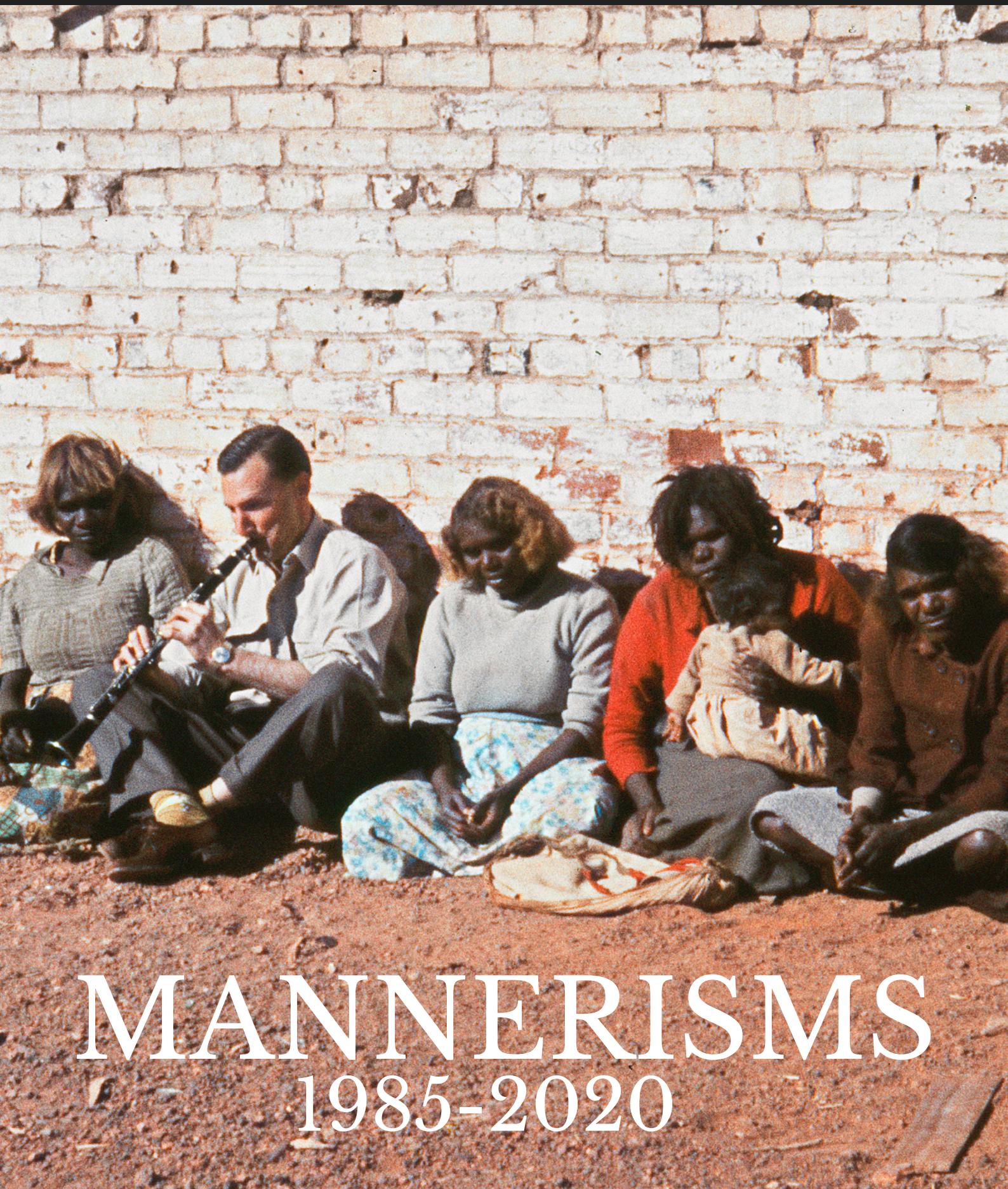


R O N M A N N E R S



MANNERISMS
1985-2020

Mannerisms: 1985-2020

Ron Manners

Published to commemorate the 125th Anniversary of the family firm
Mannwest Group.

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So I Headed West—W.G. Manners. Ballarat to Broken Hill, to Kalowna, to
Kalgoorlie. “When miners were heroes” 1863-1924.

Kalowna’s Barrowman—James Balzano. The early history of Kalgoorlie
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Heroic Misadventures (Australia: Four Decades – Full Circle); 1970 – 2009
Poems of Passion (A prospector’s poetic soul)

The Lonely Libertarian: Turning Ideas into Gold – then Gold into Ideas

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Cover Photo

“1962 – Inspired by Benny Goodman taking his clarinet to Moscow on a ‘cultural exchange’ I took my clarinet to Laverton, Western Australia. I clearly remember a full morning of enthusiastic antiphony. We explored the ‘call and response’ nature of traditional jazz. Without doubt, the most requested song for that day was Basin Street Blues.” ~ Ron



Rotary Club Speech Kalgoorlie, November 28, 1960. And that's how it all started!

Foreword

Ron has had many “adventures” and a diverse career. Throughout his lifetime, he has demonstrated an infectious enthusiasm and optimism which wears down those a quarter of his age.

It was Kalgoorlie and the mining sector that both shaped Ron’s early life and imprinted on him a distinct understanding of the individual and their role within society.

This form of individualism is unique amongst Western nations and arguably even within Australia. Ron embodies this individualism, but it is not selfish. The valuable time and funds that he has invested in industry groups, memorial organisations and educational causes points to this commitment. There are many other people who are involved in good causes who do not put so much on the line.

Beyond business success, Ron has a passion for music, poetry and exploration in the broadest sense of the word. Always looking for the novel, special and exceptional, he is more interested in sharing his discoveries with others, than merely reporting on them.

After a successful career in mining and mining services, he could have easily enjoyed the fruits of his hard work and focused on golf, cruises and other leisurely pursuits. Instead, he established the Mannkal Economic Education Foundation.

During this time, he showed no interest in having buildings named after him, plaques erected in his honour or even being mentioned at events. His focus has always been on students and on sharing with them a lifetime of lessons, ups and downs and general business experience.

Ron talks to everyone about developing their own personal philosophy. He rejoices in the insights of classical liberals, Austrian economists, American libertarians, and local contrarians who have shaped his outlook and informed his success in business.

Over the years Ron has been outspoken about philosophical, political and economic issues, evidenced through his own speeches, open letters, and articles. Ron has dubbed these writings “Mannerisms”. This volume brings together these “Mannerisms”, representing a virtual goldmine of experience and wisdom spanning a period of 35 years.

A handwritten signature in black ink, appearing to read "Andrew Pickford".

Andrew Pickford
Executive Director,
Mannkal Economic Education Foundation

Introduction

This, my seventh book, is a surprise unintended consequence of the overwhelming positive response to *Heroic Misadventures (Australia: Four Decades – Full Circle)*.

That book was commenced as a self-reflection on ‘where did I go wrong’ but developed into more of a commentary on Australia’s cycles from struggle, to prosperity, and back to ‘challenge’ and how our Nation’s ‘health’ responds to good and bad policies.

The international response to that book has also surprised me with launches in London, Hong Kong, Washington, and Chicago (in addition to Australian capital cities) with the book’s feedback from reviewers and readers available at www.HeroicMisadventures.com. One regular has been that ‘young people these days usually give up too quickly, but Ron; you just kept going until you got it right in the end.’

This book started its life as more of a personal diary to help me reflect on the circumstances in which I found myself, based on the always brief ‘scribblings’, a paper trail of notes and poems that I’ve used as ‘life’s markers’; perhaps to remind me to give some more deeper thought later, when not preoccupied with concern for the future.

There may be some obscure similarities with clarinet player, Artie Shaw, after he ‘hung up his clarinet’ at age 44 and turned his hand to writing (somehow fitting all this in between his eight high profile marriages).

It was Shaw’s philosophy, in trying to balance art and commerce, that you played three chords for beauty’s sake and one to pay the rent.

So, I’m entirely comfortable with the fact that this book won’t ‘pay the rent’.

The idea to bring many of my Mannerisms together into one volume, started as an excuse for an office Christmas party, after which my executive assistant Judy Carroll started assembling the articles you will find in the following pages. Since then, with the assistance of Nicola Wright the project has been brought to completion. To keep up to date, you can find my most recent ‘Mannerisms’ at Mannwest.com.

At this point there is no plan to publish, other than to run off a few copies for sharing with my fellow travellers.

I’m sure they have all had their own memories of rapidly oscillating triumphal anguish.

I make no apologies for the fact that I am repeating several poems in this volume, that have already appeared in *Heroic Misadventures*. I feel that book borrowed those poems from this book.

This book may be published under the name of H.J. Van Groenwoegel, the author of many fine 'letters to the editor'. H.J. Van Groenwoegel came into being around 1980 when Telecom / Telstra advised me that they would charge \$50 for my 'silent phone number' in Perth, at a time when I was not living there permanently. Yes, the entry was 'free' if the entry was included; but a charge of \$50 was made if there was no entry.

Hard to believe that a \$50 charge was made for 'nothing' and it was actually free when you received a written entry.

It was at this point that H.J. Van Groenwoegel became my 'silent number' and he continues in this role to this day. Long may he prosper!

A handwritten signature in black ink, appearing to read "John".

Entrepreneurship – Kalgoorlie Style, Circa 1985

Business was a bit quiet, so we moved the office back into the home and leased out the office building.

This caused us to acquire another telephone line, to separate our ‘private’ from ‘business’ life.

We were totally unprepared for the deluge of phone calls we would receive to the new number.

Evidently, this number was previously owned by a lawn mowing contractor who had gone out of business but in a testimony to the effectiveness of the ‘yellow pages’ the phone kept ringing and people kept requesting their lawns to be mowed.

After a few phone calls, Jenny and I one Saturday afternoon, took a call and whimsically agreed to mow a gentleman’s lawn at 3:00pm, on condition that he paid cash and we offered him our ‘special service of the day’.

This was in fact an offer to send a ‘topless’ woman down to mow his lawn promptly at 3:00pm.

Well, at the time Jenny and I were happily in our car, driving by this gentleman’s address and laughingly noted that he was all polished up, showered, shaved and fresh shirt, standing out there on his front verandah with expectation written all over his face.

He was of course disappointed, but we enjoyed the comical aspect of the situation.

Well, after some time, we had tired of playing this trick and decided to offer our “ongoing business” of lawn mower contracting for sale as a going concern.

My accountant warned me that the ATO had just introduced something called the Capital Gains Tax, so we would have to pay tax on the proceeds of such a sale.

However, we managed to sell the business for cash, and we proceeded to acquire quite a different phone number and managed to live happily ever after.

From Explorer to Producer

I wrote this piece in 1987, after Croesus' first year as a publicly listed company.

The first year

In reviewing our first year as a listed company, we cover a year that has seen the first month completing the formalities of public listing, the next eight months as an aggressive explorer and the next three months as a medium-sized gold producer.

This twelve month period has seen us list with a capital raising of \$2.5 million and ten months later outlay \$20.3 million cash for an operating gold mine. This is complete with new milling and gold production facilities along with an exciting spread of advanced exploration prospects in the Kalgoorlie district.

These exploration prospects together with our earlier acquisitions have given us a sound foundation for expanding our current 25,000 oz per year production rate considerably over the coming years.

Our economic climate

As shareholders in a gold explorer and producer you are participating on one of Australia's few success stories, speaking essentially from an industry standpoint.

Against a backdrop of economic pessimism, the gold industry is one of a very few industries which stands in stark contrast. The pessimistic backdrop is fuelled by Australia's trade deficit figures which stands in the order of \$16 million. This means that Australia is importing much more than it is exporting and therefore is liquidating its wealth at the rate of \$16 million per year.

This 'liquidation strategy' for Australia equates to a rate of approximately \$1,000 per man, woman and child per year. Wealth is reducing at this rate and so are future living standards, since wealth is equal to present value of consumption. This trade deficit merely reflects our overall desire as a nation to consume our wealth.

Your company's management and operating team are proud to be part of the 'wealth creating' sector of Australia (sometimes regarded as the 'endangered species'). The continuity of the Federal Government's current tax policies underwrite the continued expansion of the industry.

Already, figures compiled show how these prudent tax policies are contributing positively to government revenue, proving that the 'total tax take' for an expanding industry is greater than a 'punitive primary tax' on a shrinking industry.

Dark clouds

Dark clouds are looming on the horizon, however, as the full implications of Capital Gains Tax (CGT) and Fringe Benefit Tax (FBT) are becoming obvious. So many other countries are offering attractive economic climates for much wanted exploration dollars. It would not take much more economic nonsense like CGT and FBT to divert the flow of exploration dollars out of Australia.

What Politics Destroys, It First Subsidises

Speech presented at the Golden Mile Art Exhibition Group official opening of exhibition November 18, 1994. Ron Manners is a patron.

For over 20 years I have been involved in a very small way with a University based in Hillsdale, Michigan USA. Hillsdale is only one quarter the size of Kalgoorlie, but Hillsdale College has become famous throughout the USA and in other parts of the world for two main reasons: their high standards, and the fact that they refuse to accept any government funding.

Hillsdale College recognised years ago that what politics destroys, it first subsidises.

By refusing to take taxpayers' money from the government, Hillsdale has been able to set their standards higher than the minimum standards set by government regulations. This shows in the quality of their teaching staff and their students and the fact that employers are prepared to pay a salary premium for Hillsdale Graduates.

I only tell that story as a way of buying into the vigorous debate raging in Australia over Government funding for "the arts". On one side we have a clamouring mass of so-called artists who have no confidence in their own ability to produce something that the public wants. These people use pressure group tactics to feed at the public trough.

On the other side, is a growing group who feel uneasy at the similarities between our politicians buying votes with other people's money, and the brainwashing antics of history's many other pompous rulers who thought they could control the people by controlling the arts.

Adolph Hitler was "big" on opening art exhibitions and one of his henchmen, Joseph Goebbels explained why, in these words, when addressing the 1937 Joint Congress of the Reich Chamber of Culture and Strength Through Joy, just a few years before starting World War II.

"The German artist has his feet on a solid, vital ground. Art, taken out of its narrow and isolated circle, again stands in the midst of the people and from there exerts its strong influences on the whole nation. To be sure, the political leadership has interfered in this, and today it still interferes daily and directly. But this occurs in a way that can only work to the benefit of the German artist: through subsidy, the commission of works, and a patronage of the Arts, whose generosity is unique in the whole world.

“Germany marches ahead of all other countries not only in art but also in the care which it showers upon artists.... The German artist of today feels himself freer and more untrammelled than ever before. With joy he serves the people and the state, who have accepted him and his cause in such a warm-hearted and understanding way. National socialism has wholly won over German creative artists. They belong to us and we to them”.

The term “Government Grant” itself, is a misnomer as the government has no money of its own, they only have money that has been taken, by force, from the taxpayers, so we should more accurately use the term “Taxpayer Grant”.

Such government funding, by throwing taxpayers’ money at the Arts, will destroy our real art in much the same way as it is destroying our educational standards, As John Lennon said; “Everything the Government touches, turns brown” So where are these comments leading us? They lead me to suggest two things: · The Australia Council for the Arts describes one of its functions as “shaping Australia’s cultural identity”.

Ladies and gentlemen, what is “our cultural identity”? Who has the right to “shape” it? What I suggest is that the Golden Mile Art Exhibition Group doesn’t need to have its “cultural identity” reshaped. The works that you see on these walls illustrate your high level of self-esteem. It’s high enough to project a “cultural identity” of its own.

I also suggest that the Golden Mile Art Exhibition Group could become famous throughout Australia (in a similar fashion to Hillsdale College), by simply “sending back” the next Taxpayer Grant it receives, with a note, saying “Please give this money back to the long-suffering taxpayers”.

Question the morality of the politicians and the bureaucrats giving you the taxpayers’ money, remind them that it is simply not theirs to give.

Point out to the bureaucracy that the tax-dollars they took from our neighbours’ pocket was to the detriment of our neighbours’ standard of living. Remind them that, these dollars, left in the hands of our neighbours could have helped to provide employment opportunities and even explain to them that unemployment is a greater problem for Australia than funding unpopular art.

Our art produced by the Golden Mile Art Exhibition Group is not unpopular, so it does not need a taxpayer subsidy. You receive support from voluntary contributions and voluntary purchases, and you have enough confidence in your own ability to maintain this support and in so doing, retain your own pride and dignity.

Can you imagine the Australia wide publicity you would receive by sending the taxpayers’ money back unspent? You can’t buy that sort of publicity, but if you

could, I suggest that it would be worth several times the value of the taxpayer's grant itself.

Australia still loves an independent battler and a bold move from your group would bring tremendous support for your activities.

Such a bold move would take courage, but the rewards would be worthwhile.

You should be ready with a coloured catalogue for sale to all those who respond to that publicity.

What sort of support would be forthcoming? There are many admirers of the work of your group and this week I was speaking to the Goldfields Mining Expo Executive and they are delighted that you are planning an exhibition to coincide with the 1995 Expo. For a start they have guaranteed the purchase of between \$2,000 and \$3,000 value in paintings, but more importantly they would like to publicise your exhibit in their publicity material, being distributed world-wide.

This is good for them too as it helps to overcome the image of our Goldfields being "one dimensional". (i.e. business without a soul).

This is also an appropriate moment to congratulate the group and the individual members whose works were recently acquired by the Holmes a Court Collection.

Ladies and gentlemen, as with all investments, the time to buy is just before the price goes up and the rate at which this Group's fame is spreading, the time to buy is now, so get hold of those red stickers and quickly put them on the paintings of your choice.

Investing or Wasting?

All we have is time,
Even though in our prime.

How to dish it out,
Before it vanishes down the spout.

Drop an hour off here and there,
Soon you'll simply have none to spare.

Treasuring every single hour,
Limited, as petals on a flower.

How lucky that we have a choice,
The sense of feel, the sounds of voice.

Contrast with the events of last year,
Savages dispensing September 11th fear.

Planes flying into a wall,
Bring a sense of mortality to us all.

What's the end result of their devastation?
Instead of destroying our civilization.

Interestingly enough, what they have done,
Is simply to unify us all as one.

So, luckily on this positive note,
This coming year, no need to vote.

Instead, move quickly along this positive course,
Engage meaningfully in human intercourse.

The hours left, after those tasted,
Should be invested, not wasted.

Government Burden Inflicts Pain on Australian Shareholders

Economic Freedom is defined as the percentage of your earnings that you get to keep (after the total tax-raid).

Australian economic freedom sank to an all-time low according to PricewaterhouseCoopers' study for the Minerals Council of Australia, as reported in the Australian Financial Review (Dec 18, 2000).

“The big sector winners were the Government and employees, not shareholders. While the mining sector made a profit of \$1.1 billion last year, the Government collected a total of \$4.75 billion in taxes and charges. Employees took home \$4.4 billion in salaries and wages”.

(The mining sector excludes oil and gas. It is purely mining and smelting in Australia).

Resources Rise, So It's Time To Fly!

It's time to fly,
said the parent birds
as they nudged
baby lorikeet out of the nest.

You're big enough now
to flap your own wings,
to take to the sky
and fly aloft with the rest.

Well, that was the hope,
the result was far different.
Instead, a thud to the ground,
with dogs and cats; in danger's way.

That's when we found him
and he signed up for
those morning flying lessons,
“an offer too good” was all he could say.

We couldn't feed him though,
flung him up to the palm branch
so parents with regurgitated relish
fed the frail body with bile.

Then each day it flew further
when tossed in the air.
Then it got the idea,
full flight with grace and style.

And so it is with
corporate challenge and opportunity.
If you're ready to fly then
take the jump and away.

If you've prepared yourself
for a successful launch,
you'll take others with you
and in every sense, the risks will then pay.

Seeing your dreams unfold
is a prize in itself
and helping others with theirs
adds dimension, to each single day.

Looking for Leadership

I've often bemoaned the lack of leadership in the business and mining community.

The general fear of "rocking the boat" or offending the anti-business and anti-mining groups, keeps most business people in a constant state of retreat.

But leadership did emerge recently in Perth, Western Australia, from an unexpected quarter.

The Perth Anglican Dean, John Shepherd, lampooned the "thuggery and bullying" by the CFMEU (Construction, Forestry, Mining and Energy Union) and its State Secretary, Joe McDonald.

Old McDonald had a Union

Old McDonald had a Union,
C-F-M-E-U

And in this Union he had some thugs,
C-F-M-E-U

With a biff-biff here, and a biff-biff there,
Here a biff, there a biff, everywhere a biff-biff,

Old McDonald had a Union,
C-F-M-E-U

Subsequent verses include:

With a walk-out here,
And a walk-out there.

With a bully-bully here,
And a bully-bully there.

With a right-of-entry here,
And a right-of-entry there.

With a stop-work here,
And a stop-work there.

The Rev. Dean John Shepherd "hit the spot" with the majority of Perth's population, who for so long have wondered why the Unions run right over our property rights without even a whimper from subservient community leaders.

Following the Dean's courageous stand, even the State's normally timid newspaper "The West" gave tacit support: "And he can't be faulted on the issue of truth, for the Construction, Forestry, Mining and Energy Union is notorious for the bullying and thuggish tactics which he satirises." Well done, the Rev. Dean Shepherd.

Competition and Flat Tax Rate: Good Medicine

This year's [Mont Pelerin Society](#) meeting in Iceland [August 2005] held many fascinations for this Australian member. Firstly, there is the remarkably inverse relationship between Australia and Iceland, whereas Australia at the beginning of the 20th century had the highest living standard in the world, Iceland was possibly the poorest nation in Western Europe.

But at the end of the 20th century Australia had fallen to 16th place, whilst Iceland had risen to be vying for the top spot. The reasons for this warrant close study in the light of the current situation where, despite Australia's abundance of natural resources, combined with record export prices, we are not winning the battle at balancing our financial books.

The dazzling array of Presidents, Prime Ministers and revered economists at the Iceland meeting guaranteed a high level of debate and as the speakers were protected by Chatham House rules, with their papers made available to members only. Presenters' permission is required prior to any external reporting. In some cases this was granted and by courtesy of [The Brussels Journal](#) you can access these Mont Pelerin Society "samplers". They offer:

- An article on Czech President Vaclav Klaus's warning for [the dangers of Europeanism](#)
- An [interview with former Estonian Prime Minister Mart Laar](#) on the [flat tax revolution](#) he instigated
- An interview with Mont Pelerin Society President, [Victoria Curzon-Price](#)
- An article about [Europe on the road to serfdom](#)

Success stories flowed freely and a common thread through so many was the ease and success following the rapid adoption of flat rate tax.

Flat rate tax

Apart from reference to the above paper, the former Estonian Prime Minister, Mart Laar, modestly commented that his being an historian, rather than an economist, was good for Estonia as one of the first things he did when being elected Prime Minister was to ask for a good book on economics, so he could gain some ideas on how to get their stagnant economy moving.

Someone gave him a copy of *Free to Choose*, by Milton and Rose Friedman. Among the many ideas he gained from this book was the benefits gained by instantly moving to a flat rate tax system instead of the Marxist-Leninist system of escalating taxes that have unfortunately decimated so many western economies. Mr Laar modestly

stated that the idea was so appealing and simple he didn't realize that he was the European pioneer of introducing such a tax.

It has proved to be extremely successful. When they introduced it in 1994 at a flat rate of 26 per cent, it enabled them to enjoy rapid economic growth and pay off Estonia's national debt. Consequently, they are now cutting the rate to 20 per cent.

Even Vladimir Putin's [former] Chief Economic Advisor, [Andrei N Illarionov](#) admitted that Russia's moves to a 13 per cent flat rate tax is the best thing they have done and people now are actually paying their taxes, and on time too! Eleven countries in Europe have now activated their economies by moving to a flat rate tax system and it is like snowball in motion. This flat rate tax revolution is getting larger as it quickly rolls from country to country, where competition ensures that the best ideas win.

Australia must choose quickly, to either compete or turn our back on the benefits that will accrue from bulldozing our unwieldy and uncompetitive tax system to one side.

If you wish to know just how unwieldy, uncompetitive and particularly costly Australia's tax system is, read Dr Alex Robson's CIS paper [The Costs of Taxation](#) or [Shrinking the Tax Code, Growing Liberty](#) by Daniel J Mitchel. *The Guardian* article [Tories to Consider Flat Tax Rate](#) by Matthew Tempest will also give you some background.

Over-Regulation is the Enemy of the Entrepreneur

One of the roles of the entrepreneur is to project a vision to themselves, as well as others, that is somewhat larger than reality.

Then, as they take people forward with them, their team, their investors, they proceed to work their “butts off” to make this vision a reality.

This has been the pattern for all great enterprises throughout the history of the civilized world.

It’s a world that I’m comfortable with “warts and all” and it saddens me to see entrepreneurship being regulated out of existence.

My friend, Rev. Robert Sirico (Acton Institute) often reflects on the biblical encouragement of entrepreneurship and the many parables drawn from the commercial world of that time.

One that embraces entrepreneurship as a virtue is the parable of the talents (Matthew 25:14-30). The entrepreneur who creates the most value from his gift receives the highest praise, whereas the one who chooses not to earn even a minimal return is rebuked.

The parable for the mineral explorers is the one concerning the hidden treasure in a field, which in our own language says;

“The kingdom of heaven is like treasure hidden in a field which when a man found, he hid and then went forth and sold all that he had to buy that field.” (Matthew 13:44).

This highlights that buying opportunities should be seized, whenever possible.

Apart from its spiritual importance, this parable shows that commerce can be mutually beneficial, even where there exists what economists call “information asymmetries,” i.e. when buyers and sellers bring different assumptions to the table. Even in this case, both parties can benefit. A good and moral economic system is one that creates opportunities for mutual advantage, and I view it as a tragedy when we see over-regulation so often getting in the way of so many transactions.

The Future Fund

Is the so-called “Future Fund” a fraud or just another tax on Australia’s struggling taxpayers?

Today’s announcement of the A\$14.5 billion contribution of “your Telstra” to the “Future Fund” is in addition to the A\$18 billion of taxpayers’ funds contributed on May 5, 2006, and it is only just beginning.

The initial error made by the Federal Government was to implement an unsustainable over-generous superannuation scheme for federal politicians and public servants.

Rather than “unwind the unsustainable” the federal government is going to hit you in your pocket to maintain the Public Service access to super funds beyond your wildest dreams.

So, is the Future Fund a fraud or just another tax? First ask yourself, “Is playing the stock market a legitimate role for government?”.

I can’t see “gambling with taxpayer’s money” anywhere on the “job specification” for the Federal Government, so the Future Fund (despite the quality of people selected to run it) is starting to look like a fraudulent attempt to overcome the unsustainability of over generosity to Australia’s public servants.

Peter Saunders (Social Research Director at the Centre for Independent Studies) succinctly passed judgment on the Future Fund (The Australian, 2nd Jan. 2006) as follows: -

“As the receptacle for future budget surpluses and proceeds from the Telstra privatization, the Future Fund is expected to reach \$62 billion as early as 2007. But these budget surpluses belong to taxpayers, and the receipts from the sale of Telstra should be remitted to the public, which owns these assets. If all of this money was handed back rather than hoarded, \$62 billion would give every adult and child in Australia an initial \$3,000 of savings. Rather than one Future Fund, we could have 20 million.”

“A truly liberal government would denationalize the Future Fund and reallocate the money to its rightful owners.” Why the silence from those who know how wrong the Future Fund is? Perhaps they are looking forward to the extra weight of money stirring the stock market even further.

Mannkal's Year Ahead

"The road to happiness lies in two simple principles," said John D. Rockefeller, who then explained what he meant, "find what it is that interests you and that you can do well, and when you find it put your whole soul into it - every bit of energy and ambition and natural ability you have."

What makes me happy is that I'm surrounded by people just like this, and I hope you enjoy meeting our Mannkal team tonight, and I'm sure they will enjoy their time with you.

The Mannkal Foundation is Western Australia's emerging free market organization that organizes events allowing individuals such as yourselves to exchange ideas, on defending free markets and individual responsibility.

We sponsor publications, co-ordinate interesting guest speakers to our State and, in particular, we sponsor students for scholarships, seminars and essay competitions.

We are collecting a range of topics that we feel are worthy of investigation, they cover a wide range of subjects, all relating to the preferred outcomes from personal initiative and of voluntary co-operation as opposed to compulsory government dictated alternatives.

How do we arrive at which subjects we feel are worthy of investigation? They come from real life situations and I might just mention one.

Several of us in this room had the opportunity of spending some time with John Eales, last Friday.

John, as many of you know, is the former captain of the Wallabies rugby team. He smiled when I related our last meeting which was in 2003.

This event was at the Sydney Opera House, the perfect setting, 360 degrees of glass as we looked out from the venue across the sparkling Sydney harbour with the dramatic Sydney skyline as a backdrop. It was the HRH Duke of Edinburgh Commonwealth Study Conference. Around 500 people from about 38 countries, all different colours, nationalities, languages, gathered on that great occasion with two guest speakers for the lunch.

They were John Eales and the, then Premier of New South Wales Bob Carr.

I knew this would be a wonderful opportunity for Bob Carr to give a stirring speech on Australia and, in particular, his N.S.W.

John Eales started it off with his speech and then when it came for Bob's turn he surprised me by slipping into a detailed explanation of the Kyoto Climate Protocol and what grim prospects lay ahead for the whole world if we didn't start turning lights off from time to time.

I was mortified as I felt that his minder had slipped the wrong speech into his pocket and followed up by asking several groups after what they thought of the guest speakers.

To my surprise one of them spoke up enthusiastically and said, "what a wonderful "President" you have."

As we all learn so much about leadership and the art of building teams who work together effectively, "what a fine man, and so young too!"

I was fascinated and said, "but what did you think of the other guest speaker?" To which the response was something along the lines that they felt that he must be the Occupational, Safety & Health Officer who is giving us a bit of a rundown on power consumption around the Opera House and what needs to be done from time to time.

They clearly recognized that the only sign of leadership came from the ex-rugby player, so it was forgivable that they acknowledged him as our "President".

This brief meeting with John Eales on Friday and recollection of that 2003 event has led to us adopted a topic on The Language of Leadership (or the lack thereof) in which we will pursue an investigation of why we hear so little real "language of leadership": from those from whom we should expect it, but we hear it quite often from the most surprising sources.

Mannkal is in the business of ideas, and one of our Austrian economic heroes, the late Professor Mises once said, "Our civilization will and must survive. And it will survive through better ideas than those which now govern most of the world today."

Our Mannkal Foundation is getting lots of encouragement to pursue such ideas and develop these policy papers.

I know that the quotable H.L. Mencken (1880-1956) once said:

"There is always an easy solution to every human problem - neat, plausible, and wrong."

However, we do feel that it is relatively simple.

All we have to do is constantly remind governments that they should remember that if they reduce the reward for something, they get less of it and if they increase the reward, they get more of it.

In Australia today, government at every level is intent on taxing work, savings, investment, thrift, productivity, effort, success and risk, but subsidizing non-work, unemployment, debt, borrowing, leisure, idleness and mediocrity, so we are getting much more of the latter than we are of the former.

Why don't they get this simple message?

Mainly, because people who benefit from receiving taxpayer dollars, form special interest groups and apply a blow torch to the politician's belly button, and that's what they call "Political Economy".

So that's what we are up against.

Fortunately, the sources for our ideas are unlimited, so we will "press on" and act as if it is impossible to fail.

Now; if Shakespeare was here tonight, he might be tempted to say –
If interesting people are the food of great ideas, play on.

So, let's do that.

Refusing to Learn from History — Now the Bushfires!

This is a very important and topical issue! Please pass this article on to anyone who you think may appreciate it.

I often wonder if history is actually being taught in our schools.

Our acquiescence to our political masters’ “master plans”, for each crisis that comes along, is a case in point.

I know that political leaders say, “Never let a serious crisis go to waste. That is, it’s an opportunity to do things you couldn’t do before.”

We see it with the unproven Global Warming Crisis, and now with the so-called Global Financial Crisis, when our political leaders have no concept of its cause but propose to plunge further generations into debt to pursue their political ambitions of being re-elected.

History has shown that bail-outs don’t work as effectively as well-reasoned restructuring, where the markets are permitted to do their work again.

Instead, in Australia, we have a Prime Minister who tells us that by filling our ceilings with insulated Pink Batts it will fight back the Global Financial Crisis.

Now even more currently we have the serious Australian Bushfire Disaster that has captured the world wide attention of T.V. viewers.

As an ex-farmer, I am familiar with the ferocity of the oil-laden leaves of our Australian bushland and the importance of fire breaks and clearing the “fuel” of fallen leaves.

Here, I’d like to throw down a challenge to our journalists and commentators to spend a little time contemplating just who is responsible for the severity of the loss of lives and property. As each day passes, it becomes clear that the “dark green” agendas driving State and Local Government have robbed many unfortunate individuals of the God-given right to protect their own lives and property.

We read of Liam Sheahan, who acted wisely in clearing a firebreak around his property. He was fined \$50,000, with an additional \$50,000 in legal costs and now has a “criminal record”.

His home is the only one standing in his community.

Liam Sheahan's comment to the media was, "Common sense is not so common these days."

My query is; when are our journalists and commentators going to take up his case and have his "criminal record" cleared and his legal costs refunded by his prosecutors, who history has shown to be of inferior intelligence to him, the victim.

When are our journalist and commentators going to call for the over-zealous prosecutors and framers of such penal legislation to be "named and shamed"? Let's also name and shame those who found Liam guilty in what appeared to be a "Kangaroo Court".

If you think this is an isolated case then there are many more and anyone who has tried to legally protect their property via Local Government Permits, will have their own stories.

Another example is [Buxton publican, Eric Notley](#), who as he saw the fires approaching leapt into a Local Government bulldozer to clear away debris.

