

**FA GOVETT  
CHAIRMAN AND MANAGING DIRECTOR  
THE ZINC CORPORATION  
1907 – 1926**

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## TABLE OF CONTENTS

		PAGE
	<b>PREAMBLE – FA GOVETT. THE MAN</b>	<b>3</b>
<b>SECTION</b>		
1.	<b>THE BEGINNING</b>	<b>4</b>
2.	<b>LABOUR RELATIONS</b>	<b>8</b>
3.	<b>RESOURCES</b>	<b>15</b>
4.	<b>PRODUCTIVITY</b>	<b>19</b>
5.	<b>THE RICH</b>	<b>20</b>
6.	<b>VENTILATION</b>	<b>21</b>
7.	<b>PROBLEMS WITH ENGINEERS</b>	<b>22</b>
8.	<b>WAR AND TRADE</b>	<b>23</b>
9.	<b>THE PRESS</b>	<b>24</b>
10.	<b>BHP</b>	<b>25</b>
11.	<b>PROPHECY</b>	<b>25</b>
12.	<b>THE LEAD BONUS</b>	<b>26</b>
13.	<b>FINANCE</b>	<b>27</b>
14.	<b>THE END</b>	<b>28</b>
15.	<b>COMMENTS</b>	<b>28</b>
	<b>ATTACHMENT</b>	<b>30</b>
	<b>(Economical Mineable Resource)</b>	

***QUOTATIONS ARE SHOWN IN ITALICS***

## F A GOVETT, THE MAN

In 1926, an obituary notice appeared in the "The Times." It ran as follows:

*He Will Be Greatly Missed By His Numerous Sorrowing Friends  
Mr. F.A. Govett*

*"The death of Mr. Francis Algernon Govett, which occurred yesterday at Sunningdale, at the age of 68, removes a financier who, for many years, has played an important part in the mineral production of the empire, more particularly in Australia.*

*The eldest son of Mr. Adolphus Frederick Govett, of Laleham<sup>1</sup>, who was a director of the South-Western Railway, Mr. Govett was born in 1858. He went up to University College, Oxford, in 1876, and after taking honours in law, he went into the city. He became a partner in the stockbroking firm of Govett, Sons, and Co., which he joined in 1879. At a comparatively early age he began to interest himself in the great discoveries of Silver, Lead and Zinc at Broken Hill on the Barrier Range of New South Wales and, throughout the rest of his life, he was closely identified in both a financial and directorial capacity with their development. He was on the Boards of a large number of companies engaged in various phases of the mining industry, his activities in later life extending to the famous Burma Corporation, of which he became Chairman. A man of singular energy and courage, Mr. Govett had the qualities which make for financial leadership. Moreover, as his speeches at the meetings of his companies testified, he took a lively interest in the currency and general economic problems that confronted the world after the war, and his views, while often somewhat unorthodox, reflected clearly the qualities of hard and constructive thinking. His death will be learned of with sincere regret by a wide circle in this country and at the antipodes." (28/10/1926)*

These laudatory remarks do not have to be swallowed with the eulogistic grain of salt often necessary when famous men are praised. Govett was all this, and more, even to the extent of having some power of prophecy, as we will see.

What else is known of FA Govett, the person? He was described in a book written in 1931, "The Strange Case of Mr. Hoover Under Two Flags" by John Hamill as:

*The sophisticated city stock broker, born into wealth, a man of refinement and education and, moreover, a good fellow and regular man about town.*

As for extra curricular activities, he was an excellent "toxophilite", that is to say, an archer and also distinguished himself at Oxford in the 100 yard sprint and the high jump.

He had at least one offspring, Commander Leonard Evelyn Romaine Govett who has a mention in Burke's Peerage through being the second husband of a Villiers. He

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gained his rank of Commander in the service of the Royal Naval Volunteer Reserve and was killed in a plane crash in Sydney, Australia in October, 1944. The photograph of FA Govett was obtained in August, 1991 for me by RTZ, London from Peter Govett, a grandson of FA Govett.

Why my interest in FA Govett?

In the mid 1980s, I prepared a feasibility study of the Zinc Corporation mine in Broken Hill which had been unprofitable for some years, mainly due to the mining infrastructure being out of date.

In the course of digging out past annual production and head grade statistics, I stumbled across proceedings of the Zinc Corporation Annual General meetings from 1905 onwards and became particularly interested in and impressed by what the then Chairman, FA Govett, had to say. I therefore culled through his addresses to the AGMs in London from 1907 and 1926 and collected a number of his statements which are still relevant today or which show his wisdom and even the gift of prophecy.

He was an extraordinary character who, it seemed to me, had not been given his proper due as one of the Zinc Corporation - Consolidated Zinc - CRA pantheon of heroes. In fact, there seemed to have been a tendency, which may have been unconscious, to play down his contributions as compared with those of the Robinsons and the "post 1936 men" from A.J. Keast and M.A. Mawby onwards. For example, one of the Zinc Corporation Leaving Certificate scholarships was named after FA Govett but I, who had been trying to win one of them thirty years previously, could not recall ever having seen anything about who or what he was. Furthermore, the December 1941 issue of the "Zinc Conveyor" house magazine, which was not given to passing up good copy, announced the inauguration of the F.A. Govett 'bursary' but said nothing about him at all, apart from noting that he had been "Managing Director of the Zinc Corporation for many years."

Enquiries were made with CRA, Professor Blainey and RTZ and books written by and about his contemporaries, W.S. Robinson and H.C. Hoover were consulted, but information about who was F.A. Govett the man, was scarce indeed. However, what he said at the Annual General Meetings turned out to be a gauge of the man.

## **1. THE BEGINNING**

Francis A. Govett was Managing Director/Chairman of the Zinc Corporation for most of its early life. In those days, company shareholder meetings seem to have been attended with much more interest than they are now, probably because the large shareholders in the company were individuals and not the faceless but all-powerful institutional holders they are today. Certainly, the Chairman's speeches seem to have been given very close attention with frequent "hear, hears", "laughter", "applause" and even "cheers" marking his more notable sallies. Govett's style was very personal and his comments wide ranging. He also provided a level of technical detail and explanation which would be unusual today.

His speeches at the Annual General Meetings over a twenty year period include many observations which are of great historical significance to the Zinc Corporation. They are also interesting, wise and incisive, technically correct even to this day, sometimes funny or quaint, often extraordinarily prophetic and always very personal - to the extent that the man himself seems to rise up out of the printed words by means of the strength of character they convey. Govett's friend and Co-Managing Director, Herbert C. Hoover also spoke at the meetings and demonstrated impressive technical ability, self-confidence and aplomb. In total, the speeches are much more than a series of random observations. They comprise a story having a beginning in great difficulty and despair, a number of continuing interconnected themes and a logical ending, both happy and sad.

As the outcome of an idea of L.B. Robinson and W.L. Baillieu converted into action by the young, bold and successful geologist turned mining engineer H.C. Hoover, The Zinc Corporation, Limited was formed late in 1905 "for the purpose of acquiring a large tonnage of mill tailings and the option of purchasing further quantities from four Broken Hill mining companies", principally from the Broken Hill Proprietary which had then been operating for twenty two years. The tailings were very high in zinc content. The Zinc Corporation had acquired "the Potter process" for the recovery of, principally, zinc but also lead and silver from the tailings. The process was said at the 1905 Board meeting to have been "definitely proved on a large commercial scale." £350,000 had been raised from both English and Australian sources and Baillieu and Hoover were on the board.

