

# Mannkal's Musings\*

MANNKAL FOUNDATION'S  
END OF YEAR REVIEW

2010-11

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# Upcoming Events

## Mannkal Sundowner Series: The Death of Property Rights with Matt and Janet Thompson

**Where:** Freshwater Bay Room, Hyatt, Perth

**When:** February 10, 2011

In 2001, Janet and her husband, Matt, bought a Greenfield site south of Narrogin, Western Australia, and developed a 15,000 head beef cattle feedlot.

After speaking out against the centralized reorganization of our economy under the guise of climate change, the Thompsons became targets of retaliatory measures. The license required to operate their business was effectively withdrawn by the Department of Environment and Conservation.

Janet and Matt are now embroiled in a war of epic proportions. They are campaigning for strong property rights throughout the western world while battling in courts for personal justice.

## How Fair is Fair Work Australia? H.R. Nicholls Society Conference

**Where:** Melbourne

**When:** 1–2 April, 2011

Mannkal will be sending one student from each WA university to this year's H.R. Nicholls Society event in Melbourne.

## Why the West Matters – The Foundations of Western Civilisation

**Where:** Melbourne

**When:** June 24, 2011

**Speakers:** TBC

Mannkal will be sending one student from each WA university to this Mannkal/IPA event.

## Foundation for Economic Education: Freedom University

**Where:** Atlanta, USA

**When:** July 20–25, 2011

Mannkal will be sponsoring one university student to attend FEE's Freedom University. This seminar

boasts lectures on the hottest public policy issues from some of the most respected scholars in the liberty movement. Topics of note include healthcare, immigration and environmental policy.

## Freedom To Choose

**Where:** University of Notre Dame

**When:** July 29, 2011

Some of the speakers for Mannkal's 3<sup>rd</sup> Freedom To Choose conference will include Ronald Findlay (Columbia University), Jeremy Shearmur, Sean Turnell, and Rod Tyers.

## Samuel Griffith Society Conference

**Where:** Hobart

**When:** August 26–28, 2011

Mannkal will be sponsoring four students to attend the 23<sup>rd</sup> Samuel Griffith Society Conference in Hobart.

## The Mises Seminar

**Where:** Sydney

**When:** 25–26 November, 2011 (Friday night dinner followed by a day full of lectures)

Mannkal will be sending five students to the Mises Seminar, a national event that aims to educate the public in Austrian-school economics and libertarian theory in the tradition of Ludwig von Mises, Murray Rothbard and Hans-Hermann Hoppe, while celebrating the notable contributions of other Austrian-school economists such as Friedrich A. Hayek and Israel Kirzner.

Leading scholars and authors will discuss a wide range of subjects including Austrian-school economic theory, methodology, history, libertarian ethics and theory. The seminar will also give an opportunity for Austrian-school libertarians to connect with other likeminded colleagues from across Australia.

For more details about any of these events, please contact Emma Crisp: [Emma@mannkal.org](mailto:Emma@mannkal.org)

2010-11

## CHAIRMAN'S ADDRESS

## Gaining Courage



We work with the State's five universities and observe, with great interest, their differing styles.

Lecturers from the Murdoch Law School gave us courage to embark on an ambitious *Sun Rises in the West Conference (Western Civilisation)*,

at which we attracted a range of international and national speakers and guests. Our thanks to Professor Barry Marshall who in his introduction epitomized the spirit of entrepreneurship and pioneering scientific endeavour that is so common in our western third of the country.

Graeme Rowley from Fortescue Metals Group (FMG) further demonstrated this theme, showing how it is possible for a company, like FMG, to come from nowhere and emerge as the fourth largest iron ore company in the world.

These two great stories symbolized the spirit of the West and showed what can be done in an environment where property rights and the rule of law are perceived to exist.

We knew it would be a challenge putting together a conference for people who care enough about our Western Civilization to contribute their time and money, so we were delighted to see such a good attendance, particularly from the young scholars.

Special thanks to the wide-range of individuals (distinguishing this from corporate support) who sponsored a total of 22 university students who were proud to have the names of their sponsors shown on their name tags.

The attendees enjoyed vigorous discussions with these young people, who are increasingly questioning the heavy load of debt that current government policies are saddling them with.

It was President Hoover who said some years ago, "Blessed are the young for they will inherit the national debt."

We realise that it is no longer fashionable to teach the values of Western Civilization in our universities,

however, the response from our conference has been such that we have been invited to participate in a similar conference in Melbourne this coming June 24<sup>th</sup>.

One of Mannkal's mentors, Prof. F.A. Hayek, has reminded us that Western Civilization and democracy are simply not just a way of life, but are procedures for ongoing and operational government.

However, he said that it will only succeed as long as the majority of the community is committed to individual liberty.

Hayek was also harsh in his indictment of Western intellectuals who have long been disillusioned with their own Civilization, disparaging of its achievements, and are subsequently drawn to utopianism (as was outlined in detail by the Hon. Christian Porter at our conference).

These intellectuals turned away from Western principles—just as others in the world were looking to the West for guidance—leading these people to draw the wrong conclusions about liberty.

If the West is to continue on a path of progress, we must renew our understanding of liberty and liberty's value to society and to individuals. This is where the Free-Market Think Tanks play a crucial role. By identifying these basic principles of liberty and restating them in words suited to today's climate of opinion, we can stimulate debate and, hopefully, effect positive change.

This goes beyond economics and history and it's a courageous task, that's why we appreciate your ongoing support and encouragement in taking on this challenge.

A handwritten signature in black ink, appearing to read 'Ron'.

Ron Manners  
Executive Chairman,  
Mannkal Economic Education Foundation

# 2011

## ADVISORY COUNCIL APPOINTMENTS

Mannkal welcomes Sarah Basden to our Advisory Council. The purpose of this newly established committee is to provide guidance and support in our various activities with a focus on events and content.



