



Big Australians

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A fascinating book on Australia's 1960s resources boom holds many lessons for today's policymakers on the importance of encouraging investment, writes Stuart Eaton.

In the nineteenth century, gold delivered Australia's first real mining boom. Then, after a lull in the early twentieth century, our 'second rush' began unexpectedly in the 1960s with a wider boom in coal, iron ore and bauxite. The entrepreneurs, explorers and financiers behind this second boom are the subject of David Lee's recent book, *The Second Rush: Mining and the Transformation of Australia*. Lee examines how they shaped modern Australia, charting Australia's engagement with the world beyond the British empire. He tells of the ingenuity and bravery of the key players, which should remind the Australian government of the history of our minerals industry and how over-regulation can hinder progress.

THIS BOOK EXAMINES IN DETAIL THE POLICY AND INVESTMENT DECISIONS THAT CREATED SOME OF AUSTRALIA'S MOST IMPORTANT COMPANIES.



This book is complementary to Geoffrey Blainey's *The Rush That Never Ended*, which details the many decades of development and success of the minerals industry. While Blainey's book specifically excluded coal and only touched on iron ore, Lee examines in detail the policy and investment decisions that created some of Australia's most important and influential companies, partnerships and trade relationships.

Echoing Ian McLean's *Why Australia Prospered*, Lee proposes that it was not the economic reforms that were introduced by the Hawke-Keating government that led to Australia's success in the global economy. Rather, three key policy decisions taken in the 1950s-60s laid the bedrock for Australia's modern success. Those decisions were the Agreement on Commerce with Japan in 1957, the end of the ban on exporting certain minerals, and the phasing out of the White Australia policy in the 1960s.

But there are several further reasons why Australian mining has been remarkably successful. There were relationships that were nurtured by the public and private sector with major markets during the 1950s-60s, as well as incredibly courageous investment decisions made by Australian and international companies.

The book covers in great detail the important trade missions, investment meetings and visits by many international customers that created the environment for massive deals to be signed, shifting Australia's exports from agriculture to minerals. Lee's biographical notes on the participants and his insight into the issues discussed by politicians during these international meetings adds a new degree of colour and perspective to Australia's history of international engagement. While international travel by politicians is never likely to be popular, they had an important role mollifying the concerns of international customers to Australia's developing export industries.

In contemporary Australia, we have proposals to restrict gas exports as a response to a situation created by political interference. This has parallels to the international concern that was created in the 1960s-70s when some believed there should be domestic reserves of coal. The public statements that were made at the time on the need for coal reserves for domestic uses caused alarm in Japan, which was then on its way to becoming our major trading partner. The book also covers a number of other political issues that resonate with modern policy questions: the impact of protests against these industries from the 1970s, the damage caused by recalcitrant trade unions, and the need for improved export facilities to take advantage of international demand.

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We also see the important role of the private sector and the decisions that were made to explore, invest and build the minerals industry. The vision of people like Lang Hancock (followed by his daughter Gina Rinehart) in being able to see the future possibilities and work to achieve them through legislative and regulatory change, while convincing international partners to invest here,



cannot be underestimated. The work by companies like Hancock Prospecting, Western Mining Corporation, BHP and Fortescue Metals have created opportunities for millions of Australians. These opportunities have not just come through employment, but through the cheap energy and flow-on effects of growth. *The Second Rush* shows why our mining and minerals industry should be recognised in the centre of the modern Australian story, and should demonstrate to policymakers the need to encourage investment and unshackle them from regulatory control.