The company was originally Australian and had, until 1910, a Melbourne board as well as one in London. From 1911, the annual meetings were held in London. To quote from "The Life of Herbert Hoover, The Engineer" by George H. Nash:

*"Because of uncertainties about which of the flotation processes would prove best, the Zinc Corporation prudently decided at the beginning to proceed on two fronts. First, it would erect at the British Broken Hill mine a small experimental plant where the competing flotation methods could be tested under identical conditions. (Hoover and Baillieu urged that the Potter, Cattermole, and de Bavay processes each be given a trial). More or less simultaneously, the company constructed a large central concentrating plant adjoining the South Blocks property for eventual tailings treatment with the winning process. Although the company was clearly inclined toward the Potter process, it insisted that it was 'bound' to no single flotation method. To cover its bets, the corporation acquired options to use the Cattermole and Elmore processes as well.*

*All this was sensible policy and, in February 1906, the experimental plant began operations. Very soon, however, the company abandoned its initial plan. Instead of systematically evaluating various processes at its 'experimental' plant (as Hoover had recommended), it proceeded to convert this pilot plant into a full-scale, commercial operation using the Potter process alone. Officially, the company explained that it preferred Potter's method because it was advanced so far beyond the experimental stage, was inexpensive to install, and was easy to operate. The Potter process, it asserted, was definitely proved to be successful on a large commercial scale.*

*Other factors, however, affected its decision. The original plan of careful experimentation was discarded partly because of conditions imposed by one of the contracting mining companies and partly by reason of the patent position and the advice of the company's technical staff. But however expedient, the Zinc Corporation's decision to abandon experimenting and erect an all-Potter-process plant soon proved a costly one."*

By the first half of 1906, much of the company's capital (by then £500,000) had been absorbed by payments to mining companies for tailings dumps and the cost of erecting the main concentrating plant which "was being pushed ahead as rapidly as possible." However, "the results obtained from the small Potter Process plant at the British Mine were of a very unsatisfactory character." The whole system of treatment was accordingly thoroughly investigated and "temporary alterations of the plant made, whereby satisfactory results were (said to be) obtained." At board level, the Managing Director, H.J. Daly resigned, presumably in disgrace, and "Francis A. Govett elected a Director in his place"; he having apparently been a significant subscriber to the now sunk capital, the recovery of which depended on what had turned out to be a decidedly shaky metallurgical process.

By early 1907, it became increasingly clear that the Potter process could not be made to work well enough. Neither could this process plus the "temporary alterations", which turned out to be adding magnetic separation nor even a third process, the Cattermole. Therefore, a new, fourth-guess process had to be tried and additional funds found, (which could well be good money after bad) to install new process equipment. By this time, F.A. Govett, who was then 49, had been made Chairman of the company with the task, along with the 32 year old Hoover, of sorting things out, both technically and financially. Board credibility in both these fields must have been, by this time, at rock bottom. A shareholder's meeting was called in London, with little consideration being given to the niceties of the Zinc Corporation then being an Australian company. Govett took up the challenge in true British , backs to the wall, Rorke's Drift style.

**4 June, 1907**

### **Disaster**

*"I have thought it my duty to call you together for the consideration of the general position of the company and in order that we may determine in what way we may best provide the additional funds which are required to carry the business to a successful conclusion. Before I deal with the general position, I am going to ask you to appreciate the fact that there is no particular in which my good friend Mr. Hoover and myself have not suffered identically with yourselves, with this one exception - that in addition to heavy pecuniary loss we have borne the burden and anxieties of responsibility on our shoulders. That burden has been almost more than we could bear. We feel we have been held responsible for all the troubles through which we have passed, and for all the mistakes, many of which we foresaw, and which we did our utmost to avoid. Lastly, I am not going to shirk an ugly fact. I cannot and do not pretend to ignore the fact that many of the shareholders have accused us of things worse than that; it has been a horrible position of horrible difficulty, made even worse by the correspondence which we have received. I have suffered fearfully in this*

*position, which for months I could do but little to alter, and it is simply a relief to meet you here today. I commence my address with this distasteful task of speaking of myself. By some I shall be told that it is bad taste, by others that it is bad judgement on my part; but I prefer to face unpleasant facts, and therefore I ask you to accept my assurance that I have done and will do honourably, honestly and earnestly my best in your service, and in saying this I speak as strongly for Mr. Hoover as for myself."*

Govett followed this extraordinary opening by a long, complicated and detailed technical analysis of the state-of-the-art of flotation processes at the time as a justification for the selection of the Elmore process to replace the now discredited Potter process, its variant and the Cattermole. He then went on to recommend the injection of new capital in the form of £182,000 in preference shares so as to raise the capital of the company to £682,000 and cover the cost of the new plant. These preference shares were to:

*"entitle the holders thereof to the whole of the profits of the company until the aggregated dividends so paid on such shares equal the amount paid up thereon and, thereafter, to a preferential cumulative at rate of 20% per annum, the holders of the preference shares to be entitled on a poll to three votes for each share."* i.e. sufficient to outvote the ordinary shares.

He concluded:

*"It is not pleasant to be associated with failure, but I cannot express to you my humiliation and disgust in meeting you under circumstances like these. Believe me, I am overwhelmed with the sense of the shareholders' misfortunes and their loss."*

In reply to questions he said:

*"The Board regarded the Elmore process as the last chance, for if the first half of the plant should fail, the company would be liquidated."*

On being asked about the prospects of the Elmore process working, Hoover said:

*"So far as I can say, I cannot guarantee anything. A responsible engineer never guaranteed anything in his life" (laughter). (Probably nervous giggles.)*

Faced with a combination of Hobson's choice and a Godfather offer, the shareholders carried the motion. The additional capital was eventually raised, with some difficulty in spite of Govett's continuing efforts and his own personal substantial financial contributions and in the knowledge that Govett and Hoover had better be correct this time. If not, their reputations would be in tatters, their fortunes in jeopardy and their prospects bleak.

All now depended on the Elmore process and on the American and Stanford Graduate selected by Hoover to install and run it – the American Deane P. Mitchell. (Hoover considered his technical country men to be superior to all others.) Its installation commenced in August 1907 and operation in February 1908. It was an immediate and continuing success.