Sarah has extensive experience in senior corporate communications roles, including working with multi-national corporations in the areas of non-government organisation partnerships, investor relations, media relations and corporate social responsibility.

Currently based in the UK, Sarah is working with Rio Tinto as a principal adviser on the Rio Tinto corporate NGO partnership programme. She has also been involved with a number of educational organisations such as Atlantic College and Dundee University in efforts to advance the capacity of bright students from around the globe.

## ENCOURAGEMENT DRIVES GROWTH

# 2011

Mannkal's expansion was causing us to burst our previous West Perth office at "Hayek House", and we now have room for continued expansion at our new "Hayek on Hood" Subiaco office as seen on the front cover. It will be our pleasure to receive visitors for coffee, discussion and to use our extensive library (for more information about our library project, see: [mannkal.org/library.php](http://mannkal.org/library.php)).

More frequent Brown Bag Boardroom Lunches will also be a feature of our improved facilities.

Personally, I have mixed feelings about losing our young assistants as they complete their university studies and move into significant employment positions here and abroad, but equally encouraged by the new additions to our team.

This report has been designed and compiled by Brendan Jephcott and Luke McGrath.

—Ron

## Mannkal Staff

Ron Manners  
**Executive Chairman**

John Hyde  
**Board Member**

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Judy Carroll  
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**Events Co-ordinator**

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Andrew Pickford  
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Emma Crisp  
**Research Assistant**

Luke McGrath  
**Mannkal Fellow**

Jessica Pandal  
**Mannkal Fellow**

Brendan Jephcott  
**Media Assistant**

**Advisory Council**  
Bill Stacey  
Mac Nichols  
Paul McCarthy  
Sarah Basden

# Public Lunches

Mannkal held two public lunches in 2010. In July, Frank Furedi presented “The European Lessons for Australia.” In August, Johan Norberg spoke on why “We All Work for the Government!”. Johan Norberg also spoke at our Mannkal Scholars’ Dinner, inspiring our top 20 scholars with a speech about entrepreneurs and how important they are to our economy.

## ***Frank Furedi: What Exactly Does Sustainable Mean?***

By Andrew Pickford - Senior Fellow

As a consultant working in a number of organisations, I must annoy many of the people around me when I rant about the politically correct messages now found in most large offices. These messages; displayed on walls, screen savers and any other officially endorsed stationary, are Orwellian and often pay homage the new god of Gaia. Not that any devotes would know the basis or theology of their new religion. While my rants are tailored to each workplace, they generally relate to my moral objections of the “acceptable” corporate culture which one must now obey or be ostracised as a non-believer or assigned to a similar unacceptable group. Corporate culture and purpose now inevitably includes variations on green, sustainable and inclusive; or combinations on all three. Silly me for thinking that organisations, especially those in the private sector, existed to act in the owners best interest and make money. I wonder how we got to this point.

When I am not offending those sensitive creatures within large organisations—the private sector is now well and truly infected with this disease—it is a treat to go into the Mannkal office for some sanity. This is a place where people think about the implications of the politically correct trends and also what to do about it. After being asked by Ron Manners to write background notes for Frank Furedi, a visiting British sociologist and academic presenting at a Mannkal public Perth lunch, I got quite excited. Not only was this someone who understands the problems affecting society, but an expert on the topic. Flicking through some of Frank’s opinion articles got me fired up on ideas for his Australian presentation. However, this presented a major dilemma: which dragon to slay?

Being climate conscious, acting green and being inclusive all give me the urge to go postal. Which one was the most idiotic concept in a corporate setting? I thought that the new capture all term “sustainable” deserved to be treated with the contempt it deserves.

The word is even used in terms of approved office behavior. For example: co-worker to colleague: “is that action sustainable”. Little humour is forthcoming when I ask about guidelines for the “sustainable” level of allowed toilet paper for each visit to the bathroom, or the sustainability implications of producing a glossy magazine on sustainability. I digress. Back to Frank.

In preparing a briefing note to Frank I ended up writing a manifesto on sustainability and how the distortion and abuse of the English language has allowed the green movement to do what communists only dreamed about. That is control our lives and dictate acceptable behaviour. With great excitement, and very proud of my insights, I emailed my thoughts to Frank. When Frank spoke at the lunch, he thoughtfully covered a number of topics focused on the decline of the education system, nanny state and the philosophy behind those in favour of large and intrusive government. Unlike my ranting, his presentation was very considered and thorough. Frank did mention sustainability; I think partially to keep me happy and shut me up.

After the lunch I kept reading Frank’s articles and continued to be impressed by his approach to a range of topics. It turned out that before receiving my tome on sustainability Frank had already written an article titled: “Anything ‘sustainable’ is not worth having”. He concluded the article with the following paragraph: “We live in a world in which the one idea that everyone can sign up to as a way of dealing with the recession is ‘sustainability’....Anything that is sustainable is not worth having, and that has always been the main principle of human development. That is, it’s precisely because we recognise the transient, fluid character of our existence that we don’t simply want things to be sustainable—we want things to move forward, to progress, to develop. It seems to me that what is really lacking today is some kind of progress-related, progressive ideology, which we might use to deal with today’s many troublesome ideas and issues.” ■

# Public Lunches

## Johan Norberg: A Swede Defending Capitalism

By Andrew Pickford - Senior Fellow

While Sweden has historically been promoted as the poster child for big government and a large welfare state, it is remarkable that one of capitalism's greatest advocates comes from this socialist utopia. Author and historian Johan Norberg travelled to Perth in August 2009 and shared his insights on the past, present and future of capitalism at a Mannkal public lunch and special Mannkal Scholar's dinner.