He is now being "investigated".

Perth: Australia's Gateway to Asia and Europe?

Why, you say?

Well for a start, Perth (without allowing for the “clock-changing experiment”) is on the same time zone as the third of the world who are rapidly becoming our major clients. Western Australians can also pick up a phone and communicate during normal business hours with U.K., India and Africa.

Clock-changing (or “daylight saving” as it is called for some reason), despite the resultant power consumption increase, may have made sense a few years ago when Perth was a remote outpost of Sydney, but the world has changed as noted market commentator, Charlie Aitken (Southern Cross Equities), comments:

“We believe we are watching a very significant long-term change in world equity market order. We believe we are witnessing the relative decline in power of the US equity market and the relative increase in power of Asian markets. This also clearly has ramifications for currencies.”

But time zones are only one of Western Australia’s competitive advantages as we see an unprecedented avalanche of people traveling in both directions, as we play our role in this resource-driven activity; evidenced by new flights and new airlines joining the rush.

Perth, Western Australia will have its fourth (\$10 million) referendum on daylight savings (clock-changing) in 33 years on 16 May 2009. What do you think?

How Big Business Fails at Leadership

Having written and spoken extensively about [‘The Language of Leadership’](#) (or lack thereof); it was interesting to receive a concrete example submitted by Philip Wood via the scientifically based www.climatesceptics.com.au site.

Philip writes, “Last night I attended the Annual General Meeting and Dinner of the University of Sydney’s Chemical Engineering Foundation. The guest speaker was Desmond King, the newsworthy CEO of Caltex, who gave a generally excellent presentation on the world’s future energy needs. In summary, he said the developing world in particular would need every source of energy it could get, but his premise was that CO₂ was a problem. When I asked him whether Caltex, as a major producer of petrol, yielding CO₂ when combusted, had formed its own view on whether CO₂ drives harmful climate change, he answered unequivocally “No”, muttering something about going along with the findings of the Intergovernmental Panel on Climate Change (IPCC). When I suggested that it was surely appropriate for a company to understand its own product liability (ask James Hardie, etc.) he said that Caltex accepted whatever is the prevailing political context.

Various academics present, whom I know well and for whom I generally held a high regard, then went so far as to say that corporations should not get involved in politically contentious issues at all, even where their businesses are directly involved in these issues, but should leave these politically contentious issues for suitably qualified individuals (like themselves of course!).

Like Viv Forbes, I find this abdication by the business community from any intellectual/scientific responsibility in the face of perceived public/political opposition quite astonishing.”

This was an interesting and entirely unsurprising anecdote about the CEO of Caltex, and it would tempt one to be a seller of shares in that company.

Mr King may have given a good talk, but as a leader he lacks courage.

It is regrettable that the senior executive officers of similar large energy and utility companies adopt the same “appeasement” attitude, not risking upsetting their political masters, all in the hope of squeezing out a “better deal” from the Government and the Greens.

At the moment, “a better deal” equates to a larger “subsidy funded by the taxpayers”.

Taking a leadership position would mean being more interested in scientific truth than with public perception and concern for their salaries and bonuses.

There are some matters — and fraudulent climate theory is one — on which there is no middle or compromise ground, no matter how assiduously you may seek or desire it.

Ultimately this is immensely damaging for democracies such as Australia, and our corporate leaders usually abdicate their much-needed role in rebalancing this one-sided debate coming out of Canberra and our crisis driven media.

Your own thoughts please?

Ponzi Schemes Invented by Governments?

Most of us would know of Bernie Madoff's jail sentence of 150 years, for running a "Ponzi Scheme", where repayments to shareholders depended on a constant stream of new victims subscribing to his fund.

It's now been claimed that his inspiration for such a Ponzi Scheme is simply that modern governments operate in exactly that manner.

They no longer act as stewards of your "contributions" for your future aged welfare payments. They have actually pre-spent your money and depend entirely on future victims (taxpayers) to bail them out.

There may be some technical difference between Bernie's Ponzi Scheme and the Government's Ponzi Schemes, and I can only think of one. This being that payments to Bernie were 'voluntary', compared with 'compulsory' payments to governments.

If there is a message from all this, it is probably that anyone running a Ponzi Scheme, either Bernie or the government, does not deserve your trust or confidence.

Confidence is what we all desperately need, after surviving the recent market meltdown.

Now, more than ever, we have an obligation to understand our own finances, as the responsibility for our own future, belongs to each one of us.

Freedom to Shop!

As a consumer, buying a loaf of bread when it suited me was once my “right”, but now I can only shop with the permission of the government.

We should not be prevented from buying a litre of milk or a pair of shoes whenever we want, if there is a shop willing to sell it to us. What authority does the government have to dictate the time of day that a customer can purchase something?

What happened to the customer always being right?

Flexible shopping hours will provide the people of Perth with the choice, convenience and lower costs they deserve.

For a standard basket of goods, Perth is the most expensive capital city after Darwin. Compared to Sydney, shoppers in Perth are spending \$15 more for these standard groceries. This is outrageous, and the customers of Perth should not take this lying down.

A “level playing field” among supermarkets will greatly increase competition. If all stores have the right to open later at night, compared to a “select few”, then the price of goods will be driven down.

One argument doing the rounds is that the majority of people in Perth don’t want longer shopping hours, as was seen in the referendum 4 years ago. In an unregulated, free market the market sends ‘buying signals’ to show when shops should be open and when they should close. Government controls simply hinder these market ‘signals’.

Just because one person doesn’t want or need to shop outside of normal trading hours, doesn’t mean that their next door neighbour wouldn’t want to grab the milk and bread at 8.30pm. And they should have that option.

The debate for longer shopping hours is being fought by lobby groups for the large retailers, the independent grocers and the producers. Don’t let them fool you into thinking that the customer’s rights should come secondary to the rights of any other group.

We need to remember that this debate should not be about small business versus big business or Perth as a backward and sleepy state, but simply about the rights and freedom of choice of customers.

Double Standards

How many times are we told that politicians' private lives are just that - private - and that the media should not investigate political sex scandals or interfere in politicians' personal affairs?

And how many times are we told that the public has no right to know about what their political masters do behind closed bedroom doors?

When scandals erupt, how quickly are we told that as long as only consenting adults are involved, neither the public nor anyone else has any business poking their noses into the private lives of our politicians?

Most of our politicians (including a certain one residing at the Lodge in Canberra) would be very surprised to know that the idea that consenting adults should be left alone pretty much summarises the classical liberal (dare I say neoliberal?) view of the role of government in a free society: that individuals should be permitted to do whatever they please, as long as they don't harm others.

Whether that behaviour is moral or not (or even a good idea or not) is of course an important issue, but that is not something to be determined by government.

Applied consistently, it is a powerful principle with wide ranging implications, particularly for economic policy.

So, it is a pity that our politicians don't apply this rule as vigorously to their law-making behaviour as they do to the public's right to know about their private lives.

Which brings me to the recently released report of the National Preventative Health Taskforce.

This report is a bureaucrat's dream; a grab-bag of proposals to regulate almost every aspect of our lives. If you thought that living in a free society enabled you to eat, drink and smoke as much as you want, then think again. If the proposals in this report go ahead, then the food, drink and cigarette police will soon be knocking at your door.

But hang on a minute - whatever happened to the consenting adults principle?

A very puzzling thing seems to be happening each day in Canberra. Somewhere between our politicians' houses and Parliament House, the consenting adult principle goes walkabout, only to be amazingly found again when our politicians

finish regulating our lives for the day and return home, with their private lives not to be interfered with by anyone because that's, well, private.

But if the public has no right to interfere in the private lives of politicians, then what right do politicians have interfering in the private lives of the public?

And what right do politicians have telling us what to eat and drink, and how many packs a day we can smoke? Why can't they just leave us alone?

Australia: Four Decades - Full Circle

There is a reason why my new book *Heroic Misadventures* is subtitled ‘Australia: Four Decades - Full Circle’.

In the 1970s we saw Australia’s federal government doing stupid things. Future generations regretted that damage to our Australian economy as we paid the ongoing price.

Now, following a period of prosperity where industry and entrepreneurship was encouraged, we see our debt (over-stimulation) and damaging ETS (Emissions Trading Scheme) and the resultant costs and uncompetitiveness being passed onto future generations.

We are also forced to listen to political incompetents who claim that ‘governments create jobs’ as they gamble with our future.

Equally appalling is the sight of ‘big business’ lining up like pigs at a trough to collect the taxpayer-funded subsidies as their prize for demanding ‘certainty’ as the ETS inflicts another tax on anyone who produces or has the courage to engage in productive activities.

My book *Heroic Misadventures* is not entirely about such Shakespearian tragedies, it is mainly a collection of stories on how resilient individuals can rise above political nonsense, in their efforts towards survival and self-sufficiency.

U.S. ‘Tarnish’ from Crisis Commission Hearings

Today’s commencement of the Financial Crisis Inquiry Commission’s (FCIC) hearings will open up the proverbial ‘can of worms.’

Americans should not underestimate the international damage done to their reputations as a result of the fraudulently conceived ‘financial products’ that Wall Street inflicted on the world.

This is made worse by the fact that despite the revelations of their marketing campaigns for these ‘shonky products’, nothing much has changed in the U.S., other than that the taxpayers are all poorer.

The banks are still lining up for their bonuses and the problems have simply been passed to future generations.

This may be the ideal ‘political solution’ (as it pushes the problem out of this electoral cycle), but the U.S. leadership vacuum is a problem that shouldn’t be shared by the rest of the world.

Unfortunately, the vast majority of U.S. citizens may have to wear this ‘tarnish’ resulting from the dubious actions of the Wizards of Wall Street.

The Trouble with Government?

Perhaps government is too big? Too expensive?

Perhaps too intrusive?

These days they tap your phones and check your bank accounts (if you withdraw over a certain amount in cash, your bank, by law, has to ‘report your activity’ to Canberra).

We all have mental images of what government actually is.

I often think of it as a tapeworm, which left unchecked will eat away at our insides.

A small benign tapeworm is probably okay, but if left unchecked it claims total legitimacy.

This unfortunately blurs the demarcation limits between what is the limited legitimate role of government and what happens when government runs amok.

Someone once commented that we don’t get all the government we actually pay for. To which a wise observer responded, “Aren’t we lucky!”

By assuming more responsibility for self-government, we can get government to back off a little. We will then maintain better financial health; and a healthy dog can sustain a few bureaucratic fleas.

So, each individual has a responsibility to ‘starve their tapeworm’ to ensure survival of the human species.

That is of course unless you depend on your tapeworm for survival and you live off political favours rather than individual effort.

Another Giant Government Stuff-up!

So, Australia's federal government had to be seen to be doing something to counter the Global Financial Crisis. That's understandable as is their ever-present desire to interfere in the affairs of its citizens, particularly if it can send us the bill for what is essentially a 'vote buying' exercise.

Well guess what?

They decided there would be some votes in filling a million homes' ceilings with pink-batt insulation.

Something never considered being the legitimate task of government, by the framers of Australia's Constitution. Not a particularly difficult task, but one better organized by homeowners themselves.

Yet, guess what?

It didn't go so well.

The cost of the botched job on the first pass has been \$2.5 billion, with four deaths, 172 house fires and thousands of electrified ceilings.

Really no surprise that it didn't go so well, but here is the real rub.

We have now been sent the bill for another \$41 million, to pay off those people who should never have been stuffing our ceilings full of pink batts in the first place.

All this at a time when Australia cries out about a skills shortage, where industry is desperately seeking people for real productive jobs.

Talking of skills!

If this botched exercise reveals the skills level that we have in Canberra, can I ask ...
‘Are these the same people that now seek to fix our health care and hospitals?’

What do you think?

“I don’t make jokes. I just watch the government and report the facts.” — *Will Rogers*

“The government solution to a problem is usually as bad as the problem.” — *Milton Friedman*

Australia - Exporting our Future?

Walking around the exhibit booths of Australian mining and exploration companies at the Hong Kong “Mines & Money” conference last week, sent me a strong signal.

Perhaps 60 – 70% of Australia’s mineral exploration budgets are being spent outside of Australia. Much of it in quite harsh and remote countries.

One could ask, “Are there no new mines to be discovered in Australia?”

Or, “Doesn’t Australia desperately need new mines to replace our diminishing reserves?”

“Why is the money flowing elsewhere?”

The answer was simple.

Despite the prime exploration targets ‘at home’ here in Australia, the Australian approvals process impedes progress and drives such investment elsewhere.

State and Federal Governments come and go, but the bureaucracy and red tape, pink tape, dark green and black tape, remains firmly in place.

Why is there no outcry and why will nothing change?

Because Australians and their investment dollars and technical skills are made extremely welcome elsewhere.

These three prime Australian exports are also extremely portable and will continue to go where they are made welcome. This will be to the great benefit of the shareholders, but to the long term detriment to the Australian nation.

I appeared to be the only person concerned at this ‘drift of dollars’ as there was a feeling that it would be best not to draw too much attention to this ‘problem’ lest governments in their rush to be ‘doing something’, proceed with inappropriate remedies (yes, we do have recent examples in mind).

Rather than bulldoze the impediments out of the way, they may instead think it more popular to tax ‘exported exploration dollars’ or even make it illegal to go exploring around the world.

Anyone else out there concerned about this?

Canberra Needs History as a Compulsory Subject

Isn't it strange that no-one in Prime Minister Kevin Rudd's 'control group' appears to have studied history?

If they had, I'm sure they would hesitate to take over the provision of 'free and instant health care for all Australians'.

That is exactly what has brought Greece and Italy to their knees as they pursued the fiction of 'living at someone else's expense'.

This is exactly the Ponzi Scheme being promoted by Mr Rudd's con-men from Canberra. Perhaps I'm missing something?

If anyone knows of history giving us an example of 'cradle to grave' welfare provision by central governments actually working, then I'd be happy to publicize such examples.

As if that's not enough mess to heap on the 'Pink Batts fiasco and the school's building scandal', we now have the Resource Industry Super Tax Slug (The Anti Mining Tax).

It would appear that our Prime Minister has declared war on anyone who saves and invests in Australia, including every Australian who has a superannuation policy.

Wise old Thomas Jefferson summed it up this way:

"I think we have more machinery of government than is necessary, too many parasites living on the labour of the industrious."

For me, personally, about to 'man a resource promotion booth' in Washington D.C. and Chicago, my job is made a little more difficult but, as usual, always looking for the positive angle, I have a sign for display on the booth which announces: -

"THE GOOD NEWS FROM AUSTRALIA!

Australia's natural resources have a longer shelf life than our Federal Government."

What do you think?

The RDT (Rudd Dud Tax)

An optimistic future and undisputable evidence that the royalty-based tax is beneficial in surprising ways to the mining industry and the economy. As Deputy Prime Minister Julia Gillard said; there is no need for Australia's miners and Australians generally to fear the RDT (Rudd Dud Tax).

"This tax penalty will only affect successful companies still remaining in Australia. We should simply look at this new threat as an opportunity and enjoy it to the full."

My late friend, Harry Browne, author of *How to be Free in an Unfree World* and many other books, told me at his home in Zurich (1982) that many of us live our lives in search for "the best country". He said, "There is no such thing."

There are three specific, quite separate variants to be looked for: -

The best country in which to live the best country in which to work the best country in which to invest.

He said, "For any single country to be the best at all three is a rare event and we shouldn't ever expect such event to last."

We, in Australia, have simply been fortunate, over the past few years, as for a while we actually scored 3/3. However, we shouldn't be alarmed that we have been struck off the register as the one of the best countries in which to work or invest, simply by the media announcements of our Prime Minister Rudd.

At least we still hold the mini-crown as one of the best countries in which to **live** so let's accentuate the positive, and enjoy our lives here, a relatively safe and healthy environment for ourselves and families. We should count our blessings as many countries don't even score 1/3.

So, let's not be greedy, let's simply grow to worship mediocrity, as a way of imitating our political masters in Canberra. Our lifestyle that we can now focus on will naturally leave us less time to be productive and commercial about non-priority items like working and investing.

Already, even before this Rudd Dud Tax was sprung on us, the big push for the mining industry to move toward working and investing offshore had accelerated due to the difficult approvals process in most Australian States.

There are many non-economic benefits that will flow through from the Rudd Dud Tax, among them being:

There will be an improvement in our international relationships where many of our mining executives and technical staff will be based, interacting with various communities.

These communities will be pleasantly surprised to find that there is an alternative to the political and diplomatic category of Australians that they have previously tolerated.

It will be an opportunity to prove, as correct, the wise words of our former Premier, Sir Charles Court:

“The miner, the industrialist, the trader, the financier and the banker, if they play their role correctly, will do more to achieve world understanding and peace in a generation than the politicians and diplomats could do in a hundred years. Why? Because they are closer to reality, closer to their opposite numbers, closer to the community in the countries where they operate. In other words, they have more to do with real people than with institutions.”

Overseas mining and resource companies will also think very highly of Australia as we have provided them with a ready-trained labour force, at a time when such people are extremely scarce. This will be appreciated by these countries as they enthusiastically step in to take the place of Australia as a provider of essential commodities to the international markets.

So, as you see there are many advantages that will flow internationally from the Rudd Dud Tax but in defence of Rudd’s proposed tax regime, one might say that there may be some merit in considering it if we didn’t already have a workable, understandable, state-based royalty structure, which has given us a strong and expanding mining industry.

The reality is however, that we have all this financial structure in place, on which countless thousands of investment decisions have been made. Anyone changing them now, on a retrospective basis, simply does not have any concept of property rights or the rule of law, on which our modern civilisation is based.

So, in summary, if we leave the structure as it is at present, the whole industry will continue to work its guts out and continue to build on the current company tax/royalty environment which is demonstrably better to the mining industry and the Australian and world economy.

Earlier Governments Made Mistakes Too!

Much attention is now focused on the current catalogue of defective policy decisions by Australia's federal government.

July 4th marks the 13th anniversary of the Reserve Bank of Australia (RBA) announcing that they had sold off 167 tonnes of gold (2/3rd of Australia's gold reserves).

Just updating the loss inflicted by this decision and the ultimate speculation in Thai Baht at the time of the Asian currency crisis, gives us a 'cost to the nation' of \$5.275 billion (difference between gold price then and now) + \$4.8 billion on 'cross currency swaps'; the loss totalling \$10.075 billion.

So, this is another example of a 'bad policy executed to perfection'.

So, the challenge remains for our financial commentators and analysts to remain ever vigilant for further costly blunders and expose them as we enter the run-up to the Federal Election.

We are happy to receive further examples from you, to add to our ever expanding collection.

Thomas Jefferson's Election Week Commentary

Our guest writer is Thomas Jefferson (1743 - 1826), the third President of the U.S. and principal author of The Declaration of Independence.

After working on the Constitution, Jefferson was asked what form of government he was delivering. He is reported to have said, "Gentlemen, I give you a Republic, if you can keep it."

If we could ask him to observe our current Australian federal election campaign and let him choose which of his many quotations might best apply; I'm sure that his collection would contain the following:

- "The democracy will cease to exist when you take away from those who are willing to work and give to those who would not."
- "It is incumbent on every generation to pay its own debts as it goes. A principle which if acted on would save one-half the wars of the world."
- "I think we have more machinery of government than is necessary, too many parasites living on the labour of the industrious."
- "I predict future happiness for Americans if they can prevent the government from wasting the labours of the people under the pretence of taking care of them."
- "Sometimes it is said that man cannot be trusted with the government of himself. Can he, then be trusted with the government of others or have we found angels in the form of kings to govern him? Let history answer this question."
- "My reading of history convinces me that most bad government results from too much government."
- "History, in general, only informs us of what bad government is."
- "To compel a man to subsidize with his taxes the propagation of ideas which he disbelieves and abhors is sinful and tyrannical."
- "It is error alone which needs the support of government. Truth can stand by itself."
- "The natural progress of things is for liberty to yield and government to gain ground."
- "The spirit of resistance to government is so valuable on certain occasions that I wish it to be always kept alive."
- "Whenever a man has cast a longing eye on office, a rottenness begins in his conduct."

- “Whenever the people are well-informed, they can be trusted with their own government.”
- “Every government degenerates when trusted to the rulers of the people alone. The people themselves are its only safe depositaries.”
- “The two enemies of the people are criminals and government, so let us tie the second down with the chains of the Constitution so the second will not become the legalized version of the first.”

— Thomas Jefferson

So that's how Jefferson felt about government, how do you feel?

Should we all Become Political?

We are often implored ‘not to be political’ when we approach policy subjects that affect our lives and livelihoods.

Particularly business people are often requested to ’stay out of politics’.

This would be a reasonable request if, ‘politics would stay out of business’.

Most of us in business suffer the fatigue of being constantly under attack by new legislation and a constantly changing quagmire of taxes.

How can we not become political?

It is simply self-defence and, if we believe in ’sustainability’, it is our duty to ensure our very survival by vigorously joining the debate.

To conclude, I’ll leave you with two classic ‘political quotations’:

With a Federal election looming in two weeks, this is no time to be neutral!

“Every election is a sort of advance auction sale of stolen goods.”

— H.L. Mencken (1880 – 1956) American Journalist, Editor, Essayist, Linguist, Lexicographer, and Critic.

“Government) is the great fiction through which everybody endeavours to live at the expense of everyone else.”

— Frederic Bastiat (1801 – 1850) French Classical Liberal Economist and Politician.

Flaccid Brains Were on Parade

Dr. Richard W. Rahn recently introduced the concept of Flaccid Brains with these comments:

“If government spending is growing faster than gross domestic product (GDP), can the resulting deficit problem be solved by:

- A. Decreasing the rate of growth of government spending;
- B. Increasing tax rates;
- C. Decreasing the rate of growth of government spending and increasing tax rates?

If you answered (A), you have a strong brain and can go to the head of the class.

If you answered (B), you have a flaccid brain and will need to repeat the class.

I will get back to the (C) students later.

People with flaccid brains have a hard time understanding the consequences of actions, and they tend to treat variables as constants (e.g., I know how to drive, so I should be able to drive drunk). As we know from both physics and behavioural science, almost every action causes some reaction. Flaccid brains, for various reasons, have a hard time understanding this basic principle of nature. Hence, they rarely do real cost-benefit analyses or think about the long run.”

Dr Rahn also feels that politicians are not the only ones to suffer from flaccid brains; often major business leaders suffer from the same ailment.

He would have found many examples both on the political and ‘big business’ side during our recent Federal Elections.

Both politicians and business were eager to raise taxes on some sectors, bringing relief to those who seemingly missed out on such taxes (an example being the unaffordable Maternity Benefits Paid Leave, designed only to be at the expense of larger corporations).

Politicians caving into Union Thugs who insisted that international ships pay protected wage rates to their crew members while travelling in Australian waters.

Such flaccid brain thinking, overlooks the fact that by reducing Australia’s competitive edge (enhanced by choosing the most economic shipping rates), it

reduces the demand for our products (simply because inflated wage costs, like taxes, makes Australia less competitive on the international scene).

Business “leaders” and politicians should be seeking to reduce costs and taxes to ensure that our long-term jobs are secure by being internationally competitive.

A strong brain, as contrasted with a flaccid brain, will show, according to Dr. Rahn, that in the long run, this would be a win-win situation for the companies, Australia and the world economy.

What do you think?

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Why Are You Writing? (Reflections on Half Time Birthday)

Karl Jaspers, the philosopher, was once asked, “Why are you writing, it can never be published anyway, and one day all of your manuscripts will be burned,” Jaspers replied playfully: “One never knows; I enjoy writing; what I am thinking becomes clearer in the process; and finally, in case the overthrow should occur someday, I do not wish to stand there with empty hands.”

For some reason, I thought of that comment at my 75th birthday bash, which was attended by colleagues and family.

In a surprise revelation, Mannkal Fellow, Luke McGrath, (Mannkal’s man in New York) “spilled the beans” on the secret behind me becoming a recent Facebook celebrity which you can read about [here](#).

Thanks to our team for assisting me through this difficult “Half Time” Birthday and giving me such high expectations for the next half.

[Read Ron’s Birthday Message](#) -

Was Perth up to the Challenge?

The “Sun Rises in the West” Conference considered the future of Western Civilisation and Western Australia.

Mannkal’s October conference was an opportunity for Perth to confound its critics. In the “Creative City index – how does Perth measure up?”, city transformation expert Charles Landry said of Perth, “The culture of Perth does not sufficiently value ‘thinking’ or being intellectual; it is more a material culture. Learning is not embedded in the culture.” But there is another school of thought – of which Perth’s Mannkal Foundation is an adherent – which says that Perth’s isolation has produced generations of travellers who have a finely honed awareness and relentless curiosity concerning cultures and values.

Addressing what some see as the bleak future of Western Civilisation, Mannkal Economic Education Foundation hosted a number of leading international thinkers and policy makers in Perth on October 7-8, 2010 to chart a path for the future.

Shallow, media-driven decision making by political leaders, as well as the rise of political correctness, were some of the reasons cited by supporters of Mannkal who urged the organisation to address this often controversial issue.

After considerable encouragement, we assembled an eclectic group of leading academics, economists, philosophers and decision makers who attracted significant interest from local business leaders, as well as national and international visitor’s to Perth.

The use of the term Western Civilisation was heavily debated by the organising committee and was why we looked to leading Australian historian Geoffrey Blainey to help come up with a suitable title. Geoffrey Blainey suggested the tongue in cheek title *The Sun Rises in the West* due to the fact that Western Australia is a product of Western Civilisation and is seen by some to be closer to its ‘Western’ heritage than other parts of the nation.

Reflecting the movement of the sun, the Western Civilisation moment could very easily pass as it did with the fall of Rome.

The Conference title served its role in guiding delegates to consider the journey of Western Civilisation and our collective history, but importantly, also on its future.

With Western values and traditions increasingly questioned, the decision to have a serious discussion on the future of our society was prompted by a number of private conversations and encouragement from friends and supporters of Mannkal.

We were dismayed by the low level of public awareness of the traditions which have given us such great wealth and prosperity. We seem to be systematically trashing the institutions and traditions that have allowed us to be successful and prosper.

Sometimes shrill and racist scaremongering has prevented a serious and substantive discussion on who we are as a society and where we want to go. This encouraged Mannkal to deal with these issues head on.

Sometimes, these issues are raised in the Western Australian media. However, aside from nostalgia and alarmist news reporting, little positive action is ever taken.

One galvanising point at the Conference was the proposed “Anti-Mining Tax”. This mining tax debate has mobilised the community.

Being no stranger to disputes with government and authorities, I personally saw more than simply self-interested miners. Without knowing it, many of the business community and workers protesting against the tax were following in the footsteps of the Boston Tea Party participants and those in the Eureka Stockade. The desire for liberty, idea of personal freedom along with responsibility; with the concept of a representative government not overstepping its mark are all informed by centuries of the development and debate within Western Civilisation.

Yet while the achievements of Western Civilisation used to be celebrated in classical centres of learning, such as universities, it is now shunned and seen as something to be embarrassed about. If Western Civilisation values are any good, then why can’t they be taught in our universities?

The speaker list of *Sun Rises in the West* included: Reverend Dr. Mark Durie, Hon. Christian Porter, Attorney General, Minister for Corrective Services, Western Australia and Mr James Bennett, author of *The Third Anglosphere Century: The English-Speaking World in an Era of Transition*. We have been overwhelmed with feedback from the delegates and, in particular, from the 22 young scholars who attended the Conference. One such scholar noted, “The Conference proved to be a deeper discussion than we usually experience in Perth. Instead of lamenting the lack of options and neglect of Western Civilisation traditions, there is now a forum for constructive input.”

The Conference was not about being triumphal or seeking to return to mythical glory days and, most importantly, it was not about targeting those people from non-Western backgrounds. Western Civilisation has been enriched and has borrowed from so many other different civilisations and cultures and should continue to do so.

Drawing interest from the business community was Dr Jerry Jordan who spoke on “Currency Debasement Erodes Personal Liberty”. This presentation drew interest

from stockbrokers and foreign exchange traders in Perth due to the US “quantitative easing” (printing of money) which has caused concern worldwide. Dr Jordan served as a Member of Ronald Reagan’s Council of Economic Advisors before becoming President of the Federal Reserve Bank of Cleveland.

Our Mannkal Foundation Team is currently preparing a full report on the Conference, complete with numerous YouTubes. This will be featured in next month’s Freedom Focus, with the full Conference papers to be published in book form early next year.

The Western Civilisation Debate

Our Mannkal team has entered the Western Civilisation ‘debate’ through our [Sun Rises in the West Conference](#) in Oct. 2010. In doing so, we have added another dimension to our activities which offends the usual politically-correct crowd and commentators who are always ready to denigrate their own society.

Whilst ‘Western Civilization’ is no longer taught in most Australian universities, our use of the term itself has stimulated debate beyond our expectations.

At the time of writing, an factual and seemingly uncontroversial article by Kevin Donnelly published by the ABC attracted 421 responses, the majority quite emotionally irrational. A small number were particularly vitriolic about the suggestion that we should actually teach key aspects of Western Civilisation.

So, the debate continues, and we certainly encourage this.

It appears that the main cause of such vitriol is the unclear concept of what Western Civilization (or ‘the West’) actually is. The West is not a linear progression of the ‘great and the good’. History never runs in a straight line; it zigzags with its numerous unintended consequences and we can all learn from this.

However, attacks on Western Civilisation are not entirely without some humour:

- American university students are told that ‘the West’ is bad because it comes from Europe and has an unsavoury history of exploitation, oppression, racism, sexism, so America should de-Westernize.
- European university students are told that ‘the West’ is bad because it is American and is an attempt to subjugate Europe to American ideas of uniformity, capitalistic, hyper-democratic, egalitarian models of how to live and do things that are alien to Europe and should therefore be rejected.

Now, back in Australia, we invite your comment on why these subtle, successful and exciting ideas of ‘the West’ are no longer taught in most Australian universities?

Our Tarnished Regulators

Rules and regulations are important aspects of our Western Civilization, as without them we would descend into savagery.

However, those charged with the responsibility of ‘policing’ the rules and regulations, must work as hard as we do, to earn the respect of our fellow citizens.

The police, judges, politicians and regulators cannot ‘govern’ without our respect, particularly in this age of electronic social-media.

So, it is with alarm that we see various regulators running vendettas against high profile individuals (examples; the Australian Taxation Office (ATO) against Paul Hogan and the Australian Securities & Investment Commission (ASIC) against Andrew “Twiggy” Forrest).

The regulator’s ever-escalating modus operandi is enough to alarm anyone who has had unfortunate first-hand experience.

Step 1 - They do everything within their power to ‘seize all your assets’ thereby neutralizing your ability to legally defend yourself at the same level as the prosecutor’s attack.

Step 2 - Write and distribute to the media their own media releases, purporting to be the true record of the daily court proceedings.

Those actually sitting through such court proceedings often ask if these so-called media releases are on the ‘same planet’.

This ‘trial by media’ diminishes the regulators’ credibility and respect.

There is a further cost to our nation of this ‘dubious behaviour’, as it has developed into a serious disincentive to our risk-taking entrepreneurial class, on whose success, the fabric of our future success lies.

Without them, who will feed the bureaucrats?

The bureaucrats would probably be surprised to learn that many of them would not be missed, however, without a fair and unbiased application of our laws; we will be diminished if our entrepreneurs withdraw their productive skills.

Writer, Ayn Rand (*Atlas Shrugged*), commented on a similar situation she saw developing some 54 years ago in the U.S.:

“When you see that trading is done, not by consent, but by compulsion – when you see that in order to produce, you need to obtain permission from men who produce nothing – when you see that money is flowing to those who deal, not in goods, but in favours – when you see that men get richer by graft and by pull than by work, and your laws don’t protect you against them, but protect them against you – when you see corruption being rewarded and honesty becoming a self-sacrifice – you may know that your society is doomed.”

Should we encourage our ‘regulators’ to earn our respect?

How to be Humbled!

Scrambling on board the flight from Hong Kong back to Perth last week, my thoughts strayed to the ‘key impression’ of my visit and the two conferences.

Staying at The Mandarin-Oriental Hotel, always a highlight, but why this time?

Their attention to detail at that hotel puts it on the ‘bucket list’ events of a lifetime.

Each morning, jumping on the X-training machine, I was struck by the fact that the attendant, on my second morning, set the TV screen on the same channel I had watched the previous morning.

When I jumped on, the fourth morning, he set the time for 20 minutes without even asking me.

I said, “How come 20 minutes?”

His answer, “Mr Manners, that’s easy. First morning 5 minutes, second morning 10 minutes, third morning 15 minutes, so today 20 minutes!”

To remember the mathematical progression a guest used, to escalate the daily pain, indicates that the Mandarin Hotel has an exquisite team member on their staff.
Why am I humbled?

Because I cannot now remember his name, but I promise to do better if I’m privileged to stay again at the Mandarin-Oriental Hotel in Hong Kong.

These comments reminded me of the ‘Humility’ [presentation that I delivered](#) to the Australian Minerals Foundation, relating to Knowledge Management, way back on Nov 27, 1995.

Reflections on Tiananmen Square

At the Australian Institute of Company Directors' Conference in Beijing (May 2011) we were warned that our emails in and out of China are 'monitored' by Big Brother and that a series of 'trigger words' would ensure that your computer was either closed down or slowed to a 'snail pace.'

The Chinese Communist Party is expressing some concern that the wave of popular youth demonstrations may come to China.

One of my earlier visits to China in 1989, a few months after the Tiananmen Square incident (April 15, 1989) was at a time of intense international interest in the event so I made many notes on my impressions.

The notes were later reviewed in light of the subsequent September 11th, 2001 World Trade Centre Twin Towers incident where I wondered which of the two examples of appalling human behaviour would go down in history and be judged as the worst.