**15 July, 1908**

### **Recovery**

The Chairman (who was received with cheers) said:

*"Gentlemen, I concluded my address at our unhappy meeting last year by saying that through the darkness of the hour I thought I saw the dawn; that when we met this year I believed I should have a happier record to unfold. It is no small satisfaction, after the interval of 12 short months, to be able to meet and tell you that, so far as we have been concerned - and when I say "we" I refer to my colleague, Mr. Hoover, and myself, it is on our shoulders that the responsibility has lain - that prophecy has been borne out by accomplished facts, for in every particular, except a small delay of about two months, we have effected more than that we led you to expect."*

*"If you aim at a high grade concentrate, you reduce the extraction and vice versa. The object then is to fix the "commercial point of balance" at which the greatest profit can be obtained."*

*"Gentlemen, it is dogged, does it."*

To quote again from "The Life of Herbert Hoover" -

*"How much Hoover's fate in those long anxious months of 1907 and 1908 had rested on the deeds of others - on men like Govett, Mitchell, and the technicians of Broken Hill. If Govett had not kept struggling to find the funds, if Mitchell and Elmore had not come through in time? Years later, W.S. Robinson wondered whether Hoover ever fully recognized what Francis Govett did for him. In Robinson's view, Hoover owed 'no small part' of his reputation to 'the courage and tenacity' of Govett. It was Govett, said Robinson, who in the darkest hour principally supplied the support and money 'that kept the Zinc Corporation - and Herbert Hoover's reputation for competence - afloat.'*

*And if Hoover had been dependent on others, so, too, had they been dependent on him. Govett told the shareholders that 'the larger part of the salvation of the company you owe to Mr. Hoover.' Hoover 'laid down the work, and Mr. Mitchell was selected, and appointed by him. This selection has been justified to the full ....' Not a man to shirk at taking responsibility (or credit), Govett asserted that it has been a partnership affair between Mr. Hoover and myself; and the salvation of the company technically and financially has been our work."*

## **2. LABOUR RELATIONS\***

**26 May, 1909**

### **Wages**

*"During the last six months, Broken Hill has been the scene of a violent labour dispute, which ended in a lock-out on certain mines, involving a large number of men. An attempt was being made (by the mine owners) to revert to a lower scale of*

wages, which had been in force some years before. Now the number of men that we employ is not large, and the economy to be gained by such a reduction, both in this Company and in Broken Hill South Blocks, my other Company, appeared to be altogether too small to justify the risk of shutting down which was involved by this attempt, and at the Lake View Consols meeting last October, I openly stated that I thought there was not sufficient justification for the attempt, that we should not join in the attempt, and that we were prepared to maintain the existing scale of wages. I fear that this utterance must have made me very unpopular with the Managers of some of the other mines, for it placed a very strong weapon in the hands of the men; but apart from the fact that my sympathies are with the men who work under conditions like these, I felt I had to accept that position, and put up with some temporary unpopularity, and the odium involved, in the interests of my Companies."(Applause)

**25 June, 1913**

### **Restrictive Practices**

*"But of recent years - a position has been growing up which may at any moment develop into acute trouble - namely the apparent steady organized insistence of the unions to limit efficiency, to restrict the output of labour."*

### **Tyranny of the Unions**

*"The able, efficient man is already held down to the level of the lazy and incompetent by the tyranny of the unions."*

### **The Contract System**

*"So far, the better men, the able and ambitious, have been protected by the maintenance of contract work, which enables us to get our work done at a reasonable cost, with reasonable speed and at the same time enables the able man to earn a largely increased wage. But, if contract work were abolished, we should have no control of any sort over the conditions of labour and the industry would suffer gradually to extinction."*

### **Trouble Ahead**

*"I am not suggesting to you that you are in any way near chaos, but possibly you are near a battle - that is to say, a strike."*

### **Effect of Strike on Metal Prices**

*"Now, I wish to reassure you on this subject for, if it comes to battle and Broken Hill shuts down even if it be for a lengthy period, in the long run I do not think we should lose a penny piece. Broken Hill is such an enormous factor in the zinc and lead production of the world that a stoppage of production would absolutely dislocate the markets throughout the world. A prolonged stoppage would cause prices to rise enormously and it seems probable that prices would fall again to normal level only as the shortage created were again made good after Broken Hill had been again a long*

*time in full production. What we should lose while we shut down logically should be exactly compensated by the increased price- so do not be alarmed. I have some hope that my words may have some weight for they know at Broken Hill that we can and do consider both sides of questions. Some years ago, a proposal was made to reduce wages and I believe that our refusal to join that movement was a factor of considerable importance in that struggle."*

(It appears that, but for the Great War, the "big strike" beginning in 1919 would have taken place some years earlier)

**24 June, 1914**

### **How Not to Give a Chairman's Address**

*"Now, last year I inflicted on you a full discussion of labour questions, Socialism and Syndicalism on the field. You may be glad to hear that I have nothing further to say this year upon this subject. The Labour Party, at any rate, if not the employers, accepted the frankness of my utterance without cursing me, and I conclude that the course I took was wise, in spite of the criticism of one writer here that this portion of my address was wholly unsuitable for a Chairman's address to his shareholders, though, perhaps, it might have been suitable for a village debating society." (Laughter)*

**25 June, 1917**

### **Two Sides of a Question**

*"I never wonder at the demands of labour; such demands are only natural and, if I were labour, I should be making them myself."*

**23 June, 1919 Unrest**

*"The business of the mine has been conducted during the year with the greatest difficulty, with continual strikes and rumours of strikes, shortage of coal and shortage of labour, and with great inefficiency of labour, for the best men have gone and the inefficient residue are not inclined to work too hard."*

### **The Dole**

*"It is bad enough to have to pay people and keep them working for their pay if what they produce can find no market which may, indeed, at times be necessary but it is fatuously and hopelessly wrong to pay a man for doing nothing, which is what they (the Government), have been doing, (i.e. paying the dole), an absolute discouragement to the habit of work, which is the bedrock basis of all commercial existence."*

### **Responsibility to the Workforce**

*"Our domestic responsibilities are great. The lead mining and smelting industry in Australia is the sole means of livelihood for probably 75,000 people - the workers*

*and their families - and I say frankly our first consideration should be to make them safe."*

### **Poor Employers**

*"In consideration of the ability to pay increased wages - that all employers are not equally successful. This is the real crux of the labour problem."*

**14 June, 1920**

### **Good Times During the Big Strike**

*"It is now 13 months since the strike at Broken Hill began and we have been shut down. During all that time, we have been so to speak, "living on our fat." Fortunately for us, that fat has proved a good deal more substantial than seemed probable at this time last year - Prices began to soar - and are now fluctuating with the early rumours of the early termination of the strike. All the lead produced and some 275,000 tonnes for stock have been (sold)."*

### **Union View of Arbitration Court Awards**

*"The strike began with the carpenters, though how it originated has not real importance. They returned to work long ago, but before this happened all sorts of other strikes occurred, the cause of which was mainly dissension between the various unions, and not in any way due to dissatisfaction with ourselves, the owners of the mines. But we suffered while the unions squabbled among themselves. After a long time the general strike was called off, but the Amalgamated Miners' Association has steadily remained obdurate. The president of that union was indeed reported to have said that "he would prefer a three-years' strike rather than accept an Arbitration Court award." In that sentence, the whole strike is epitomized."*

### **Union Demands**

*"No one can settle a dispute with an insane man who has got you by the throat, and in their demands at present from an industrial point of view they are just that - insane. As said by Mr. Wharton at the meeting of the Amalgamated Zinc, if the miners "full demands for wages were conceded, Broken Hill would be as dead as the dodo."*

### **The Proper Treatment of Labour**

*"Mind you, Labour has had cause for complaint. Instead of regarding Labour as being an important partner in production, who should be accorded his fair share, political economists have justified the greedy manufacturer in the past by defining Labour as a commodity to be bought in the cheapest market. We are only now emerging from that inhumane view, and as there are still a great many reactionary employers, who can wonder if Labour still regards us with suspicion, and questions how far our tardy conviction is genuine, induced by serious realization of the inhumanity of the past and a genuine desire for more human kindly treatment, and not a forced recognition of the fact that Labour will no longer accept such treatment?"*