Norberg's 2005 book, *In Defence of Global Capitalism*, and more recent analysis of the so-called Global Financial Crisis in *Financial Fiasco* published in 2009 would be more than enough content for his audiences. Yet, Norberg treated those present to a quick trip through history and a discussion on philosophy which helped place current events in context and also provided an optimistic vision of the future.

It was clear that Norberg does not mind running against the conventional thinking of the day. In Europe conventional thinking is largely statist, welfare-focused and suspicious of markets. Beginning as an anarchist, Norberg explained his journey to being a promoter of free market principles and a strong supporter of the role and importance of the individual. What sets him apart from other supporters of the market is a very deep understanding of history and a sense of wonder and respect for the inventiveness of people when markets are allowed to function.

As was explained by Norberg, Sweden has gone through a number of phases before it shifted to a larger government model. Interestingly, Norberg was not at all sentimental about the home of the free market; the US. As only an outsider can do, he described the nuts and bolts of the Global Financial Crisis, and the reasons for US fiscal and monetary policy. Not an easy task at all. While this reviewer has worked in financial services; conveying, let alone explaining financial and economic ideas and instruments in plain English, is a challenge. However, Norberg did it with ease.



Johan Norberg with Ron Manners.

**"It was clear that Norberg does not mind running against the conventional thinking of the day..."**



(L-R) Alyce Mullen, Anusha Mahendran, Laura Thwaites, Lazar Pravidich, Ciara O'Loughlin.

The theme Norberg conveyed was one of hope in the strength of libertarian and free market ideas. If he can emerge from Sweden as an advocate of capitalism, there is much hope for the English-speaking nations. Increasingly referred to as the Anglo-sphere, members of this group now only pretend to be friendly to markets, but have become home to bigger governments; spending money in such volumes which would make an old-style Keynesians blush.

Let us hope that somewhere in the audience of the Mannkal Scholars' dinner, a bright young student, like Norberg was a dozen or so years ago, picks up these ideas and develops them. After all, given the pink bats, "Building the Education Revolution" and general throwing around of taxpayer's money, Australia will need its own team of Norbergs to deal with the fat and lazy state and federal governments of the 2020s. ■

# Sun Rises in the West

Hosted in conjunction with the International Trade & Business Law Review, Mannkal's Sun Rises in the West conference was held in Perth on 7–8 October 2010. The theme of this year's conference was "The Rule of Law together with Property Rights: Foundations of Western Law and Liberty."

## ***The Sun Rises in the West: A Continuing Journey***

By Andrew Pickford - Senior Fellow

When Governor Darling sent the then Captain Stirling in 1826 to what would become the Swan River Colony and then Western Australia, Captain Stirling was transporting more than simply crew and supplies on HMS Success during his exploration voyage. He was bringing with him a system of governance, trade, administration and philosophy which had developed over previous centuries and millennia of refinement and adaptation. Those systems continue to be applied today to preserve our many rights, responsibilities and liberties. The Swan River Colony was one of the last "new" colonies which the British Empire founded and transferred its traditions and institutions to.

While the early settlers struggled against the hostile environment and unfamiliar setting, they replicated a number of institutions which provided the basis for the colony to flourish. It was not simply the various commodities that have made the state so rich and prosperous. The accumulation of wealth and establishment of a stable political environment has facilitated investment and surpluses. Yet geographically and geologically, Western Australia is not unique. Many African nations have greater mineral and biological wealth, but seem to wander from military dictatorship to lawlessness, without sustaining a viable society. What makes Western Australia successful is its direct link to Western Civilisation and the introduction of these ideas, institutions and practices to the Western third of this continent.



Mannkal Scholars who attended Sun Rises in the West.

Topics ranged from legal, cultural, educational, economic, and socio-political issues, and involved the active participation of leading experts in their fields, making the conference a truly unique experience for Australia.

Chairpersons included: **John Roskam**, **Arnold Depickere**, **Frank Sheehan** and **Elena Douglas**.

*The Law of Liberty: Natural Law Thinking and the Origins of Western Constitutionalism*

**Dr. Augusto Zimmermann**

*Moral Foundations of Western Civilisation*

**Dr. Barbara Kolm**

*Never Underestimate the Consequences of Private Philanthropy*

**Alejandro Chafuen**

*Free Trade and the Importance of Intellectual Property Rights*

**Professor Peter Gillies**

*The Limits of Property and Freedom*

**Professor Sinclair Davidson**

*Sleepwalking into Sharia: Hate Speech Laws and Islamic Blasphemy Strictures*

**The Reverend Dr. Mark Durie**

*Can the West Avoid the Fate of Rome?*

**Associate Professor Greg Melleuish**

*Currency Debasement Erodes Personal Liberty*

**Dr. Jerry Jordan**

*Optimism, Utopia and Consensus in Modern Australian Politics*

**Hon. Christian Porter**

*Our Future; Our Choice*

**Mr James Bennett**

*The Englishness of Modernity*

**Emeritus Professor Claudio Veliz**

# Sun Rises in the West

The Sun Rises in the West Conference was held in Perth on October 7–8, 2010 and covered the length and breadth of Western Civilisation. The organisers' philosophy was that those people presently living on the banks of the Swan River and its surrounds are the inheritors—or more suitably, custodians—of the traditions, system of governance and culture Captain Stirling bought with him in 1829. However, 1829 did not mark an end to the development of Western Civilisation in Western Australia but rather a new chapter on its long journey.

The strength of Western Civilisation is its ability to adapt and continuously be enriched. It benefits from a number of foundational concepts around man's place in the universe and his desire to enjoy freedom. What freedom means and what shape it takes is up for debate and this Mannkal-IPA Conference Series merely scratches the surface of the incredible journey.

**“The strength of Western Civilisation is its ability to adapt and continuously be enriched.”**



The official opening was given by Professor Barry Marshall, who in 2005 won the Nobel Prize in Physiology for his work on proving that the bacterium *Helicobacter pylori* is the cause of most peptic ulcers.