It is interesting to reflect on one of my 2002 notes where I distinguished between the two events by noting that the Tiananmen Square incident may be judged as 'worst' not because of the numbers involved but because of the distinguishing feature of it being a government killing its own people.

Canberra is 200 Square Kilometres; Surrounded by Reality!

These comments were assembled for a presentation to the Hon Tony Abbott, Leader of the Opposition and the Hon Julie Bishop, Deputy Leader of the Opposition, in Perth April 19th, 2011.

First the bushfires, followed by the floods, earthquakes, tsunamis, and now, for the bad news.

Canberra has been named as the growth driver for Australia's economy, even outpacing Western Australia.

Home building, new mortgages and population growth in Australia's Capital Territory (Canberra), are all above decade averages, and ahead of other States and Territories.

I have defined Canberra as 200 square kilometres; surrounded by reality. Those of us living in 'reality land' don't read those Canberra growth headlines as good news.

So, for anyone considering political leadership, to give Australia a better future, something must be done to wind this monster back.

'More of the same 'will not inspire support and regain respect for our political leaders.

Malcolm Turnbull's call for even more Future Funds, to plug the gap in unfunded liabilities, only perpetuates Canberra's Ponzi Scheme but does not earn our respect.

At our Mannkal Economic Education Foundation we send battalions of bright young scholars to events and Think Tanks to bring back ideas and policies that may have traction in Australian States or Federally.

One such policy document from the Mackinac Centre for Public Policy in the U.S. State of Michigan explains a policy that shows how that particular U.S. State can eliminate a State Business Tax, avoid a Pension Tax increase and resurface miles of road and still have money left over, by taking one simple action.

That one action is, simply bringing the fringe benefits of public employees into line with private-sector averages.

Bringing this disparity into balance would save that State \$5.7 billion.

This is a more moral market solution than the previous Australian Federal Government's scheme of stealing half of the public's Telstra and poking it into a Future Fund.

Without some bold initiatives, here in Australia, to cure the 'Federal Bloat' our country runs the risk of following the U.S. path leading to total disenchantment with both major political parties, giving unprecedented support for action groups such as America's Tea Party Movement.

With today's modern communications it doesn't take much to start a rebellion, as we see almost on a daily basis throughout the world.

All political capital cities need to be put on a strict diet, and we are constantly recruiting scholars to continue analysing such solutions. Please enrol at www.mannkal.org.

Fond Memories of Growing up in a Country Town

One of the joys of growing up in a country town is the spirit of co-operation.

When the telephone didn't work you rang one of the local technicians (everyone knew at least one) and he called and fixed it; no problem!

Today, in the 'big city' our call for assistance finds you connected to India!

Similarly, with the power supply. It was that you just telephoned someone who you knew, and the problem was fixed.

However, my latest experience in the 'big city' came from my curiosity into why we were blowing so many light bulbs, several appliances and a T.V. set.

Plugging in my trusty multimeter into the socket showed why. The Western Power supply was 24V over the Australian Standards limit!!

So, in my usual style I asked 'a senior figure in the power supply business' how to lodge a complaint, and was told, "Ron, I know that you are an electrical engineer, so I'll tell you exactly what you must do to get some action. You send a letter to your local Member of Parliament and he will steer the complaint through the regular channels. That is the only way you will ever resolve the problem."

So, here we are several weeks later our local Member of Parliament has now raised the matter with 'the Minister' and we have been summarily advised that "we will be fitting a power quality recording instrument to your premises to monitor the supply within your area."

Being an optimist, I can only rejoice that the Minister did not refer the matter on to India or the Philippines!

Meanwhile, our trusty Honda generator is chugging away in the backyard so we can watch the occasional T.V. program without a further explosion.

Just as well we enjoy camping.

Several months later, Western Power 'dropped' the voltage to something more reasonable and paid for all the 'blown' appliances!

Mounting Anger

Our feedback (via conversations, emails and Facebook) show the mounting anger from Australia's 'new generation' at being left to 'pick up the tab' from the 'current generation's' spend-thrift ways (could we call it 'financial illiteracy' — it's difficult to recall any government projects, Federal or State, that are ever brought in on time and within budget).

This is not peculiar to Australia as autocratic governments all over the world are discovering that they are trying to govern the ungovernable.

Currently, there are about 600 (Google the Max Keiser Report) concurrent 'rolling revolts / internet revolutions / Facebook revolts / Arab Springs', or by whatever name these internet driven, popular youth uprisings are called.

The possibility of this spreading to China, constantly exercises the mind of the Chinese Communist Party, as it puts their economy under intense pressure to maintain an 8% annual growth, to keep their 16 million new people annually entering the workforce from similarly rising in jobless protest.

Closer to home, the nonsense emanating from Canberra on a daily basis is also being queried by our youth (more vigorously than by the tame daily media majority).

More vigorous questioning required.

Young people have noticed that the daily media has not picked up on the latest Canberra Scam.

Federal Treasurer, Swan, in another attempt to be popular, has added a sweetener to his budget in the form of a pledge to 'give' every Aussie 'pensioner' a set-top-box (to enable Analog TV sets to receive digital signals), whether they want them or not.

The costing for this offer is \$308M.

These 'boxes' are obsolete technology in most of the developed world and can be picked up for about \$30 per box.

The government's costings allow \$400 for each box. So, the questions to be asked are: -

"Who gets the other \$370 per box?"

"Who gets the balance of \$380 million?"

We never found out who got all those millions from the Pink Bat insulation fraud or the School Halls / Library scam. I wonder if we'll find out this time.

All we know is that the debts incurred are inevitably passed to the 'new generation' as a stark reminder of President Hoover's quotation, 80 years ago: -

"Blessed are the young for they shall inherit the national debt."

Another Look at China

“Time is Money and Efficiency is Life” – an ancient Chinese saying.

Each time I return home to Australia I make a few notes of my initial impressions.

I find that it's best to do this while my ‘slate is clean’, not having been bombarded with our own Government-generated hype, on distracting issues.

This has left me free to absorb a dazzling array of statistics and policy input from commentators in China.

I had been to China on business before, but only once had I experienced such an in-depth opportunity to spend time with people who had positioned themselves on the ‘inside’—which is the only way to develop a deep understanding of what ‘looks simple, but never is’.

The earlier visit was in July 1998, a few months after the Tiananmen Square incident, with a team from the Bank Credit Analyst Group of Canada.

As part of the ‘briefing’, the Hon. Robert Lloyd George (great grandson of the former British PM), who runs a successful investment fund, helped us ponder questions such as:

Why did the Chinese Empire recover from the early barbarian incursions of the early Fourth Century when its contemporary in the West, the Roman Empire, collapsed and declined into the Dark Ages?

Why did China never have an age of exploration and science such as the West’s Renaissance, and the Age of Enlightenment?

Why it was—despite Western supremacy in the field of ideas—that it was only from 1800 onwards that Western and colonial traders managed to dominate the Asian peoples?

Lloyd George proposed that leadership in Asia, in economic and cultural terms, would pass to the Chinese during the next 20 years (which would be 2018). As it turns out, it has happened seven years earlier than he predicted and, despite many obstacles which may lead to some ups and downs along the way, looks like continuing on its powerful trajectory.

As Napoleon once said, “China – there lies a sleeping giant. Let him sleep, for when he wakes, he will shake the world.”

Another briefing I had before the 1998 visit involved some advice from the noted journalist, Rowan Callick, who suggested that if I wished to read only one book on China, it should be *The Tyranny of History (the roots of China's crisis)* by W.J.F. Jenner, and this was an excellent investment.

Well, here I was, some 13 years later, in China with another high powered group of individuals being shown another dazzling array of figures and projections and being given the opportunity to create my own crystal ball.

Several highlights leap to life when reviewing this year’s Australian Institute of Company Directors Conference visit.

Big Plans, Big Models

My good fortune was to be in the Forum that received the briefing on China’s 12th Five Year Plan. The early comment from the presenters that, ‘this five year plan is quite different and represents a major change,’ caught my attention and the concise briefing papers that were issued to us were excellent—and certainly more manageable than the full 1,000-page Plan itself!

Being in Beijing, the conference, was somewhat Beijing-focused, just as an Australian conference, if it were held in Canberra, would hardly mention where the actual wealth is generated in Australia (hence my description of Canberra as being ‘2000 hectares surrounded by reality’).

But I have to admit that the 3D modelling of Beijing’s CBD and the Olympic Games Park were truly spectacular.

TV and the Internet under an autocratic government.

Holed up as we were, in an international hotel, we were able to view our CNBC, CNN, BBC, etc. TV channels, unlike the other 1,339,724,852 Chinese people not actually staying in an international hotel. Their ‘choice’ was an array of TV channels (up to 50, I’m told), all with the prefix CCTVxxx, which provided what appeared to be a selection of general entertainment.

However, each evening at 7.00 p.m., for 30 minutes, all the CCTV channels were synchronized to the single ‘official’ (government propaganda) news channel. There was no escape.

It was just like Australia’s ABC on steroids!

Of course, as we had been warned, Facebook and Twitter were not accessible due to the ‘destabilizing effect’ they were having on young people in other parts of the world (nearly 600 separate uprisings and regime changes going on around the world).

I was also warned by a long-term resident that all emails and text messages were carefully monitored and that one’s computer would ‘slow to a crawl’ if any sensitive issues were mentioned.

Quite a few times during the conference I heard members of our group enthusiastically commenting, “Wouldn’t it be great if we could introduce five-year planning programmes to Australia, where everything would proceed to schedule?”

I’m not sure that I agree.

Australia may not be progressing to a Grand Central Master Plan, but there is no shortage of plans. It is up to each of us to adopt our own plan and put it into motion to cover our own future, the future of our companies and our families. This freedom, both politically and economically, to have our own plans and map our own futures is an aspect of Western Civilisation that we should preserve.

The Friday Forum—‘Small & Medium Enterprise Directorship: Getting it Right + Leadership & Succession Planning.’

This was a very revealing session which highlighted the gradual change of the AICD’s focus over the years—from Performance to Conformance.

After listening to repeated bleating about how entrepreneurial founders often stayed too long and prevented the total shroud of conformance settling on various companies, I was moved to make the following remarks.

I think we are overlooking the tremendous responsibility that has been placed with us to ensure that the SME (Small to Medium Enterprise) sector remains vibrant and vitally interesting.

I no longer read the Chairman’s address or the CEO’s message upfront in the annual reports of the larger public companies because they no longer represent a ‘window on the soul’ of the individuals running the company, but are rather concocted, computer-generated, politically correct nonsense.

Our discussion today appears to be focusing too much on diminishing the role of the founder and entrepreneur, without which there would be no company.

If we feel that they are getting in the way of the role of good governance, may I suggest a different approach in your endeavours to by-pass them.

They don't particularly want to be Executive Chairman; they would simply settle for being Leader.

So, an approach could be made on the basis of 'let's remove all the administration stuff from you so you can focus on your role of being inspirational leader'.

That particular session reminded me of a reference I made earlier to a great Australian industry leader, Sir Arvi Parbo:

Then, Sir Arvi added that the emphasis was on the quality of what the company did, quality of product, and having a place in the hierarchy of lowest cost producers. "That way, and that way only, can we have a solid secure operation."

What a difference to today's Board meetings, many of which are cluttered up with trivia, such as the number of 'band-aids' that the company had used the previous month.

I'm not denigrating 'safety concerns', simply stating that safety, environment and so many other of the softer issues should simply be part of a company's culture as it evolves and not displace productivity and the development of a solid, secure company.

A few years later in the early '90s, it was Sir Arvi who raised the issue of company 'conformance' versus company 'performance'.

More recently we have seen companies with immaculate 'conformance' records simply go broke (p337 Heroic Misadventures)..

These companies were 'sustainable' in the sense that the word is used today; but just disappeared because they forgot to make a profit.

A French Chateau Winery in Beijing?

During the week, my friend and fellow delegate, Michael Tilley, asked what I was doing on the post-conference Saturday, and asked if I'd like to accompany his wine-producing group to Beijing's equivalent of Margaret River / the Barossa / the Hunter Valley.

Well, what a day it turned out to be!

Just 75 kms from Beijing's CBD, we were hosted by the Mayor, Deputy Mayor, Councillors and Communist Party Officials from Miyun County.

The visit was co-ordinated by Australia's highly respected Trade Commissioner, David Dukes, and for me it was a most interesting day of observing a vigorous interchange of viticultural expertise, in both directions.

The Chateau Changyu is a US\$120,000 testament to China's determination to produce world-class wines by overcoming climatic and soil challenges that would have the bravest Aussies in tears.

This remarkable site is recommended as a 'must include' for any future visitors to Beijing.

Is Julia a Genius? (If So, I'll have to rewrite this article)

“Throughout world history, there has never been a situation so bad that government can't make worse.” ... Author – Anonymous.

When pummelled by crashing markets and extreme volatility most members of society decide to work a little harder to regain credibility and economic viability.

Amidst the ruins left (economically and politically) of the past few years, many Australians have been ‘minimized’, but with good grace they are soldiering on knowing that, in the long run, honest endeavour will win and return them to a comfortable sense of normality.

However, not so our Australian Federal Government, who appear to be ‘crying out to be laughed at’.

Everything they touch ‘turns brown’ and the only sector of Australian society who are richly rewarded are our daily cartoonists.

Through our investments, our careers and our super funds, we are all carrying the burden of this ongoing Canberra Circus.

As so well put by one of Australia’s most respected financial writers, Charlie Aitken, Bell Potter Securities – Sept. 2, 2011: -

This Gillard government is so on the nose with the equity market and corporate Australia that any hint, be it even betting being suspended on a website, is an excuse for a ‘hope rally’ in Australian equities, but particularly in sectors that have been de-rated by the anti-business, anti-productivity, income redistributing policies of the Gillard minority government.

The relationship between corporate Australia and the Federal Government remains non-existent. In every conversation I have with leaders of corporate Australia, I ask about their engagement with government. The universal answer is ‘none’. To me that is a totally unacceptable situation, but one that worsens by the day as the government gets more desperate.

I have written before that I believe a change of government in Australia will trigger a minimum +10% rally in Australia equities, led by the mining sector. Even the rolling of the Prime Minister, which appears imminent,

would be worth +5% to the sectors that have been pressured by unnecessary regulatory change proposals.

Australia's biggest problem at the moment is a confidence one. Confidence is a derivative of leadership.

You simply cannot underestimate the damage successive Labor governments have done to our international investment reputation. Remember it was only a few months ago when I was in Hong Kong and a Chinese investor said that now famous line to me, "would you invest in a company where the CEO is Gillard, the CFO is Swan, the independent directors are Wilkie, Oakeshott and Windsor, and the executive chairman is Bob Brown?"

All I know is there is a tidal wave of international investment capital, both pension fund, hedge fund and corporate capital waiting for a change of government in Australia. That capital is already flowing into the Australian Dollar because the currency has no regulatory risk."

One regrettable aspect of this dissonance coming out of Canberra (they are in harmony only with the cartoonists), is that we see a level of frustrated anger, unseen in my long memory.

Truck drivers from all around Australia, making a major investment in driving to Canberra to get a hearing were rebuffed and insulted by 'our government'. In every capital city there are 'no confidence rallies'.

Business executives are fearful of speaking their mind for fear of political retribution, which has reached a peak surpassing even the Keating era.

Any business leader that does stick his / her head up receives fan-mail from other executives exclaiming that, "I wish I had the courage to say that" (I have examples on file).

Our only hope is the next generation.

The young people we are in touch with, through Mannkal's scholarship programs, look on in astonishment at the tolerance of fatigue exhibited by the current 45 – 65 year old generation. Our younger generation can see much more clearly that the current financial and political mess is being placed firmly on their shoulders.

There will be a backlash (youth uprising) as we are seeing in so many countries and for me, it can't come soon enough.

Three Adventures in Turkey

Turkey's economic growth rate surpasses that of China. What is its secret for success, I asked?

Turkey actually encourages entrepreneurship and productivity (instead of taxing it to death).

Turkey had a severe financial crisis in 2001 and has not since permitted welfare entitlements and debt to develop, as they have in so many countries now experiencing difficulties. It has thus become the model economy for so many Arab countries as they now break away from autocratic dictatorships. These countries-in-transition see the Communist model as defunct, the US model as broken and the European model as decaying.

If you need an example of Turkish entrepreneurship, then try 'chicken feet'!

Chicken feet are not eaten in Turkey, but they are a delicacy in China.

Casting your eyes skyward in Turkey you might see one of the many planeloads of chicken feet (in marinade) flying off to China!

Turkey earns US\$40M annually from exporting more than 3,000 tonnes of their chicken feet to the restaurant tables of China.

The virtues of specialisation and trade to one side, the real highlight of my sojourn in Turkey was the three back-to-back conferences, which became three intriguingly intense adventures.

The first, **Religion, Society, and Freedom** better described as a colloquium, was an intimate three-day conversation among and between an exquisitely chosen 15 person group of Islamic scholars and Christian/Western Civilisation advocates.

There are many differences between Islam and the West, some running very deep, and this brief investigation of their origins brought home to me the depth and breadth of the chasm that exists.

For example, we were urged to ponder on phrases such as: "if you confront evil with good, you will tire of the confrontation. But, if you confront it with evil, you will vanquish it."

Our pre-conference reading papers hoped that, “the darkness of this dilemma which the reader faced has by now been transformed into light, and fire has been transformed into coolness and peace of mind.”

However, on return to this remote outpost of Australia and being greeted with the continuing on-screen examples of divisiveness, mostly caused by our defective government policies (much in the way that ‘foreign aid’ often results in perverse consequences) shows me that much work needs to be done in Australia, where our society will fracture if we fail to find a satisfactory remedy.

Nonetheless, it was refreshing to explore the many things that we do have in common, among them voluntarism which, regrettably is not universally practised.

Although the pre-conference reading papers suggested that voluntarism was only a secondary function (goal), it was respectably suggested by me that we elevate voluntarism to the status of a primary goal, as it is one of the most unifying forces throughout civil societies which can bridge Jewish/Christian and Muslim philosophies.

This colloquium experience, exploring the relationships between Western Civilization (which unfortunately is no longer taught in most ‘Western’ universities) and the Islamic faith / law / finance interconnect, is something I will continue through the significant personal contacts made on this occasion.

The second conference, **Nation, State and Liberty**, was a four-day presentation of academic papers, followed by comments from academic discussants and Q & A sessions attended by approximately 250 delegates.

The introductory comments from the Co-Chairman of the Organizing Committee, Prof. Atilla Yayla, set the stage for some lively discussions:

The time we live in is named a nation-state-age. We are born into nation states. We are socialized and educated in nation states. The nation state follows us from cradle to grave. There seems to exist no way to escape from it. In brief, the nation state has impacts in every moment and every aspect of human life. How are society and our individual freedom affected by this fact? This is the main theme of the meeting.

However, by leaving this important topic to the sessions, I would like to briefly touch upon another subject which is as important as the relation between freedom and the nation state. I am encouraged to do so because this meeting is taking place in a country where the majority of the population is Muslim. The issue is Islam’s compatibility with individual freedom, liberal democracy and a free market economy. As we all know,

the economic and political outlook in Muslim countries is extremely disappointing. Almost all Muslim countries are economically underdeveloped. There are some rich nations, but they cannot be counted among industrialized countries since their wealth results not from a stable and strong production base but from a single commodity – oil. Total GDP of Islamic countries all together is less than that of France. The number of books translated each year into the four main languages spoken in Muslim countries is less than that of the books translated into Spanish. In none of the Islamic countries, including Turkey, do we see a well-functioning, consolidated democratic system. The recent revolts in North Africa, the so-called Arab Spring, raised our hopes that in some Arabic countries liberal democratic systems could be founded. However, one needs to be cautious about what is to happen next in Egypt, Libya and Tunisia. As the great philosopher, Lord Acton, pointed out in the 19th century, “In the end of the day, what matters is not what you are against but what you are for.”

Why is this so? Is there anything wrong with Islam, and Muslim people? There are two extremist positions taken by some commentators on this issue. The first one is the position of Islamists and the second one is the position of some Westerners. These two groups appear as if they are in a clash with each other, but in practice they unite in the aim to keep Muslim lands away from individual freedom, a free market economy, and liberal democracy. The Islamists say that Islam is not compatible with Western values of individual freedom, the rule of law, and with Western institutions like a free market economy and liberal democracy. The Westerners who are infected with Islamophobia rush to join them and claim that these values and institutions are uniquely Western. They are the product of Western culture and they cannot exist or survive in any other culture. I think both sides are mistaken....”

The third conference was titled **Spreading the Word of Freedom and Liberal Democracy in the Region**. The full significance and relevance of the first two conferences were exemplified in the content of this one-day conference which brought together ‘veterans’ and ‘reformers’ from the time of the fall of Communism, some 20 years ago, with the current courageous youth leaders spearheading the many ongoing Arab Spring youth rebellions against autocratic dictatorships.

There were about 130 delegates from 45 different countries.

Turkey, being an economic model for these nations to follow, was a logical choice as a venue for such a conference.

I view the future with apprehension, because although it is clear that these rebellious youth groups have a clear vision of the future they don't want, there is no equally clear vision of what sort of society they do wish to construct as a viable replacement. (Here, I'm referring to the many youth groups not attending this conference.)

Any study of civilizations show that nothing lasts forever and that it is difficult to construct a complex working model of your future when you are doing it on the run and under great stress.

I took the liberty of filming most of these presentations and, now, with permission from the speakers, they are viewable at the [YouTube playlist](#).

The approvals process was a delicate matter as many comments were 'in-house' and may cause problems in the speakers' home countries.

When I discussed this with a Syrian speaker, his comments were, "Our people are dying right now, so you have a responsibility to tell the world what is going on in Syria."

As these youth revolts continue, we in the West can assist by developing personal contacts with these youth leaders and listening with sensitivity to their concerns.

The simple choices that existed 20 years ago between capitalism and communism are no longer available and the world is generally unforgiving to the U.S.A. for its mass export of deceptive financial instruments, made worse by the central bankers and populist governments who encouraged irresponsible debt with near-zero interest rates.

The poor state of political leadership amongst the major nations is a topic of wide discussion as many countries around the world move into re-election mode in 2012 – 2013.

From these meetings the Istanbul Network for Liberty was created "To explore the principles and values of a free society for involvement; are to have a strong commitment to a free society, to be a Muslim or to come from a mainly Muslim country and a significant number of people have become a part of it. Hopefully it will help to increase understanding of the creative power of freedom in mainly Muslim countries."

Another optimistic ray of light is that it is becoming more obvious to many of us that nations are generally becoming ungovernable under the present political arrangements and that the old game of 'pass the parcel' to future generations is no longer acceptable.

The next generation of articulate on-line activists appear to be our best chance of reversing that political decay.

This I see as our best chance of building barricades against Leviathan governments and creating circumstances where individuals can be left free to thrive and prosper.

View Dr Tom G. Palmer's excellent 9 min explanation of the Arab Spring [here](#).

The World's Greatest Treasurer?

One of the joys of returning to Australia is the experience of observing the priorities that beset Australians, locked away in our corner of the world.

While the world grapples with all manner of catastrophes, both natural and government-induced, four initial impressions overwhelmed me:

1. Australia was basking in the glory of our Wayne Swan being nominated by Euromoney magazine as Finance Minister of the Year (possibly nominated by the National Bank of Greece?) — more on that later.
2. In Canberra, the city was abuzz with delegates to a Breast Conference who were contemplating and defining the two roles of the female breast—namely, as a source of food or as a ‘sexual organ’.
3. In Western Australia, where we now produce 46% of Australia’s exports, the main news was the multiple meetings being held to seek permission to kill a shark deemed responsible for the most recent of the three fatal attacks on swimmers over the previous 7 weeks.
4. Of interest also was the publicity surrounding our Australian Minister for Foreign Affairs (The Hon. Kevin Rudd) now working for several African nations, encouraging Australian miners and explorers to invest and develop new mines in Africa, to compete against Australia’s mining industry.

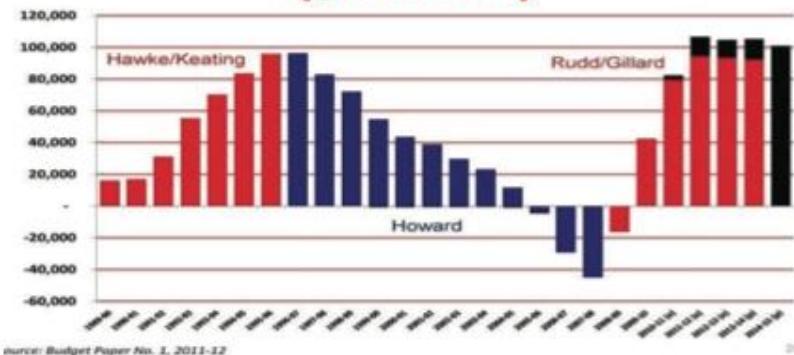
Australian mineral explorers have already figured out that it’s too difficult ‘getting started’ in Australia due to land access and regulatory impediments and approximately 84% of their exploration budget is already being spent out of Australia.

How long do we expect to be the lucky country?

Well, back to the World’s Greatest Finance Minister. Let’s look at the basis for these claims. Yes, the Australian economy is in reasonably good order at the moment, in spite of the Australian Federal Government and its Treasurer. Its respectable condition lies with our three previous governments — one Liberal and two Labor. The Hawke/Keating governments (Labor) got the supply side of our economy in good shape and the Howard government (Liberal) eliminated our governmental budgetary problems. So, we are still living on the fat generated by the three previous good governments. The following chart graphically illustrates and provides the evidence for this.

Government Net Debt (\$millions)

Budget 2011-12



Source: Budget Paper No. 1, 2011-12

Red = Labor; Blue = Debt under the Howard Coalition; Black = Projected
It's just as Margaret Thatcher said: "Socialism works only until you run out of other people's money."

History Helps Us Prepare for The Future

I'm often asked, "What has been the biggest change to Australia over the past 40 years?"

The easy answer?

In the 1970s, paying tax was optional, but work was essential if one wished to survive. Now, it's the other way around: paying tax is compulsory, but work is optional and there is very little focus on distinguishing productive work from 'sawing sawdust' type jobs, where there is no measurable productive output.

Is Australia a better place as a result of this major change?

The answer probably depends on whether you earn your living from economic activity or from bureaucratic activity. Another big change is that, in the 1970s, there was little discussion about "how the previous generation has 'shafted' the next generation".

All that has changed—and rightfully so—with ready access to current statistics, now available to all at the click of a mouse. These data were only accessible to the 'elites' a generation ago. All this makes for some interesting discussions at Mannkal's office in Subiaco.

There is very little respect for the 'Harvard Graduates' on Wall Street who, with the assistance of their friends on Capitol Hill and at the Fed, brought down the US economy. There is also very little respect for Southern Europe's illogical entitlement mentality where the expectation was that Germany would fund their unsustainable pensions forever.

In this wearisome environment of today, young people are challenged in their search for role models as they move out to take their place in the world. But despite all the challenges, our Mannkal Foundation enjoys this economic and political fabric as we enter our 15th year, finding that we still maintain close contact with many of the 500 + young people who we have sponsored for internships, seminars and events, both internationally and within Australia. So many of these young people continually send material back to us, reflecting on their experiences of events from so many parts of this interesting world. Our own experience is enriched through their input. Those participating in overseas internships have established their own input link to our website, where their weekly reports are publicly available:

Mannkal's Musings is entirely compiled and published biannually by our youthful team, and this December issue is jointly edited by Emma Crisp, who now, after being with us for three years, is completing her studies and seeking career opportunities both in Australia and overseas, and Felicity Karageorge, our new Scholarship Coordinator, who was a former Mannkal Intern with the Frontier Centre for Public Policy in Canada (Manitoba, Saskatchewan and Alberta).

This constant stream of constructive but sceptical input to our office and to our two Facebook sites makes my job one of the best imaginable. So, please spend some time exploring this publication and the various links it contains and be prepared to be injected with this special brand of optimism!

Comments on the 2012 Threats to Freedom of Speech Conference

One of the aims of this [conference](#)* is to explain why Australians are so attached to freedom of speech, and why we reject threats to this freedom.

How do we define these freedoms and how do we manage any conflicts?

Personally, I feel that our strong defence of free speech rests on three beliefs held by many Australians (even though we don't have it as clearly enshrined in our Constitution as the Americans do with their First Amendment).

The first reason, is that we believe it is our right and our responsibility to decide for ourselves what to read, view or listen to. We might go and seek advice from other trusted advisers, but in the end, it is our decision what we read, view or listen to.

As a matter of fact, we are offended at the suggestion that we can't make these choices for ourselves, no matter how poor or uneducated we happen to be.

The second reason, from experience, we have a highly developed sense of cynicism about government powers over such matters, and the ability of such powers to be corrupted and influenced in the direction that they might choose.

If government is filtering out what we can see and hear, then what is left for us to consider as a full range of options?

The third belief is simply that the competition of ideas and information, just like the provision of goods and services, will ultimately reward those who offer a truthful and quality product.

Some of the stuff served up may be nonsense, but again through competition and a range of alternatives, we can choose for ourselves which information we take on board.

Our strong defence of free speech does not put us under any obligation to defend the content of that speech, exactly the same way as we have learnt not to believe every advertisement we see or read.

In conclusion, again a personal observation, is that not everyone, in every country of the world, fully understands or accepts our strong commitment to free speech. In our own self-interest, we must do as we've done today, so eloquently put by our first-class range of speakers and our great contributing audience; we must continue

the laborious task of explaining to the world the value and importance of maintaining free speech, as a way of developing the kind of societies that respect individuals, and such societies in which we choose to live.

Thank you all again.

*2012 Threats to Freedom of Speech Conference hosted by Murdoch Law School.
Session recordings available [here](#).

How to Waste a Whole Morning

The state bureaucracy works hard to rekindle my contempt for their bungling. The simple matter of a licence renewal was recently made difficult. How? By someone deciding that photo ID is now required on the licence document.

A previously simple task, repeated over countless years by simply mailing them a cheque, was complicated this year. I received, what appeared to be, a reasonable request in their letter:

“You are required to pay in person at your local Australia Post Office as it is a requirement to have your photograph taken. Australia Post can also process the payment for the renewal of the licence. Alternatively, if your local Australia Post does not provide this service you may attend the Department of Transport or your local Shire office.”

Now, this should have been a simple task. But after visiting the local Shire office and three post offices, they all claimed no knowledge of their ability to perform these services. It was the fourth post office where this task was cheerfully performed.

Five lots of parking spots found, five queuing experiences and suddenly my whole morning had vanished. The end result? No benefit to me. No increased revenue to the State Government. But I have been robbed of a morning that could have been productively directed elsewhere.

This reminds me of Frederic Bastiat’s story about ‘the things seen and the things unseen’, told here by [Henry Hazlitt](#). The morning of which I have just been robbed is very much “seen” by me.

The thing “seen” by the bureaucracy who originated the “helpful letter” was the instruction, which appeared clear and co-operative. What forever will remain “unseen” is the inconvenience they inflict on others. I’m sure I’m not the only person who has suffered the above time-wasting exercise.

Australians Divided by Two Sets of Rules; One for the Ruled and One for the Ruling Classes

In Australia many new laws include an exemption to allow Governments and their minions to break these rules without penalty.

The recent highly publicized persecution of Australia's Rupert Murdoch (probably the single most influential man in the world) is based on one or several of his News Corp. Ltd.'s 54,000 employees 'hacking' into phone calls in pursuit of a hot story in the U.K.

It is also illegal to 'hack' phone calls and invade the privacy of individuals here in Australia, so it was a revelation, in 1993, when the introduction of a 2G 'digital' mobile phone system was delayed by over 12 months for the reason that our Government agencies, proficient at 'hacking' the previous 'analog' system, needed more time to perfect their 'hacking' of the digital system that the phone providers had standing by to offer the public.

So, we know that it's illegal for individuals (and reporters) to 'hack' our phone calls but our Government makes no secret of the fact that they are 'listening in' to our private calls and reading our emails.

Their excuse?

"But we only listen-in on the murderers, drug dealers and terrorists."

However, you and I know that there just aren't enough murderers, drug dealers and terrorists phoning each other to keep those thousands of Government phone 'hackers' busy.

Of course, they pretend to be busy by listening into you enquiring about 'Aunt Millie's health' and the other, even more personal aspects of your lives.

They almost appear to be proud of breaking their own rules.

In Perth alone there are 150 'hackers' listening into our 5% of Australia's population (extrapolating this; means 3,000 full time 'privacy invaders' nationwide).

Perhaps this also explains the difficulty that industry is having in finding skilled people to employ? Perhaps they are all too busy listening to our phone calls.

We should never be surprised at the occasional 'click and pop' on the line.

No, it doesn't worry them that they are breaking the law that they force you and me to follow.

The question they should be asking is, "Why do Australians have so little respect for Government?" When they consider the answer to this question, they might even decide to set about earning our respect.

I welcome that day.

“Julia - It’s Not Yours to Give!”

Dear Julia, who gave you the idea that your voters are loyal enough to put up with you throwing our hard-earned money around? You certainly are desperate in your attempts to buy ‘popularity’ here and abroad; but not with our money please!

Yes, a half-a-billion dollars to Indonesia last year, to keep the boats away (and that didn’t work) and now a billion dollars to Afghanistan to repair the damage we have done there, when at the same time short-changing our own defence forces.

Dear Julia, our defence forces are one of the few legitimate functions of Federal Government; not so, the international grandstanding.

Our media is littered with stories of your misguided handouts; even those you promise will offset the crippling carbon tax.

How can you keep a straight face when you tell us that, “This will make Australia more competitive.”? How can high costs make us more competitive?