**15 June, 1921**

### **Being Uneconomic**

*"Ladies and Gentlemen, -- I fear that we have to recognize the unpleasant fact that with present working costs, and working hours, with present metal prices, our mine itself is no longer payable, and that the continued profitable existence of this company, as, indeed, of Broken Hill, depends on general conditions other than the development of the mine. Until quite recently all operations had been suspended for a period of nineteen months."*

*"The mine itself is still shut down, for with lead under £26 per ton, it would be working at a loss, and there would be no sense in using up our resources, unless some reasonable profit can be made."*

### **Results of the Big Strike**

*"In our case at Broken Hill, labour fought for 19 months for what were, in effect, impossible terms, and finally obtained an award so near to what they wanted that, except at war prices for metals, any adequate remuneration for capital became most improbable, with the derisory result that no sooner were the terms conceded, the fall in metal prices wiped out all the profit and left labour unemployed."*

### **A Narrow Escape**

*"We cannot work the mine or our lead concentrator at all, and at present only exist by using up our remaining stock of zinc tailings and producing zinc concentrates. Let me solemnly thank our stars that we had the luck to keep our heads, and did not dash in with any wild speculation to build a smelter for ourselves. (Hear, hear) We got rather near it."*

### **Labour Leaders**

*"It will be long before Broken Hill again is in the position of earning any considerable divisible profits, for at present there is no profits with lead under £26 per ton, and the small profits to be made out of the remaining 2-1/2 years' supply of zinc tailings are at this moment only just enough to pay the Preference dividend There is nothing that we can do to improve conditions except our utmost to try and educate the economic judgement of the rank and file of labour (hear, hear); and trust that, sooner or later, they will revolt against the tyranny of the unions, and no longer allow themselves to be used as the humble pawns, the private soldiers, of their disastrous so-called Labour leaders in their visionary socialistic communistic war; for the rank and file, the humble pawns at present, are just a foolish, silly mob, who cannot, or will not, reason for themselves, blind following blind. That is my humble effort to enlighten the fog in which they wander, to our destruction and their own, to the destruction of their industry. Gentlemen, that is my propaganda for the field. (Cheers)."*

**14 June, 1922**

**Metal Prices**

*"I regret that I am not able to report much improvement in our general position. The mine and the lead concentrator have now been out of operation for two and a half years - while, in the course of the last twelve months, there has been a heavy fall in the price of metals, from which indeed there has been some considerable recovery, but not sufficient for there to be any probability of resumption of work, which seems indefinitely postponed."*

**The Unions - The Good and the Bad**

*"Admittedly the trade unions have done good work in the improvement of the conditions of workmen's lives; but I cannot understand the surrender of all self-determination by capable ambitious workmen to the leaders of these unions with their infernal policy of "go slow." The members of the unions are simply not allowed to work out their own salvation. It is no use urging the workers to work hard and do their best: they are not allowed to do it. The brotherhood of man is a great and noble idea, the happiness and equality of all a noble dream; but it is a dream, and wholly unattainable, for "go slow" policy tends not to equal employment and equal wage for the members of the brotherhood, but to unemployment and starvation. I think the lesson is being learned, but all too slowly."*

*"It always seems to me that we are afraid of openly speaking the truth about this problem. We do speak of the refusal of Labour to work hard, but there is a singular reluctance to attribute this to the real cause, and that is the domination of the unions, which is nothing more or less than cast-iron tyranny. The members of a union have got just to do as they are told: the ordering of their lives is no longer in their power; all ambition for the individual to rise is made impossible, and the worker's effort must be restricted to the fatal level of the incompetent. They are compelled not only to this emasculation, when they have joined the union, but they are practically compelled to join, for unionists will not work with non-unionists, and forceful persuasion is employed to make them join; the Legislature is afraid, and permits this terrorism, inventing idiotic phrases to justify their timid acceptance of the unions' claims, such as peaceful picketing, which is manifestly a terminological contradiction, and indeed downright dishonest. That such a tyranny should be possible is absolutely deplorable, and I marvel that there has not already been a revolution among the workers; for the able, energetic man who has the power to rise, to be condemned for all time to work and live on the basis of the incompetent, would be to me a doom impossible to accept. I do not suppose that these few words will be hailed with welcome, or indeed that, as the salaried representative of the shareholders, the employers of labour, the hated capitalists, my words will have the least effect, but at least they will give the workers something to consider, about which some serious reflection at least is due, for on the present lines our industry at Broken Hill is crippled, if not dead, and other British industries are liable to follow."*

**27 June, 1923**

### **The End of the Tailings and Re-opening the Mine**

*"The dumps of tailings the purchase of which was the object of the original zinc Corporation are at last exhausted and, after being shut down for about three years, we decided to make a trial and re-open the mine and lead concentrator."*

(The company waited for almost 18 months after the strike was over to resume mining, that is until metal prices rose sufficiently to cover the increased labour costs which were the outcome of the strike)

### **Politicians**

*"It was plain beyond all question that our politicians dare not open their mouths about this trouble, for fear lest they should lose their seats, but I could not understand why it was impossible to induce the Press either to take the matter up, or even to publish letters dealing with this vital question, for it is vital. (Hear, hear) This is the basic trouble with English industry, English prosperity, and recovery of trade; we cannot get the output because the men are tyrannized by the unions, who will not allow the men to work under the Government permit of "peaceful picketing: forsooth."*

### **The Press' Tacit Support of the Unions**

*"Why, then will not the Press take up this question? I rear the answer is too plain. They live in daily contact with one of the strongest unions of the lot, the printers union, and I guess may possibly be a little anxious as to what might happen."*

**17 June, 1924**

### **The Nature of Union Leaders**

*"I have advocated before the policy of profit-sharing, the principle of which is sound. But obviously any profit-sharing must be based on a sliding scale. Personally I have always had a generous feeling towards the honest worker to whom that would appeal. But I am told that no doubt it is the fact that this is not the case with which we have to deal; that the labour on the field is led by irreconcilable extremists - syndicalists in fact - which renders all fair and friendly negotiations impossible. For myself, I find it difficult to size up the facts. It is no use my talking here, and I must leave the position to be handled by the men who are on the field."*

### **The Start or a Mining Era, 1923 to – 2008 . And Beyond?**

#### **From the General Manager's Report**

*"Production was resumed underground in January 1923 under the conditions of the Edmunds Award, which, pending the carrying into effect of the recommendations of the Technical Commission provided for a 35-hour week of five shifts of 7 hours each with no Saturday work and no stoping on night shift."*

### 3. RESOURCES

#### Preamble

#### From "The Life of Herbert Hoover":

*"At the southern end of the Broken Hill field was a struggling mine known as the Broken Hill South Blocks. Late in 1905 the Lake View Consols, chaired by F.A. Govett, obtained an option to purchase a half-interest in this company for a mere £63,000. Conventional wisdom held that the mine, which had never yielded any ore, was of little worth; it was far from the rich centre of the lode. But Hoover and Herzig (one of his American team) felt differently. After thorough inspection, they advised Govett to exercise the option. 'Certainly recommend,' Hoover cabled; 'would buy it myself if able to,' Govett's company did so. In November 1905, a new Broken Hill South Blocks company was created with Govett as chairman."*