The beauty of the durability of Western Civilisation is its ability to last beyond kings, queens, presidents, prime ministers, empires and even epochs. Accordingly, the main aim of the Sun Rises in the West Conference was to reflect on Captain Stirling's predecessors, right back to the ancient Greeks and Romans, and consider the challenges for his successors in the state of Western Australia and the Commonwealth of Australia. This conference series, we hope, will create a link between the past and future. ■



Q and A's with Prof. Peter Gillies and Prof. Sinclair Davidson.



Speakers and Chairpersons from the 2010 Sun Rises in the West conference.

# Sun Rises in the West



(L-R) John Hyde, John Garland, Arnold Depickere (chairperson), Gabriel Moens (Moderator).



(L-R) Arthur Kowalski, Geoff McNeil, John Glancy, Michael Young, Peter Sansom.



(L-R) Nadia Cassidy, Julia Dziedzic, Lisa Tidy, Greg Melleuish (speaker), Alex Chafuen (speaker).

“ As I have an extensive theology background, the presence of the Rev. Mark Durie particularly interested me. Mark perfectly illustrated the link between religion and society; between the power of faith and the imperative of a corresponding social policy. Islam and the West is a massive topic to address, and he did it well. ”

**Daniel O'Connor**

“ The first session of the conference explored the moral foundations of Western Civilisation with emphasis on the basis for the rule of law and property rights. From my perspective as a final year law student, this session was not only educational and stimulating but also provided a rare opportunity to observe a genuine debate on the important contributions of Western Civilisation to the advancement of individual freedom, constitutionalism, the rule of law and free market ideas. ”

**Simona Vieru**

“ The sun really does rise in the West! Thank you to the team at Mannkal for your creative conference settings, there was never a dull moment. I enjoyed all the conference speakers; I would particularly like to thank Dr. Jerry Jordan & John Greenwood for kindly sharing their deep knowledge on monetary policy and currencies, my favourite subjects! ”

**Donna Withers**

“ Prof. Davidson used the Rahn Curve to illustrate that after a certain point, the size of government negatively corresponds with GDP growth. During questions, I enjoyed how he explained that banks should be quickly liquidated upon failure, and that bankruptcy, in general, is the process for dealing with the failure of business enterprises. Associate Prof. Melleuish pointed out that as Rome expanded it also became more bureaucratic in response to crises. He posited that modern governments have become so large and bureaucratic that they aren't directly responding to the needs of the citizens. ”

**Paul McWilliams**

# Sun Rises in the West



(L-R) Krassen Ratchev, Ron Manners, Lazar Pravidich.

“ I have been attending the University of Western Australia for 5 years now as an undergraduate student and, despite the fact that I study finance, I can testify that I have not been exposed to very many free-market, liberal ideas in the course of my study. This is where events like Mannkal's Sun Rises in the West conference bridges that important foundation between theory and reality for me. While the conference was obviously not on finance, its focus on the underpinnings, origins and evolution of the ideas and forces which shaped our Western world helped me put everything I have learned at university in a new perspective. ”

**Krassen Ratchev**



Canon Frank Sheehan.



Gina Rinehart and Julia Dziejdz.

## ***Long Term Vision Lacking Expression***

***WA Business News, 14<sup>th</sup> October 2010***

By Mark Pownall

Short-termism in the stock market is often blamed on the structure of investment funding and the incentives provided to management. But is there a deeper problem?

Last week I attended the last part of a conference put on by local think tank Mannkal, entitled *The Sun Rises in the West*. One of the last speakers was WA Attorney-General Christian Porter, who provided a very thoughtful insight into one of the dilemmas of modern politics—something he called ‘liberal democratic utopianism’.

To cut a long story short, Mr Porter outlined a view that modern politicians are offering the seductive promise of a utopia that is just around the corner, which will be delivered by technology and small tweaks to our governance settings. Mr Porter believed that real improvements were much slower than the answers politicians were selling, and often change had unforeseen consequences that was less than utopian. ■



The Hon. Christian Porter.

# Opportunities for Students

The Mannkal Economic Education Foundation promotes a greater understanding of the free market system by sponsoring students to attend conferences held all around Australia. These scholarships, along with essay competitions, are open to all current students attending any of the five universities in Western Australia.

## **Mont Pelerin Society Meeting Review**

By Marcus Suresh - Mannkal Scholar

The Mont Pelerin Society is the pinnacle of the Free Market Philosophy and a pioneer in promoting economic freedom. After World War II in 1947 in Switzerland the Mont Pelerin Society was formed consisting of 39 originating scholars most of whom were economists, historians and philosophers. This small and elite group of people was led by founder, Professor F.A. Hayek.

In October 2010, the Mont Pelerin Society held their first general meeting in the beautiful city of Sydney. I was lucky enough to be invited to this weeklong event as a fellow with the assistance of Ron Manners, a life member of the Mont Pelerin Society and Chairman of the Mannkal Foundation.

Throughout the week I was treated to an enormous avalanche of new ideas and concepts. As an economist myself, I found the array of prolific guest speakers to be mesmerising. In particular, Professor Harold Demsetz who has held various posts with the University of Chicago and UCLA delivered a paper titled: *The Problem of Social Cost: What Problem?* Demsetz discussed and refuted the allegations of A.C. Pigou and R.H. Coase that a competitive, private ownership economic system fails to allocate resources in an efficient manner. Courageously, Demsetz proved in his presentation that the idea of inefficiency seems to be greater in an economic system like that offered by Pigou and Coase.