Dear Julia, when you start adding up the billions here and the billions there, it really stacks up to some serious money and I wonder how prosperous our nation would have been if that same money were left in the hands of us millions of individuals to make our own choices, rather than have it confiscated and placed at the disposal of your team.

However, just to conclude on a note of culture, when things get really rough like this, we often turn to poetry and here’s one that may have been dedicated to your own Canberra comrades.

Well, fancy giving money to the government.
Might as well put it down the drain.
Fancy giving money to the government.
Nobody will ever see the stuff again.
Well, they’ve no idea what money’s for –
ten to one they’ll start another war.
I’ve heard of a lot of silly things, but Lor’!
Fancy giving money to the government!
~ Sir Alan Patrick Herbert

So, Julia, please slow down in your urge to spend more and just remember one thing: “It is our money, so it is not yours to give.”

Project Western Australia- Official Launch Comments

Unlike our Federal Treasurer, we will not call upon the mystic spirits of present or past rock singers, to give credibility to our efforts.

We will let this document, itself, stand tall and hopefully inspire some vigorous debate and resolutions about the way forward for our great State of Western Australia.

Our Mannkal Foundation, over the past 15 years, has sent 600 of Western Australia's brightest students to internships, conferences and seminars, both in Australia and overseas and that has put us in the privileged position of learning how our younger generation feel about whether our current generation is leaving for them an asset or a liability.

They ask some good questions like: -

How can our Federal Treasurer say that Australia came through the Global Financial Crisis (GFC) 'unscathed' when Australia now has the highest level of household debt in the world?

The household debt of \$82,000 for every Australian did not exist before the GFC. This is not 'unscathed'. It is 'mega scathed'.

They also ask: -

How come our State Government is borrowing money to establish a Sovereign Wealth Fund?

Doing that doesn't seem to make much sense.

These are very good questions; there is genuine concern, from the next generation. So, if our Project W.A. handbook is to be dedicated to anyone, let it be dedicated to our next generation.

Background to this Handbook

In 2006 the Mannkal Economic Education Foundation was often asked; "Who in Western Australia is generating and developing State policies that look beyond the short-term political election cycles?"

There was mounting concern at the glacier-like process of our Local Government and State Government approvals process. So abysmal was this process that it gave

rise to an expanding lobbying industry, as the only way of achieving any conclusive outcome. Mannkal recognised the need for thoughtful policy development and sought an experienced and credible joint-venture partner to join us in this task. The Institute of Public Affairs (IPA) was more than up to this task.

Taking the lead and maintaining focus on multiple deadlines were John Hyde (Mannkal), Andrew Pickford (Mannkal), John Roskam (IPA) and Chris Berg (IPA). Over these intervening six years a series of discussion papers have been publicly launched and circulated with considerable feedback received. We also extend our sincere thanks to those un-named advisors.

Let me mention one point in particular; John Hyde, in his modest style, is no stranger to policy formation. In his past lives he generated several similar policy manuals for both Federal and State Governments. During his term, as Liberal Federal Member, with a small group (including Bert Kelly, Jim Carlton and Peter Shack), known as the 'Dries', were successful in generating policies that were implemented by the Hawke and Keating Governments, resulting in a remarkable acceleration of Australia's economic progress, during those years (and I can remember the benefits that flowed through to every level of the economy).

So, with that example in mind, we don't mind much who picks up these ideas from our current handbook as long as someone does so and enables us to pick up the pace.

Different Countries; Similar Problems

Who was the wise statesman who made the following comment?

The miner, the industrialist, the trader, the financier and the banker, if they play their role correctly, will do more to achieve world understanding and peace in a generation than the politicians and diplomats could do in a hundred years. Why? Because they are closer to reality, closer to their opposite numbers, closer to the community in the countries where they operate. In other words, they have more to do with real people than with institutions.

It was Sir Charles Court, back in 1971, as Minister for Industrial Development, before becoming the Premier of Western Australia. His words are a precise and humble comment that recognizes that as much as politicians may think they make the running, it is real people like you, representing your country that have the really deep and lasting effects on relations between countries.

Each time I travel I remember these wise words.

It's been my honour to be almost the lone Australian at recent economic conferences in Turkey, Israel, Shanghai and shortly in Prague, followed by New York.

On each occasion, the languages and accents are vastly different, the problems, whilst superficially different, have one thing largely in common and it is that government spending, on average has grown from about 12.7% in 1914 to 47.7% in 2009.

Governments say they spend because the economy is weak and the economy continues to be weak because government spending is crowding out productive private investment. It is a vicious cycle that needs to be broken by re-evaluating the role and scope of government in societies of free and responsible individuals.

Prof. Peter Boettke, of George Mason University USA, puts it this way, “The important political / intellectual activity of our age is not to starve the State of resources but to build the intellectual case that we can starve the State of responsibility. Also, society can in fact provide the necessary framework and acts of compassion to render State actions needless. But before that, it is necessary to demonstrate that the justificatory arguments for the State are not as airtight as imagined”

However, it takes courage for business and community leaders to stand up against all-consuming, heavy-handed governments.

In Turkey I marvelled at the courage displayed by the various youth leaders from the ‘Arab Spring’ group of besieged countries (view their videos [on YouTube](#)). I couldn’t help wishing that Australia’s crop of non-courageous business leaders could have witnessed these speeches.

Australia’s current economic debate is more of a light-hearted spectator sport between the Keynesians (those who advise governments that they will retain their popularity by promoting the myth that debt-fuelled consumption is the pathway to a growing economy) and the Hayekians (free-marketeers who feel that debt can destroy, and are uncomfortable about bequeathing this debt to the next generation).

The most entertaining version of this debate, the Keynes vs Hayek “rap” YouTube can be viewed [here](#).

Yes, it would be encouraging if we could see big business get up off their knees and defend the country against big government, rather than them seeing government as simply a dispenser of permits and privileges.

Back on the Keynes vs Hayek economic debate, I was reminded last week in Shanghai (at the Austrian Economics Summit) that the Chinese have a much longer view of history and have been debating this big government vs small government question over a longer time-frame.

They had a similar ‘rap’ re-enactment where Confucius was the equivalent of Keynes and Lao Tsu the equivalent of Hayek.

Both these Chinese scholars (Confucius and Lao Tsu) were from the sixth century BC and now over 2,500 years later the debate between big and small government continues. Here is a sample from Lao Tsu (6C BC):

Why are the people starving?
Because the rulers eat up the money in taxes.
Therefore, the people are starving.
Why are the people rebellious?
Because the rulers interfere too much.
Therefore, they are rebellious.

Perhaps this explains why he has been my favourite philosopher for so many years.

Unfinished Conversations from Last Night: A Note to Attendees at the Mannkal / ECOMS Student Dinner

Last night, 70 of us enjoyed Tom Switzer (editor of the Spectator Australia) presenting a pessimistic overview of how the United States continues its decline; as a result of both their major parties promoting the fiction that “we can all live at the expense of someone else” (as Bastiat used to say).

This political style of “buying” votes in order to gain political control guarantees a fairly bleak outcome, and we see how similar situations developed in various European countries as well as in our own country. This outcome is always grim when countries promote this “entitlement mentality”.

Last night also gave me an opportunity of mixing with 70 of Western Australia’s upcoming bright minds and following Tom’s presentation many conversations were shared, but it left me with the feeling that we needed more time.

Questions were asked about the current focus on teaching Keynesian style economics, which promotes more and bigger government as the solution to all human problems.

“Yes, you have to study Keynesian Economics because you have to pass your exams, but don’t try using it to run a business or run a country.”

I agree that it is far more popular/populist than any disciplined suggestion of taking self-responsibility for our own and our family’s lives.

This has been something that has been concerning me for some time (you can read about my views from 1975 [here](#)).

There is now widespread concern. An example of this is an excellent conference in Hong Kong - the Economic Freedom Network Conference.. The theme for this conference is “How welfare populism destroys prosperity: the populist challenge to economic freedom”.

Their concern is that current populist policies run counter to the Asian Values Work Ethic that has seen Asia emerge to take on the role of the prime driver for the World’s economy.

“Yes, there are alternative models for nations (and businesses and families) rather than encouraging addiction to more debt and constant bailouts. Australia has the best system of corporate restructuring and it would be a good model even for U.S. and European governments to resolve their problems.”

“Yes, capitalism with its voluntary exchange and free-markets is the most moral system, so it would be superior to socialism on moral grounds, even if it were not the most efficient.”

“No, it doesn’t make much sense for our State Government to be borrowing money to establish a so-called Future Fund”.

“No, there is no single answer or single economic guru on which you should model your own developing philosophies, simply tap into all available sources and assemble your own philosophy to enable you to have a consistent thread linking your private life, career and family affairs together.”

So many questions from last night. "Yes, Mannkal will organise many more student events like this one", and I look forward to continuing these many interesting discussions at our next event.

The First Fifteen Years

To celebrate the 15th anniversary of Mannkal.org, a special edition of *Mannkal's Musings* is constructed around a timeline which shows our continuing evolution.

No need to cover my early involvement (from age 16) with the world of “Free Market Ideas”, as this was detailed on pages 8–11 of my last book, *Heroic Misadventures*.

The challenge remains to explain how ‘less government and more individual responsibility’ beats the hell out of socialism when it comes to improving the human condition for people at all levels of our community.

Working under the various banners, first as the Foundation for Economic Education (Australia) from 1978, and then as the Mannkal Economic Education Foundation Limited (1997), we were early adopters of the Internet—our website was registered on 25th November 1997—and it is this 15th anniversary that we are celebrating this year.

Mannkal.org takes on all the tasks that fall outside the very limited functions permitted by our tax exempt foundation which was registered in May 2002 as the Mannkal Economic Education Foundation.

That Foundation has the specific focus of supporting scholarships, internships and economic conference participation in Australia and internationally.

We have now financed over 600 [ed- now over 2000 in 2020] of Western Australia’s brightest young people to avail themselves of such opportunities, and many of these young people have continued their relationship with us. Their feedback and assistance in improving the nature of these scholarships to enhance their value for students has been invaluable. So much so that we now see students from all of Western Australia’s five universities enthusiastically seeking such opportunities for future years.

In addition to working with our universities we also work on a collaborative basis with both the Institute of Public Affairs (IPA) and the Centre for Independent Studies (CIS).

It’s convenient having Mannkal.org to ‘pick up’ the challenges that lie outside the Mannkal Foundation’s guidelines—particularly as the Foundation is not ‘permitted’ to have ‘opinions’, but simply provide scholarships.

Personally, travelling to over eight economic conferences this year (including New York, Turkey, Hong Kong, Israel, Shanghai and Prague) it would be impossible for me *not* to form some opinions on Australia's current predicament.

As I write this (on the plane) returning from a week-long conference in Prague, it is easy to summarize how we look from a distance.

Australia is a first-rate country, currently being run by a second-rate bunch of union thugs, dispensing toxic economic policies, combined with corrosive rhetoric.

There is absolutely no mystery about why Australia's competitive position in the world is falling like a rock, at a time when other countries realize the importance of lifting their game in a global environment where success can no longer be taken for granted.

There is no mystery about why our nation's productivity is slipping and our ability to attain our true potential may remain forever a mirage shimmering in the distance.

Meanwhile, our challenges here at Mannkal.org remain primarily to explain the benefits of shrinking government to its few legitimate roles, not simply by 'putting the government on a financial diet'. The real challenge is to starve governments of the responsibility for doing things best left to individuals to do for themselves.

Anyone collecting examples of bureaucratic waste when governments step outside their legitimate functions could quickly make a full-time job of it.

From a Federal Government perspective, let me draw attention to the \$500M of taxpayers' money being sent to Indonesia to build Madrassas (Islamic schools). From a State Government perspective, last week it was the \$1.5M State Government sponsorship to a basketball team (previously this has always been an easily explicable commercial sponsorship). And only this week, we have the talkback radio programmes running hot with news about the \$1.5M advertising campaign deemed necessary to explain why we should enjoy the "new look" of Perth.

No, there is never a shortage of people willing to spend other people's money, particularly when elections loom.

However, through all this gloom shines the 'next generation', and an encouraging sign is their increasing dissatisfaction at being burdened with the debts we are building up for them.

Please enjoy the [15th Anniversary publication](#) which was prepared by our past and present participants.

Choosing Between Two Economic Styles

Mitchell's Golden Rule explains that when the private sector grows faster than government, prosperity increases and when government grows faster than the private sector, misery increases.

In most major countries, including the U.S., government is growing faster than the private sector, and despite stirring political speeches, nothing much will change for them until they reverse the misery: prosperity ratio.

So, what can Australia learn from this?

According to the IMF / Economist Magazine, Australia's +3.4% growth of government in 2012 is out-stripping the U.S. growth of +2.2%.

Australia's 'bubble government' is precariously kept afloat by one industry (mining) with one customer (China), so the assumption that "she'll be right mate!" is not based on sound reasoning.

Why should we have confidence in governments to 'do the right thing', when they are pretty much financially / economically illiterate.

On average their understanding doesn't go much beyond 'buying votes' by 'stimulating the economy' in bad times and 'spreading the benefits of the boom' in good times.

Their answer is always more spending and expanding government.

The real problem (as pointed out recently by Simon Cowan from CIS) is 'the underlying trend towards big, unsustainable government.'

There are just a few things that we can legitimately delegate to government (external and internal defence, the law courts, land titles, etc.) but we are the real problem if we demand that they go beyond this, when we ask them to educate our children, take responsibility for our health and clothe and house us; plus feed us when we are hungry!

As a famous cartoon philosopher once said, "The problem is us!"

An Antidote for Bad Service and UK Government Smuggling

We will continue to be plagued by bad service as long as we suffer in silence! Perhaps the antidote is to speak up on each occasion that service is not delivered to your satisfaction.

I thought about that when I strode out of the Subiaco Post Office recently.

A simple matter, that should have taken only a few minutes, ended up costing me half a day.

Someone had sent me a parcel from Melbourne that required my signature and payment for their ‘under-stamping’. However, on presenting the ‘collect card’, the staff at the Post Office, after a lengthy search, advised that, “The parcel cannot be found, so come back next week.”

I did, and this time they found the parcel and when I jokingly asked if, after two visits, did they think it appropriate to still charge me the \$6.50 ‘under-stamping’ fee, their response was somewhat ferocious.

They were astounded that I should make such a suggestion, to which I responded, “You are lucky I don’t send you an invoice for my travel, time and parking.”

When I was asked why I insisted on taking with me the ‘collect notice’, I remarked that, “I’m a writer and I collect examples of bad service.”

Well, anyway, while I was in that vicinity, I walked over the road to buy some new ‘joggers’.

Having selected a pair with a sale price tag that clearly showed \$189.95, I was amazed that it was then processed through the cash register at the original price of \$249.95 (the price on the box).

When I pointed out to the proprietor the actual sale price tag he simply said, “Okay I’ll change it.” (Probably thinking to himself, “I thought the silly old bugger would not even notice.”)

Then, arriving back into the office just in time to receive a telephone call from my daughter in London, to say that she had received a notice from U.K. Customs demanding a \$100 payment to release a parcel.

She presumed the parcel to be Christmas presents for my granddaughters, however, when my daughter telephoned Her Majesty's Customs, they refused to reveal details of 'the sender'.

All very unsatisfactory so I suggested as the grandchildren had missed out on Christmas, we would make some inquiries from our end as to why penalty rates apply to gifts being sent to the U.K.

The answer was, "to discourage people bringing in internet purchases." (Totally unrelated to gift sending).

The Happy Ending

However, after writing to the British Consul General, Perth, explaining that if the U.K. Customs confiscated and kept this parcel, it was a clear example of 'stealing', this parcel was subsequently sent back to me at their expense.

Now it has been successfully 'smuggled' into the U.K. so that two little grandchildren can enjoy a belated Christmas.

Warm feelings all around!

Business Success; Choose Between Complying and Surviving.

Yes, it's a simple decision, you must choose between complying with every tax and regulation or surviving.

A simple decision, but you can't do both. There is a war on between the taxing authorities and the business community.

Talking of success; every time I meet an extremely successful person, I ask this question: "When you look back, what really gave you the winning edge?" Interestingly, not one has ever replied, that it was their formal education or the particular school they attended. Almost, without fail, after thinking, they explain that it was one or several sharp events in their lives that opened their eyes to the opportunities that lay ahead.

This resonates with me as I've identified three such events in my own life, as it guides us at the Mannkal Foundation where we have already created such short-sharp opportunities for over 600 young Western Australian youth leaders.

Word of mouth is effectively spreading the word about these opportunities and more are being created each year.

Government Greed Raises its Head; Again.

The latest Super Fund ‘smash & grab’ strategy from Canberra is quite predictable.

What else could you expect from a government who has already ‘spent the profits’ (from the mining boom), long before the mining companies and their shareholders even received any of the ‘anticipated profit’.

Now Canberra looks longingly at the Super Funds that have been prudently accumulated by Australians who accept the responsibility of caring for themselves as they slip into old-age.

The proliferation of Super Funds was a result of previous greedy governments who had spent earlier funds set aside to repay taxpayers, in the form of ‘aged pensions’.

So, before their government profligacy could be discovered, the unsuspecting ‘punters’ (you and I) were encouraged to ‘take care of ourselves, because the pension cupboard is bare’.

Sounds a bit like the ‘Future Fund’ trick.

The politicians and public servants set themselves up with pension plans, well beyond the dreams of the ‘workers’ (this is where the word ‘unsustainable’ was invented), and then having realized that the ‘cupboard was bare’, decided to loot ‘our Telstra.

Nice work if you can get away with it but try this immoral solution in the ‘private sector’ and it’s straight to a prison cell!

So, it’s greed that ultimately brings all criminals unstuck, so will they get away with it this time as they plunder your Super Funds?

Structuring Your Charitable Giving - Why Isn't Philanthropy Encouraged?

Our Mannkal Economic Education Foundation was one of the first PPF/PAFs (Private Ancillary Funds) in W.A., formed in 2002, and over the years I have enthusiastically encouraged many people to form their own PPF / PAF.

Back in 2002, when I went into Freehills Office in Melbourne, I was instructed how to download the model constitution from the website and how to get started. The whole exercise cost around \$2,500 and we were up and away.

However, eleven years later I have just assisted in creating four new PAFs, for other people close to me, so I'm qualified to comment on how the procedure has deteriorated in ten years, both from a cost point of view but, even more significantly, from the administrative nightmare currently surrounding PAFs.

Last year it cost the Mannkal Foundation about \$15,000, in legal fees to defend ourselves from the ATO who accused us of 'doing too much'.

Granted that our PAF has expanded considerably over the eleven years, as one would expect, but there is no provision for expansion under the current PAF regime.

We are now accused of 'benefiting students' when a PAF is only permitted to 'benefit universities or other DGRs' (Deductable Gift Recipients).

Our benefits to students are always via universities or DRGs.

Let me make an interesting comparison between the structure of such charitable giving in Australia vs the USA.

I'm on the Board of Overseers of the Atlas Economic Research Institute in Washington, DC where we oversee the operations of some 300 such philanthropic entities.

Granted, many have been operating much longer than Australia's eleven year time frame.

In the U.S.A. the major drivers of discussions and planning are 'donor intent', and strategies to make your giving more effective.

In Australia the major drivers of such discussions are 'compliance' with the ever changing rules.

In the U.S.; philanthropy is enthusiastically encouraged. If you read the PAF documentation in Australia it is laced with the language of threatening penalties.

When the latest range of changes to the governing rules were proposed, in December 2008, Mannkal submitted a [comprehensive document](#) demonstrating how so many of their proposed changes would have unintended long-term consequences wholly at odds with their own good intentions.

Many of these changes were not proceeded with but some aspects of what did emerge appear to be a cross between the old BBC programs of *Yes Minister* and the *Goon Show*.

For example, the Corporate Trustee for each PAF must have a ‘Responsible Person’.

Who in their right mind would take on the role of ‘Responsible Person’ when they are surrounded by a Board who could democratically vote to do something at slight variance to the rule book?

This builds in a potential conflict from day one.

We have covered this particular ‘conflict’ with a comprehensive Directors & Officers Insurance Policy, but this now resembles the corporate world of nonsense, from which I had hoped to have escaped.

So, to sum up, I can see only one remaining benefit for PAFs and that is to ‘warehouse tax liabilities’, i.e. if you have a particularly good year, it is difficult to efficiently donate a large amount, so this amount can be stored in a PAF and then efficiently distributed over ensuing years.

Other than that, I would recommend simply donating to your favourite charity directly and avoid the spider web of PAF complexities.

So, when anyone asks me, “Should they start their own PAF?” I say, “Stop, consider and talk to me over several cold beers.”

P.S. I have just studied Philanthropy Australia’s [submission](#) –

To this year’s voluminous proposed amendments, described as “Charities Bill 2013 and Charities (Consequential Amendments and Transitional Provisions) Bill 2013”. I sincerely hope that some notice is taken of Philanthropy Australia’s suggestions, otherwise real philanthropy will suffocate in Australia or degenerate into a form of government sponsored philanthropy as described in Peter Kurti’s [C.I.S. paper](#).

Minimum Wage Laws! More Harm than Good?

Based on a submission to the Western Australian Industrial Relations Commission.

Here are a few thoughts for members of your Commission, as they deliberate increasing (or decreasing) the Minimum Wage for 2013.

The economics of Minimum Wage Laws:

There may be more intellectually discredited arguments than those for minimum wages. However, it is not easy to find them. The only ones which come immediately to mind are the arguments for affirmative action.

Most economists, in fact, dislike minimum wage laws, for excellent reasons. They agree with Paul Samuelson, Nobel Prize – Winner and author of a famous text book, that an unskilled black youth is adversely affected by a law which says he must be paid \$10 per hour – if that requirement actually keeps him out of a job. This has for long been common cause amongst economists.

Minimum Wages destroy jobs:

Another Nobel Laureate, George Stigler, in 1946 provided a classic analysis of the adverse effects of minimum wage legislation. First, while wage rates in sectors covered by the law would rise, total wages in these sectors would fall and unemployment and poverty would increase. Second, unless the minimum wages were somehow targeted at the poor, there was no guarantee that they would not be paid to people from wealthier households. Third, the sectors not covered by the law would face an increased supply of labour and wages would therefore fall, offsetting gains in the covered sector. Nor would a National Minimum Wage do any good, it would simply increase national unemployment.

Do Minimum Wages ever do any good?

Empirical studies have since confirmed Stigler's analysis. So much so that a third winner of the Nobel Prize, Milton Friedman, has argued for government aid to help the poor through income support in the form of subsidies and not through wage laws. Minimum wages, Friedman held, normally benefit the wrong people and only make the poor worse off.

Where has support for Minimum Wage Laws originated?

Minimum Wage Laws promote ‘feather-bedding’, of employers and trade unions. Employers and unions, often with an inclination to cartel-maintaining behaviour, lobby for the maintenance of industrial and wage councils for the benefit, not of the public, but of their own individual members.

In a 1995 paper, development economist, Prof. Deepak Lal concluded that, “despite the passion aroused, the text book conclusion with which we began — that the Minimum Wage is an inefficient, well-intentioned but ‘inexpert interference’ with the mechanisms of supply and demand — still stands.”

More recent data

So, what has happened since some of these ‘historic studies’?

In September 15, 1997 David Card and Alan Kruger produced a book, *Myth and Measurement*, in an attempt to show that minimum wage laws not only didn’t harm employment prospects for low-wage workers, but also promoted increases in employment. These findings were later exposed as being unreliable by authors David Neumark and William L. Washer in their August 13, 2010 book, *Minimum Wages (The MIT Press)*.

Neumark and Washer showed that the data in the Card / Kruger book used insufficient data sampling, which was also inaccurate (focusing solely on the fast-food industry in only one U.S. State). The Neumark / Washer book, *Minimum Wages*, covers the outcomes of most of the leading studies in this field and comprehensively shows that the Minimum Wage Laws do have harmful impacts on society.

They conclude their book with three significant points: -

- An increase in Minimum Wage leads to a reduction in employment opportunities for low-skilled and directly affected workers.
- There is no evidence that Minimum Wages reduce the proportion of families with income near or below the poverty line.
- Minimum Wages impede skill acquisition by reducing educational attainment and training, resulting in lower adult wages and earnings.

Their conclusion was that support for Minimum Wage legislation rests upon moralistic, rather than economic grounds.

This book was found helpful in the recent deliberation on Minimum Wages in Hong Kong.

May we commend the perusal of this book to your Commission members as ultimately it could help facilitate your current debate by providing evidence-based information, separately subjective bias from real facts.

Building Houses, the Legitimate Role of Government?

Let's look at what goes wrong when governments step beyond their legitimate role!

Is building houses the legitimate role of government?

Last week's [announcement](#) that the W.A. Government has committed \$48M to help build 1,000 new homes, incorporating more than 20% rent subsidy, raises a central question:

Why are houses so expensive in W.A.?

Why are they unaffordable?

The major reason was given in The West Australian – 28 March, 2013 under the headline; “Buyers Slugged – taxes 40% of new home cost.”

So, let's get to the core of the problem.

How does the government justify taxing to this level, on new homes?

It's because it needs the money, so that it can build homes for the very same people who it has priced out of the market.

Could it be that without such government ‘help’ people could buy their own affordable homes?

This is not a new problem.

See Viv Forbes 1990 article [The Road to Homelessness](#) in Business Queensland: -

Milton Friedman (1912 – 2006) – Some Personal Recollections

A famous writer was once asked what the secret of being a good writer was. He said that he simply left out the bits that people skip.

I've tried to do that tonight given the enormous amount that has already been written about Milton Friedman.

So, firstly, what's a mining explorer from Australia doing in Hong Kong talking about a famous international economist such as Milton Friedman?

There is an easy explanation for this.

There is one binding theme that links mining exploration together with economics, and in fact all human intellectual pursuits and even all successful careers.

It is best expressed by the words of a Hungarian physiologist who was awarded the Nobel Prize for Medicine in 1937.

His name was Albert Szent-Gyorgyi, and he put it this way:

“Discovery consists of seeing what everybody has seen and thinking what nobody has thought.”

For instance, a mere spectator will see the latest smart-phone and say, “Isn’t that great.”

However, the entrepreneur will say, “What can we do to make it better?”

When you really think about Szent-Gyorgyi’s words and their true meaning, you will get a clear understanding of the difference between a good economist and the average politician.

A good economist will see the long-term damage that is likely to flow from bad policy, whereas your average politician only will see votes at the next election.

Our average politician fears a stalled economy.

But a good economist asks why the economy has stalled and knows what to do to revive it!

He knows that when government spending runs up to about 25% of GDP, your economy is in trouble (like France at 50%, most of Europe at 40% and the US almost as bad).

How do the Australian and Hong Kong figures compare with Europe's and USA's average of 45%?

Australia's figure is 32% and Hong Kong only 23.9%. Interestingly, this directly relates to the percentage of the population directly employed by Government. Again, the interesting comparison between Australia at 8.2% and Hong Kong at 3.8%

One such good economist with a clear understanding of these ratios was Professor Milton Friedman.

Let me also mention that Prof. Friedman always gave full credit to his remarkable economist wife, Rose, who jokingly claimed half of Milton's 1976 Nobel Prize.

With parents like Milton and Rose, no wonder their son, David, is also a world-class economist and David's son Patri continues the tradition of proposing radical solutions that benefit the human race.

Milton Friedman changed the world by using relentless and polite persuasion to help bring about floating exchange rates, the abolition of wage-and-price controls, the legalisation of private gold ownership, dramatic tax reductions, and an end to military conscription. His 1957 Theory of the Consumption Function fundamentally undermined Keynesian economics.

Friedman's economics worked because he himself had worked. He rejected ideas that worked in smart men's heads but failed in working men's lives.

As author Daniel J Flynn said, "Fellow economists laughed at him, before the 1970s laughed back at them."

He debated adversaries with unfailing patience and graciousness. It was often said that economists liked to debate with Milton, particularly when he was not there.

My favourite two Milton Friedman books are:

Capitalism and Freedom – it contains all the theories Friedman stressed during his career as a public intellectual. It emphasised the inseparable link between economic and political freedoms; and

Free to Choose – the book that accompanied the ten-part TV series with the same name.

That reminds me of what Queen Elizabeth said to him as the Friedmans boarded the Royal Yacht Britannia in San Francisco harbour. It was, “I know you! Philip is always watching you on telly.”

Prince Philip is still a fan of Milton’s Free to Choose TV series which has had tremendous impact around the world, even in Perth, Australia, where the Mannkal Foundation sponsors an annual conference, similarly named, at Australia’s Notre Dame University.

A year before Milton Friedman died, Stephen Moore, from the Wall Street Journal asked him, “What can we do to make America more prosperous?”

“Three things,” he replied instantly.

“Promote free trade, school choice for all children and cut government spending.”

“How much should we cut?” asked Moore, to which Friedman replied, “As much as possible.”

But tonight, we are in Hong Kong, a city that Milton loved, almost as much as he loved his wife Rose.

He loved Hong Kong and often said, “If you want to see free-markets at work; come to Hong Kong.”

I first met Milton Friedman here in Hong Kong in 1978, but first let me explain how I read Milton’s words five years before then.

Has anyone heard of Hugh Hefner’s *Playboy* magazine?

Anyone here who subscribes to *Playboy* magazine to read the articles?

I have a lot to thank *Playboy* magazine for, in fact four things;

1. In its first issue, in 1953, it introduced Marilyn Monroe to the world.
2. In a 1960 issue, a series of articles by Hugh Hefner with the title ‘*The Playboy Philosophy*’ introduced me to philosophy and led me to enrol as an external student at the University of Western Australia (UWA) to study Philosophy. Prof. John Hospers (University of Minnesota and University of Southern California) was the author of Introduction to Philosophical Analysis, the text book we studied, and this led me to a lifetime friendship with Hospers until his death, at age 93, in 2011. Hospers was a member of Ayn Rand’s Group cryptically called “The Collective”, along with Alan Greenspan. In 1972 he ran as the Libertarian Party’s Presidential candidate.

3. The 1964 issue featured a *Playboy* interview with Ayn Rand, which was my introduction to her influential book *Atlas Shrugged*.
4. Then, in 1973, there was the famous *Playboy* interview with Milton Friedman.

Although I'd heard of Milton Friedman before 1973, because of his relationships with several US economic think tanks, I'd not fully absorbed his wisdom and it was the punchy style in that *Playboy* interview that prepared me for his probing curiosity and the questioning which I came to enjoy on the several occasions that I spent in his company.

At one meeting with Milton Friedman I presented him with a copy of *In Support of Free Enterprise*, a document prepared by the local Chamber of Commerce and Industry, as an example of the understanding of the benefits of the enterprise system that existed in Western Australia.

He later wrote me a delightful congratulatory letter which made me uncomfortable because I had deserved no credit for the origination of this document. However, his letter showed that he had digested the publication and taken the trouble to write to me. Not bad for a busy 90-year-old!

Tonight's 101st birthday party for Milton Friedman, here in Hong Kong, is all about personal recollections and I'll single out one particular occasion when I was invited to attend the 20th anniversary of the Atlas Economic Research Foundation, held in San Francisco in May 2001.

One evening of that Atlas event was called 'An Evening with Milton & Rose Friedman' and it formed part of the approaching 90th birthday celebrations for Milton Friedman.

Apart from his own presentation and congratulatory speeches from various notables, several of we think-tank directors then had the opportunity of each spending some 'personal time' with him and we all had our list of questions that we wished to ask during that valuable time together.

Professor Friedman's focus earlier that evening had been on money being too important to be left to central bankers. He said, "You essentially have a group of unelected people who have enormous power to affect the economy one way or the other."

Friedman's proposal was simple, "I've always been in favour of replacing the Fed with a computer; in essence a PC could determine the economy's monetary base and consistently increase it by, say, 3% annually, to keep up with expected growth in population and production."

My own focus was really on asking Dr Friedman what he regarded as his priority challenges as the clock ticked over to his 90th birthday.

“Yes,” he said, with a smile, with words to the effect, “Yes, by now everyone should know that inflation in the long-run is always and everywhere a monetary phenomenon with an unrestrained Fed, and that government’s solution to any problem is usually at least as bad as the problem itself.”

He said, “So, I’m now focused on competition in education.”

He explained how their Friedman Foundation was set up to study this issue as they were totally against the idea of the government running the schools and allocating places primarily by address.

His comments to me were:

“If government has to subsidize anyone, it should be the customer (parents and children) and not the producers (the schools and their highly unionised teachers).”

“Empower the customers, and create competition, and you will achieve much better results.”

“The purpose of having free choice is to have competition and allow the educational industry to get out of the 17th Century and get into the 21st Century and have more involvement.”

Now, largely as a result of the Friedman Foundation’s work, 13 US States and Washington DC have adopted school choice programmes and the momentum is continuing to build.

So, in my own view, if that momentum continues, Milton Friedman may well be judged, in another 100 years, in terms of his major achievement in revolutionizing the education system.

On every one of these occasions, when I was confronted with Milton Friedman ‘live’, it struck me that he always had to have the last word.

If anyone was interviewing him or thanking him for a speech, in any way, Milton always had the final quip.

In the case of my colleague Deroy Murdoch’s session with Milton in San Francisco, Deroy concluded his session with a comment, “Well that’s all of my questions thank you.”

Milton's response was, "Yes, it may be all of your questions, but it certainly is not all of my answers."

In my case, I concluded my 'Individual time with Milton' by simply thanking him. He then said, "Just a minute. Do you know what else we have in common?"

Naturally, I was curious. So, he had the last word by saying these profound words—see if they apply to you too! He said, "I can tell that we both had happy childhoods. That is obvious to me because a happy childhood lasts forever."

Does Industry Self-Regulation Work?