As an illustration of the maxim "success has many fathers but failure is always an orphan", the following account is given in "If I Remember Rightly" by W.S. Robinson:

*"The most southerly producing mine at that time was the Broken Hill South and it was managed by W.E. Wainwright, an experienced and successful mining engineer. His company also held half the shares in a fairly inactive mine further south, the South Blocks mine. Our group was interested in buying these shares in the South Blocks mine, so I was sent along to try out Wainwright. His immediate response was to take me underground to the sixth level of his own South mine. I looked about, and the pillars and roof and floors appeared to my untrained eyes to be one mass of glistening silver. Throwing out his arms to indicate the (presumably downward) pitch of the lode, Wainwright said: 'There's my answer, Mr. Robinson, to any suggestion of buying out our interest in the South Blocks. The lode goes down vertically at this end of the field and there is no chance whatever of it continuing into the South Blocks'. To this I replied: 'I don't suppose you mind selling your interest'. His company didn't mind selling its interest to a syndicate which included Lionel Robinson, Clark & Co. and W.L. Baillieu. The syndicate paid £37,500 and then sold out for double the price to a Kalgoorlie gold mining company, Lake View Consols, of which F.A. Govett was chairman."*

**25 May, 1911**

#### A New Direction

*"With a view to such prolongation of (the company's) life, we have been discussing with the Broken Hill South Blocks means of treating their zinc lode ore. This is a lode which they are opening up; it appears to be the same lode as that discovered by the South Extended, a large lode, and in the South Blocks averaging nearly 20 percent zinc per ton. It looks as if this lode is going to be a considerable factor in zinc production, as soon as it is properly developed - and that should not be long, for the South Blocks should soon be in a position to mine a good large tonnage".*

*"While it is no way proved, I rather think this is going to be a great big mine."* (Govett was then Chairman of Broken Hill South Blocks.)

*"You have got a big mine, it may be a great big mine."*

And so it was, and still is.

**25 May, 1911 - H.C. Hoover**

**Zinc Lodes and Lead Lodes**

*"Now as to the South Blocks Mine - I originally proposed this amalgamation" (with Zinc Corporation) - Now - our own works are located on the South Blocks mine, so that we are next door to the workings. on these workings they have two lodes. One of them is called a lead lode and other is a zinc lode. The lead lode has been the entire scene of their operations hitherto, and they have developed that lode down to about 800 ft., and have blocked out now about 500,000 tons of lead ore. I do not think that lead ore shows much of a profit at the present time, but, given the price of lead anywhere over £14 a ton, it becomes very profitable. On the other hand, I have only looked at the South Blocks mine purely from the point of view of*

***a Zinc Lode,***

*because our business is a zinc business, and if we cannot justify the business of zinc alone, we do not want to have it. We may take the lead lode as a gift, for what it may be worth at any time in the future. This zinc lode was first opened up in what was called the No. 5 shaft on the South Blocks mine at a depth of 900 ft. from the surface, and it has been driven upon from that shaft a distance of about 300 ft. Three openings have been made clear across the lode in those workings. Now, the first of these cross-cuts show a width of 25 ft. of ore, averaging 8 percent lead 1.2 oz. silver, and 17.8 percent zinc. The second cross-cut shows a width of 22 ft., averaging 9 percent zinc. In addition to this, the company took a diamond drill into their lead workings and drilled two holes across, so as to intersect the zinc lode, which is more or less parallel. The first of these holes shows 15 ft. of ore, averaging 9 percent, lead and 19.9 percent zinc. The second hole shows 4ft. of ore, 16 percent lead, 4oz. silver, and 21 percent zinc. Now, the total length along the lode, between the outside members of these various openings I have given you, is 900 ft., and these openings have been made at depths from 700 ft to 900 ft. It is reasonable to assume, from all we know about that mine - and I used to be very familiar with it - that the lode will extend to the surface, and that it will go down to a greater depth. There is one other point I wish to refer to, and that is to*

***the South Extended Mine,***

*which adjoins us on the south. They have sunk a shaft and opened out on this same lode at a depth of 700 ft to 900 ft.*

*This shaft is something like 1,300 ft. south of any workings which we have on the lode, and their shaft is 300 ft, within their own boundary. In other words, this lode is apparently continuous from our workings for 1,000 ft. further through our own ground. Their developments show ore of very much the same quality as has been opened up in the South Blocks mine - in other words, there is a fair probability that we have in this zinc lode a total length of 1,900 ft to 2,000 ft. of payable ore, and we*

*have tested this ore down to, you might say, a depth of 900 ft. Now, it is quite impossible to estimate blocked-out tonnages of ore on such a limited amount of work, and I do not think that any engineer would hazard a figure. On the other hand, I think you deserve to have some sort of an idea as to what these length and distances really mean. If we only have a length of 900 ft. within our own ground, and it extends to the surface, there should be something over two million tons. That, of course, is a purely hypothetical view, and I do not put it forward to you as an accomplished fact until a great deal of development work has been done. On the other hand, it shows what you have to go for; and given such an amount as this, we will have such a success that the purchase of the South Blocks will only be 20 percent of what it is worth."*

*"What I have tried to make plain is that we stand a chance - I grant it is a gambling chance - that, given a reasonable extension of the ore in the mine, such as the whole experience at Broken Hill has hitherto justified it is not an extension of 3 years that we are working on but it is an extension of 10 or 15 years and by so doing, you are making a sound institution of it."*

(A resolution was moved to the effect that the Zinc Corporation purchase the undertakings of the Broken Hill South Blocks Ltd. It was carried by a very large majority and The Zinc Corporation was thus on its way.)

**18 June, 1912 - F.A. Govett**

### **Geological Prognosis**

*"We have been treating regularly from the South Blocks mine each month nearly 3000 tons of zinc middlings. In order to arrive at the comparative earning power of the two departments, part of the profit on these middlings has been credited to the mine department, and the profits from mine department are of interest, for they give satisfactory proof that we did not give too good terms on the amalgamation. The mine has been pulling its full weight in the amalgamated boat, and that out of the lead lode alone, while it was not for the lead lode, but for the zinc lode, that the amalgamation was made. Incidentally, I may tell you the latest developments at depth on the lead lode have been quite good, while, generally, recent discoveries on other mines at Broken Hill seem to justify a sanguine view of future work with us. Our policy must, therefore, be as rapidly as possible to sink the shaft. I do not wish to give you any idea that it is probable - that would be going too far - but it is always possible that the widening of the orebody which has occurred in our neighbour to the north to some extent may be repeated in our mine. Our policy with regard to plant must depend upon the importance of the lead lode as compared with the zinc lode. If there be any chance of the Zinc Corporation turning into a lead mine, that plainly would have a serious bearing on the question of further plant. Obviously, then, we must get down as fast as possible and learn as much as possible about the lode at further depth before we finally decide on plant."*

**7 June, 1918**

### **The Life of Mines**

*"The (ZC) mine, like all mines great or small, is of course a wasting asset and the two subsidiary companies - the Associated Smelters and the Electrolytic Zinc - are likely to be of the same character, unless further lead and zinc deposits be found to take the place of Broken Hill when the mines are at last worked out. But now, and for a long time ahead, the position of the property account is extremely strong. Big mines die very hard and this is a big mine, but they do die at last."*

At a Shareholder's Meeting of the Ivanhoe Gold Corporation in 1905, Govett said, on the same topic "I warn you now, all mines are wasting assets and even Methuselah died at last". Indeed so.

