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THE SOUTH AUSTRALIAN MINING ASSOCIATION AND THE
MARKETING OF COPPER AND COPPER ORES 1845 - 1877

A thesis presented for the
degree of Master of Arts

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SUMMARY

The South Australian Mining Association was involved in copper mining activities from 1845 to 1877 (after 1877 the Association was concerned only with land and property holdings until wound up in 1914).

The Association's Burra Burra Mine was considered the richest copper mine in the world during the early years of production and the prodigious dividends and profits, as well as the extremely high average yield of ores over a period of 30 years, bears witness to the claim. Such wealth and returns proved beneficial to the local economy. In the 1840's the success of the Mine attracted much needed capital and labour to the Colony and subsequent smelting activities brought important linkage benefits which allowed South Australia to strengthen its economic base. Also important to the local economy were the multiplier effects of wages paid to mineworkers, carters, wood cutters and others employed by the Association, for at its peak the organisation directly employed over 1,000 workers, so making it, in all probability, the largest single employer of labour in Australia.

In export earning capacity, copper and copper ore were often more important in the South Australian context than wheat and wool combined, and until the mid 1860's it was the Burra Burra Mine that produced the bulk of this important mineral. In terms of world production it was also markedly significant, described by a contemporary in 1855 as "the most extraordinary mine of modern times" (See, John Leifchild, *Cornwall: It's Mines and Miners with Sketches of Scenery...* p.226).

Despite the importance of the Mine in the story of the development of the Colony, little of academic depth has been written on the subject, the only notable exception being an unpublished study by Henry Brown (*The Copper Industry in South Australia. An Economic Study*). In the study, Brown deals mainly with production and profitability of all copper mining and smelting activities in South Australia between 1842 and 1923 but because

only one chapter could be devoted to the Burra Mine, coverage was limited.

On the marketing of copper and ores nothing has been written (indeed it can be claimed that the marketing of any kind of mineral in the wider Australian context has been largely neglected). Brown restricted his observations when discussing the Association to the comment that "the high standard of efficiency achieved on the commercial side was not paralleled on the mining side" (*Ibid.*, p.40).

Neither has any attempt been made to identify and study the business organisation or legal status of the Association. The success of any organisation depends to a large degree on the zeal and skills of the planners and decision makers and in turn they will be guided and controlled by the limitations and powers extended to them by the corporate body. Thus it is important to identify the type of organisation and the quality of the executive when the business activity (including marketing) of a firm is investigated.

The following thesis will attempt to examine the organisation under which the policy makers worked and the limitations which this imposed upon them. Attention will also be drawn to those who determined policy. The main emphasis in the thesis will be on the various modes of marketing adopted by the Association, the problems involved and how these were resolved. Both domestic and foreign marketing will be dealt with. In addition special emphasis will be given to arrangements with South Australian smelters. An attempt will also be made to determine the costs and problems associated with physically marketing the produce. This will entail investigation of the various transport facilities and agencies utilised by the Association. Road transport, railways and shipping and other costs related to exporting, such as port charges, insurance payments, etc., will be dealt with under transportation. One conclusion in this sector is of particular interest, for it highlights the fact that before the mid 1860's the railways held

little or no advantage to the Association over road transport on the long-haul. The concluding chapter of the thesis will question whether the marketing procedures adopted by the Association were in the best financial interests of the shareholders or whether alternative strategies should have been adopted.

As an introduction, the claim by Geoffrey Blainey that Australian mineral discoveries in the nineteenth century coincided with depressions in the Australian economy will be pursued. This will necessitate a brief account of the economic milieu in the period immediately preceding the discovery of the Burra Burra Mine, which in turn will provide background to explain the type of business organisation that evolved under the South Australian Mining Association. A case will be made to show that the Board of Directors saw profit maximisation as their goal, and as a setting and framework for the chapters on marketing, a section on production, prices and the factors that influenced them will be presented.

STATEMENT

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university, and to the best of my knowledge and belief, the thesis contains no material previously published or written by another person, except when due reference has been made in the text of the thesis.

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M. J. Davies

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