Industry self-regulation should work, as it is in the best interest of any industry or profession to minimize external regulation.

Self-regulation's central platform is trust and accountability. Without participants taking due responsibility for their actions, self-regulation of any industry will never work.

Much discussion on Public Policy takes place in the office of Mannkal Economic Education Foundation (that's what we do).

Our own office building, itself, currently demonstrates the weak link between responsibility and self-regulation.

The architect responsible for this building (different from "responsible architect") designed a building that leaks (only when it rains).

For three years we have placed the bucket under the leak and watched the ceiling deteriorate, patiently waiting for this fault to be remedied.

Read on for the gruesome details of the ineffectiveness of the Architects Board of Western Australia who have been toothless in dealing with an irresponsible member of its own fraternity: -

[Mannkal's complaint lodgement](#)

[Registration Board's reply](#)

[Mannkal's response](#)

The outcome, after three years, is an architect-designed building that leaks and an ongoing debate as to the definition of "unprofessional conduct".

This is enough to give the great freedom of self-regulation a bad name.

“Giving Back or Giving Forward?”

The ultimate insult comes when someone suggests that “it’s time you gave something back!”

Yes, it infers that you ‘stole’ something in the first place.

However, how often do you hear that phrase?

From pontificating politicians, through to energetic fund raisers, all of whom feel that they have some claim over your hard-earned dollars.

“Giving back” is not what it is all about.

The sheer joy of giving someone a “helping hand” or “kick-starting someone’s career” can never be described ‘backwardly’ in this fashion.

The only way to capture that joy in words, is to think of it as ‘giving forward!’

This thought was expressed so well in the words of Henry Wadsworth Longfellow....

“Give what you have. To some it may be better than you dare think.”

Australia's Endangered Species- Small Business

What are the major challenges facing Australia's small to medium enterprises right now?

According to a study from the University of Newcastle, one-third of start-ups fail in the first year; on a cumulative basis, by year three 62% have failed and by year five 74%.

One of the major problems driving small business to extinction in Australia is the overwhelming red tape thrown at us from Federal Government, State Government and Local Government.

The cost of compliance in terms of the hours spent on useless documentation is anathema to the new generation of forward-thinking risk-taking entrepreneurs.

These people are hard working, but they want to retain focus on productivity and building a business rather than an avalanche of form filling.

Every newly elected Federal, State and Local Government promises to 'ease the bureaucratic burden on businesses' but they never do.

Regulation only services and favours the regulators, and the regulators have completely captured the process at all levels of government.

To understand the size of the problem one has first to look inside the minds of the 'regulators'.

Why do the worst get to the top?

This question was answered by one of our favourite economists, F.A. Hayek, in his book *The Road to Serfdom* when he illustrated the mentality of the people who had come to occupy the positions at the top of government hierarchies' in a centrally planned economy.

Hayek showed how normally tolerant and productive individuals are never attracted to such work and showed that it was for this reason that in any economy drifting towards socialism, 'the worst get on top'.

More recently Geoffrey Brennan and James M Buchanan in their book *The Reason of Rules* stated, "If institutions are such as to permit a selected number of persons to

exercise discretionary power over others, what sort of persons should be predicted to occupy these positions?"

Brennan and Buchanan explain why we should expect that the people most willing to work hard to attain political office, will be those who expect to gain the most from holding such office.

So, what causes me to be writing in such a negative fashion on such a fine Spring day in Perth?

Our Mannkal Foundation has just opened a stock-broker account and I've added up all the time and effort required to complete what used to be a very simple procedure.

Now, after being forced to obtain certified I.D.'s of all our Board Members and completing all the formal documentation three times (on the first two sets of documents couriered, some of the small print requirements were over-looked), we are finally in a position where we can 'transact business'.

Our estimated cost of completing this documentation is \$1,500. This could have been obtained a few years ago with a simple phone call.

Similarly, with opening a bank account, it is now necessary to take half a day off from productive work, visit your bank and complete the '100 point assessment test'.

No wonder so many people are exercising their freedom of choice and 'transacting less'.

Our country and economy are much poorer and less vibrant when things are made 'too hard'.

Some other examples? At a time when Western Australia is desperately short of land for new homes our new government is intent on unnecessarily jeopardizing the development of large tracts of ready-to-go subdividable land and the results are ever escalating costs for new building blocks.

However, I shouldn't be surprised at all this. After all, Western Australia must be one of the few remaining outposts of bureaucratic bungling as it still clings to the anachronistic Potato Board, again intent on driving up the price of potatoes.

Anyone else in favour of declaring 'open season on bureaucrats'?

Greenpeace Hooligans or Heroes?

With fascination I observe Australia's ABC (and media generally) reporting and granting hero status on a group of well-funded 'hooligans' (to use the Russian term).

In a high profile exhibition of irresponsibility, they attempted to climb on board a Russian oil drilling platform.

Anyone who has physically worked for a living has been trained to be aware and considerate for the safety of those around them.

Possibly the most sensitive physical location, in which to be operating, is on such an oil drilling or production platform when there are enough natural hazards without the injection of an element of human stupidity.

Protecting human lives and preventing environmental damage is itself a major challenge in such a hazardous location!

The so-called, Arctic 30, injected themselves, forcibly, into such a situation.

Before judging their hero or hooligan status let's pause for a moment and imagine a reciprocal situation where a bunch of Russian 'hooligans' pull up alongside one of Australia's North West offshore drilling or production platforms and with grappling ropes attempt to climb on-board with maximum disruption in mind.

Not only is safety and environmental damage at stake but we would be threatened with total disruption to most of Western Australia's productivity.

Would we, as individuals or as media representatives, immediately grant them 'hero' status or would we decide it to be more appropriate to put them behind bars as they pose a threat to lives and Australia's national interest?

Also, what about those who finance and encourage such 'hooliganism'?

How would you judge them?

Your choice!

Encouraging Our Rising Stars!

No mystery about the huge debt
we will leave to the next generation -
While mortgaging our future now,
many a politician is taking a bow
for saving us from the dreaded Global situation.

There seems to be no solution in sight,
so much has been steadily frittered away
with our often misdirected education
only focused on mindless regulation,
our debt will become impossible to pay -

For sensible balance to be regained,
Our rising stars will learn it's essential
for those who want to work
to outnumber those who simply shirk,
only then Australia can achieve its true potential.

Perhaps the next generation
will give us the gift of a solution -
with communication techniques which we lack,
they can put us back on track
and give us a leadership revolution.

So Happy Christmas to you all -
no matter how old or young you are –
with courage and wisdom our rising stars
have the challenge ahead
so this time drink a toast instead
to them; and a revitalized ... Australia!

No Longer Are We Subservient!

A few years ago, revolts were expressed as violent events, often resulting in wars.

How different today, where apart from the well-publicised running-wars, we have hundreds of peaceful protests in dozens of countries.

No longer do citizens have to suffer bad governments in silence. What has changed is simply that the citizens now have social media tools to mobilize thousands of people who share their concerns.

All this is happening at a time when, on a world-wide basis, respect for authority has sunk to an all-time low. Governments have ‘sunk’ by assuming that once ‘in power’ they no longer have to earn the respect of those they ‘serve’.

Similar comments could be applied to our educational system, where the more we spend the less we get.

Informed observers of the international scene can be excused for being cynical about ‘published results’, over a wide spectrum, due to the difficulty experienced in measuring such results.

An example is the United States economy, where we are told it is now performing excellently. However, this is being measured in U.S. dollars, which have devalued by 95% over the past 100 years (since the Federal Reserve was established to ‘protect the currency’). Australia’s figures are similar which makes it difficult to answer the question, “if we can’t even trust our unit of measurement, how are we really performing?”

Am I being too cynical of our institutions and their need to once again focus on earning our respect?

Should you seriously consider a peaceful protest to express your concerns?

Australia hasn’t had a decent protest since the Eureka Stockade Revolt in 1854, but we now have the social media ‘tools’ to send a simple message: -

“We are watching and it’s time to earn our respect.”

Paying Compound Interest on a Bad Investment?

The SPC Ardmona and General Motors Holden decisions are important turning points in Australia's economic history.

In their hearts, everyone who has a grasp of how the world really works, must know that our Government has made the correct decision in bringing to an end this 'bandaid' solution of 'corporate welfare' where the Australian taxpayer is called on to pick up the tab for weak management.

So, the equipment at the SPC Ardmona fruit canning factory is antiquated?

Where has management been hiding all these years?

If I put my hand up to explain that in our business, in 2014, "We are running our business using typewriters and would like to buy some computers so can we please have a taxpayer handout to purchase them?" I would be laughed out of the room.

As hard-hearted, as it may sound, Australia has one of the best business-restructuring systems in the world.

The remedy is already there when businesses are in trouble with profitability, they just simply call in one of the highly qualified Administrator businesses who proceeds with 'remedial surgery' and then after suitable restructuring the company is brought back to life and able to proudly participate in contributing to our nation's economic health.

This is a far better solution than what has so far extracted \$1.8 billion from Australia's long-suffering taxpayers to keep the Australian automotive industry afloat.

So, how does a Government decide who to 'help' and who not to 'help'?

Simply by asking the question whether it is the Government's legitimate role to make cars or process and can fruit? If it's not the Government's legitimate role the answer is simply to step back and allow market forces to restructure that which is damaged.

Our nation will be better for this 'hands-off' approach, irrespective of how unpopular this may appear at the time to politicians who are primarily driven by votes rather than brains.

Future generations, in particular, will appreciate a return to sanity as they are becoming concerned at the debt they are inheriting from the so-called ‘leaders’ of the present generation.

They are aware that any ‘bailout’ money needs to be borrowed and their concern is justified as I describe the current situation as ‘paying compound interest on a bad investment’.

With So Many Books on Leadership, Why Are There So Few Leaders?

The title for this Mannerism is borrowed from Chapter 4 of the 'Three Laws of Performance', a book by Steve Zaffron and Dave Logan, where they attempt to answer this very serious question.

It's an important question because the answer is not obvious, alluded to by the early Chinese philosopher, Lao Tzu:- "A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.".

Leadership, by definition, is disruptive and that's why it's often not welcomed by management.

Leadership is a classic example of 'creative destruction', the term used by the Austrian Economist, Joseph Schumpeter. Tearing something down, so it can be replaced by something better.

In Australia we now see examples of our business 'leaders' actually sabotaging industry by signing defective 'Enterprise Agreements' which effectively handed the management of their enterprises over to the Labour Unions. So much for 'leadership'!

By following soft options, which has entrenched defective cultures into our industrial system, these 'leaders' in signing these so-called Enterprise Agreements have caused Australia to be non-competitive on world markets.

Forget their repeated excuse about 'Australia's strong dollar'. It is our own 'leaders' who have shot Australia in the foot. Their actions are now being exposed by three well-informed analysts, who are making these various Enterprise Agreements (SPC-Ardmona, Toyota, Ford, General Motors and Qantas), available on the internet, for all to see.

These three well informed people are, [Robert Gottliebsen](#) (Business Spectator):
[Grace Collier](#) (The Australian):
[Ken Phillips](#) (The Australian Independent Contractors Association)

Yes, Australia does have some great leaders and we have set out on a quest in search of them, so they can be suitably acknowledged. We need more leaders like them to step forward and undo the damage done by the inability of so many who have refused to get up off their knees in front of labour unions, various governments and the battalions of 'politically correct' economic vandals.

Western Australia Revitalized?

The Economic Regulation Authority (ERA) has opened up the windows and let some fresh air in.

Congratulations to Lyndon Rowe, the Chairman of the ERA, in releasing this draft report on “Microeconomic Reform in W.A.” on April 11th, 2014.

You will find the draft report, the separate overview and also a six minute video – [here](#).

Our State politicians are in a fortunate position, having a document such as this, to guide them in actions that will make a difference.

The timing of this report is important as our parliamentarians are faced with the choice of: -

Doing nothing and allowing us to drift into a ‘period of weak growth in Australia for at least 50 years’) as outlined in Federal Treasury’s warning from today’s Australian – [here](#) and capably described by State Treasurer, Dr. Mike Nahan [here](#), or;

Revitalising our state’s economy by instituting policies outlined in the ERA report.

There is no ‘third way’ so those of us who favour a healthy economy should open up lines of communication with our own local MPs and urge them to read and understand the ERA report and step forward and kick a goal for our State.

How do we judge whether this report is effective?

It must be, because it has upset all the usual entrenched vested interests that have lost sight of ‘serving their clients’ (an example is the Potato Board … having been abolished elsewhere it has miraculously survived in W.A. and continues to give us more expensive potatoes).

Henry Ford once said “Obstacles are those frightful things you can see when you take your eyes off your goal.”

His words should be remembered by our politicians when they study the ERA’s report.

The ‘obstacles’ identified in that report benefit only the bureaucracy and our politicians were not elected to represent the bureaucracy.

I commend this report to you and for further background reading you might enjoy:

Mannkal’s submission to the ERA in September, 2013 - [here](#)

The Mannkal – IPA Project WA Report - [here](#)

How Weak Management Destroyed Australia’s Competitiveness - [here](#)

Do Not Expect Water from an Empty Well

The wise old Chinese philosopher Four Finger Wu used to say, “Do not expect water from an empty well!”, when he realized there was nothing there to feed your fantasies.

Yes, it’s time to look after ourselves, even after spending so many years living at the expense of others.

“Others”, in reality ourselves, have become tired of paying everyone else’s expenses now that they realize so little comes out the other end after politics and the bureaucracy “skims the cream off”, as it passes through so many government departments.

Federal and State budgets have come and gone again with the usual amount of squealing from those who feel disadvantaged after being reminded that “the age of entitlement is over” (as announced by Federal Treasurer, Joe Hockey).

Interestingly enough our Prime Minister, Tony Abbott, has simultaneously announced that “the age of entitlement is just beginning” (with his Parental Leave Scheme where we are now expected to pay people to stay home and share quality time with their children). Yes, it is us paying as we are the shareholders, through our compulsory superannuation funds, who own shares in the companies that are now to pay the Parental Leave Tax.

On the positive side, these budgets, state and federal, have brought on many statistics to prompt us to face reality.

1. Australia is now one of the highest taxed countries (I bet you don’t know how much total tax you are paying, as it is a mammoth job to add all the hidden taxes together. It is possible for you to pay 84% total tax in one year in Australia). Australia’s household debt is now amongst the world’s highest so where do we go from here?
2. Australia is paying \$90 million to search for someone else’s plane (Malaysian Airlines MH 370), without us being told if this amount is to come from either of the following two options:
 - a. Our existing foreign aid budget (which means that some other numbers are to be reduced), or
 - b. By borrowing more from China.

Perhaps it is fair to observe that nothing much will change until “we, the people”, accept responsibility for our own selves and families.

Do you see many of us sending back our welfare payments? (Family support, health, education and, in particular, the corporate welfare payments). However, let me mention that pensions are not welfare payments to those who have paid taxes.

The French philosopher, Frédéric Bastiat, over 150 years ago must have had in mind Australia 2014 when he said, “The Government is that great fiction by which everyone tries to live at the expense of everyone else”.

However, at least we still have the best beaches in the world!

Travel; an Easy Decision!

When multiple invitations arrive and they all string together into one potentially great adventure, what does one do about it?

Accept of course! This resulted in a remarkable June, 2014.

The five invitations were:-

- Attend an intimate dinner with one of my favourite economists, Prof. David Friedman, during his brief visit to the Lion Rock Institute in Hong Kong.
- An opportunity to interview the remarkable Linda Whetstone in U.K. (and spend a weekend with my daughter and family).
- To attend the wedding of two amazing young people in Ukraine, including the opportunity to try some Australian poetry on the guests.
- To interview four of the key young people in Ukraine who organized the Euro-Maidan Revolution, resulting in their corrupt President fleeing the country.
- To participate in the 25th anniversary of the Tiananmen Square Revolution, held in Hong Kong on 4th June, 2014 where 1,500 people were expected to attend but 200,000 turned up. There I was with my video camera and a supportive Chinese interpreter.

There are many memorable moments from this trip as I was confronted by young people who, having experienced living in a country or close to a country that has been stripped of everyday freedoms, virtually sparkle with anticipation of enjoying the freedoms that we, in Australia, are born with and so casually take for granted.

We can ‘buck the bureaucracy’ and the penalty is to be annoyed with correspondence or perhaps a modest fine.

For them, they will carry memories for the rest of their lives, particularly if they have been standing next to a 25 year old friend who was shot by their own Government for ‘bucking the bureaucracy’.

Drink a Toast to Outstanding Public Service!

In Australia, if there is one person to thank for Australia's prosperity over the past 30 years, it is Bert Kelly - the Modest Farmer / Modest Member from Tarlee, S.A.

He had an idea that Australia's then overwhelming protectionist policies and tariffs were holding back Australia's prosperity.

He stuck with his idea and mentored a small bunch of volunteer colleagues who became known as 'The Dries'. They conceived policies to remove these restrictions. These policies were implemented, and Australia flourished.

At Mannkal Foundation we 'prospect' but unlike prospectors who prospect for gold and minerals, we prospect for success stories like Bert Kelly's and we have found another in the form of John Cowperthwaite.

If there is one person that deserves credit for the prosperity of Hong Kong it is John Cowperthwaite (Financial Secretary 1961- 1971).

His idea? He refused to provide any Hong Kong statistics to his political masters in the U.K.

He knew that if they had access to such statistics, they would be tempted to impose central planning on Hong Kong.

He could see the damage that central planning was doing to the economy in the U.K. and he would have no part of it for Hong Kong.

So, Hong Kong prospered and has for many years been the ideal model for other countries to follow.

Hong Kong repeatedly comes in first in the Annual World Index of Economic Freedom.

John Cowperthwaite had this idea and although it made him unpopular in certain circles, he knew that he had to safeguard the prosperity of Hong Kong; so, we honour him as a public servant with the qualities of clear thinking and courage.

We will be 'saluting' him by requesting our Mannkal scholars, who attend internships in Hong Kong, to research aspects of Sir John Cowperthwaite's career.

Cowperthwaite's challenge was entirely different to Bert Kelly who set about removing impediments to prosperity. Cowperthwaite's challenge was to preserve and encourage prosperity.

They were both fine examples of individuals who should be remembered and emulated.

Please bring more success stories to our attention.

Australian Embassy in Ukraine? (The Things Seen and Unseen)

A recent news item about Australia opening a full embassy in Ukraine could be seen as good news for Ukraine as it entails some additional ‘spending’ on probably a new building and local staff and this as the early French Economist, Frederic Bastiat would say, “are the things seen.”

However, Bastiat, being a good economist, was always conscious of the things unseen as, in this case, the additional spending by the long-suffering Australian taxpayer and the other priorities within our ‘foreign aid budget’ that need to be diminished if Australia is to avoid borrowing even more money from China to allow us to continue spending beyond our means.

Pardon me for being cynical on this occasion but it reminds me of my first visit to Western Australia House in London in the mid-1980s when I was being shown around by our Agent General, Mr Ron Douglas (former State Manager for the Shell Company). Ron had just taken up this position and he explained to me his amazement to find that he had a staff of 48, very few of whom had ever been to Australia.

All were employed under the Australian Public Service Act, which meant that they were ‘unsackable’ and he was unable to dismiss those who were not productively engaged.

In fact, he was having difficulty in finding out what they were actually doing as from the quick appraisal around the office it appeared that they were more interested in drinking cups of tea and reading paperback novels.

He smilingly explained to me, once he realized they could not be dismissed, “Ron, I am unable to sack them, however, I intend to stretch them and I’ve cancelled the courier contacts and any mail or packages that need delivering will be delivered personally by my abundant staff here”.

Presumably, this was duplicated in all the other individual ‘State Houses’ that were in London at that time, remembering that, in addition, there was another complete duplication in the form of Australia House where our Commonwealth was engaged with the ‘Motherland’ quite independently of the efforts of each State.

Moving completely away from my cynicism let me finish with a quotation that may be the sanest comment ever made by any Australian politician. This comment relates absolutely to the situation I've described above where Sir Charles Court said,

The miner, the industrialist, the trader, the financier and the banker, if they play their role correctly, will do more to achieve world understanding and peace in a generation than the politicians and diplomats could do in a hundred years. Why? Because they are closer to reality, closer to their opposite numbers, closer to the community in the countries where they operate. In other words, they have more to do with real people than with institutions.

Politicians Should Fear the Next Generation

There's nowhere to hide!

What makes these current times so interesting in Australia, as throughout the world, is the total disconnect between our political rulers and voters. This fact is obvious to the voters but remains 'invisible' to the ruling class. Political elites everywhere are still hiding behind the political moats they have built to protect their ivory towers. With the internet and social media, those political 'moats' no longer exist.

Sensitivity to the concerns of the general population, as opposed to those of special interest pressure groups, cease once the politicians feel that they are in charge of taxing and spending (in earlier times called 'looting and plundering') and that the voters will never know.

Fear, bordering on panic, can be seen around the world, from China to Turkey to many European countries. Once the next generation realizes that today's media are in their hands and no longer drip-fed to the population via government media releases and government-controlled media, the rules of engagement will change for the better.

The preservation of free democracies largely depends upon our personal (social) media to blow the whistle on the many Ponzi schemes created as government programs — set up to enable select groups to 'loot and plunder' on the assumption that docile future generations, in their ignorance, will peacefully inherit the disastrous debt burden currently being strapped to their shoulders.

One of the pleasures and privileges of running our Mannkal Economic Education Foundation is hearing directly the voices of returning scholars who, having been exposed to these problems elsewhere, are able to easily recognize these same corrosive political practices in Australia.

The first step is to get the message out to our federal and state politicians that the game is up!

Role Model Reversal? Under Developed Versus Developed Countries

The real generation gap in Australia

Matthew Lynn of *The Daily Telegraph* recently set out to investigate [why the title of developing country no longer exists](#). The language of the left still claims that “vast parts of the world are impoverished by a greedy West, while the professional poverty industry insists that the world is becoming more and more unequal all the time.”

Well, guess what? They are wrong again. Who says so? The World Bank!

The World Bank has just decided to get rid of the term ‘developing countries’. Why? Due to these countries becoming so successful the World Bank has decided the term no longer has any real meaning. On the measures that actually count, such as infant mortality, life expectancy, educational standards, or public health, there isn’t much difference anymore between the developed and the developing world. Those differences that do remain are more likely to be within countries than between them.

The change has been achieved through free markets, competition, more open and more liberal trade. Capitalism has worked remarkably well for what used to be regarded as the Third World. It is about time that the Left and indeed a lot of mainstream opinion caught up to the way that the global economy has changed—instead of constantly ranting the rhetoric about how evil the West is.

Another analogy, closer to home

In similar fashion may I politely suggest a similar ‘role model reversal’ in Australia? Not many years ago we looked to the older generation as a role model to guide us into the future. However, try putting yourself in the position of our next generation, looking at recent headlines:

- WA business at war with Barnett
- [Monetary policy ‘out of shots’ to boost economy](#)
- More Australians are net beneficiaries of the tax and welfare systems
- [Fleecing the young](#)
- [Perth internet speed in slow lane](#)
- [\\$80 billion super crunch as bureaucrats’ wage rises add to blowout](#)
- Fremantle no longer wishes to celebrate our National Day (for fear of upsetting Aborigine activists)
- [Questions remain over public’s massive monthly carpark bill at new Perth Children’s Hospital](#) (State government forced to pay \$500,000 every month for 300 car bays that contain no cars, because they assumed the hospital would be opened on time)

- Legal experts predict potential future Native Title claims could hit State coffers hard
- [Bureaucrats eye \\$1m pay despite flat wage growth](#) (Western Australia, over the past eight years, is managing with a public service salary bill that has risen by 63.3 per cent)

So, what conclusions would the next generation come to in evaluating our current crop of political leaders? I only hope that they have the patience to drill deep enough to identify and support those few and rare politicians who are courageous enough to display their own values and beliefs. The few who continue to fight against today's corrosive political tidal waves. Hopefully, they will become 'role models' of a new generation of politicians.

Equally important, is that a new generation will emerge with the realization that to achieve their ambitions they will need to bypass the political quagmire and deal directly with people with whom they feel comfort and trust. From that generation will emerge new leaders and we will see the older generation being replaced to Australia's benefit.

Turning Ideas Into Gold

Back in the mid-1980's I brought together a small team that ultimately became the third largest Australian-based gold producer. You can read the long version of the story in [Heroic Misadventures](#). But here's an abridged version of what we did.

Building a successful corporate culture was as important as finding gold and we needed a better answer for our expanding team when they were asked: "what do you do?". Their answer, "I work for a mining company", didn't really develop into a constructive conversation nor did their comment "we look for gold".

After much thought we came up with a corporate slogan which incorporated the spirit and creativity of our fully integrated discovery, mining, production and marketing gold. Our slogan was simply:

"Turning ideas into gold."

This slogan served us well for 20 years after which, for several reasons, the company lost its way due to takeovers, loss of corporate culture and mainly because the team forgot the importance of making a profit. With the wisdom of hindsight, we should have added three more words to our slogan so that it read in its complete form:

"Turning ideas into gold...at a profit."

Now, 30 years later, I still appear at the gymnasium proudly wearing one of my several indestructible Croesus Mining t-shirts bearing the slogan. This still draws much thoughtful comment and discussion from observers.

Superannuation: For Better or Worse?

Superannuation is less than super

We have come to the end of another annual round of changes to our super fund which, in Australia, started off as a world model for the superannuation system. Instead of creating a worldwide standard, this annual tampering has led to numerous amendments (most of which we were alerted to via media announcements). Some amendments were made to correct earlier legislation.

Although it is ‘your’ superannuation, originally designed to get you off the promised ‘government pension’, the money for this is simply not there. Why? Because the taxes you paid have since been pre-spent by our governments, mainly on their own over-generous super funds.

Public choice theory

So, what exactly is it that drives this annual frenzy of changes? Why not leave a reasonable system alone for a few years, so that it can meet the objective of giving us independence through our own financial responsibility?

There is a reason and it is explained in economic terms by [public choice theory](#). The recipients of the concentrated benefits (money), being the accounting profession and financial advisers, work their butts off to generate constant change but the diffused costs are spread over the millions of people, such as ourselves, who are the owners of our superannuation policies.

Most of the latter group are too busy following the latest rule changes and paying the professionals to handle such matters for us, hence we are too busy to march in the streets and demand that they “leave our superannuation alone”. Sally Patten [wrote about this well](#) in the November 28, 2016 edition of the *Australian Financial Review*:

On behalf of the financial planning and accounting communities, your correspondent would like to take this opportunity to thank Treasurer Scott Morrison for the most significant superannuation reform package in nearly a decade.

Changes to the retirement savings rules, especially complicated, tectonic plate-shifting ones such as those which will be introduced on July 1 next year, help to justify the existence of a variety of occupations, including government relations and policy experts, lawyers, super fund administrators and a good number of staff at the Tax Office (not to mention financial journalists).

But the biggest beneficiaries will surely be financial advisers and accountants, who will spend the next seven months demonstrating their expertise by explaining the changes to their clients and ensuring that they remain on the right side of the law.

Flight MH370 and Political Travel Rorts

A lost plane and pollies perks

Both of these issues are classic examples of what economists call [public choice theory](#). This is the theory of 'concentrated benefits' winning and 'diffused costs' losing.

Those receiving the concentrated benefits (measured by the many dollars received) are incentivised to work very hard to gain and keep these 'rivers of gold' and they manage to spread the costs over many thousands or millions of victims to ensure that the costs do not quite cripple these victims. Easy to see why the political class are working so hard to protect their lucrative rorts which are not available to the non-political class.

With the missing Malaysian Airlines plane flight MH370 a similar scenario exists, with the beneficiaries of the \$200m, Australian taxpayer-funded search for someone else's plane, working hard to extend the timeline of this taxpayer-funded gravy train.

Fellow taxpayers, it is time to revolt and maintain your rage right through to your next visit to the polling booth.

How to Lose Community Support for Universities (in One Easy Lesson)

In case you haven't heard, several petulant twits running the University of Western Australia (UWA) student union (Guild) are squandering the fees of fellow students on their pet project – Anti-Australia Day. No one minds them spending their own money or time on their pet projects but, the Student Guild hierarchy have launched into this "brainwashing campaign" with fellow students' money.

All this is being done by the privileged few who continue to arrive each day to get their free stuff, financed by Australia's long suffering tax payers. Furthermore, on a campus that gives lip service to free speech they shut down anyone that raises their voice to question their agenda.

Details of the latest example are in the following proceedings of a recent meeting:

That the UWA Student Guild:

1. Does not support Australia Day being held on the 26th of January as it is the day of dispossession of Indigenous culture as it is a commemoration of a deep loss.
2. That Australia Day should be moved to a more inclusive day and thereby supports the #ChangeTheDate campaign.
3. Recommends to future Guild Council's to not celebrate Australia Day held on January 26th.

Moved: Tyson McEwan (Welfare Officer); Seconded: Nevin Jayawardena (Guild President).

The only speaker against the motion and person to vote against was Michael McKenzie who was continuously told to check his "privilege" by the education president because she is "sick of white males who make a comment on race issues which they will never be able to understand". It was said that due to Michael's racial identity, "he has no right to argue on the topic of changing the date."

What a sad example they set for our next generation of leaders - and Australia desperately needs fresh leaders.

So how does this affect the community's support for universities? Simply because people are asking: "why should we continue to support this nonsense?" Unfortunately trust and respect at all levels have broken down so seriously that those who created this problem appear unaware of the challenge and of the scale of the task of rebuilding this trust and respect.

Why I Can't Vote Liberal

Before I answer 'Why I can't vote Liberal', I must admit to having just re-read one of my favourite writings by Nobel Laureate FA Hayek: [Why I am not a Conservative](#). In this piece, Hayek explains why unlimited government power becomes intolerable. A brief excerpt from Hayek:

Closely connected with this is the usual attitude of the conservative to democracy. I have made it clear earlier that I do not regard majority rule as an end but merely as a means, or perhaps even as the least evil of those forms of government from which we have to choose. But I believe that the conservatives deceive themselves when they blame the evils of our time on democracy. The chief evil is unlimited government, and nobody is qualified to wield unlimited power. The powers which modern democracy possesses would be even more intolerable in the hands of some small elite.

Admittedly, it was only when power came into the hands of the majority that further limitations of the power of government was thought unnecessary. In this sense democracy and unlimited government are connected. But it is not democracy but unlimited government that is objectionable, and I do not see why the people should not learn to limit the scope of majority rule as well as that of any other form of government. At any rate, the advantages of democracy as a method of peaceful change and of political education seem to be so great compared with those of any other system that I can have no sympathy with the antidemocratic strain of conservatism. It is not who governs but what government is entitled to do that seems to me the essential problem.

The relevance of Hayek's comments to the Barnett state government explains the fragility of property rights here in Western Australia. My own experience with property rights' fragility is amply described in these two articles: [To the Premier, regarding property rights](#) and [Property rights in WA: an endangered species](#).

When I write with questions, the Premier's 'minders' reply, referring to someone else's land where different conditions apply, then silence when I inform them of this error. Please excuse my frustration. At what stage does one become angry?

At the November 2016 Property Rights Conference, held at Murdoch University, there were many examples of property rights being similarly trashed. This is a serious

matter as one of the few legitimate roles of government is to protect our property rights.

So, when voting for the next state government, having reviewed the above material, I am sure that I would feel little joy in suffering a further term of fragile property rights.

That is why I can't vote Liberal!

State Election: Western Australia

Our [Western Australian state election](#) (11 March) will be one of the first opportunities to see if our politicians have learnt anything from the international changes taking place in politics. I fear that they have not, as the two major parties; both in full fundraising mode are pushing the same old line: “The only way for you to get the ear of the Minister, or make yourself heard, is to ‘buy a seat at the table’ by donating to our campaign”.

Yes, this has worked in the past but the vast majority of voters, without the ability to ‘buy a seat at the table’ are sick of crony-politics. We see this visibly expressed in the Brexit vote and in the Trump vote. The rules have certainly changed in relation to politics and the ‘old club’ is a broken model.

That model of politicians and their cronies collaborating to extract power from the public to feather their own nests, no longer prevails. Power is no longer being swapped back and forth between the two major parties. In some ways, this power is being handed back to the people by virtue of the proliferation of so many smaller alternative parties

There will be some surprises from our state election. [Gary North](#) has summed up the President Trump victory as:

He was a man with no experience whatsoever in politics, and he was elected President of the United States. Politically speaking he doesn’t owe anything to anybody. He comes into the office with no strings attached. This has never happened in American political history, and it is extremely rare historically, except in cases of conquering generals.

It will be interesting to read astute observers describing the outcome of our own state election in March.

Turkey Declares War On Mannwest.com

For a few years I have been writing about my visits to various countries, mainly as part of the annual [Free Market Road Show](#) I attend each year (as I write this, I'm about to jump on a plane for the 2017 road show in Spain). Visiting so many countries has given me an insider's view of which economic and cultural ideas work, and which ones don't.

It has also given me a view of the outcomes flowing from 'good ideas', usually resulting in a safe and secure civilization versus the outcome of 'bad ideas' which often produce 'crap-heaps'. Usually the countries welcoming freedom of speech and fresh ideas attract new residents and the others are the countries from which people flee.

Fortunately, Australia generally welcomes free speech and new ideas ([outside of our universities that is](#)).

So, for my example today let me explain that just as I was writing and extolling the virtues of Estonia as a model country, and commanding them on how they learnt so much from [Russia's 2007 cyber attacks](#) on their banks and communities, I found myself suffering a similar attack of cyber vandalism from a militant mob in Turkey who were offended about my articles [Adventures in Turkey](#) and [Different Countries, Similar Problems](#).