**14 June, 1922**

### **Resource Policy**

*"I regard it as our duty to take a conservative line to preserve our resources as much as possible so as to remain alive."*

**22 June, 1925**

### **Vindication**

*"The (reserve and grade) position of the mine is exceedingly encouraging. It pleases me to recall the laughter from Broken Hill when I bought for the old Lake View Consols one half of this mine for 63,000 pounds."*

### **Importance of Reserves**

"It is the possession of large reserves which makes our company powerful."

### **New Mines**

*"We are prepared to take our share in opening up such new fields which hold out promise of supplementing our own mines or of succeeding Broken Hill."*

**14 June, 1926**

### **Apparent High Grading**

*"You may have noted that mining operations have produced a grade of ore above the average of the reserves. This does not mean that we are doing selective mining: we have deemed it advisable for the purpose of valuation to keep the old estimate of metal content until, with further development, we feel quite safe in making a higher estimate."*

## 4. PRODUCTIVITY

### April, 1905 - To Shareholders Meeting, Ivanhoe Gold.

*"Were it not for (reduction of costs), many mines that are working at some profit now would be closed down, and thousands of men now earning high wages would be earning none at all.... It is difficult, it is probably impossible, to convince the man who loses his employment that improved machinery and lessened costs are for his good. But it is none the less true, if, instead of the individual discharged, you consider the labourer as a class. The individual cannot be considered, he must suffer, and always will suffer, for the good of the state, and while our improvements have resulted in many losing employment, that evil is more than set off by the good, for two, three, or even four times that number are kept in employ by the same reduction in cost on other mines which otherwise would not be working, or which never would have started to work at all."*

### 25 June, 1913

#### Efficiency

*"The limitation of efficiency means the destruction of individual effort and more expensive operation."*

### 15 June, 1921

#### Increasing Output

*"But mark this point. It is no use shouting for increased output as a panacea unless it can be produced far cheaper. It is no panacea at all unless you can find a buyer for the goods at the price at which they can be produced."*

### 14 June, 1922

#### Productivity

*"There is only one counterpoise to high wages and that is high output."*

### 17 June, 1924

#### Productivity and the 30 Hour Week

*"Now I spoke before of some small amount of increased efficiency of labour, and I was hopeful that this might show that labour on the field was beginning to learn the lesson, to appreciate the fact that the only counterpoise, the only justification for high wages and short hours, is high output; an output commensurate with the wages paid. I tried to investigate the facts, but the result was not too encouraging, and at this moment labour is agitating for still higher wages, asking for a 30-hour week below ground instead of 35, and without giving us any credit for the improved machinery at their disposal, claiming that, as there was not diminution of output or reduction from*

*the 44-hour week to 35 under the Edmunds temporary award, so there will be no less output with 30 hours.*

*To my mind, this indicates but one thing - namely, the extent of the "go slow" business, that if it be true that they can make the output of 44 hours in a week of 30 hours, the men must have been restricted by their unions, when the 44-hour week was in force, to the equivalent of 30 hours' work. Just think of that."*

**17 June, 1924**

### **The Importance of Capital and Technology**

*"The extremist does not appreciate the fact that, were it not for the capital risked by the Broken Hill companies in the development of the mines and solving of the metallurgical problems besetting them, there would be little employment for labour in Broken Hill today."*

**17 June, 1924**

### **Productivity and When it Becomes Really Important**

*"I fear our increased efficiency is mainly the result of the excellent administration of our staff, of improvements in our plant, of the large amount of contract work, and no very great amount of any increased desire to work. The importance of this to us is not so momentous so long as these high prices for metals be maintained, but should conditions change, and there occur any serious fall in price, the importance would become apparent, just as it is in other trades which are undercut by cheaper production or better organization, or by exchange conditions."*

**22 June, 1925**

### **Striving for Productivity, Even in Good Times**

*"These immensely satisfactory results are mainly due to the price of lead, but that does not render any less the importance of other factors, which, in normal years would have been absolutely vital. I mean, of course, the technical results obtained. This we owe to the efficiency obtained by the alterations to our plant and the skill of our admirable staff in using that plant to the best advantage."*

## **5.THE RICH**

**14 June, 1920**

### **The Importance of the Rich**

*"If you take away the riches of the rich, you destroy the power of the rich to buy, and you destroy the demand for productions which may be called luxury, while a very large percentage of the Labour world is occupied in producing those articles of luxury."*

**15 June, 1921**

### **The Effects of Equalising wealth**

*"Let Labour grasp this fact: that the distribution of wealth would be nothing more or less than its destruction. What would be the value of the treasures of the world, the palaces and country houses of the rich, the pictures and jewels, which are still realizable at fabulous figures, and other things which go to make up wealth, if there were no buyers? And there could then be no buyers."*

**14 June, 1922**

### **More on the Importance of the Rich**

*"For, unless there be very rich, there can be no one who can buy and maintain large houses, expensive motor-cars, indulge their fancies in precious stones or valuable works of art, all of which are wealth; nor will they be able to afford fine living, expensive wines and entertainments extravagant clothes and all the other thing which go to make up the one word - luxury and which provide the employment of millions of the less fortunate poor. To complete the social organization, the rich, in fact are necessary."*

**27 June, 1923**

### **The Perils of Pointing out the Importance of the Rich**

*"What I said last year that the rich, even the very rich, are an essential part of the social organization quite naturally has been misrepresented and misunderstood I have been held up as a sort of plutocrat preaching that the highest aim is the idle life of the very rich with Belshazzar feasts and ostentatious entertainments, with costly raiment and flying glittering cars and all the rest. My modest life and humble ambitions do not lie in that direction."*

### **Unrepentance**

*"I take back no word of which I said last year."*

## **6. VENTILATION**

**14 June, 1922**

*"We have done but small development work, beyond the improvement of mining conditions, particularly ventilation and in this respect I should say there are now no better ventilated mines throughout the world."*

**17 June, 1924**

The Technical Commission on the Hygienic Condition of the Mines

*"Will or no will, undue restriction of hours infallibly reduces the opportunity to work for all alike. Nor is there the smallest justification for the claims. The report of the Government Technical Commission on the hygienic condition of our mines clearly shows that there was no reason to reduce from the standard hours of the State, and we claim the time has now arrived for the cancellation of this temporary award, which was made while this report was pending, and a return to the standard hours of the State."*

**22 June, 1925**

### **Health and Safety**

"We have spent large sums on equipment of the mine in such a way that the ventilation and conditions under which the mines work are as perfect as can be. This, to myself, is personally a matter of greatest satisfaction. The health and safety of the worker should be, and are, matters of the first consideration.

