmed, that even before his iron-discoveries his pastoral interests and other enter-ers had made him a millionaire.

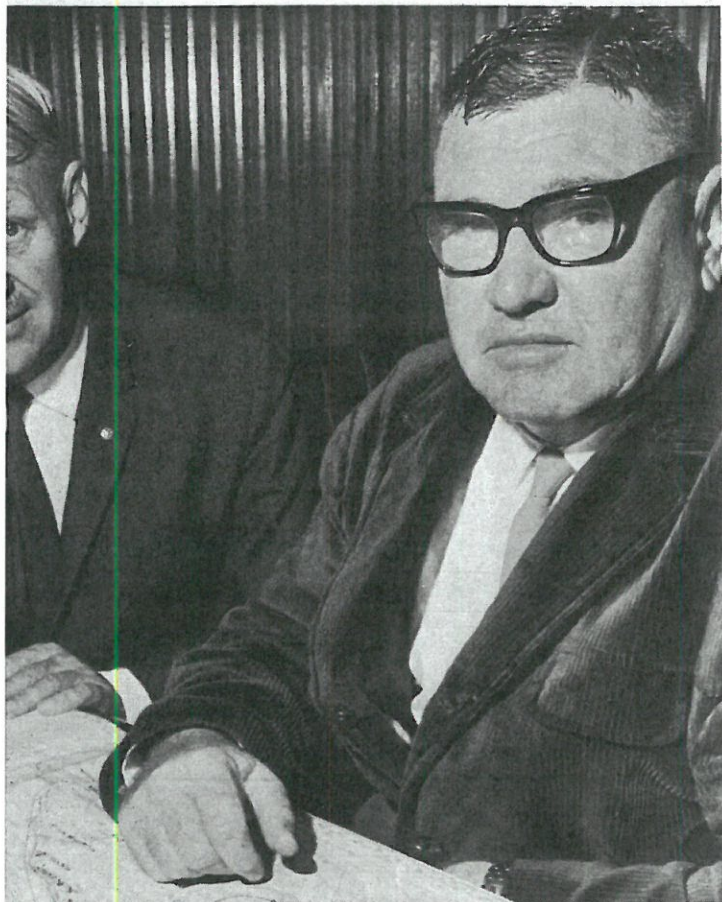
ancock speaks warmly of his childhood and early hood. "I was lucky to have a kind and unselfish er and a father with unbounded energy and drive," ys. "He was self-educated to a remarkable degree, h seemed to give him an originality of thought that ld be refreshing in the regimented society of today." ancock also speaks with gratitude of the influence

of his cousin Valston, and of the schoolboy friend who was later to become his partner—Peter Wright.

Hancock was still in his teens when he began to study the minerals in his vast domain. A large lump of strange rock which acted as a doorstop at the family's home-stead was identified by a visiting geologist. He suggested it might be valuable.

The rock was blue asbestos ore, and the geologist's visit encouraged Lang Hancock to explore further the deep gorges in the Hamersley Ranges—gorges that the young man already knew well.

More than 30 years ago he persuaded Peter Wright to join him in mining the blue asbestos at Wittenoom



Lang Hancock (right) and his partner Peter Wright are both millionaires. Every ton of iron-ore gouged out of Mt. Tom Price earns them about 21 cents—and there are over 500 million tons in the mountain

Gorge, the place they now own. Colonial Sugar Refining Co. became a partner in the venture in 1943, and five years later bought out the other two partners. It seemed appropriate when the wheel turned full circle in 1967 and Wittenoom returned to the two men who had pioneered the project. Hancock and Wright went on to other mining ventures—mining white asbestos, lead, zinc, tin, tantalite and manganese in the Pilbara region, and treating copper at Whim Creek mine, also in the north-west of Western Australia.

The partners were mining white asbestos in 1952 when Hancock and his wife, Hope, took part in what must be one of the strangest mineral discoveries in Australia's history. They climbed into Hancock's tiny, single-engined aircraft at the isolated mine to fly south for the sticky summer. Let Hancock tell the story in his own words:

"The normal procedure for all pilots, including myself, was to cross the rugged Hamersley Ranges, the highest in Western Australia, at a high altitude, for obvious safety reasons. But on this flight a rapid build-up of rain and very low cloud forced us to fly low, and find our way out of the mountains by following the course of the Turner River through the gorge into the Ashburton Valley.

"I recognized the walls of the gorge as being almost solid iron ore. At the time, I thought it would be of low grade."

What Hancock does not add is that it took great flying skill to pilot his aircraft below the top of the gorge, often with the sheer walls looming alarmingly close to the wing-tips.

Hancock remembered those reddish walls of iron and returned to the area the next year. He traced the deposit by air for about 70 miles, found a place to land, and examined some of the ore. He realized at once the size and importance of the discovery, but could do nothing about it then because there was a Commonwealth embargo on the export of all iron ore.

Hancock says that before this discovery the total known reserves of Australian iron ore were only 370 million tons, which would have lasted Australia about 70 years at the then rate of consumption. Today, this discovery, and the many others that have followed, have increased the known reserves of iron ore in northern Western Australia alone to 15,000 million tons.

Near Hancock's discovery, a huge mine sprang up at the top of Mt. Tom Price (named after an executive of Kaiser Steel Corporation who died just after examining the deposit and recommending Kaiser's participation in its development). There are at least 500 million tons of high-grade ore in the mountain. Some of it is so pure it is possible to weld two pieces together.

Huge trucks, with wheels eight feet high, hurry down the mountain with 100-ton loads which are carried in 20,000-ton ore trains 182 miles to the coast. There, in keeping with the giant scale of the Hamersley project, some of the world's biggest ships are loaded at the rate of 5000 tons an hour. Millions of tons a year flow along the huge conveyor-belt.