They were offended because I had cheekily suggested that they were a successful country of entrepreneurs who would continue that way as long as they limited government involvement in their lives.

The thought of limiting a government in its size and reach was so offensive to this bunch of Turkish cyber bullies that they completely blew up my new website [Mannwest.com](#) and replaced it with a message extolling the virtues of [statism](#).

So, what is my response to these cyber vandals? It's yet another example of how bullying usually brings about the opposite of the bullies' intent. In this case it gives me an opportunity to poke fun at them and their 'comedy of contradictions'. They wanted to blow my website out of the water but here I am, back with a rebuilt website featuring another example of the fatal conceit of those trying to control the lives of others.

Their efforts simply making them look stupid. I hope this might encourage them to go find a job and be part of the wonderfully creative and productive citizens of Turkey, of whom I spoke of so highly in my [2001 article](#).

How I Found Freedom in an Unfree World

One major problem confronting the world is that almost everyone now relies on the government to 'take care of things'. After 70 years of governments drowning the world in paper money and all sorts of economic distortions and regulations, anyone looking back at government's track record could become defeatist and say: "I'm doomed and am destined to follow governments in a race to the bottom."

I say: "not so!"

You must firstly set yourself the task of insulating yourself from destructive government policies such as excess taxation (stealing money from your income in excess of what is deemed to be fair) and various restriction and limits on your self-ownership and self-responsibility. I often say that there are four ways to change things, namely:

- Education
- Peaceful civil disobedience
- Politics
- Violence and war

Learning about business survival from Ukraine

I expanded on this last year in [a presentation in Ukraine](#). From years of experience I have decided to focus only on the first two possibilities — the education aspect through the Mannkal Economic Education Foundation and the peaceful civil disobedience (by pursuing this line of reasoning in my business career), as I see little possibility for business survival if you obediently fill in all the forms and pay all the taxes.

In business the impositions to be avoided are accepting any offers of 'government protection rackets' in the form of 'occupational licensing' or 'tariff protection and subsidies'. Yes, looking back from discussions with many successful business gurus, I agree that the prime thing to focus on is to insulate yourself, in every way possible, from government actions and policies. In particular, when they tell you that it's for your own good, or that they are here to 'help you', that is when you should run for your life. As President Ronald Reagan once said: "The most terrifying words in the English language are I'm from the government and I'm here to help."

Harry Browne, the joyous libertarian

Reflecting on this subject, in our office recently, I mentioned [Harry Browne](#)'s great book *How I Found Freedom in an Unfree World* and how fortunate it is that Harry Browne's widow (Pamela) has continued to make his book available as an [e-book](#). I reflected on my last discussion with Harry Browne (1933-2006), in Zurich in 1982

and his ability, by following his own advice, to live a very productive and balanced life as a ‘joyous libertarian’. Yes, this book is one I strongly recommend to anyone starting out and deciding on appropriate life priorities.

Three Things Would Solve Western Australia's GST Problem

That's all it takes: three things!

- Leadership
- Courage
- Decisiveness

I'm not surprised to read, yet again, that Canberra and the other states recommend 'no change' to the broken system. Why would we expect leadership from those who are benefiting from this broken system? The leadership, courage and decisiveness that we so badly need must come from Western Australia and this is how it could be done.

Business organizations (for example, the WA Chamber of Commerce and Industry, the Chamber of Minerals and Energy, the Association of Mining and Exploration Companies, together with head organizations from various professions) could suggest that their members (WA businesses and organizations) continue collecting and remitting GST (via BAS returns). From a certain date (say, July 1, 2017), they could remit the collected GST not to Canberra but directly to the WA State Government.

Such business entities would continue complying with their role as unpaid tax collectors, but keep the GST in WA. This would simply cut out the middleman—in this case the Federal Government. By bending the laws in this manner the efficiency of the GST would improve dramatically. This is because WA would no longer have to pay the extortionately high cost of ‘paying the freight’ on sending the money ‘east’ and receiving back only about 30 per cent of the monies ‘exported’.

With leadership, courage and decisiveness this could happen.

Constitution rules

If more of us take the time to read the Australian Constitution and the Western Australian Constitution, we would be reminded that the Federal Government was appointed by the states as agent/servant of the states, tasked with specific functions. Similarly, state governments are servants of ‘the people’. Novel but true and I wonder why we are not encouraged to read both Constitutions.

Without leadership, courage and decisiveness nothing much will change, and WA will meander on as a highly productive but remote and overlooked outpost. The outcome is entirely in our own hands.

Australian Native Title Act: This May Surprise You!

To anyone who assumed that the Native Title Act was designed to ‘assist our Aboriginals’, think again. Like most legislation there was much going on behind the scenes that only became obvious after the economic damage was done. To be sufficiently informed to indulge in discussion on this topic there are two books that give insightful background:

1. The beginnings and original strategy are outlined in – *Red Over Black* by Geoff McDonald. For \$10, including postage, you can order a copy through our [Book Store](#).
2. *The Fabrication of Aboriginal History Vols 1, 2 & 3*, meticulously written by academic Mr Keith Windschuttle – more details can be found through [Trove](#).

A long relationship

Personally, having attended school with young Aboriginals, then providing foster care and later enjoying many prospecting partnerships with Aboriginals during my 65 years on Western Australia’s Goldfields, I’m probably closer to their strengths and weaknesses than many metropolitan armchair observers. I was a close personal friend of Sir Ronald Wilson who, many years before his knighthood and becoming the author of the ‘stolen generation’ report [Bringing Them Home](#), had extended his friendship and kindness to me.

Also, in Kalgoorlie for seven years, I enjoyed the role of finding guest speakers for the Kalgoorlie Rotary Club’s weekly meetings and on November 21, 1983, I arranged for Mr Geoff McDonald to travel from Melbourne to be our guest speaker. Geoff McDonald had been an organizer for the Communist Party of Australia and had some alarming stories of the Communist Party’s plan to ‘divide’ Australia, in line with their strategies for many other countries. He delivered an intensely interesting story but most of the attendees felt that his scenario for Aboriginal land rights were closer to science fiction than reality.

This was my start in collecting material to see if this nightmare scenario would come true; with ‘claimants’ holding projects to ransom at enormous cost to our nation. The developing situation was summarized by me on pages 104–107 in my 2009 book [Heroic Misadventures](#), which can be downloaded for free [here](#).

So, in conclusion, let me state that it will take a better actuary than me to pick up the 2009 figure of \$90 billion in lost opportunity costs for the nation and to extrapolate that right through to 2017 and I hope that someone will take on this challenge. Writing this, short piece, on this long saga reminded me of my May 19,

1999 interview in Kalgoorlie with Swiss National TV involving a respected Aboriginal elder.

I asked him how he felt about being one of the ‘stolen generation’. He replied, with a smile:

“Ron, I wasn’t stolen; I was rescued.”

Taxation Trauma

At this time of the year many small and large businesses assemble their financial year results and set out plans for the coming tax year. As do many families. Follow the daily headlines and you'll be overwhelmed by the general antagonism toward the business community, which faces options such as 'closing down'. The saddest comment I often hear is: "Who would want to be in business these days?" We are surrounded and suffocated by talk of increased taxation and regulation.

Building business

Less taxation and regulation is the incentive we need to start and expand business. For several years' businesses have been limping along, carrying this increasing burden and we are watching in astonishment as Australia slips (by almost every index, now even including education) in our international competitiveness. We are, now, one of the highest taxed countries of any OECD nation. How can we expect to give needed opportunities to our highly skilled and educated work force? We desperately need to encourage 'start-ups', as they are needed to replace the many 'close-downs' being planned.

Tax in the 1980's

In writing this I sense a certain *déjà vu*. I look back on some earlier comments I made in June 1985 and I quote here from my observation on how our government, of that time, had so little ability to motivate the business community:

They don't appear to grasp the fact that if you reduce the after-tax reward for something, you get less of it, and if you increase the subsidy of something, you get more of it. But I think that today in Australia, we are taxing work, we're taxing savings, investment, thrift, productivity, effort, success and risk and we're subsidizing all those other things like non-work, unemployment, debt, borrowing, consumption, leisure, idleness and mediocrity and we're getting so much more of the latter than we're getting of the former.

The tax cycle

Well there have been a few booms and busts since 1985 but the situation remains much the same as far as dysfunctional political leadership. It is obvious that leadership must come from 'we, the people'. We must make our own decisions and not sit around waiting for political leadership.

Let's make our plans, whatever they may be, with a focus on successful survival. Use every 'trick in the book', then work toward your goals with all the energy available to you. If enough of us, do that, every Australian can be a winner!

Jerry Lewis and the Corruption of Charity

What's the difference between a lobbyist and a philanthropist?

Funny man Jerry Lewis died in Las Vegas earlier this week, aged 91. The obits have been flowing and many have pointed out his involvement with charity groups. He wasn't just a performer; he was a philanthropist. Mr Lewis had a long relationship with the Muscular Dystrophy Association (MDA), hosting an annual telethon from 1966-2010 and raising upwards of \$1 billion for the charity group. The work of Jerry Lewis highlights the not-so-subtle differences between charities and lobbyists. A charity involves giving voluntary assistance to those who need it, while a lobby group seeks to influence government decision making. The latter has a number of rules and regulations attached to it.

Mr Lewis was a philanthropist until 2011, when he [asked for taxpayer funding](#) for muscular dystrophy research. By taking this request to a senate subcommittee, the line between charity and lobbyist was crossed. All of a sudden Mr Lewis became a lobbyist and the respect was gone. You can't respect a lobbyist — they just want to steal money.

This is an occurrence of growing regularity, where the libertarian value of individual choice is now challenged by the appeal of majority rules. It's also leading to [a lack of philanthropy in Australia](#).

Why charities have more integrity than lobbyists

Charity and government make for uncomfortable bedfellows. Charity ties well with the libertarian view of independence while government is well known for complicating everything it gets involved with. Through lobbying, a certain level of control is being relinquished (another value that doesn't sit well with a libertarian).

Expecting taxpayers to help fund research is theft. Asking if they would like to contribute is charity. Another instance of the 'fraudulent' use of the word philanthropist is where business leaders spend shareholders money on high profit, feel-good causes whilst that business leader wallows in warmth by describing themselves as a philanthropist.

My suggestion — look deeply whenever you see that word philanthropist.

Property Rights: Central to Good Government

One of the few legitimate roles of any good government is to establish and protect the property rights of its citizens. When governments do the exact opposite, they should be challenged.

The ‘shredding’ of property rights by the former state government of Western Australia was one of the factors leading to their dismissal in March, this year. Politics is seen to be broken in Australia and much needs to be done to restrict all governments to just the few tasks that were originally allocated to them.

This would wipe out the wasteful and useless duplication and triplication at all three levels of government with respect to education, health and welfare. Each day brings more examples of insane over-reach by all three levels of government.

The ultimate example? “Who gave local government the task of changing the date and name of Australia Day?”

Governments will not regain our respect until we get up off our backsides and force them to get on with their allocated ‘short list’ of tasks that include the very few things that we can’t do best for ourselves. Generally, these include protecting us from external threats (war), internal threats (crime) and the protection of property rights. Forcing governments to focus in this way will reverse the current trend to continue their bureaucratic, rapacious bloat!

To read more about property rights in Western Australia have a look at the following articles:

[Property rights are not alright!](#)

[Property rights in WA: an endangered species](#)

[To the Premier, regarding property rights](#)

Please send more examples of property rights shredding by our state government and we will add them to our ever-growing collection.

Why Attend Mannkal's Western Civilisation Conference?

A good question and you have a right to ask.

Any observer, of Australia's current pre-occupation with trivia and its avoidance of the real issues, has many questions to ask. Our [Western Civilisation Conference: The Sun Rises in the West II](#) is planned for Friday, November 24. It provides the opportunity to ask questions and receive direct, and sometimes politically incorrect, answers.

Biting the invisible hand

In 2014, Toronto-based, UK born writer, Peter Foster asked and answered a question in his book's title, [Why We Bite the Invisible Hand](#). He delved into this paradox. He asked how we can live in a world of expanding technological wonders and unprecedented well-being and yet hear a constant drum beat of criticism and condemnation of the system that created it?

He described the system as 'capitalism'. It's guided by the 'invisible hand', a metaphor for economic markets associated with the great Scottish economist, Adam Smith.

Foster concluded that the key to this paradox lies in the field of evolutionary psychology. He explores how so many of our economic assumptions, fed to us by our educational institutions, tend to be wrong and how populist politicians seek to exploit these wrong assumptions. He cautions that when you bite the invisible hand, it always bites back.

Every attempt, by politicians to milk more taxes, invites an equal reaction from the taxed victims and so the political roundabout continues. This cycle repeats itself in the daily media who regard it as nothing more than entertainment.

The next question

What will it take to restore a sense of individual responsibility to Australian communities, to our schools and eventually to our political system?

Ask your questions and expect informed answers on November 24. Don't come just to be entertained. Our conference is for people who will take action to follow up their concerns for Australia's future.

School of the Air Debacle

Forget votes and concentrate on nation building



So the WA [State Government](#) is axing the [School of the Air](#) education for remote (productive) communities. Obviously, this is a decision taken on the basis of "there are very few votes" out there in Australia's productive outback.

Our country people are entitled to be upset at yet another downgrade of living standards for anyone away from the comfort and convenience of cities and beaches. These country people often wonder what the vast majority of our city dwellers actually do.

What do they produce? How do they contribute to our nation?

They know that as long as political decisions are made on the basis of 'how many votes', they will receive very poor value for the gallant effort they put into sustaining our nation.

With their focus on "how many votes", governments don't appear to grasp the fact that if you reduce the after-tax reward for something you get less of it, and if you increase the subsidy of something, you get more of it. Today in Australia, we are taxing work, we're taxing savings, investment, thrift, productivity, effort, success and risk. We're subsidizing things like non-work, unemployment, debt, borrowing, consumption, leisure, idleness and mediocrity and we're getting so much more of the latter than we're getting of the former.

Governments should reduce their addiction to "votes" and think more about the national outcomes we should encourage.



Bettina Bien-Greaves: Emerging from Mises' Shadow

Retiring and then passing away at the age of 100 years, was typically the style of Bettina Bien-Greaves — a friend of so many of us in the free-market Austrian economic movement.

Larry Reed and Tricia Beck-Peter (both of [FEE.org](#)) have submitted a more detailed piece on Bettina [here](#), so I will simply add some brief personal experiences and conclude with some photos.

Bettina, known to many as Ludwig von Mises' Bibliographer and close friend. For many years Bettina and her late husband, Percy Greaves, lived in the shadow of Mises.

My personal contact with Bettina started in 1975 when I was asked to prepare a submission on 'economics in post-secondary schools' to the Western Australian State Government. Who better to turn to for help than Bettina? That September 12, 1975 submission is [here](#).



Bettina Bien-Greaves and Paul Poirot in her FEE office, September 16, 1982.



Bettina Bien-Grieves in her enlarged FEE office, September 1988.

Over the years we kept in contact and I also enjoyed the legendary home hospitality of Bettina and Percy. When people adversely comment at my ‘disorganized office’ my mind always strays to the sight of Bettina’s desks (two photos above) when her original FEE office was full, they simply moved her into a larger office. I love practical solutions as much as I loved Bettina herself. She will be missed by so many but what a legacy she has left for us.



Bettina Bien-Greaves and Percy Greaves in the shadow of von Mises, 15th September 1982.

Do You Want a “Strong” Dollar or a “Weak” Dollar?

Which is best?

Each day we read of special interest groups demanding government policies that will deliver either a ‘strong’ or ‘weak’ dollar. They each present their case with sincerity and conviction, but which policy is best for us, in the longer term?

Why does this debate continue with no resolution?

It is not a new argument, as it was first raised over 700 years ago by the 13th century Treasurer of the Kingdom of Navarre, located in what is now Spain. He said, over seven hundred years ago:

Everywhere there are three sorts of men and four sorts of coinage (monetary policy)...the first sort of men are those who have rents (financial interests)...this sort of men...clearly wish money of a strong alloy (a strong currency, low inflation)...the second sort of men are those who engage in commerce...who wish for a middle sort of money...Trade is always poor except when money is a middle state...the third sort of men are those who live from the work of their bodies (farmers, miners, drillers et al.)...These would wish to have weak money. The fourth sort of money is desired by lords when they are at war and he (sic) can thus strike coin as feeble as he likes to have the means to pay his troops.

Barry Bannister of Legg Mason provided this quote from *A Free Nation Deep in Debt – the Financial Roots of Democracy* by James MacDonald. Barry Bannister suggests that MacDonald’s main point is that citizen creditors often provide the deep well of financing to pay for wars via the ability of democracies to raise more capital than that which is available to generally repressive despots.

So, you see, basic monetary policy demands have not changed much over the past 700 years. ‘Weak’ money is supportive of miners, farmers and those producing raw materials. Adversely affected are imports (thus the general community) and Australian international travellers.

In the long term, however, if our Australian primary industries can become truly competitive, they will not need or clamour for the ‘discount’ of a ‘weak’ dollar and this will avoid the risk of the damaging inflation that usually follows.

Australia has attempted to ‘inflate its way out of its problems’ before, so, we should remember these destabilizing outcomes.

Good Government Needs Good Policies: Why Not Try Enterprise Zones?

In the dying days of the Malcolm Fraser Government, MP Malcolm called his team together and asked for ideas that might win them the next election. Backbencher John Hyde, currently a Mannkal Foundation Director, called out, “Malcolm, why not try good government?”

Now, 40 years later Australia desperately, again, needs some good policies. Are flat rate taxes or Enterprise Zones (EZs and FTZs), ever discussed in Canberra? Other countries have enthusiastically accepted both and this may explain why they are beating Australia on the international competitive indexes.

Enterprise Zones, with which we must compete, are spreading all over the world and it is not only the “established” countries, it is the “new nation projects”, often called the crypto-countries such as [Liberland](#) and the Seasteading Institute’s [Floating Island Project](#).

A Special Economic Zone (SEZ) is a discretely defined geographical region where business and trade laws differ from the national laws. SEZs allow governments to experiment with different governance structures, tax rates, regulatory burdens and zoning laws to promote growth and innovation. To incentivise investment, lower rates of tax, simplified approval processes and lower regulatory barriers are some possible mechanisms to attract capital and business.

Economist [Lotta Moberg](#) has just released a book, *The Political Economy of Special Economic Zones*, detailing the countries in which these SEZs work and those where it doesn’t work plus the reasons for this. For further details refer [here](#).

“This book examines SEZs from a political economy perspective, both to dissect the incentives of governments, zone developers, and exporters, and to uncover both the hidden costs and untapped potential of zone policies. Costs include misallocated resources, the encouragement of rent-seeking, and distraction of policy-makers from more effective reforms. However, the zones also have several unappreciated benefits. They can change the politics of a country, by generating a transition from a system of rent-seeking to one of liberalized open markets. In revealing the hidden promise of SEZs, this book shows how the SEZ model of development can succeed in the future.”

Anyone with an interest in SEZs might also enjoy my August, 2010, presentation to the Annual North Queensland Resources Development Conference in Townsville,

entitled [Northern Australia: The Next Powerhouse of the Global Economy](#)? One other quick contribution is the video presentation by Surse Pierpoint: [Free-Trade Zone at Panama](#).

Let us stimulate a vigorous discussion on introducing such policies to Australia. It could be our good fortune to have Canberra develop sufficient courage to try ‘good government’.

Let Public Choice Theory Solve Political Puzzles

The good news is that an accredited Public Choice Theory course will be available from the University of Notre Dame Australia in Fremantle for students and interested members of the public. This is a great step forward in solving the following mysteries of political economics:

1. How do bad policies come into being?
2. How do, quite often, the worst people rise to the top jobs?
3. Why two sets of rules exist — one for the public, the other for political and corporate elites.

These conundrums often give democracy a bad name for many emerging nations casting around for national role models as they take steps to move away from socialism or dictatorship (often hard to separate).

There are many definitions of Public Choice and Politics; I like Thomas Sowell's the best — “Politics is the art of making your selfish desires seem like the national interest.”

Public Choice Theory, when stripped to its bare bones, simply says that, “those few who receive the concentrated benefits, will work hardest to support legislation that will benefit them and in their own interest they will design such legislation (rules and laws) so that costs will be distributed over many thousands or millions of victims.”

By spreading the costs, over so many, these victims will just stop short of ‘marching in the streets’. This is the way, through sinister stealth, that we see so much looting and plundering of the public, without a whimper. Studying Public Choice Theory enables you to ‘follow the money’ and solve these daily mysteries.

Those two sets of rules that resulted in our ‘two-class system’ where public servants, politicians and corporate elites have declared themselves ‘unsackable’ whilst the rest of us have to perform well to retain our jobs. This challenge of curbing political corruption has exercised the minds of economists for over 400 years, since the early School of Salamanca [here](#).

Lus de Molina (1535-1601) suggested that if the king grants a monopoly privilege to some, he violates the consumer’s right to buy from the cheapest seller. Molina concluded that those who benefit are required, by moral law, to offset the damages that they cause. How would this appeal to our public servants or politicians who repeatedly bring projects on at twice and even four times the original budgeted cost?

Peter Thiel: The Articulate Libertarian

The Mont Pelerin Society is fortunate to have Peter Thiel speaking at this year's [General Meeting](#) in Gran Canaria, Spain. Known as the articulate libertarian, Mr Thiel spent most of his career in Silicon Valley. A co-founder of PayPal in 1998, he knows a thing or two about the entrepreneur and venture capitalist.

Facebook and the Foundation

Also, a philanthropist, political activist and author, Mr Thiel invested in Facebook in 2004 before joining the board as a director. He created the Thiel Foundation which offers fellowships for under 20's and funding for early researchers in science and technology. The foundation also focuses on the politics surrounding freedom and anti-violence.

Thiel and his libertarian views have long stood out in the left-leaning San Francisco Bay Area, especially after his backing of Donald Trump's presidential campaign, but he has stayed firm. He attracted controversy with the [Gawker vs Hulk Hogan](#) law suit in 2011 and successfully helped bring down the so-called "media" company.

Zero to One

His 2014 book, *Zero to One: Notes on Start Ups or How to Build the Future*, is a bible for start-ups and builds on his extensive experience in business. The *New York Times* bestseller outlines methods for creating a successful business and different ways of thinking. (Mannkal's Llew Cross summarises the book [here](#)).

After rethinking his position in Silicon Valley, Mr Thiel has recently moved himself out of the area and now focuses on his philanthropic pursuits, among other endeavours.

The Absurdity of Australia's Submarine Frolic?

The absurdity is becoming obvious to all of us (at least to those who can read). The inertia of our response and lack of anger, beggar's belief.

I know this is a classic example of certain politicians buying the votes of their South Australian electorate, where they will feel the concentrated benefits. Unfortunately, the \$50 billion cost will be spread over all Australian with no visible benefits.

I've been assured by a 'confidential' representative of the French submarine designers that they are proceeding with designs for two Australian submarines.

One being the obsolete diesel-electric option, as ordered by our Government, and the other being the conventional nuclear powered version in use by France.

They anticipate that 'the Australian Government will come to their senses in time to convert the order to the nuclear standard model'.

We can only hope for 'a notice to amend' to emerge from Canberra, as after all it is our \$50 billion that is being spent.

Most of us would like to be defended by weapons of the 21st Century vintage. If we have to defend our country, we can be certain that any enemy will not be using weapons from the last century.

Taxation: How Times Have Changed

When sorting through some old files, in preparation for my forthcoming (sixth) book, I came across some notes from a visit to London in 1984 where I sat down with Arthur Seldon. Arthur was one of the intellectual geniuses (the other being Ralph (Lord) Harris) selected by Antony Fisher to operate the Institute for Economic Affairs, established in 1955.

Arthur was, as usual, surrounded by notes and ear-marked books as a fellow attendee at the second Libertarian International Conference, 1984, in London. I only had to ask one question, to get him started. I referred to the oppressive level of taxation that was burdening the U.K. (and Australia) at that time.

My question: "Historically the tax collector used to collect the taxes and they could be clearly identified as the 'villain'.

In more recent times weak business leaders have allowed themselves to be manoeuvred into becoming unpaid tax collectors making it less clear just who is taxing us.

Ayn Rand was probably referring to weak business leaders when she said, "It cannot be done to you without your consent, if you permit it to be done, then you deserve it."

Arthur, the average taxpayer no longer has the knowledge of how much tax they are paying or how to go about questioning this level of tax so my question to you is;

Have we left it too late to revolt?"

Arthur's comprehensive reply (without even pausing for breath) follows:

"So, if I say, that time is on our side, I also have to add that we must give it a bit of a tug and I think we can do it in a number of ways. The first is in our tax structure.

I'm in favour of a withholding tax. I'm in favour of taxpayers withholding their taxes until they are satisfied with the services that Government has supplied them with and although I can offer you no advice, which is outside the law, I can at least paraphrase a book you should buy called *The Bureaucrats and How to Annoy Them*. The advice that this man gives, and he has to hide behind a pseudonym. He is a noted scientist who broadcasts quite a bit. Some of the things he says are as follows:

1. When writing to your tax gatherer, be vague; write in illegible longhand and at wearisome length.
2. Use plenty of incomprehensible jargon (after some days send another copy to confuse him).
3. Write back to his non-existent colleague.
4. Give incorrect reference numbers.
5. Request a reply to a letter you have not sent.
6. When you do pay send the wrong amount.
7. Staple your cheque in the centre to jam their computer.
8. Better still, crumple your tax demand, iron it out and refold it in a different place (guaranteed to defeat their electronic receipting).
9. Use wrong dates (but keep a note of the right ones).
10. Stick the stamp in the top left hand corner of the envelope, or better still, in the centre.
11. Query **all** your tax assessments.
12. Send the tax gatherer your detailed form demanding information about his authority to levy these taxes.
13. Rub candle grease on the space marked 'For Official Use Only'. If you are short of candle grease, use hair oil.
14. Observe in general an attitude to your taxmen (your tormentors) of divine neglect.

My final reason for thinking that time is on our side is that the **power of ideas** in the end will dominate. Keynes was wrong in so many other ways that I hardly like to add one more. He was wrong when he said simply that **ideas** would dominate. So was Marx wrong when he said that **interests** were the ultimate force.

But John Stuart Mill was right when he said, "Ideas would determine action, provided circumstances conspired to make them timely", and I think that the time is almost right. Time is almost right because the ideas that we have discussed here are being married to a period of technological change which will undermine the power of government and also to a climate of morality that will see that it is proper for men to take a long term view of their future and not the short term animal myopia that our socialist enemies now teach."

Today, 35 years later, I look back at Arthur Seldon's optimism and observe that taxpayers did not seize the technological opportunities to which he referred. So, I conclude:

Nothing much will change it seems,
till we get our knees up off the floor.
Stop begging for protection from competition –
That's just a perversion of the law.

The problem's solved if we all stand up
and decline their invitation.
Let them collect the taxes
If they want to run the nation!

#13 – Rule for Life: “Take Every Job Seriously”

Last week Jenny and I enjoyed Dr Jordan Peterson’s ‘12 Rules for Life’ visit to Perth. Thinking later I wondered what rule I would like to see added as Rule #13. How about, ‘Take every job seriously’?

Let me give you an example, for us to follow.

I have previously covered the remarkable life of Sir Arvi Parbo [here](#).

From a young immigrant, in 1949, escaping the uncertainty of post-war Europe, to becoming perhaps Australia’s leading and most respected business leader of the 20th Century, is a story in itself. However, let me just cover one small snippet of Sir Arvi’s career.

When he was elected as the President of the Australasian Institute of Mining and Metallurgy (AusIMM), in 1990, he was at the peak of his illustrious career, being the Chairman of Western Mining Corporation, Alcoa Australia and BHP. He approached his new challenge with these words; “I am honoured to have been elected and I will fulfil this role to the very best of my ability.” He felt, that to do this, he would set himself the task of visiting every operating branch of AusIMM at that time (37 in total and interestingly 26 branches operating as at 2019).

Not only to take on this mammoth task of visiting these 37 branches but to present an address in the form of a carefully researched paper on the mining history and significance of each region visited.

How a busy executive manages to do this in one year, without ‘missing a beat’, is nothing short of miraculous.

Arvi would give credit to the supportive nature of his various companies at that time. Companies then actually employed ‘thinkers’ to contemplate the significance of our industry and its role in nation building and the importance of developing a narrative to leave for future generations.

I may be a little cynical about how much our current leading companies may be investing in such priorities.

The lasting legacy of Sir Arvi’s year as AusIMM President is a mammoth, 310-page, volume of *Down Under – Mineral Heritage in Australasia* (*AusIMM Monograph #18*) that contains all of his presentation papers, liberally sprinkled with hundreds of illustrations.

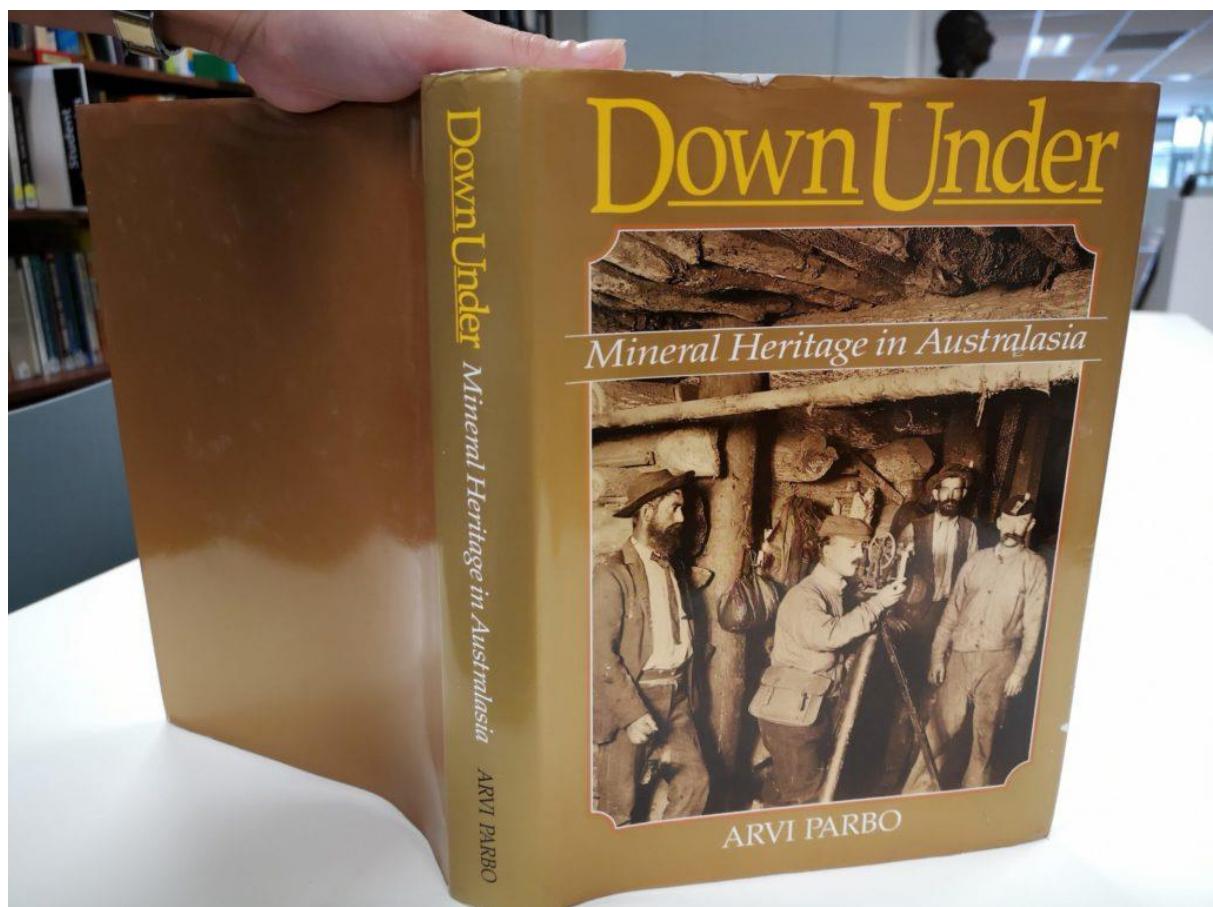
To my knowledge this presidential achievement in AusIMM has never been matched before or since.

The book has been described as one of the most effective mining history books ever produced and has become a collector's item.

Some copies are available [here](#).

So, here is an example of how to approach a new challenge when we are confronted with a responsibility above and beyond our regular 'day jobs'.

That is why I feel that 'take every job seriously' rates for inclusion as one of the Rules for Life.



Sir Arvi Parbo's book

Manipulated Students Strike – Where are our Leaders?

When carefully orchestrated students, all around the world, simultaneously utter the same nonsensical platitudes about the sponsored climate crisis, one can only ask, “where are our leaders?”

The media delights in splitting us into two warring factions and turning our lives into spectator sport. Our so-called ‘leaders’ appear powerless to develop a strong enough narrative to bring us all together, as a united winning team.

It is hard to find examples of leadership to present to our young people today and that’s a question they keep asking me.

I did find a surprising example, the other day, and I was reminded of it when I noticed that our students are currently being trained on ‘how to go on strike’. (*The West Australian; 25th Feb. 2019 – Militant unions teaching WA pupils how to strike for climate change*).

France had the same problem recently and my surprise example of leadership is President Macron. When he was confronted with a placard-bearing youth, shouting obscenities, do you know what he said to that youth?

President Macron tells him, in essence, that he must work for the right to rebel. “Even if you want to lead a revolution one day, you’ve first got to earn a diploma and learn how to put food on the table. OK?”