## **7. PROBLEMS WITH ENGINEERS**

**25 May, 1911**

### **Inconsistent Results**

*"As already explained to you by circular; the work at the end of the year was so deranged by the comparative (metallurgical) trials which were being made that, during the period of the trials, it was impossible to run the plant on lines to make a proper profit. The February figures showed a return to something like normal results, and then we come to the staggering return for March.*

*I object most strongly to these violent contrasts; it seems probable your engineers wanted to prove the capabilities of the plant, but in putting through this enormous tonnage they should have had some consideration for our feelings. When once a return like this is published, in spite of all the explanations that we give, we cannot convince the Shareholders, or some at any rate, that this should not be the normal month's return."*

### **The Nature of Engineers**

*"The trouble with engineer is that they will not own up. You cannot get them to admit the possibility of a mistake."*

*"I could not make our engineers out there (in Broken Hill) face the fact that the extraction (of metals from the ore) was not good. They kept urging on us the extension of the Wilfley area so that we might increase the tonnage (of metal or*

concentrate) and they only seemed to have some general expectation that, at the same time, we might improve the extraction.

**14 June, 1920**

### **Engineers' Cost Estimates**

*"We had plans made for alteration of the plant. As a result of war, that all went into pigeon holes until this last year when the engineers made us gasp with a proposal to spend £200,000 on the reorganization of the plant. That is the worst of engineers, they seem only to consider what they would like to have, and not the feelings of those who have to provide the money."*

## **8. WAR AND TRADE**

**23 June, 1915**

### **Hoover's New Job**

*"Mr H.C. Hoover, I regret to say, is not present at this meeting. As you are aware, he has taken a very prominent position in connection with the war. He is President of the Commission for Relief in Belgium, and he has been on a visit to Belgium and to Berlin and has not yet returned. Having regard to the vast importance of the duties which he has undertaken, I am sure you will excuse his absence." (Hear, hear)*

(This mission signalled the end of Hoover's successful careers as mining engineer and entrepreneur in six continents, in engineering education and, with his wife, in classical (Latin) scholarship. It was the beginning of his public service, philanthropic, political and writing careers which extended until 1960 when he was 86 years old. His achievements in so many fields over a working life of 65 years must rank him as one the most able and effective men who ever lived. He died in his permanent quarters in the Waldorf- Astoria Towers in New York City in October, 1964 at the age of ninety.

**23 June, 1919**

### **Stabilising Currencies**

*"The difficulty is the hopeless obscurity of the future. We are in a condition which the world has never seen before and we do not know how long this condition may last, It seems to me that our only chance is to forget our individual national bankruptcies and --- create international credit to stabilize exchange and so make possible a return to normal trade by stimulating exports from the various countries."*

(The International Monetary Fund, the charter of which is to promote exchange stability and international trade, was established 26 years later in 1945 in accordance with the articles of agreement of the Bretton Woods Conference.)

**15 June, 1921**

### **War Reparations**

*"I do not say that Germany cannot be made to pay, but, if it be compelled, then the period will be indefinitely prolonged before she becomes again a purchaser of our produce. That is the crux of the problem. One hates not exacting a penalty so richly deserved, but it looks as if exaction really means the infliction of a heavier penalty on ourselves."*

### **War Debts**

*"Sooner or latter the international war indebtedness would be found to be impossible to repay, and that broad-minded generosity, or far-sighted international statesmanship, whichever you like to call it, should wipe out clean, once and for all, the international war indebtedness. That view was hardly noticed except by occasional contempt, but after this long interval for consideration I still think that this view was and is correct."*

And indeed he was right.

### **Circa 1923**

*"The peace and consequent prosperity of the world will always much depend on international hate or international amity, and the world will not be peaceful if the revengeful hatred dating back to the Franco-German war is going to be perpetuated for the next 40 years (Which it was.) (Hear, hear) It is not likely that these views will be adopted, and it will be long before the exchanges can be righted and trade revive, but I believe that I have indicated the only way in which this can arrive. This is what I would do if I were Mr. Harding (then President of the United States) -- it all depends on the United States. I would cancel all war debts to the United States, on condition that in their turn all such debts to us were immediately cancelled, and I should make it a condition that Germany be re-established as a purchasing Power at the earliest possible moment. France is the obstruction here. But clemency was a vastly successful policy in South Africa."*

That is, to the Afrikaaners after the Boer War) (Policies such as these were followed after World War 2. Had they been followed after World War I, would there have been a World War 2?

## **9. THE PRESS**

**18 June, 1912**

*"During the year, one or two misguided journals have continued to insist that they know better than we ourselves the reasons for which we made the change in (tailings treatment, i.e Potter to Elmore) process and that we must have been exceedingly foolish to make the change. I have been asked several times why we did not answer these attacks, and my reply was this: I do not like wasting time: I do not like what is known as "chewing rag." Besides that, no one seems to care a row of*

*pins what these journalists or others like to say. I gave in last year's address the real reasons why we made the change, and if these journalists and others like to insist that I did not speak the truth - well, as the man said who was being beaten by his wife "it seems to please her and it does not hurt me", so why interfere with their innocent amusement. I will just say this, that if those journalists and others be honest in their criticism then they, as critics must be very careless or very stupid people, for in their criticisms I notice they always fail to set out as a factor of any importance at all - that since we have changed the process, we have reduced the grade of the material which we treat by something like 20 percent - that is to say, the zinc contents are no longer over 19 percent, but only about 15 percent, while we are showing as good a profit as before."*

## 10. BHP

23 June, 1915

### The Perfidy of BHP

"The Broken Hill Proprietary, with whom we had our contract for the sale of our lead concentrates, notified us, in consequence of war, suspension of our contract. At first we were under the impression here (in England) that they must actually have stopped smelting, in which case the suspension, of course, was justified. It was only later, to our intense surprise, that we found they had never ceased to work full time; then we protested, for; as the war had not interfered with their working at Port Pirie, the war clause in the contract plainly could not apply. I do not like to suggest that they seized a very thin opportunity to rid themselves of an onerous contract, but we regard the suspension simply as outrageous."

## 11. PROPHECY

25 June, 1917

### H.C. Hoover

*"The Auld\* episode from one point of view is almost now grotesque. One of the parties most traduced is now Food Controller of the United States and holds an office of Cabinet rank. While I watch Mr. Hoover's brilliant progress with much satisfaction and applause, I regret to think that our daily intercourse and collaboration are not likely to recur. For fifteen long and strenuous years Mr. Hoover and I have worked together: We have had our successes and reverses, but through all that time, in difficulty or success, we have had no differences, and I grieve to find myself alone. Still, it will be my pleasant memory to look back on this long and happy association, and I believe that my good friend's progress is not yet complete, **and Chair that some day he may attain even to the highest office in the United States - the Presidential Chair.**"*

*(At this time, Hoover was 43 years old and, apart from student politics at Stanford University, without any elective political experience at all. In fact, even in 1919 it was uncertain if he would be better accepted as a Presidential candidate by the Democratic or the Republican Parties. Furthermore, he had spent virtually all his adult life outside his native country and therefore, had probably not even cast a vote*

*in a political election. He became President in 1928, in which position even a man of his manifest talents was not able to turn the tide of depression.*