The weeklong meeting also provided a valuable opportunity to associate, in both formal and informal environments, with some of the world's leading academics from a variety of prestigious universities. Originating back to the very first meeting held in Mont Pelerin in Switzerland, Hayek organised a field trip and, in the interest of maintaining tradition, this year's field trip was held at the Tobruk Sheep Station in regional New South Wales. Finally, to conclude the week's excitement a reception was held in the historic New South Wales Art Gallery. This provided a fantastic opportunity to share contacts with fellows and other Mont Pelerin Society members from around the globe. ■



Former P.M. John Howard and Marcus Suresh at the Sydney Mont Pelerin meeting, Oct. '10.

Mannkal sponsored four students to attend the 23<sup>rd</sup> History of Economic Thought Society Australia (HETSA) conference in Sydney. The event, held over three days at the University of Sydney, featured a total of 26 local, interstate and international speakers presenting papers on a wide range of topics.

"The 2010 HETSA conference delegates were leading writers in the field: amongst the attendees was Peter Groenewegen, co-author of *A Concise History of Economic Thought*, one of the foremost textbooks in the area. Also in attendance was Prof. Dr Harald Hagemann from Stuttgart, Germany. He was the keynote speaker at the Conference, giving his fascinating and complex lecture on 'The Early Reception of Keynes by German Speaking

# Opportunities for Students

Economists'. The Mannkal HETSA scholarship was an unbelievable opportunity to participate in one of the leading economic history events within Australia, and I thoroughly believe that this conference is a must for any student of the history of economic thought."

**Elselynn Leighton, University of Western Australia**

"The conference was filled with a broad spectrum of discussants. Of much interest was the paper by Mathew Smith, 'Tooke (and Newmarch) on the Value of Gold and the Effect of the Mid-Nineteenth Century Gold Discoveries'. Another delight was the opportunity to listen to a paper by Peter Groenewegen, a distinguished HETSA fellow, and author of *A Concise History of Economic Thought: From Mercantilism to Monetarism*. Overall, the opportunity to attend the HETSA conference in Sydney was an experience I thoroughly enjoyed. I left with an enormous wealth of knowledge, a suitcase full of reading material, and many relationships and contacts with esteemed economists."

**Alyce Mullen, Murdoch University**

"The HETSA scholarship gave me the opportunity to converse and network with numerous acclaimed scholars such as Dr Jeremy Shearmur, as well as several Japanese academics including Professor Yukihiro Ikeda (from Keio University) whose paper entitled 'Friedrich Hayek on Social Justice: Taking Hayek Seriously' was particularly interesting to me. I also thoroughly enjoyed the opportunity to meet, network and interact more closely with the other Mannkal Scholars who were also selected to attend the 2010 HETSA conference. This was a very pleasurable experience and I look forward to continuing my association with many of the contacts I made during this time."

**Anusha Mahedran, Curtin University of Technology**



(L-R) Anusha Mahedran, Elselynn Leighton, Sigourney Drane, and Alyce Mullen.

"One point of interest was David Rowell and Luke Connelly's presentation on 'A History of Moral Hazard'. The article features an in-depth exploration into the conceptual development of moral hazard which began as early as 7000 BC when Chinese merchants applied basic risk management practices by dispersing cargo across a number of ships in an effort to spread the risk of a loss. I would like to express my gratitude to the Mannkal Foundation and my lecturers, Greg Moore and Mark Donoghue, for providing me with the opportunity to travel to Sydney to attend the 2010 HETSA Conference."

**Sigourney Drane, University of Notre Dame**

The Mannkal ECOMS Essay Competition, run in conjunction with the Economics and Commerce Student Society of UWA, is an annual competition that gives students the opportunity to write on a variety of free market issues.

This year marked the third year of the annual Economics Scholars Essay Competition which is run jointly by the Mannkal Foundation and the Economics and Commerce Student Society of UWA.

The winning papers are chosen based on how well they were written and researched, as well as how well they analysed free market concepts. This year we selected two overall winners, Krassen Ratchev and Ciara O'Loughlin. Krassen asked why we expect Keynesian policies to save us now when they have failed in the past and Ciara looked at the control of internet material by government.



Mannkal congratulates these two students on their fantastic analysis of the issues. The competition will run again in 2011 so please see [www.mannkal.org/competitions.php](http://www.mannkal.org/competitions.php) for more details. ■

# Opportunities for Students

Perth was lucky enough to host this year's Samuel Griffith Society conference which took place on 27–29 August at the Ibis Hotel in the CBD.

The 22<sup>nd</sup> conference programme was bursting with impressive speakers and topical subject matter including discussions on healthcare, the Anti-Mining Tax and the National Broadband Network. Mannkal took full advantage of the conference's location and sent nine Western Australian university students (from Murdoch University, the University of Western Australia and the University of Notre Dame) and two staff members, Ron Manners and Jessica Pandal, to the event. ■



Mannkal Scholars were joined by Justice Dyson Heydon and John & Nancy Stone, who were just some of those in attendance at the Samuel Griffith Society conference in Perth.

“It is an opportunity to engage in interesting conversation and debate with some of the most unique and well-respected members of our society.”

“This scholarship shows Mannkal to be an engaging institution, willing to take risks with new people and involve them in its work. It was a wonderful award for any student, to experience a conference of great calibre.”

“Since attending the conference, I have become a member of the Samuel Griffith Society and I hope to be able to attend future conferences.”

“I especially enjoyed Lorraine Finlay's presentation on the importance of property rights and Christian Porter's paper on the impact of international documents on the sovereignty of State policy.”

“The benefits I gained from attending the Conference extended far beyond the allocated presentation hours. At a few other events have I had the opportunity to mingle, discuss and debate with some of Australia's most passionate legal, business and political minds.”

“The discussion on the provision of health care was particularly interesting as presentations by both a speaker for the centralisation of greater responsibilities for health, and another against the proposition, ensured both sides of the argument were heard, and passionate debate ensued.”

“For me, attending the conference provided a rare opportunity to meet and interact with prominent Australian legal and political figures. For example, being able to discuss current constitutional law issues with Justice Dyson Heydon of the High Court of Australia and Justice John Gilmore of the Federal Court of Australia was a privilege and a highlight of my legal degree.”