In a few years, Hamersley's port of Dampier could be shipping more cargo than leaves Sydney Harbour—and this could be true, too, of other iron ore ports along this once desolate shore.

But all this was still a dream when Hancock discovered the ore. With great patience, he kept his secret for seven years until, in 1960, the Commonwealth Government lifted its ban on exporting iron ore. Then he contacted a big international mining company, and it quickly sent parties to peg out, with his guidance, the most promising areas for iron ore exploration.

There was a strong element of cloak and dagger in the operation, Hancock recalls. In Perth, mysterious parties of businessmen arrived and departed silently. Geologists bounced off in four-wheel-drive vehicles, and later many parties of Japanese scientists and businessmen arrived.

A number of companies were in the field. Three weeks before the deadline for applications for prospecting areas, a rival company's helicopter spotted Hancock's camps, and there were complications. But Hancock and his supporting companies got a good share of the ore country.

Hancock is an outspoken opponent of what he regards as either Government indifference to or interference in



cost of \$350,000 a mile, a 182-mile long railway was built from the coast to Mt. Tom Price. It was later extended 64 miles to iron deposits at Paraburdoo. Trains about one mile long each

carry 15,000 tons of crushed ore to Dampier where it is loaded into huge ships. Present contracts with Japan, Britain and Europe to 1986 are worth more than \$2200 million

development of the northern regions of Australia. Hancock says that investment in the north from the United States, Britain and Japan will create ties to offset what he believes to be the growing aggressiveness of China. Hancock would like to see a series of tax deductions to encourage more investment in northern projects. He does not hesitate to invest heavily himself; he did so long before he bought Wittenoom.

Hancock has used aircraft for many years like other people use cars. He has owned five planes in a period in which he has been content with one car, a luxurious Rolls-Royce model. His casual use of planes is legendary among the station people, many of whom also fly their own planes. When Hancock discovered that by some electronic fluke the public telephone at Marble Bar's airport gave perfect service in reaching any number

in Australia, he decided that whenever he had a call to make to Perth, Sydney or Brisbane, he would fly into this hot little mining town and use the public phone.

He became impatient with the shortage of good stockmen for his stations, so he bought an American helicopter to help muster cattle. To his disgust, he was refused a helicopter pilot's licence by the Department of Civil Aviation (there was nowhere for him to learn to fly it), so he hired an American pilot on a year's contract to ride herd from the helicopter. He uses it in conjunction with a fixed-wing aircraft for mustering. Both aircraft are handy for prospecting.

Not long ago he bought a twin-engined seven-seater light aircraft for about \$125,000. He had been happy with his small, handy, single-engined planes, but found that some of the overseas executives he was flying

around the north seemed happier with two engines. (In fact West Australian charter flying companies have long since discovered that most big firms ban their executives from using single-engined planes.)

Hancock insists that big money has not changed the way he lives. His tastes are simple. He does not smoke or drink, and one of his greatest pleasures is to take his wife Hope to a morning session of a picture show.

Their homes are Hamersley Station and a two-storey house overlooking a particularly pretty sweep of the Swan River near Perth, in an area called Freshwater Bay.

Hope is a youthful-looking woman who, because her husband dislikes women in slacks, often wears gay, ankle-length shifts, and goes barefooted around their Freshwater Bay home. She was born on her father's station in Shark Bay about 500 miles north of Perth. She recalls that her first home after her marriage was without a roof until six weeks after she and Lang had moved in.

"We were happy as Larry there without the roof on," she says. "And just a few hours after we put it on, the rains came."

There were times when Hancock decided that his pretty young wife needed a little feminine company, and then he would fly her over to visit her best friends on another station for morning tea. When their daughter Georgina was born, in 1958, Hancock gave his wife a Jaguar car, and replaced it with a new Jaguar each year thereafter, until she decided on a change and was given a Rover instead.

When Georgina was four, she was brought south to go to school, and Hope went with her. Hope left their Hamersley home with some regrets. "There is a differ-

ence between loneliness and being alone," she says. "I never felt lonely up there. I used to have a burst of chit-chat on the pedal-wireless with the other women. We never met until we came to Perth."

When she came to live in Perth she was active in helping the Flying Doctor organization. She knew what it meant to the women of the north.

Although their two homes are further apart than Melbourne and Brisbane, the Hancocks commute between them often and casually in their aircraft.

Hancock respects success and still has a little of the bushman's awe of the sophisticated businessmen who come to the door of his station homestead.

Hope Hancock's assessment of her husband: "There's nothing of the ruthless businessman in him," she says. "It's his profound faith in the north that has kept him battling all these years. Everything he has made out of the north will be put back into it. And he'll keep on fighting for it until he dies. Everyone has a pipe-dream. His is to see the north become another, mightier Ruhr Valley."

Hancock on the north: "The traditional picture of the north is of a town of one street, heavy with dust and apathy, a few drunks outside the pub, and the endless semi-desert rolling up to the veranda.

"In the past few years all this has changed. There's a new vigour abroad, and younger faces, confident and full of hope. The new people are engineers, geologists and construction workers and they have millions behind them.

"The north will never go back to the old ways again. And we have only just begun to see all the marvellous things that can be done with it."



Lang Hancock discusses a proposal that was eventually defeated by people alarmed by the possible hazards. He had planned to use nuclear excavation near Wittenoom. Often his ideas have

been criticized as too revolutionary by people inclined to move more cautiously. Hancock is not renowned for his tact; his manner can be as rough as the land he is exploiting