*Govett's association with Hoover was probably inevitable but had commenced quite accidentally, as they happened to both be passengers on the same vessel between Marseilles and Fremantle in December 1901. Govett was then on his way to Kalgoorlie to inspect "the Lake View Consols mine on behalf of shareholders who had recently deposed (the company's) dummy directors. Govett, in fact, was the recently elected chairman of the board. Hoover evidently impressed the British financier. A month after reaching Kalgoorlie, Govett removed the local superintendent of the Lake View and turned the company's management over to Bewick, Moreing of which firm Hoover had recently been appointed a junior partner).*

*As Hoover remarked long afterwards, Govett's decision marked the start of an 'important expansion' in Bewick, Moreing's business. Beyond this, his shipboard meetings with Hoover initiated more than a decade of close personal collaboration. On the one side was Govett the financier: able, polished, outspoken - a spirited, 'interesting personality' and 'fearless controversialist' to those who liked him, an arrogant eccentric to one of his detractors. On the other side was Hoover, the laconic Yankee mining expert, who preferred to work behind the scenes and who often prepared the technical data and speeches that Govett, a layman, delivered with gusto and aplomb at shareholders meetings. In years to come Govett publicly acknowledged his indebtedness to Hoover, to whom 'I owe a considerable measure of my education in the matter of the management of mines.' For Hoover, too, as an alien and therefore an outsider, the association with a leading City (of London) financier was to be a crucial business alliance." (The Life of Herbert Hoover, The Engineer)*

## **12. THE LEAD BONUS**

**17 June, 1924**

### **Profit Sharing**

*"As a matter of fact, the Broken Hill Companies many years ago did offer the unions a sliding scale of wages which would have enabled them to participate in the results of rising prices, but this offer was refused, and further, the Wallaroo and Moonta Copper Mines operated along such lines for a period of years, but it was deliberately abandoned by the miners."*

### **The Way to Success**

*"For the man who will work, and knows how to save, the world is at his feet; for any man with the ability to save, it is always possible to rise from the level of the average incompetent and there seems no limit to their possible rise, if only you look around and go to the House of Commons."*

**22 June, 1925**

### **Profit and Adversity Sharing**

*"Often before, I have said that I would be glad to give labour some share in our prosperity but only and always subject to their sharing also in our adversity, that is, profit sharing on a sliding scale."*

### **The Birth of the Lead Bonus**

*"-- a sliding scale of profit sharing has been devised and accepted. It leaves the standard wage untouched but raises the role of wages as the price of the lead raises from £30, which, of course, materially increases our working costs."*

### **Congratulations to Labour Leaders**

*"On both sides, the (lead bonus) negotiations appear to have been considerably conducted with sincere endeavours to meet each other's point of view and from that point of view, I congratulate the labour leaders."*

## **13. FINANCE**

**7 June, 1918**

### **Creative but Sensible Accounting**

*"Capital spent on mining development plant is no longer capital expenditure at all, after once you had spent your capital, especially as the money spent was gone and not realizable and that it was ridiculous to stick it in your balance sheet and keep it alive to be written off bit by bit over a series of years. It is true the conventional system of accounts has to be maintained for the purpose of the income tax but we have debited to profit and loss all such expenditure with the result that we have nothing to depreciate and nothing to write off."*

### **A Financial Criterion**

*"If that (returning 20 shillings in the pound upon all preference plus ordinary shares) could be accomplished, I believe my ashes would rest more happily in their cinerary urn." (Laughter)*

**27 June, 1923**

### **Fair Return**

*"A dividend of 10% for a wasting asset like a mine is not adequate remuneration."*

## 14. THE END

**14 June, 1926**

### **Success and Prosperity**

*"I have to speak of nothing more exciting than great prosperity and success."*

### **Last Words**

*"It only remains for me to congratulate you on the position and prospects of your company." (Applause)*

(Govett died four months later at the age of 68)

**15 June, 1927**

### **New Chairman - Sir Robert Horne**

#### **Vale F.A. Govett**

*"Since the last annual meeting of the corporation, we have to deplore the passing from amongst us of our late chairman, Mr F.A. Govett no ordinary perfunctory tribute which today we pay to his memory. This company was his child, whose welfare he watched over with insistent vigilance. He nursed and tended it - marked its steady growth under his care - and took a paternal pride in its success. For the position in the mining world which it holds today he is chiefly responsible, and we can only lament that we are deprived by his death of the wise guidance which he gave to our affairs and the unremitting industry which he devoted to our interests. I have to bespeak today your lenient judgement, as well as your support and assistance, in my endeavour to take up his tasks."*

## 15. COMMENTS

### **1. F.A. Govett, Cradle to the Grave**

It is presumed that F.A. Govett was born in Laleham, Middlesex, the town of which his father was a citizen. Laleham, according to the Automobile Association Illustrated Road Book of 1958 is "A Thames side village with interesting monuments in its Church which has Norman arcades, a tower dated 1732 and the early Tudor 'Lucan' Chapel. There are associations with Thomas Arnold, the famous Rugby schoolmaster, his son Matthew Arnold, the poet being buried in the church yard."

### **2. The Unions and Productivity**

Govett's view from the London boardroom of the union/management struggles in far away Broken Hill during the first two decades of the century provides counterpoint to the view from the trenches as in most local accounts of the time.

He seems to have been genuinely concerned about the physical and economic well being of the individual worker but was appalled by the way in which the union leadership held back in various ways the productivity of the individual and thus placed in jeopardy the financial viability of the company and hence the employment of the mine's workforce.

In both these areas, he acted according to his precepts. For example, on the one hand by advocating and seeing installed a profit sharing scheme in the form of the lead bonus and, on the other, by not re-opening the Zinc Corporation mine after the 1919 - 1920 strike until the price of lead had risen sufficiently to cover the increased cost/tonne of mining which had resulted from the terms of the strike settlement.

His comments on productivity and emphasis on reducing operating cost/tonne and the proper use of capital to assist in reducing operating costs are just as relevant today as they were eighty years ago. In this, Govett was probably heavily influenced by Hoover who had made the first of his many reputations as a hard driving, cost cutting mining engineer and manager in Western Australia.

Demarcation and its effect on productivity was also an issue in those days as is indicated by the following observation made by Deane P. Mitchell, of Elmore process fame, when he was managing the East Murchison United Mine in Western in 1898.

*"Every man sticks closely to his trade. A carpenter will not do a joiner's work and a blacksmith will starve before he would do a job of fitting or machine work."*

### **3. The Rich**

Govett's views on the pivotal position of the rich in the economic scheme of things are not surprising coming from a man who had been born in comfortable circumstances at the very apogee of Britain's wealth and power, this having been achieved by the rich and powerful having a very big say in events indeed. He meant that the economics of society were then fuelled by consumers who were relatively few in number but on such a scale as to employ the mass of the population fulfilling the consumer needs of the rich and were thus fed and housed, after a fashion at least. Except that the consumer base has been considerably widened, our present society is not much different. Our principal obligation seems to be to consume, thus creating a demand for goods and services and so generating employment.

### **4. HERBERT HOOVER AND FRANCIS GOVETT AS CONSULTANTS**

As described in the attached paper "Economically Mineable Resource in an Underground Metalliferous Mine", Hoover and Govett were used as consultants when I was in Broken Hill in the 1980s with the result that the mine they had so much to do with so long ago is still in operation.

**JJ Kelly**

**Original Version**

**Update**

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