# Opportunities for Students

Mannkal's second scholars dinner for the year was held at the Wembley Hotel on the 4<sup>th</sup> of October 2010.

**T**hirty Students from all of W.A.'s universities came to hear Dr. Jerry Jordan speak on the fallacy of economic stimulus, before enjoying some casual drinks and gourmet pizzas.

"Two people in a hot air balloon were lost. After drifting for a while they came across a person on the ground and asked him where they were. He replied, "You are in a hot air balloon." After the puzzling encounter, one of them said to the other "He must be an economist because what he said was absolutely correct but of no use whatsoever to our current predicament."

He discussed the global financial crisis, arguing that it was triggered by Clinton's non-recourse loans scheme that led to the sub-prime mortgage crisis. It was refreshing to hear that the cause was populist fiscal policy as opposed to the usual charges against George W. Bush.

Jerry spoke about how the speculation on the future of the American and global economy is often uncertain, however the principles of 'free markets, free ideas' are not. Deregulated markets free from looming debt clouds characterized Reagan's era. We should apply history's lessons of success to contemporary economic issues."

**Stephanie Goodlad**

Dr. Jerry Jordan served as a Member of Ronald Reagan's Council of Economic Advisors before becoming President of the Federal Reserve Bank of Cleveland. He is a member of the Mont Pelerin Society and was appointed by President Reagan to serve on the US Gold Commission in 1981-82.



(L-R) Ron Manners, Simona Vieru, Clarence Ling.

"I was thrilled to attend the sundowner hosted by the Mannkal Foundation. The guest speaker was Dr. Jerry Jordan from the Reserve Bank of Cleveland who delivered an insightful synopsis into the controversial bailouts. Dr. Jordan also ventured into the prospects of a possible double dip recession and the overall health of the US economy. Jordan's presentation was perfect for the many students who attended this event due to his clear and humorous delivery of complex information. This event was followed by a delicious dinner and the opportunity to mingle throughout the evening with Dr. Jordan over light refreshments."

**Marcus Suresh**



Sarah Layman and Dr. Jerry Jordan.



(L-R) Arthur Kowalski, Nadia Cassidy, Dr. Jerry Jordan, Lisa Tidy, Ron Manners.

# Opportunities for Students

Mannkal sponsors one or two students each year enrolled in the Fremantle Campus of the University of Notre Dame to undertake a directed research project.

In 2010, Michelle Jack and Thomas Parker were awarded the scholarship and wrote a 10,000 word paper entitled "Aboriginal Pastoral Workers – Legislative Intentions and Economic Outcomes". Read about their Mannkal experience and a summary of their findings below.

## ***Reflections on the Mannkal Notre Dame Scholarship***

By Michelle Jack

This year I have had the privilege of being involved in numerous Mannkal-run and sponsored events. The result of such experiences is satisfying as it has increased my knowledge across a range of topics, but also tantalising as it increases my desire to learn and understand more about the world around me. Overall I have thoroughly enjoyed not only listening to renowned guest speakers, but also engaging in stimulating conversation with people having a wide range of world views.

The most intense experience for me had to be co-authoring a research project (Aboriginal Pastoral Workers: legislative intentions and economic outcomes). Sponsored by the Mannkal foundation, the research side of this project broadened my understanding of the historical, legal and economic effect of introducing minimum wage laws for Aboriginal workers in Australia in the 1960's. Since completing this project I have had many opportunities to discuss the current ramifications of this legislation and perceive a way that many of the negative consequences could have been avoided or minimised. It really hit home that the best intentions can come to nothing if the economic effects of any policy are not fully realised.

I also had the opportunity to attend the Centre for Independent Studies' Liberty and Society Conference. This was a very fruitful weekend, with a range of admirable speakers covering topics in economics, law, philosophy and politics. The availability of the speakers to answer questions and the willingness of participants to openly discuss the issues were perhaps the two key features of this conference which made it most worthwhile for me.

The Sun Rises in the West conference opened my eyes to the current threats to our western civilisation which I had not previously seriously considered. The variety of topics discussed gave evidence of how many areas of society are founded on Christian principles and threatened by both big government and an increasingly rights focused culture.

F.A. Hayek's observation about the dangerous consequences when we lack inner security, have no certainty of aim, and fail to grasp a clear understanding of our own ideals, is a serious reminder about the influence of sound knowledge and ideas. The Mannkal Foundation's consistent approach to educating people about liberal ideas through engaging speakers of such a high calibre is a testament to the value of good information. I would like to take this opportunity to thank the members of the Foundation for generously contributing to the improvement of my education and encouraging debate on such important issues. ■

## ***Aboriginal Pastoral Workers – Legislative Intentions and Economic Outcomes***

A Presentation Paper By Michelle Jack & Thomas Parker

This paper explores the effects of the development of wage laws for Aboriginal pastoral workers in Australia during the twentieth century. The introduction of minimum wage laws was, in principle, a significant achievement for Aboriginal rights. In practice, the resulting unemployment and dispossession had negative consequences which are still impacting

upon Aboriginal people in the twenty first century. The introduction of minimum wage laws caused a large decrease in the employment of Aboriginal workers and multiplied the social problems associated with geographical dislocation. This outcome was predicted by the pastoralists, the unionists and the government, yet the move was still made in the interests of equality.

# Opportunities for Students

The first half of the paper discusses the legislative provisions within the historical and cultural context. The relationship between Aboriginal and non-Aboriginal people in Australia has gone through many different phases. In the literature there are varying accounts on exactly how the Aboriginal people were treated, a couple of perspectives are examined in the context of employment on pastoral stations.