Macron was explicitly making the case that hierarchies matter, that achievements must be recognised, that all opinions are not of equal worth. *Liberte, égalité, fraternité* do not imply that nobody deserves respect. They imply that respect must be earned, and once earned, acknowledged. Macron posted the clip on his website, with the message that ‘respect is a minimum expectation in France’.

President Macron was not exhibiting populism; that was leadership. This emphasis on respect is unfashionable, especially here in Australia and especially from a politician.

It appeared to me that President Macron may have attended one of Dr Jordan Peterson’s (Canadian psychologist) lectures where he introduces some common-sense in the form of good old-fashioned advice about personal responsibility and self-reliance.

Or, President Macron may have been reading the recent book *The Coddling of the American Mind; how good intentions and bad ideas are setting up a generation for failure* by Jonathan Haidt and Greg Lukianoff.

Our younger generation waits patiently for some local examples of leadership to emerge and inspire them.

Ask yourself, ‘where are our leaders; in politics, in business, in public life?’
You will be lucky to count them on your fingers.

Killing and Stealing: Government Specialties

Over the centuries, governments have only excelled at two things. Killing (mainly by declaring wars) and stealing (mainly by taxation and redistribution).

In this article we draw attention to the unintended consequences of a misguided Fringe Benefit Tax introduced into Australia on 1st July 1986.

It was obviously introduced as a way of raising money to cover the unfunded liabilities of the over-generous superannuation and pensions schemes for politicians and public servants.

Surprisingly, it did not result in a vast expected cash flow as this industry, instead, modified their operations.

The unintended consequences were that employers promptly ceased providing housing and cars and in the case of the mining industry immediately stopped building homes and facilities in regional Australia. One example was Pancontinental Mining Ltd who, at the time of the Fringe Benefits Tax introduction, simply put their 30 Kalgoorlie homes on the market for sale because they ‘refused to pay an FBT fine’ just for providing homes to their employees.

Instead of living in local homes, provided by such companies, the employees of such companies, Fly-In Fly-Out (FIFO) – mainly from capital cities.

Currently now, in 2019, there is a mounting public concern that this FIFO operation is virtually killing employees as suicides and mental health issues are seen, by some, to be a bi-product of FIFO (see next page).

I’m not debating this issue, other than to suggest that if they wish to blame FIFO for this problem, people should attack the cause, that being the absurd Fringe Benefits Tax.

A research document on ‘The unintended consequences of the Fringe Benefits Tax on Regional Australia’ by Mannkal scholar, Patrick Leclezio, 8th April 2019 is [here](#).

Dad's plea for FIFO

Change laws to save lives

JOANNA DELALANDE

The father of a fly-in, fly-out worker who took his own life at a Pilbara mine camp almost six years ago has pleaded for groundbreaking guidelines to tackle FIFO suicide and mental health problems to be enshrined in legislation.

Perth father Peter Miller, whose 25-year-old son Rhys Connor, right, took his life on June 25, 2013, called for the Government and industry to find ways to minimise the number of FIFO workers in the State rather than finding band-aid solutions to the problems work conditions caused.

"I know my son's death was completely about FIFO work and the work conditions added to the stress he was experiencing," he said. "The Government is letting the FIFO industry grow and yet there are people losing their lives, families being affected."

The State Government released the country's first

FIFO mental health code of practice yesterday, which seeks to help promote and maintain mentally healthy workplaces for those in resources and construction.

It comes after research showed FIFO workers had higher levels of psychological distress than non-FIFO workers and included recommendations for shorter rosters, permanent accommodation and adequate communication access in remote work camps.

The guidelines have been praised by Unions WA, the Australian Manufacturing Workers' Union and Rural and Remote Mental Health as a step towards better conditions but the results depend on industry implementing them.

AMWU State secretary Steve McCartney said the code would not create change if there were no repercussions for companies not following it.

He backed calls for the guidelines to become law.

Lifeline: 13 11 14



Public Choice Theory Explains how Western Values are Being Eroded

Being an optimist, I am enjoying the many signs of “sprouting concern” about the destructive influence of the “long march” through our institutions (education, business and media).

This destructive strategy runs from Gramsci through to HC (Nugget) Coombs and on to the continuing generations of taxpayer-funded left-leaning intellectuals.

The product of their grand design is manifesting itself in the rise of a new generation of Australian self-hating (even Western civilisation-hating) youth.

Then last week at an economics conference in Fort Worth, Texas, I saw one presenter’s power point slide that sums up a similar situation in the US:

"Feel free to hate your own country, but please do so from afar."

Well, what is so encouraging about all this?

My optimism is fired up when I see so many concerned citizens now standing up or starting to speak to each other about strategies to counter this century-old drift to a socialist dependency of living off others and, instead, they are reviving the moral foundations of an entrepreneurial, self-reliant and responsible future.

In short, they are aiming to rebuild the foundations of a civilised society that has given us so much, a civilisation that has given us the very technologies that are now so effectively used by well-funded, self-loathing entities such as GetUp!, to “bring down” the culture of enterprise that spawned them.

To sum up, you and I, and politicians and academics must decide what sort of Australia we would like to leave for future generations.

It starts with the politicians; They don’t appear to grasp the fact that if you reduce the after-tax reward for something, you get less of it, and if you increase the subsidy for something, you get more of it. In Australia, today, we are taxing work, we’re taxing savings, investment, thrift, productivity, effort, success and risk and we’re subsidising all those things other such as non-work, unemployment, debt, borrowing, consumption, leisure, idleness and mediocrity. Regrettably, we’re getting so much more of the latter than we’re getting of the former.

One of the encouraging signs from Australia is our former Deputy PM John Anderson's new project which effectively argues for the restoration of Western civilisation with [his widely viewed series of video presentations](#).

Another positive sign is the growing appreciation of the power of Public Choice Theory (PCT) to explain so many bad public policies. Mannkal even sponsors a course in PCT at The University of Notre Dame in Fremantle.

We each have a serious challenge to speak up against “bad policy” when we see it being inflicted on Australia on a daily basis.

Hong Kong Protests

Some reflective thoughts

I've just returned from my old 'home-town' of Hong Kong, bringing with me some vivid impressions of what is going on, in what has been the world's most civilised city.

Here are some notes for my on-going Hong Kong files (including some interesting feedback below).



Preparing for battle

There is mounting concern amongst Hong Kong citizens about China's desire to maintain the light-handed rule of law, enjoyed for so many years, bringing with it a level of prosperity envied by so many other international cities.



Ready to make their point

Is street protesting the most effective way of preserving Hong Kong's freedoms? Over many centuries it has been seen that there are four main ways to fight and maintain freedoms:

Political Activism

Create the impression that you have the biggest gang. But sometimes this leads to democracy degenerating into mob-rule, bringing with it, the temptation to 'vote for a living'.

Education

The slow but sure method of giving people confidence in their own abilities to prosper by releasing their own human creative energy, to embrace individual responsibility, opening up opportunities to 'work for a living'.

Peaceful Protests & Civil Disobedience

To draw attention to concerns about changes and long-term dangers.

War and Violence

The downside being the devastating loss of lives, sometimes with both sides classified as losers.

Which of these four ways is on display currently in Hong Kong?



One group moving to merge with another group

After spending a Sunday ‘hanging out’ with Hong Kong youth leaders, street protesters and several wise observers, I would allocate percentages to these four activities as follows:

Political Activism 30%

Education 10%

Peaceful Protests and Civil Disobedience 50%

War and Violence 10%



MTR train station partial closure

There is clearly a conflict on display in Hong Kong and it is difficult, for those of us not living there to gather a detailed picture of what is at stake and what the objectives are for the protestors and their strategies. More importantly, when will they know if they have 'won' or 'lost'.

Two things are for certain. One is that Hong Kong is under China's rule and no longer a British Colony. This fact is not up for debate.

The second is that China has gone too far by authorising 'live ammunition', resulting in a student being shot in the chest. Rubber bullets are the accepted convention for 'government vs the people' situations. Caution should be used before we see a Ukraine style situation where 100 young people were shot and killed, in 2013, by their own government.

International media observers appear to concentrate on only one issue as the cause for the protests, that being the complete withdrawal of the Extradition Bill. However, there are four additional demands, clearly stated on the many placards on the walls of Hong Kong, they are:

- Establish an independent Commission of Inquiry to investigate police misconduct and brutality.
- Drop all charges, and free arrested protestors.
- Total recall of any characterisation of the protests as 'riots'.
- Genuine universal suffrage.

FIGHT FOR HONG KONG

5 DEMANDS

*Complete Withdrawal of
the Extradition Bill*

*Establish Independent Commission of
Inquiry to investigate Police
Misconduct and Brutality*

*Free and Drop Charges of the
Arrested Protestors*

Total recall the 612 "Riot" Claim

Genuine Universal Suffrage

NO BLEEDING | NO INJURY | NO ARREST

Image by 'abc-abc'

Who are the protestors?

A wide range of students, teachers, small business owners, with many older people lending a hand by providing vehicles, gas masks and goggles.

How many protestors have an understanding of how Hong Kong's limited government, property rights and the rule of law have brought prosperity to Hong Kong?

Impossible to know as I didn't find evidence that this question is being asked.

I could imagine about 10% would fit that category which would be similar to any Australian youth gathering where I'm constantly amazed at the perception that our quality of life 'just happened'.

As is always the case, with protests (now a wide-spread phenomenon around the world), there is always a 'bogan element' (an Australian term for irresponsible hoodlums with nothing better to do than vandalise other people's [sometimes government] property). All they achieve is to devalue the efforts of the 'thinking protestors' and reduce their chances of success.



Image by 'abc-abc'

Beijing had a huge choice to make, at midnight June 30th, 1997 when they took control of Hong Kong. They could continue the very subtle but successful 'light hand of government' over Hong Kong and its territory or they could do what we see so often done during corporate takeovers where the incoming management can't resist the temptation of bringing a heavy foot down on the delicate flower of freedom.

Beijing did not get off to a good start by marching in the armed troops as a sign of strength at midnight.

My thoughts and support are very much with the dedicated young people who are reminding China of the promised 'one country, two systems' framework that gives Hong Kong freedoms and rights not enjoyed on the mainland. This system was implemented when the former British Colony returned to Chinese rule on June 30th, 1997 and guaranteed by China to run right through to 2047.



Image by 'abc-abc'

Berlin Wall: 30th Anniversary After the Fall

So much has been written in this past week regarding the Fall of the Wall, what else can I possibly add?

Reading so many remarkable articles reminded me of a day in 1982 when I wandered through ‘Checkpoint Charlie’ to East Berlin with the noted economist, Professor Murray Rothbard.



Professor Murray Rothbard spreading ‘seeds of freedom’ at the foot of the Karl Marx Memorial, East Berlin – 1982.



'Checkpoint Charlie' entrance to East Berlin 1982

I took this photo of East Berlin as we passed through 'Checkpoint Charlie' but there just wasn't any colour to be seen.

Returning from the East, again through 'Checkpoint Charlie', I noticed the long, low angled mirrors that were used to check if there were any escapees, from the East, strapped under the vehicles.

There was no need for checking for the west to east transfer.

Murray Rothbard and I discussed, at length, the absolute absurdity of socialism being so enthusiastically promoted, in Western universities, when it was so easily demonstrated to be a failure.

Socialism always leads to the decay of the civilisation that we benefit from and enjoy.

Yet Another Fraud Exposed

It's one thing to write and publish a non-fiction book with a controversial point of view, but quite another for such a book to end up on the Australian Curriculum and taught to students as fact.

Which is what has happened with Bruce Pascoe's 2014 book *Dark Emu: Black Seeds: Agriculture or Accident*. In *Dark Emu*, Pascoe postulates that rather than being nomadic hunter-gatherers as they were hitherto labelled by anthropologists, Aboriginal Australians were living as agriculturalists before Australia was colonised.

According to Pascoe the reason why Aboriginal Australians were wrongly labelled as hunter-gatherers was due to a conspiracy "perpetuated to justify white occupation." The book has been lauded in the literary community, and the views expressed in it are now taught in Australian schools. Pascoe has recently published *Young Dark Emu* for primary school aged students, and the ABC is producing a TV series with Pascoe, due for release in 2020.

Pascoe's conspiratorial views have become mainstream

But a new book by Peter O'Brien *Bitter Harvest: The Illusion of Aboriginal Agriculture in Bruce Pascoe's Dark Emu* challenges Pascoe's narrative. In the book it is revealed "that Pascoe omits, distorts or mischaracterises important information to such an extent that, as purported history, *Dark Emu* is worthless."

O'Brien considers himself an expert on two of the main historical sources referenced by Pascoe in *Dark Emu*: the diaries and journals of early Australian explorers Charles Sturt and Thomas Mitchell. O'Brien's forensic analysis reveals serious flaws in Pascoe's research and conclusions. His conclusion is that *Dark Emu* is a book of "egregious deception."

As noted by Keith Windschuttle, historian and author, even Pascoe's aboriginal heritage is disputed. Perth retired author Jan Campbell has conducted thorough research on Pascoe's genealogy which reveals that his ancestry is all English – there is no trace of Aboriginal descent at all!

Quadrant magazine recently published three articles addressing this historical and literary fraud:

[The Epicentre of our History - Keith Windschuttle](#)

[A 'Dark Emu' Ally Flips the Bird at Truth - Peter O'Brien](#)

[The Bogus Aboriginal World of Bruce Pascoe - Peter O'Brien](#)

Why isn't the mainstream media reporting on this?

Australian Bushfires

Having just spent two weeks talking to people directly involved in Australia's serious bushfires (Victoria and New South Wales), I see an obvious disconnect between those in the 'frontline', and the daily bleating of the 'metropolitan choir' singing from the hymn sheet of Climate Change Catastrophists.

Victoria

I was taken on a tour of the Fern Tree Gully Reserve, another tinderbox for the next fire event.

Concerned local citizens suggested that their local government conduct an immediate clean-up of fallen trees and the many years of dead brush that are currently blocking creek beds. To any rational individual this seems to be a sensible thing to do right now (after having been warned previously at the outset of the latest bushfire crisis).

"Oh no," the local government dark greens say — "these fallen trees and branches must return to nature and decompose over the next several thousands of years."

The previous occupiers of the national reserves treated these areas as their 'local economy' and knew how to protect lives and property by back-burning and clean-ups - unlike our current university educated bureaucrats.

A friend of mine, a respected engineer, offers his explanation for our current bushfire below:

Basically, to have a bushfire one needs to have 3 ingredients: fuel load, dry atmosphere and wind. If any of these are missing, there can be no running fire.

As we can see the outside temperature doesn't matter and a bushfire can be equally ferocious at 23 deg. C as at 43 deg. C. So not sure what climate change has to do with all this apart from suitably scaring the population and helping some people promote their agenda.

Oh, and then there is this little detail required to have a fire - the 'spark'.

If we choose to sit outside on a sunny day and 43 deg C temperature and watch the grass, hoping to catch fire, we would be there for a very long time.

The spark can come from various sources. Electrical faults, cigarettes thrown out of cars, magnifying glass effect due to clear bottles being thrown out of cars, controlled burn-outs done at the wrong time and going rogue and, of course, my favourite culprit - pyromaniacs.

Recently [The Australian](#) suggested that over 180 people have been charged with lighting fires on the east coast alone. If we assume that only 20% get caught, we have close to 1000 people potentially running around threatening lives and causing damage. If done on a dry and windy day in an area full of fuel load, we have no hope.

Regarding the fires, our friends the Aboriginal people have certainly seen it all before. See the photo below taken this year in comparison to their flag."



New South Wales

In New South Wales I interviewed my friend Julian Malnic who had only just returned from another firefighting stint with his Brooklyn Fire Brigade.

In January 2007, Julian lost his own home in the bushfire at Frenchs Forest and this memory has been deeply etched into his mind.

He, and fellow fire brigade member Brad Townsend, pictured below, were battling fires at Narooma and Bega in southern New South Wales.



A previous crew had just lost a truck, through an unfortunate roll-over, but carried on their duties with a 'borrowed' fire truck. Amongst the many volunteers currently at work on the frontline is our former Prime Minister, Tony Abbott, a member of the Davidson Brigade.

Julian's personal experience with home loss adds the weight of experience to his words:

Saving a house in the bush is quite straightforward. We don't put the fire out. We just keep the house unburnt until the fire has moved past.

But how do you find the houses? That can be the tricky part in the smoke.

Forces get thinly spread in big blazes and which houses are saved is sometimes as fluky as which street or track we turn down.

I have been doing it for about nine years but at the Wyndham fires the best thing we had on the truck was some very experienced firefighters.

'The decision to stand and defend or to clear out can be a big one. I feel gratitude for the things they taught me at Wyndham. Just by how they called the fire and how they decided our response."

In discussing my Fern Tree Gully (Victoria) visit with Julian Malnic, he commented:

"Seeing you comment about fuel loads Ron, I would say this. If you have heavy fuel loads something is always going to ignite huge fire. Lightning, car accidents, industrial events and as you point out, arson.

The concept of the National Park seems to me a very poor colonist's idea. The Aboriginal word for National Park used to be 'home'. They lived there every day, and they burnt every day they could, small cool fires. But they were relocated out of these new areas called National Parks. I have the feeling we have just burnt the biggest fuel load since they got here 65,000 years ago.

The loss of animals is on an unimaginable scale. And, they were lost in the name of saving them, in the name of National Parks where they were being kept 'safe'.

There is work yet to do and all these firefighters deserve our support and admiration.

Coronavirus Era - 8 Rules

1. Don't get sick. You don't want to be a burden on others, as they are already burdened by the fall-out from the current crisis.
2. The elderly (more prone to coronavirus) may not be in possession of all the information you are receiving. Share any legitimate advice on this topic with them and watch over them.
3. Practise 'cleanliness' like you have never practised it before.
4. Rationally evaluate all the information coming to you. So much is self-serving nonsense, but amongst it are some real gems that are worthy of sharing.

Don't believe politicians when they say they can 'save jobs'. Without profits and cash-flow there will be no jobs. Talking of saving jobs, State Governments could stop 'fining' employers for creating jobs, by abolishing Payroll Tax. John Gray (Mannkal Scholar) writes [here](#).

The planned large doses of "stimulus" in various forms, will do immense damage (over the longer term) to the Australian economy and will seriously reduce the purchasing power of the A\$.

5. Save up all your hugs and handshakes for later (don't let them wither and die).
6. Start a collection of 'written items' that leave you with the 'essence' of this crisis. I have similar collections that allow me to review past 'catastrophes' and rank them by their true historic importance.

* The 1961 - 62 Menzies' Credit Squeeze

* The 1987 Stock Market Crash

* The 1983 – 93 Western Australian Property downturn

* The 2002 Dot.Com Collapse

* The 2008 – 2012 Global Financial Crisis (GFC)

7. Redefine your career plans, bearing in mind the emerging opportunities of the next ten years. Your experience with Mannkal travel and seminars will assist you. These current events will certainly test your resilience.
8. Explore ways in which you can navigate the coming months. Be more than an observer. Be an activist.

Overwhelmed by “Dog Responses”

Over the festive season, I sent out my latest poem [Why I Talk to Kelpie Dogs](#) to all my friends, family and associates. I received more replies in a single day, than for any other email I have ever sent.

How could so many people relate to the sentiment of loving a dog?

How many of you could handle life without a dog?

Why does a dog mean so much to you?

Why so many questions about dogs?

Perhaps after reading the below comments you will be more equipped to answer them!

I loved reading your holiday letter with the story about your sweet sheepdog. Scooby is a favourite of mine too, and Steph and Brad know that I have first dibs on their doggie in the event he ever needs a new home! Melissa, Los Angeles

I must say I almost shed a tear reading your poem about Tiger. I used to be a pet sitter and lived with a Kelpie called Jazz for a few months – she was secretly my favourite of the pets - so smart and they really do communicate with their eyes. Victoria

Great poem, I know how you feel. For me it was a border collie called Deefa (D for Dog), a blue cattle dog called Cee-Off (Clancy of the Overflow) and then Fridge the German Shepherd cross (real name = Refrigerator Destroyer because of his habit of flying at fridges with food in them). Dogs, cats, horses, cows – I love them all (but I eat cows too, which often seems odd, but being human it is a result of being what I am – a yin/yang thing I think). Juel

Many thanks for sharing your kind greetings and sharing your poem – every child should know the love of a dog. Ron

I hope you will find another Tiger one day. We are not designed to live without a dog. Bails

Love the poem! My son is returning from a 5 year stint in Kalgoorlie, where he adopted a Kelpie and called him Kevin. They have become inseparable! They will be staying with us and our Golden Retriever. Ric

Great poem, thanks Ron – never bite a postman. My old dog Digger (a blue heeler) and I ran away from home when they forced Digger to go and live somewhere else..Viv

Thanks for sharing the poem. We also love Kelpies – a very dear friend of ours has one and it is almost human. Kelvin & Heather

What a great poem. Having to say goodbye to my farms dogs many years ago was not at all easy, and I missed them for many years. I now play golf at Mosman Park which allows public access particularly in the mornings when owners take their dogs for a walk. There is only one breed of dog which shows genuine interest in its owner, always looking back to see what should be done. I needn't tell you they are all Kelpies, mostly red. Wishing you all a great Christmas. As far as I know the Puccinellia (salt-eating seed) you kindly mowed up for me all these years ago is still thriving out on Aroona Station 70 miles east of Esperance. Ian

Thank you for the poem, it made me cry. It was a such a sad a sweet story in many ways. Fancy you remembering from a 4 year old. Irene

Thank you for sending me that touching poem/tale. I think dogs have a very special relationship with humans (but perhaps not postmen). Malcolm

A marvellous story. Brings back very fond memories of the Kelpie cross called Nipper, or mostly Nip that grew up with me and my brother. During the long summer holidays, he accompanied me on my bike to the Claremont baths nearly every day and faithfully guarded my bike outside for hours on end. Needless to say, it was never 'borrowed', and no one ever let down my tyres. In his other spare time Nip vigorously chased and barked at any unknown car that ventured into our street. He didn't need to go for a walk! He had a more peaceful ending than Tiger. Peter

That is a great poem Ron. I will send it to my family. Gordon
Bittersweet poem. Sally

What a beautiful poem. It brings tears to my eyes, but also a big smile. Charlie

Love the poem. Just proves you still have a soft heart. Brian

Thank you, Ron. That's lovely and sad and inspiring. Tom

I've had a kelpie or two, but no postie making deliveries to their back yard (they are very good listeners, the kelpies). Paul & Christine

We're getting a new dog just before Christmas, so this struck a chord. Graham

Ron you sure do hit nails on the head. I had not known about your brother, but share your love of Kelpies. My 4 year older brother was given a Kelpie pup we called Bob, and Don went away to school in Charters towers, Bob became my friend and protector when I was miles away from in the bush with a rifle. When we went to Townsville in 1948 Bob died within a week, run over by a car he was chasing. We had tried to protect him in a town, but a good Kelpie spirit could not be contained. But Kelpies always smile back at me because they all know I knew Bob. And on the other side of Australia at that same time was Ron Manners with his dog Tiger. But your story is a lot harder stuff. Anyway, in a daft world, Australia remains the country of Kelpies and Ron Manners – don't know which ranks higher, both stratospheric. Go great old son. Ross

Reckon this is about the best Christmas present I will get this year. A beautiful reminder of so many things to look back on with happiness, sadness and above all, love in a long life. So, I send you my thanks. Tony

I had a wonderful border collie dog when I was young. Jock was his name and he gave me and my family 18 super-lovely years (perhaps the last year of his life was NOT so flash). However, your poem brought back the memories, nonetheless. Thanks for your thoughtfulness Ron. Peter

Your message stirred some neurons. I was at Oakley when my Dad was foreman at the Butter Factory. He also bred Kelpies. My sister is 18 months older than me, and here is her recollection of those early days, before I had much idea of anything (I'm still learning). But apparently Kelpies like me. The family story records me wandering around the back yard singing my version of a hit song of the era on Radio 4AK Oakley which went something like 'Bill, Bill, stick with me Bill, money won't alter the case.' Apparently, my version went something like 'Bill, Bill dick me me Bill', somehow relating our then current Kelpie Bill to a song which made no sense to me in any case. But I was too young to remember anything of this period and have never heard anything

resembling that song in my cognitive years, but I can vaguely recall Bill. Federal St was opposite the ‘pit paddock’ which contained the mullock heaps of the old Federal (underground) coal mines which powered the steam trains of the era.

Here is Beth’s story:

Tiger was the Kelpie given to Mum after she and Dad married and went to live in Oakley, where Mum was lonely, not knowing anyone, until she and Mrs McGrath became friends through Dad’s friendship with Mr McGrath. Tiger loved Mum and was very protective. He was well trained and would do anything she asked of him, and, if I remember correctly was sudden death on snakes. Then I came along, and Tiger apparently resented me. He would not obey Mum when she had me in her arms. He accepted you though, and was no problem if Mum was nursing you and gave him an instruction.

All this was in the Bridge St house. Then we moved to Federal St, and my earliest memory is of us in the backyard, with Mum scrubbing the steps. I don’t know what I did that upset Tiger, but he knocked me over and I screamed as his mouth came over my face. For perhaps the only time in her life, Mum threw something accurately and the scrubbing brush hit the dog. She ran to pick me up. He had another go at me as she held me. So, he had to go too, but I think they found a farmer who needed a good dog. And maybe he was the father of Bill, of whom you used to sing, and who was the father of numerous puppies. I think Lady was the mother or maybe it was Lassie.

Cheers, and thanks again. Jock

Well, after this comprehensive review, I can feel another animal poem coming on. Perhaps one about a wombat?



I Miss Jon Utley

Each November, in New York City, Jon Utley and I have shared a meal. We also invited a younger person, or two, to join our conversation.

Jon and I mutually identified ourselves, many years ago, as Libertarian Survivors. Both of us were bruised and battered from many vigorous confrontations with the bureaucratic battalions.

During the other months of the year I looked forward to the occasional email when Jon sent me various items that “may be of interest”. My younger dinner guests, and I, will still continue to enjoy our complimentary subscription to *The American Conservative* which continues as a fine journal and a tribute to Jon’s role as publisher.



When I heard of Jon’s passing, I felt that my life had been diminished. Jon, by his words and actions over many years was widely acknowledged as one of our Real Heroes of Liberty. I will certainly miss Jon Utley and now I can only wonder about his wise commentary on the current Coronavirus Crisis.

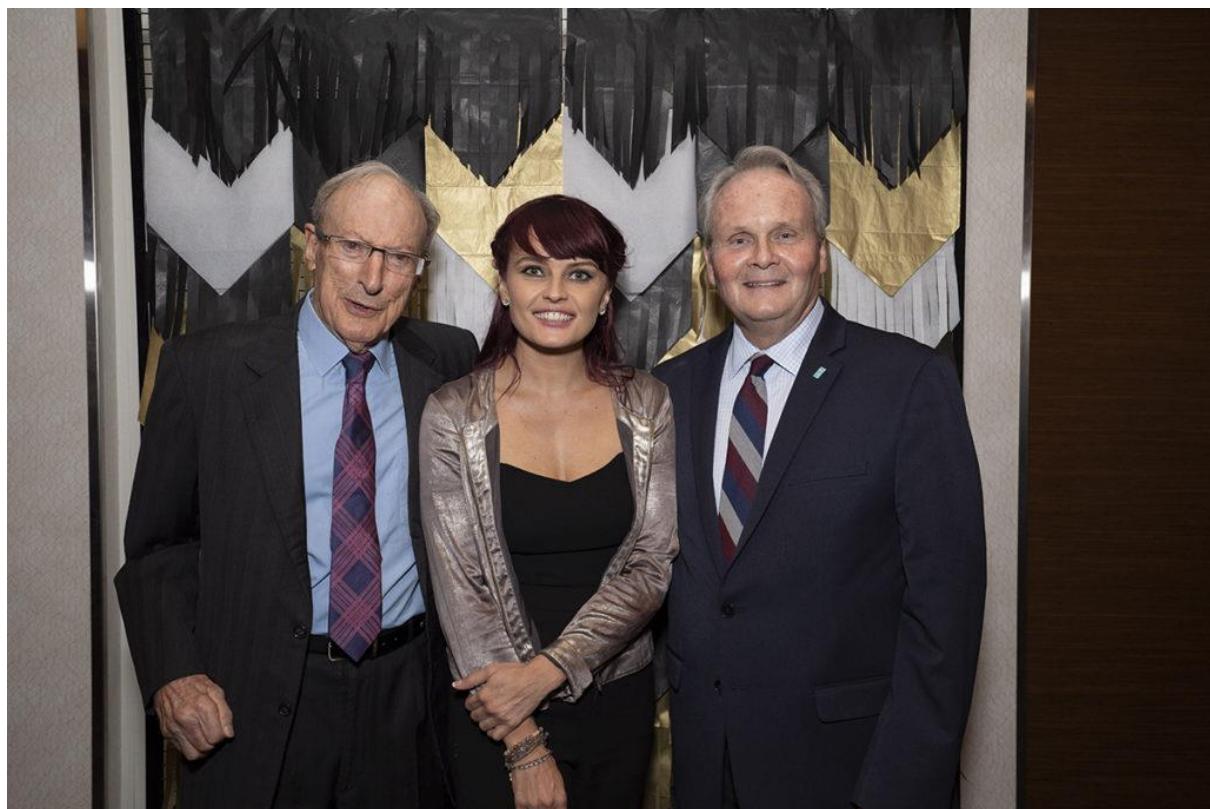
Awakening Possibilities

Our task is simple.

Let me share with you some reflections on our two visiting international speakers, who graciously shared their time with us, in Perth - March 2020.

Larry Reed, Emeritus President of the [Foundation for Economic Education](#) – USA, and Gloria Alvarez, host of the ["Viernes de Gloria"](#) radio program in Guatemala, Mexico.

Below are my welcoming comments when they visited in March 2020.



Myself, Gloria Alvarez & Larry Reed

Thanks Larry, I appreciate your complimentary comments, but tonight is not about me, it is all about the next generation.

Folks, by watching our Mannkal team interact with these young emerging leaders, you will see why I enjoy spending time at our office.

Our task is simple.

Our job is to awaken possibilities in young people.

That's all. "We awaken possibilities".

Sometimes these possibilities are qualities that they are unaware of themselves or even their parents or lecturers may not be aware.

These possibilities are just waiting for an opportunity to emerge and hatch.

I'd like to thank our team, headed by the amazing Andrew Pickford, for accepting the challenge of constantly improving the student study experience. Our task may be simple, but there are many moving parts.

Many hours go into developing these programs with our host institutions, not only in Australia, but all around the world.

These host institutions often retain and arrange a return of our Mannkal scholars and take them into their own organisations.

That gives us some measure of the success of what we are doing.



We have much more refinement to do and our task will continue.

I'm also thankful that, through osmosis, I'm learning something every day.

If there is a theme, for tonight, then these words from Solon, the Athenian Statesman and Poet, may be appropriate. He said, "Seek to learn constantly while you live; do not wait in the faith that old age by itself will bring wisdom."

Talking of the learning experience, we are certainly lucky to have with us, at Mannkal, our two great international speakers this week and I learn so much each time I meet Larry Reed and Gloria Alvarez.

Larry, I regard as the master storyteller.

His stories are about real people, in real life situations and they explain the power of character and courage and how these qualities all offer antidotes to the decay in political and business leadership which we are experiencing.

I might venture to suggest that this decay is a result from retreating from the importance of personal responsibility, defaulting instead to the easier and lazier embrace of a narrative of victimhood.

Larry, may you long continue collecting and telling these stories and producing so many more great books with such wide appeal to cultures of all kinds, all around the world.

And, to Gloria, I clearly recall our first meeting in Madrid, 2017, when we were both speakers on the European Free Market Road Show.

Gloria was giving a very animated speech to a packed audience, all in Spanish, of course!

I remember saying to myself, "if this girl only spoke English, I would agree with every single word she was saying."

It was only the next morning, at breakfast, that I discovered that she spoke English, better than I can.

We next met in Hong Kong, in 2018, when she was the [Keynote Speaker](#) at the [Lion Rock Institute](#).

At the conclusion of her presentation she was asked a question, by a rather pompous British gentleman, along the following lines, "Young lady, you were very disparaging in your comments about socialism and communism. Surely there are some aspects

of socialism that have redeeming features from which we can benefit.” That was his question!

Now, I know that I have been taught, over the years, to always seek common ground with a questioner like this, so that you can even achieve a long-term friendship by focusing on your common ground.

Not Gloria!

She allowed the gentleman to re-seat himself before firing both barrels.

"Actually, socialism in China is responsible for the worst genocide that humanity has ever seen - 60 million people - where families were forced to eat foetuses and their own babies because they had no food due to the Cultural Revolution and Great Leap Forward of Mao Zedong.

What people don't know - because they don't study history - is that China under Deng Xiaoping changed completely their economic policies in the 1970's to be the base for the 1990's to be responsible for the biggest leap of people moving from poverty to the middle class." (This was a breakaway from socialism).

Then Gloria commented generally along these lines:

“You obviously have never had any direct contact with communism or socialism.

“That means you are exactly the opposite to me where I can speak from first-hand experience. My grandfather fled Hungary to escape from communism and then my parents fled from Cuba to escape communism.

They then settled in Guatemala where I was born and educated.

If you had any knowledge or experience with communism or socialism you would agree with me that there are absolutely no redeeming features whatsoever and to incorporate any of these cruel and callous qualities exhibited by communism (despite the way it is currently dressed-up as a warm and fuzzy thing), you would never have asked such a question.”

Well, we just saw the gentleman sink further down into his chair and I would venture to say that he probably has never, ever appeared in public ever since that evening.

What did I learn from this?

I learnt that you must be in complete command of your subject to be able to be confrontational and to have the ability to effectively win an argument.

Thank you, Gloria, for continuing your valuable role in making us proud of who we are and what we stand for.