The authors divided the legal context into three distinct periods. This paper focuses primarily on the post-Federation period, from 1901 until the 1970s. The initial working relationships, from 1901 to 1946, have been recorded as ranging from almost slave-like conditions to a harmonious co-existence on pastoral stations. Whatever the common view, it is undisputed that many Aboriginal people became part of the labour force.

From 1946 to 1964 there was a greater awareness and emphasis on the conditions under which Aboriginal pastoral workers were living and working. Over this period there were several significant strikes which provided the impetus for a re-assessment of the rights of Aboriginal pastoral workers.

One milestone in Aboriginal history is the introduction of minimum wage laws. For pastoral workers, this was achieved in 1965. Unfortunately, the ramifications of such a move were not adequately provided for. The unionists argued on principle for equal minimum wages for Aboriginal workers. The pastoralists saw that they would not be able to retain all their workers if required to pay them minimum wages, and suggested a tiered system. Put simply, the government saw the benefits of the tiered system but assured that they would cover the cost of any resulting unemployment by providing benefit payments. Ultimately the outcome was the introduction of minimum wage laws.

The devastating effects of introducing such inflexible legislation was that whole families were moved off pastoral stations, to congregate around towns which had no jobs available and no capacity to house them. The legislation caused the Aboriginal population to become fragmented, destroying any sense of a 'moral community'. The serious consequences of such a move are arguably still evident today.

The second half of this paper uses three models to conduct an economic analysis of the market for Aboriginal pastoral workers. Starting with an overview of the neoclassical labour market model, the authors discuss the model and apply it to the market for Aboriginal pastoral workers to demonstrate the effect of a change in the price of labour.

From this perspective, the analysis deepens by applying a model of imperfect competition, the Monopsony Model. The conclusion reached is that there was theoretically the potential for a minimum wage to increase labour, but in reality the fragile nature of the market produced a decrease in labour demand and thus unemployment.

Finally, combining isoquant analysis and the dual labour market model reduces the abstraction from reality even further, to reveal the unique dynamics of a segmented market for labour on pastoral stations. In essence the non-Aboriginal workers monopolised certain skill sets and grew in concentration to replace the Aboriginal workers, akin to an aristocracy of labour.

The situation for Aboriginal pastoral workers up until the 1960s was inadequate for the purposes of social justice and equality. The remedy sought by the legislature was the introduction of equal minimum wages to align the Aboriginal pastoral workers with non-Aboriginal workers and help assimilate them into society. In reality this measure failed on economic grounds as the legislation was poorly timed and did not give adequate consideration to the practical issues for pastoral employers and the further destruction of Aboriginal culture. The models deployed above demonstrate that the equal wage scheme was too ambitious and the governing bodies did not fully comprehend the economic consequences. The introduction of minimum wage laws for Aboriginal pastoral workers is considered as a historic achievement. While this may be true of the principle, the implementation of this policy resulted in widespread injustice. ■

# People at Mannkal

After graduating last year, Mannkal Fellow, Luke McGrath, left Australia for the United States to attend and participate in a week-long economics program with some of the world's top Austrian-School economists.

## **Mises University 2010**

By Luke McGrath

In late July last year I departed Australia for the United States. My destination? A small college town in Alabama called Auburn. Now at first this may seem an odd place to visit. I wasn't going there to attend the college and I have no American relatives. So why would I choose to travel to the Deep South of all places? Aren't there more exciting destinations for a young university graduate? Perhaps. But for one week at this particular time of year there was nowhere else I would rather have been.

I knew I'd arrived at the right place when I saw a girl wearing a t-shirt with the influential 20<sup>th</sup> century American libertarian, Albert Jay Nock, on it. Auburn is probably one of the few places where you could see something like this and not be surprised. Why? Well, Auburn happens to be home to the Ludwig von Mises Institute—one of the world's leading academic organisations devoted to advancing the Austrian-school of economics and the ideas of classical liberalism and libertarianism—and for 25 years now they've been holding a special week-long instructional programme called Mises University.

Students from around the US and the world are brought together to learn from some of the top Austrian economists and, in 2010, thanks to the generosity of Neville Kennard who sponsored my scholarship, I was fortunate enough to attend.

## What is Austrian Economics?

Before I talk about my experience, I should perhaps give a little background on Austrian economics. No, it has nothing to do with the *economy* of Austria! Rather, it's a particular school of thought that began in late 19<sup>th</sup> century Vienna. The school's founder, Carl Menger, and the subsequent generations of economists who followed in his tradition made many important contributions to the social sciences and their ideas were regarded as part of the mainstream but, for a variety of reasons, their 'Austrian approach' to economics fell out of favour around the time of WWI.

Though some economists continued to practice in this tradition, there was a resurgence of these ideas in the 1970s and, with the dismal record of mainstream economists in more recent times, the number of people interested in this alternative way of approaching the science has grown exponentially.

There are quite a number of differences between Austrian economics and standard, mainstream neoclassical economics; however one major difference between Austrian economists and their mainstream counterparts is that the Austrians overwhelmingly favour *laissez-faire* and see government intervention as destructive.

Now it's important to emphasise here that Austrian economics is *value-free*, meaning that the science only explains how things *are* and why this is so—it doesn't say what any given policy or social system *should* be. But because the theory elucidates why, exactly, government policies fail and why voluntary cooperation instead



Luke with Jeffrey Tucker, Editorial Vice President of the Mises Institute.



Approximately 250 students from around the world attended Mises University in 2010.

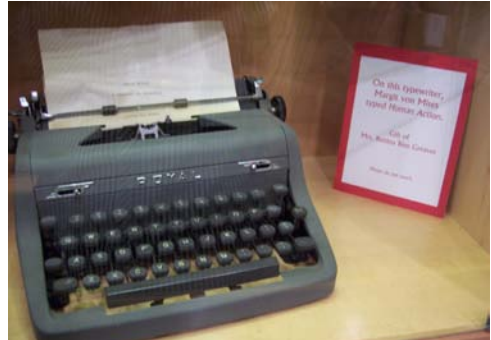
# People at Mannkal

leads to a higher standard of living, there is a very close connection between being an Austrian economist and a classical liberal or libertarian.

## What was Mises University like?

The programme consisted of six full days of formal lectures, with the first two days comprising foundational lectures that laid the theoretical groundwork for the four days that followed. Austrian scholars that included such luminaries as Walter Block, Bob Murphy, Tom DiLorenzo, Jeffrey Herbener and Guido Hülsmann, discussed a wide range of topics, including: methodology, value and utility, economic calculation and socialism, entrepreneurship, money and banking, monopoly and competition, capital and interest, and the Austrian theory of the business cycle.

For people not as familiar with the Austrian perspective, these lectures permitted them to get to know the basics. You didn't have to be formally studying economics to get a lot out of the week, in fact everyone from high school students to PhD candidates were in attendance and many students I spoke to had diverse backgrounds and were studying in such areas as law, computer science, philosophy, even film and media studies.



The typewriter on which Margit von Mises typed Ludwig von Mises' great treatise, *Human Action*.



A bust of Ludwig von Mises in the gardens of the Mises Institute.

The four days that followed built systematically on the first two days' lectures and delved into more advanced and nuanced areas of Austrian theory. The professors would often contrast the differences between Austrian economics and the economics you receive at university, which I found particularly valuable, because I have a degree in economics and so these clarifications filled some of the gaps I had in my understanding of the Austrian approach.

So far my review may make it seem like the week was quite 'heavy-going'—and it was, it was certainly intellectually demanding—but nevertheless, the first word that springs to my mind that sums up the experience is 'fun.' A comment I heard many times throughout the week (that I completely agree with) was that "this is what university should be like!" We had many opportunities to talk with the professors and they were always happy to field questions and to engage you in debate (not to mention signing their books for you that were available to purchase in the Mises Institute bookstore!).

After the day's lectures were over, many of us would then typically go to one of the bars in town to thrash out our arguments over some of the more contentious issues in 'Austro-libertarian' circles, such as the merits of fractional-reserve banking vs. free banking, natural rights vs. utilitarianism, intellectual property, and whether a free society can ever be brought about through the political process or whether something like seasteading will have a higher chance of success. These discussions were always very lively, good natured and, believe it or not, typically very funny and entertaining. They always went long into the night, so going to bed at 3am only to then get up at 7:30am was definitely more the rule than the exception!

For those interested, I'd encourage you to check out Mises.org as this is a great resource to learn about Austrian economics and libertarianism. You can even download every single lecture from Mises U... *for free!* While this is very valuable, it doesn't quite compare to the actual experience of going to Auburn so, if anyone ever has the inclination and the opportunity to do so, I highly recommend what is, without question, a very intellectually stimulating—and fun!—week learning about Austrian economics. ■

# People at Mannkal

Mannkal says “goodbye and good luck!” to Research Assistant, Jessica Pental, who leaves us to begin her new adventure living and working in London.

## ***Reflections on My Time at Mannkal***

By Jessica Pental

Growing up I thought that voting for John Howard and being averse to excessive taxation was what it meant to be a liberal political and economic thinker. This changed, however, when I came to work at Mannkal where I soon discovered how much more there were to these ideas.

High school economics does discuss the concept of free markets, but it pushes the Keynesian model of aggregate demand and takes government intervention as a given rather than an option. Needless to say, you certainly won't discover who Hayek or Mises were if you take an economics class at a Western Australian high school!

My Year 12 Economics teacher, Melissa Rasmussen, obviously saw this hole in the curriculum and one day called upon a man named Ron Manners to speak to our class in an effort to balance out the views of Steven Kemp and Greg Parry, the authors of our textbook.

This was the first time I met Ron; quite fitting that our journey should begin in an economics class.

In early 2008, Ron invited me to join the Mannkal Economic Education Foundation. Having always enjoyed and appreciated the value of studying economics, I hastily accepted. At the age of 20, after working in retail for a number of years, this was to be my first “real” job. The prospect was exciting.

It is now almost three years later and, having recently finished my Bachelor of Laws and Bachelor of Commerce Degrees at the University of Western Australia, I have decided to move to London to live and work for the indefinite future. Though I will be leaving, I take with me all that I have learned about libertarianism (and its relevance for today's world) from my time spent working at Mannkal.

One of the first things that became apparent about this movement, though, was the lack of understanding that the lay, even educated, person has about it. Ask someone what it means to be a socialist or a fascist and I'm sure they could tell you but, ask them what it means to be a libertarian or free-marketeer, and they'd probably stutter. That's why Mannkal aims to increase the awareness of free market ideas and policies amongst the public through education—particular education tailored for students and young people.

From my experience, I have found that it is not difficult to find quality people who appreciate the message we propagate but it is difficult to get through to the masses. Our philosophy is not “trendy” and it seems all too common that libertarians and proponents of laissez-faire get painted as greedy capitalists who favour the rich at the expense of the poor.

Breaking this misinformed stereotype is just part of the process.

The reality, that a libertarian is one who advocates maximising individual rights and minimising the role of the state, seems simple enough—but getting the public to see this as a legitimate choice is our continuing challenge. ■



Ayaan Hirsi Ali & Jessica Pental at the Sydney Mont Pelerin meeting, Oct. '10.

Mannkal aims to strengthen the free market system in Western Australia and Australia, by promoting ideals of voluntary co-operation, choice, personal rights, limited government and responsible resourcefulness of individuals.

Mannkal finances and organises:

**Events** that allow individuals to exchange ideas defending free markets.

**Seminars and student scholarships** to promote the greater understanding of the concepts that underpin free societies.

**Policy papers** on relevant topics pertaining to Western Australia.

An **alternative book store** for economic and Australian history books.