Let me invite you all now to spend time, tonight, with Larry and Gloria. Ask them both the questions that are on your mind.

Let me also suggest that we drink a toast to the great gift that we have been given.

That is, the gift of Responsible Liberty.

Remembering Karl Hess

One of the events that brightened up my ‘Coronavirus Besieged Easter’ was the Reason.com release of Jesse Walker’s interview with Daniel Tucker entitled [Karl Hess: From Republican Speechwriter to New Left Radical to Libertarian Homesteader.](#)

This masterful piece documents Hess’ remarkable life and career that spanned journalism, political activism, philosophy and hands-on interests that led him to describe himself as a ‘free-marketeer by occupation’.

His interest in individualism saw him drawn to the Republican Party, his writing skills enabling him to author the party’s 1960 and 1964 platforms. During this period, he worked very closely with Republican Barry Goldwater during his 1964 presidential campaign against Lyndon B. Johnson.

Hess’ interest in individualism then drew him towards the New Left in which he observed an anarchist, revolutionary spirit that inspired him, even ‘ghost-writing’ pieces for the Black Panthers. Despite this, Hess was again hired by Goldwater for his 1968 campaign.



Karl Hess re-emerged as an influential activist over the span of many tumultuous events running from the 1970s right through to the eventual collapse of Communism in 1988 – 1990.

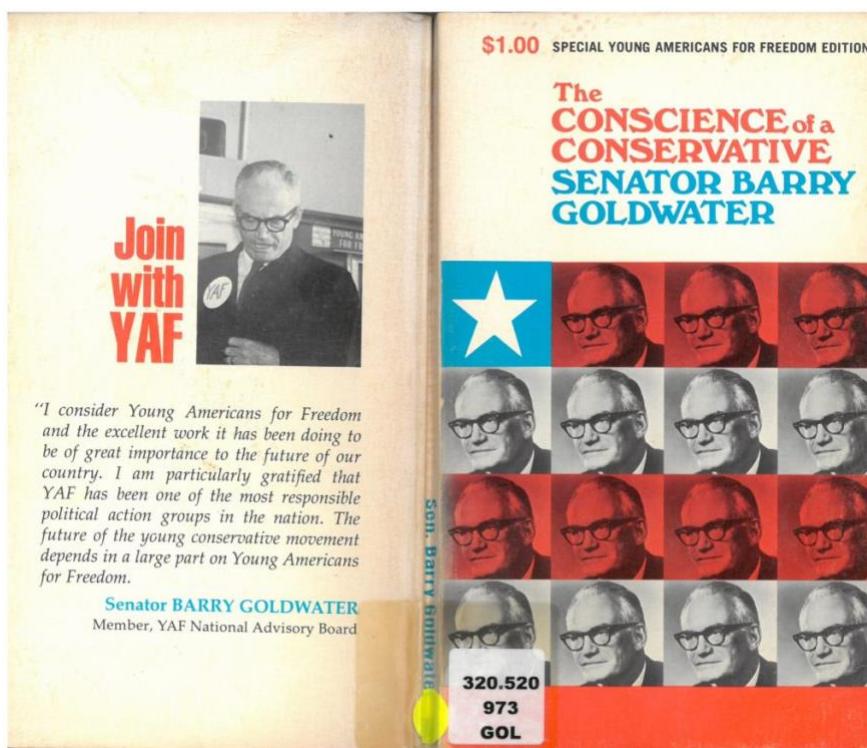
During those decades his interest in ecology and self-sufficient localism deepened, and he embraced the new technologies of computing and ‘cyberspace.’ His focus was on empowering everyday people and on being a ‘good neighbour’.

By the end of his life Hess’ political views were firmly in the territory of anarchic free-market libertarianism.

Walker’s [Reason article](#) cited above, covers both Daniel Tucker’s documentary [Local Control; Karl Hess in the World of Ideas](#) and an earlier documentary [Karl Hess; Toward Liberty.](#)

Why was I so excited about these documentaries and an opportunity to ‘exhume’ some other Karl Hess material from my extensive files? Because it took me back to the early 1970s when I was introduced to the works of Karl Hess by a remarkable Californian attorney, Clyde R. Maxwell.

Clyde introduced me to the Barry Goldwater book, [The Conscience of a Conservative](#) which was largely the work of Karl Hess as Goldwater’s speech writer. I was so impressed with the Goldwater book that I became what may have been ‘the only Goldwaterite in Australia’.

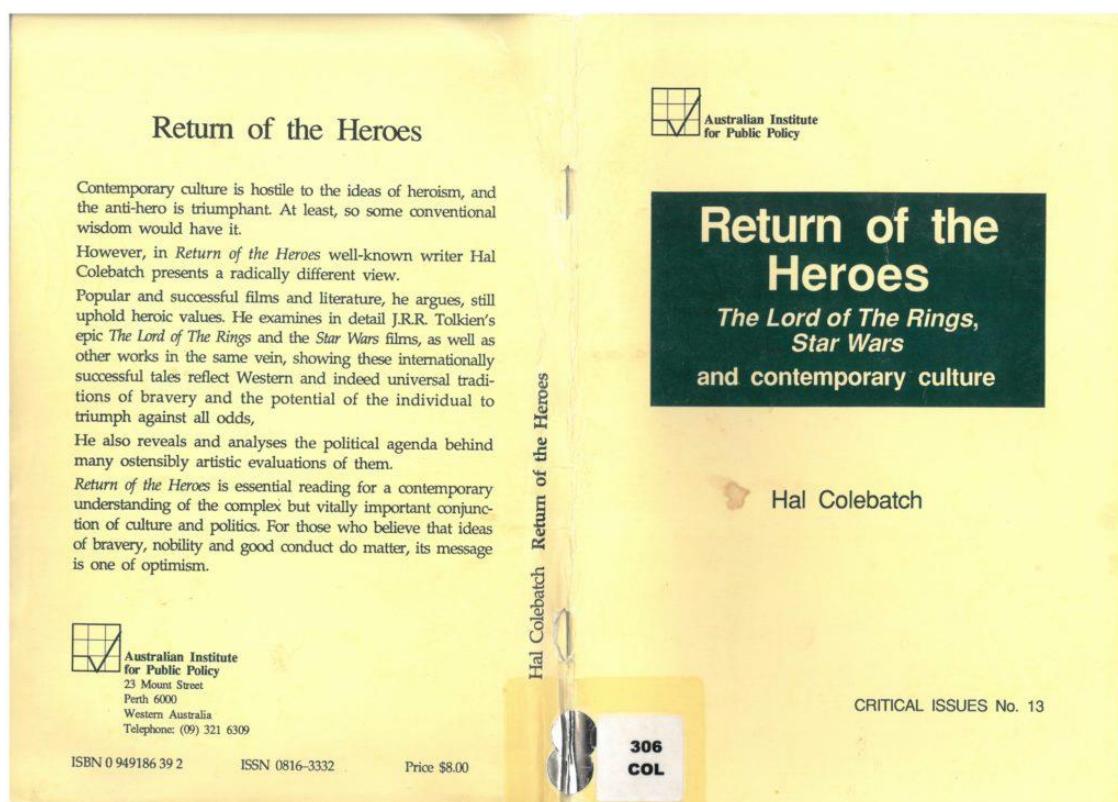


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When my children were very small I read them Hess' book [Capitalism for Kids: Growing up to be Your Own Boss](#). In it he introduces kids to the concept of high integrity entrepreneurship covering such topics as 'Money and You', 'The Wonderful World of Work', 'Investing Time and Dollars' and 'Words of Wisdom.' The below is an example of his wonderful writing:

Entrepreneurs, even young entrepreneurs, know that every new day is a new challenge. They know that learning must go on throughout life. They know that learning is not just something you do in school. They know that you do it every day, with every experience, if you are alert and thoughtful. They know that the ability to think includes the ability to change, to adapt, to use new tools and information. Change, which may seem such a threat and a danger to some people, will just seem a challenge and an opportunity to the entrepreneur.

I firmly believe that this book awakened in my children a belief in the unlimited and unique opportunities afforded every individual if they are willing to venture into life and take the 'hero's journey' – a theme furthered in J.R.R Tolkien's *The Hobbit*, and George Lucas' cultural phenomenon *Star Wars*, which became their later interests. The cultural significance of *The Hobbit* and *Star Wars* was captured in Hal Colebatch's slim volume *The Return of the Heroes*.



From the Mannkal library 306 COL

In Hess' article [What are the Specifics \(of Libertarianism\)?](#) he outlines what he believes libertarianism to be, a definition that self-identified libertarian Charles A. Murray found he could not disagree with:

Libertarianism is a people's movement and a liberation movement. It seeks the sort of open, non-coercive society in which the people, the living, free, distinct people may voluntarily associate, dis-associate, and, as they see fit, participate in the decisions affecting their lives. This means a truly free market in everything from ideas to idiosyncrasies. It means people free collectively to organize the resources of their immediate community or individualistically to organize them; it means the freedom to have a community-based and supported judiciary where wanted, none where not, or private arbitration services where that is seen as most desirable. The same with police. The same with schools, hospitals, factories, farms, laboratories, parks, and pensions. Liberty means the right to shape your own institutions. It opposes the right of those institutions to shape you simply because of accreted power or gerontological status.

Radical stuff! Sadly, Hess passed away in 1994 at the age of 71, but such a free and thoughtful thinker ought not to be forgotten. In writing this, I hope to introduce more future thinkers and leaders to his remarkable work.

Get the Economy Moving Again; You Have to be Joking!

Conflicts between government departments (federal, state and local) are as much a threat to each Australian's prosperity, as is the Corona-Crisis itself. I have been collecting examples of government departments (or political leaders) saying that they will "do everything possible to encourage economic activity", whilst at the same time, other government bureaucrats, whose numbers have increased during this period of isolation, are busily increasing regulations that will throttle any economic activities.

You ask for an example? Emma Young (*WA Today, May 20, 2020*) [reports W.A. Planning Minister, Rita Saffioti, launching the 'planning reform'.](#)

The laws also expand what had been 19 key planned reforms to 26, in an effort to support the industry's post-pandemic recovery and stimulate private sector spending. "This has made us all work quicker to get legislation drafted and bring it forward," Planning Minister Rita Saffioti said.

The first major change to take place after the legislation passes will be a new application process for any proposal costing \$30 million or more, any building with 100 dwellings or more, any commercial development of 20,000 square metres or more, and any regional or tourism projects considered to assist in COVID-19 recovery.

These will be diverted from the standard joint development assessment panels pipeline and go directly to the Western Australian Planning Commission.

Ms Saffioti said "80-90 per cent" of the reforms had already been announced and were the direct result of community consultation, and the final additional reforms had also been discussed with the WA Local Government Association in recent weeks.

Councils and communities would still be consulted and the WAPC would still have to give due regard to each council's planning policies.

This process would stand for 18 months and after that a new "special matters" development assessment panel would take over.

Large proposals are routinely referred to not just neighbours and councils to comment, but also many state agencies, including departments managing water and environmental regulation, transport, main roads and so forth, for issues such as water table and traffic impacts.

Ms Saffioti said such agencies had been as much to blame as anyone for long delays. The reform was not about making projects jump through fewer hoops, but rather about the state co-ordinating this referrals process and ensuring agencies didn't just place proposals "in a pile".



An artist's impression of Civic Heart South Perth, a \$150-million, 320-apartment project that has taken seven years to gain approval, and if proposed now would qualify for the WAPC assessment.

The reforms also abolish change-of-use approvals councils often require for many types of small business to start up or adapt, exempt many small household projects such as patios, decks and extensions from having to get planning approval and abolish requirements on small businesses to pay cash-in-lieu for parking shortfalls up to 10 bays.

They also mean instead of having to gain a separate building approval after a planning approval, one will count as both.

It will also standardise community consultation, which currently varies widely between councils, resulting in some neighbours getting excluded from consultations in seemingly arbitrary ways.

Now, all neighbours within a simple radius of a new development will get consulted and there will be visual representations of proposed developments on the sites.

WAtoday has fielded countless complaints from residents angry at the system's complexity, murkiness and poor consultation processes.

Likewise, developers have bemoaned the long wait times, inconsistency and uncertainty, with major developments frequently taking four years or more to get off the ground and facing high additional costs due to those delays.

The announcement was welcomed by commentators including Perth developer Adrian Fini, the Urban Development Institute of Australia WA, the Property Council of Australia WA, and Blackburne Property Group.

It came just as the Housing Industry Association released new forecasting showing collapsing international migration and spiking unemployment would lead to a 40 per cent fall in WA home building commencements by mid-2021 and calling for consumer incentives.

The latest update to HIA's outlook outlined a decrease in WA home building starts by 14 per cent this financial year, before an additional decline of 27 per cent in the next.

Executive director Cath Hart said if nothing was urgently done WA would see more job losses, the exit of businesses from the WA market, and knock-on economic impacts.

"While other reforms are important for subsequent phases of recovery, with the long lead times for our projects we need to be careful not to park the ambulance at the bottom of the cliff," she said.

"With a huge rate of WA projects being cancelled or put on hold and just a 13-week pipeline of home building projects from when COVID-19 hit - compared to much longer project queues on the east coast - construction work in WA will start to decline from late June or sooner."

But the grim reality is that land developers have had applications unfairly held up for many years. The previous State Government shares the guilt, bordering on having been corrupted by vested interests resulting in property rights being trashed. These developers seldom receive replies to their telephone calls or requests for a face-to-face meeting with the aforesaid minister.

On the broader federal scene there are "starry-eyed idealists", whose salaries we are paying, still insisting that their Corona-Crisis remedy - of giving payments to people who have been robbed of their jobs - should be extended beyond September.

Any clear-thinking individual should realise that the prospect of paying people to do nothing guarantees a very bleak future for our next generation of Australians.

How can anyone justify paying people to do nothing when there is so much to be done?

Eatery Done Like a Dinner by the Bureaucracy



West Australian, 2nd June 2020

As more and more [well-informed opinions](#) appear, it is becoming clear that much of the coronavirus lockdown was unnecessary. We should have been isolating only our most vulnerable people and letting the young and healthy get on with their jobs. Adopting sensible distancing and cleanliness does not mean a complete lockdown.

The officious nature of the bureaucracy - none of whom would have ever been exposed to the threat of job losses or the need to continue their enterprise to cover the next 'pay day' - is fracturing our normally cohesive society.

And, why does it take three policemen to count 28 people? Can each of them only count to nine? Or, would this normally be the work of one, if other than the taxpayers were paying their salaries?

Fortunately, Perth's dining public have rallied in support of Joe Murgia's efforts to keep his enterprise alive during these difficult times. For battlers to be persecuted in this fashion, tells me that without public protests and support for the Joe Murgia's of this world our society is doomed.



Sign on display at Catalano's

This incident reminds me of Ayn Rand's wisdom when she described similar situations:

When you see that in order to produce, you need to obtain permission from men who produce nothing – When you see that money is flowing to those who deal, not in goods, but in favours – When you see that men get richer by graft and by pull than by work, and your laws don't protect you against them, but protect them against you – When you see corruption being rewarded and honesty becoming a self-sacrifice – You may know that your society is doomed.

The best support from the public is to eat at [Catalano's Café](#) and bring all your friends. Telephone for a reservation on 08 9362 1121.

2020/06

Defending Competitive Capitalism

Recently I have been asked by two of our Mannkal Alumni almost identical questions covering the same difficulty of defending ‘free market capitalism’ when we are surrounded by imposters of capitalism, tarnishing the free market’s historic reputation for bringing universal benefits to the world. The below is my attempt to answer their questions.

This behaviour, of vested interests, often operating as government granted cartels, is called Crony-Capitalism.

In March this year, I briefly touched on this during my welcome comments to Mannkal’s visiting speaker, [Gloria Alvarez](#).

“Gloria Alvarez, our visiting speaker tonight, mentioned earlier this week that this so-called trendy socialism is a disease of the rich. She is right, because it is only in a free and prosperous country that it is so easy to take capitalism for granted.

In the corporate world this has given us a generation of corporate leaders, we could call them Generation Mush who have protected themselves from competition and set up the most extravagant employment conditions so that they are awarded those millions of dollars in ‘prize money’ if they fail and are terminated.

Collective historical ignorance is becoming a real threat to us, indicated by the lack of public concern for this practice of prizes going to the ‘moochers’ (as was the case in the former Soviet Union).

Gloria Alvarez; and our other guest speaker, Larry Reed, President Emeritus of the Foundation for Economic Education, can speak with authority as they have had first-hand experiences with the outcomes of communism and socialism. They know the dangers of this socialist flirtation that has become so popular throughout our education system.”

Right now, there are three distinct views of the world. (Not two conflicting philosophies, now there are three.)

The first view is held by those who think capitalism is the best and fairest economic system that the world has ever seen. Unfortunately, these people are not often articulate enough to effectively explain that capitalism has raised so many millions from the abject poverty of previous centuries.

We forget that poverty is the historical default position, and that we have only been rescued by brief periods of free-market capitalism. Why do I favour capitalism? Dr Richard M. Salsman explains it thus:

Capitalism has proved to be the most hospitable habitat for humans. But what is capitalism, exactly? Why do so many humans, oddly enough, oppose it? Should it not win wide acclaim? Humans have free will and, equipped with reason, they can elect to achieve great things and scale great heights, surpassing all other species. But having no pre-programmed guide to good life, they do not automatically choose what is best.

View Salsman's full article on the *Supposed "Varieties" of Capitalism* [here](#).

The second view is held by those who think that socialism is the answer to a whole range of problems from climate change, to inequality. Socialism can only survive until they run out of "other people's money."

The third view are those who are peddling a watered-down or hyphenated capitalism which is, in fact, the slow path to socialism.

These such advocates, including the Business Roundtable in the U.S., wish to make business the servant of politics.

As has been said, there are few things more dangerous than big governments in cahoots with big business (Adam Smith even warned us about this over 200 years ago when he commented that business-people wherever they gather often conspire against the general consuming population).

The moves by the Business Roundtable and many corporate heads, in Australia too, are motivated with a view to give government more power over business, workers and families.

Often these Crony-Capitalists are prepared to surrender independence and responsibility in return for "trinkets" in the form of lower taxes.

We are seeing these examples of Crony-Capitalism which do little more than give free enterprise a bad name. Unfortunately, Crony-Capitalism gives conventional Competitive Capitalism a bad name.

Our challenge is to embrace true capitalism, true free-markets, true individual responsibility and to promote the values of self-responsibility, as a way to rebuilding the character and courage of our country.

Business Roundtable Comments

If we care about humans flourishing, including our own, we should acknowledge the fruits of capitalism by defending capitalism against its attackers such as the Business Roundtable (these attackers are destroyers and plunderers who, with time on their hands, continue to whip up this self-serving mischief).

This hyphenated capitalism (“new-capitalism”) with a focus on stakeholders, rather than shareholders, is not capitalism at all. It is socialism-lite and just as dangerous as the full-strength version of communism / socialism.

Some of these comments may not be popular but I feel they must be said, even if it is only to open our own minds to the opportunities that Competitive Capitalism and individual responsibility present to each of us.

Apart from individual responsibility the other qualities of true leaders are, Character, Courage and Humility. These are qualities that are effectively explained by our many Mannkal visiting speakers.

Now, so far, all I have managed to do is restate the question as presented to me by our scholars.

The challenge given to me, by you, indicates that there is a shortage of business leaders to set an example for you to follow.

This same question is increasingly being asked by many astute observers, such as Alan Moran in [Whatever happened to economic leadership from business?](#) and Helen Trinca (Managing Editor of The Australian) in her article [New challenge for 'woke capitalism'.](#)

(If you are perplexed by the need for passwords for these links, please request a PDF from us.)

The answer that you are looking for will be found by examining first principles, to enable you to set your own compass, for your business career.

To my knowledge, there is only one modern book that covers the necessary building blocks of establishing and building your career free of conflicts and moral stumbling blocks. The book is available in print, Kindle or audio book – [How to be Profitable and Moral: A Rational Egoist Approach to Business](#) by Professor [Jaana Woiceshyn](#) (University of Calgary, Canada).

The Amazon / Audible summary for the book explains its content as follows:

A basic dilemma confronting today’s manager is how to be both profitable and moral. Making profits through immoral means—such as deceiving investors or customers—is unsustainable. Likewise, remaining moral while losing money will cause a business to fail.

According to conventional morality, either a business manager maximizes profits and necessarily compromises on ethics, or necessarily sacrifices profits in order to be moral. Woiceshyn explains why this is a false dichotomy and offers rational egoism as an alternative moral code

to businesspeople who want to maximize profits ethically. Through logical argument and various examples, this book shows how to apply principles such as rationality, productiveness, honesty, justice, and pride for long-term self-interest."

Let us talk again, after you have studied this recently released book. I only wish that this book was available during my earlier corporate career as it would have saved me much puzzlement whenever I reached one of the many "forks in the road".

Alcoa “On the Nose” Again!

Ahead of seeking approval from the state government for a range of environmental approvals around its mines and refineries, Alcoa has announced that they will not renew a contract worth \$70 million per year with locally operated Adbri-owned Cockburn Cement.

Premier Mark McGowan is now scrambling to reverse this decision, who along with unions and Adbri CEO Nick Miller, is demanding an explanation. No doubt the required environmental approvals will be factored into any discussions.

After playing a major part in the defeat of the previous (Liberal) State Government, and after destroying the property rights of landowners without compensation, Alcoa continues its attempts to buy political favours.

To add insult to injury, Alcoa does not even stand up for the beneficial role of industry and business in society. In her book *How to be Profitable and Moral* Dr Jaana Woiceshyn names Alcoa Australia as an example of poor corporate citizenship, because of their inability to explain that corporation’s purpose as outlined in the below excerpt:

The movie The Corporation, released in 2004, is a Marxist critique of “corporate greed” and business and profit-making in general. It portrays big corporations as ruthless brutes who do not hesitate to trample over dead bodies in the pursuit of profit. Yet, the CEO of Alcoa Australia who participated in a public roundtable on the movie not once criticized it. Instead, he meekly offered that Alcoa’s biggest challenge was to be “in tune with society. Not only has Alcoa failed to correct this misrepresentation; its publicity department maintains that the movie raised the company’s profile! Yet, very few business leaders realize this or have the courage or willingness to speak out in defence of business. Instead, they embrace the fuzzy and hazardous notions of “corporate social responsibility” and “sustainability.”

Not only does Alcoa lack courage in failing to speak up in defence of business, it perpetuates all that is wrong with ‘crony capitalism’ by continuing to partake in behaviour that damages business in the eyes of the general public.

Alcoa, how about fronting up to your corporate responsibilities and setting a good example for the next generation? It is about time!

Get Up Off Your Knees!

Back in January, the Benson Centre for the study of Western Civilisation hosted noted scholar Ayaan Hirsi Ali. In her talk [The Market for Victimhood](#) she [advised the following](#):

History is not about emotions... I think at some point people find themselves in a situation where they think it is unbearably oppressive and they want to get themselves out of it. I have found myself in that situation and you get yourself out of it, and you make alliances. You understand that you are not the only one, and you get yourself out of it not by wallowing in it, not by being resentful, not by being vengeful. By lifting yourself up and out of it with... help... [Y]ou look at the story of slavery or civil rights ... or ... any other narrative of history. It hasn't been only that the people who are oppressed lifted themselves out, but they were also helped by the classes of people who came from the oppressive side.

The extreme peer group pressure placed upon anyone who refuses to succumb to this epidemic of apology is nothing new. The ancient Greeks were quite familiar with this process, which they referred to as ostracism – a political process used in fifth-century BC Athens whereby those individuals considered too powerful or dangerous to the city were exiled for 10 years by popular vote. These days it would seem that those who have the ‘wrong’ opinions face a similar form of censure.

A notable example of peer group ostracism in recent times has been the case of Bari Weiss, an opinion editor at *The New York Times*. She found herself forced to resign due to constant bullying for crimes of ‘wrongthink’ by her colleagues, as she outlined in her [formal letter of resignation](#).

The accelerant in the past months’ mass hysteria of Black Lives Matter protest marches, all around the world, was the recent criminal behaviour of a policeman. The courts of law will no doubt judge his behaviour and punish him severely. However, any amount of self-harm to the human race by continued hysterical protests will not aid the cause of returning to the levels of human dignity to which our civilisation is entitled.

Could this epidemic of apology be caused by our inability to defend exactly what we stand for — as evidenced by how few corporate executives are fluent enough to defend their own companies from constant attacks from the concerted efforts to ‘bring them to their knees?’ Getting ‘up off your knees’ has been an ongoing theme for me for quite some time, and it is my firm view that we need to do so, more now than ever.

Are You Being “Mugged”?

We have had many challenges to face in 2020.

Which to tackle first?

Without the traditional wisdom of a reliable business or political roadmap to guide us, where to turn for inspiration?

The daily media onslaught continually reminds us that politics, at all levels, is broken, and business leadership has been displaced by the “corporate social responsibility” brigade, far removed from their prime task of “building an enterprise”.

We see constant calls for politics to be fixed and for capitalism to be fixed, however, might I suggest that both these blockbuster items are not the problem?

Both politics and business have the capacity to “mug us” unexpectedly as we travel through life, but, as Ayn Rand said, “they can only do to you, what you let them do.”

Therefore, the problem may be us. We, as individuals, have set unachievable expectations for both politics and business. We have allowed a blurring of “what is the correct role for government” and “what is the correct role for business”?

Everything that falls outside these role specifications, are things that we should be doing for ourselves.

We should adopt a position of “responsible individualism”.

If we do not, and if we allow governments (taxpayers) to take over any tasks that we (or business) should be doing, we do so at great risk! This gives government and politicians the opportunity to claim the many success stories that rightfully belong to the initiatives of individuals.

Barack Obama has been widely mocked for his infamous claim that “you did not build this!” – inferring that without subsidies and government granted protectionism, nothing would be built.

It is easy to be offended at Obama’s claims, that are now being regenerated by Nancy Pelosi – Speaker of the House, however I was equally offended by the U.S. Captains of Industry flying to Washington in their private jets, all seeking bailouts, as the Global Financial Crisis arrived in 2008.

All these previously respected "Captains of Industry" were proving was that they were incapable of steering their companies through a downturn in the traditional business cycle.

Let me give you a closer-to-home example of the blurring of roles of politics in business.

The role of government is to govern; and the role of mining companies is to explore and mine.

Are you aware that you, the taxpayers of Western Australia, are funding high risk, exploration drilling, that is deemed to be too risky for company shareholders? This State Government annual payment has been in place for many years, and the taxes paid by struggling families in the outer suburbs are being spent on high risk exploration (\$15 million per year). This may be bordering on scandalous, but the exploration companies are not going to complain about this free money, are they?

If they had any moral compass, they would send the money back.

Here is a fact: there is no shortage of investors' money to fund soundly based exploration.

And now this year, to make it worse, the federal government, watching on have - instead of sounding the alarm - decided that "this looks like an effective way for politicians to buy votes, so we will start a similar Federal Fund," announcing an annual contribution of \$125 million to the same scheme.

This misuse of tax dollars "buys" the politicians an opportunity to claim credit for the success of our mining industry, à la Barack Obama.

Our responsibility is to unblur the lines of responsibility.

Unreasonable demands are constantly being thrust on our politicians and in their desire to be popular they have lost the ability to say "no".

This is only one example of how the politicians are "mugging" us, the taxpayers. We must be forever vigilant to guard against being mugged either by politicians or protection-seeking businesses.

Have you too been "mugged" recently?

Match This Legacy!

Today (26th September) marks the birthday of Leonard E. Read, founder of the [Foundation for Economic Education](#) and author of the iconic free-market essay [*L. Pencil*](#). If anyone sets the standard for leaving a legacy for future generations, it is this man.

When I was a much younger person, working in my father's mining engineering business, I stumbled across some copies of FEE's [*The Freeman*](#) magazine that was used as packing material in machinery crates. I was electrified to read the contents about free markets and personal responsibility, and eventually wrote to the president of FEE to seek clarification. He was kind enough to respond to me, and over the years our regular correspondence blossomed into a friendship, and mentorship that lasted until his passing in 1983.* In responding to my first letter Leonard Read opened up my world, and the example he set is the reason that I try to answer every letter or email I receive.

Of course, I am not the only person who has been influenced by Leonard Read's open and persuasive style. Emeritus President of FEE Lawrence W. Reed makes the following observation in his article [Leonard Read: the Man:](#)

Though he knew as well as anyone that the stakes were high in the intellectual battle for liberty, his weapons looked nothing like those deployed on physical battlefields. He never aimed to insult a foe, let alone annihilate him. He saw every opponent as a potential ally, never an incorrigible enemy. And if you were already part-way to embracing liberty as a [life philosophy](#), it would never occur to him to berate you until you came the full distance. He was a humble encourager, never a pompous, breast-beating turn-off. He intended to build a movement by building individuals, one at a time. He understood that one accomplishes that far more effectively with honey than with nettles.

Leonard Read appreciated the importance of not making enemies out of opponents due to [his own “Road to Damascus” experience](#). Once upon a time he was an ideological enforcer of Roosevelt's “New Deal”, however a compelling encounter with an ardent libertarian spokesperson for free markets, low tax and personal freedom caused him to change his thinking. As a result, he took up the flame of liberty with the intensity of a “zealous convert”.

In [*L. Pencil*](#), Read illustrates that even in the production of a humble pencil, not one person is the holder of all the knowledge and expertise that goes into the production process from beginning to end. In making this point, he reveals the short-comings

of centrally planned approaches that claim to hold such knowledge for even more complex production processes than that of a mere pencil. In his own words (as excerpted from *I, Pencil*):

The lesson I have to teach is this: Leave all creative energies uninhibited. Merely organize society to act in harmony with this lesson. Let society's legal apparatus remove all obstacles the best it can. Permit these creative know-hows freely to flow. Have faith that free men and women will respond to the Invisible Hand. This faith will be confirmed.

Above all, what is most compelling about Leonard Read's legacy is his indisputably gentle style. He believed that the ideas spoke for themselves and didn't beat anyone around the head with them. He avoided propaganda and instead appealed to reason at every opportunity. Instead of taking an adversarial approach he "saw every opponent as a potential ally."

The result has been his continuing influence through the remarkable work of those who were lucky enough to have been exposed to him.

*I tell this story in greater detail in chapter 11 of my book [*The Lonely Libertarian*](#).

A Significant Mannkal Wedding

On Saturday, 3rd October 2020, many of our Mannkal Team attended the marriage of our Executive Director, Andrew Pickford, to Shironi De Silva.

It was a spectacular event, with happiness swirling in abundance.



My thoughts turned to how marriage is a Great Enabler.

*It has the power to
open every window
of your
hearts and minds.*

*To succeed, just allow
the happiness & love
to fill
even the furthest and darkest corners!*

To our many thousands of eFocus readers, please join us in wishing Andrew and Shironi every future success as they embark on that wonderful journey called Marriage.

For Inspiration and Leadership Look no Further than Dr Barbara Kolm

I was recently asked to write a few words of recommendation for Dr Barbara Kolm of the [Hayek Institute](#) in Vienna, and I was more than happy to oblige!

As well as heading up the Hayek Institute, Barbara is also a board member of the [Austrian Economics Centre](#), a member of the [Mont Pelerin Society](#), and President of the European Centre for Economic Growth, so it comes as no surprise that she has been dedicated to the promotion of free markets and deregulation.

In 2015 I had the pleasure of interviewing Barbara in Budapest after we had both attended the [Freemarket Roadshow](#). Any of you living in Europe should seek the next opportunity to attend these events featured annually in Europe's leading cities.

In 2010, Barbara travelled to our shores to speak at [The Sun Rises in the West](#) conference in Perth. Her overview of Western Civilisation's contribution to the world's living standards and prosperity is truly an inspiration in these times when many are unsure about our immediate future.

At Mannkal we often use our links to Barbara's videos and written material to introduce our scholars to the remarkable world of individual responsibility, and we look forward to our next opportunity of spending time in the presence of Dr. Barbara Kolm.

“Bunking” your own Philosophy

On Monday the 12th of October, 2020 I had the pleasure of addressing students of Perth Modern School on the subject of entrepreneurship. Let me share this as it reminds us of the important link between personal philosophy, integrity and business.



Have any of you heard of Sir Roger Scruton? He was a remarkable philosopher who died in January this year.

Roger Scruton was a great thinker, who often used the phrase, “bunking”.

This is a term not often used but it is the exact opposite to the word “de-bunking”.

Most of us understand what debunking means – it means putting a lot of effort into disproving the ideas of others.

However, bunking means the opposite – it means building your own belief system.

When speaking of debunking Scruton said that “the work of destruction is quick, easy and exhilarating.”

In contrast he described bunking as, “slow, laborious and dull.”

However, that is exactly what we do at Mannkal.

We concentrate on helping you find your own belief system. Then, how to apply it consistently to your personal life, your business life, your political life, and your family life.

Your whole existence will be so much easier if you are operating, always, on one set of beliefs.

You will never have to use the very lame excuse of “but it is only politics” or “but it is only business”.

If you have one philosophy you can easily distinguish right from wrong.

This all links into entrepreneurship because the essence of entrepreneurship is how to treat your colleagues, how to work with others, how to select others who have skills that you haven’t and how to present your own skills that they lack and need. Together, you can form very successful collaborations which will make all the difference to your career and your own life.

Entrepreneurship, of course, is being alert to opportunities as they arise, but this can sometimes be tricky. They never appear in front of you clearly labelled “this is an opportunity!”

Sometimes they appear as obstacles, sometimes they appear as challenges, but if you can recognise them as “opportunities”, you will seize them again and again and that will make all the difference. Use these opportunities to expand your life and broaden your horizons and we wish you every success in your own life adventure.

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