

## **Go South, Young Man!**

By Alan Dungey

(writing in *The Horation*, Autumn 1994)

*Gold 'n Dollars: The Chile-Kalgoorlie Connection:*

*Lessons in free enterprise for Australia*

by Ron Kitching and Ron Manners

Travellers' Companion Slimline Edition

60pp, \$5.00 RRP

In Australian conservative politics two intellectual traditions have recently competed for power. On the one hand there is that benevolent paternalism which sees government as an instrument for bringing about social cohesion, community spirit and the common good. The adherents of this philosophy include families with proud traditions of public service, sometimes stretching back several generations. These families have furnished the Parliamentary Liberty Party with several of its leaders: Malcolm Fraser is one; Alexander Downer another.

On the other hand, there are those for whom government is a necessary evil, and barely necessary at that, who regard the duty of government as upholding and maximising the freedom of the individual. As the individual is free only in a free market, they have consistently opposed restrictions on the operation of the free market in any form – regulation, protection, arbitration or social welfare.

At a time when liberal ideology is decried as hard-line and rationalist (astonishingly a term of derision), the authors of *Gold 'n Dollars* make their stand for individualism unequivocally, quoting Ludwig von Mises' classic 1922 treatise, *Socialism*:

Society lives and acts only in individuals: it is nothing more than a certain attitude on their part. Everyone carries a part of society on his shoulders; no one is relieved of his share of responsibility by others. And no one can find a safe way out for himself if society is sweeping towards destruction. Therefore, everyone, in his own interest, must thrust himself vigorously into the intellectual battle. None can stand aside with unconcern; the interests of everyone hang on the result. Whether he chooses or not, every man is drawn into the great historical struggle, the decisive battle into which our epoch has plunged us.

The advocates of government as surrogate parent have had almost a free reign in Australian history only because individualists have mistaken their self-interest and scorned to enter political or intellectual debate. Ron Manners and Ron Kitching are not of this mind. Manners is chairman of Croesus Mining NL, and lives and works in Kalgoorlie, Western Australia. Kitching has founded two successful drilling companies and explored in Chile. He now lives in Rockhampton, Queensland. *Gold 'n Dollars* consists of two addresses to a Resources Sector Luncheon in Brisbane in February this year, with a philosophical postscript.

The thesis of the three essays in this slim volume is that Australia's prosperity depends on liberating the individual – rugged pioneer, innovator, wealth-creator – from the illegitimate demands of the State. Tariff protection, industrial arbitration and environmental regulation – all hold back the productivity and entrepreneurial spirit of the Australian people. Miners are required to prepare expensive

environmental impact statements before so much as scratching the earth's surface. If only, Manners whimsically ponders, social engineers were made to draw up an *economic* impact statement before implementing any of their disastrous visions or schemes! The burdens imposed on Australian mining companies are quietly killing the goose which lays the golden egg. Each year approximately \$1 billion in exploration capital goes off-shore. A significant proportion of this money is now invested in a continent once mocked by prosperous and democratic Australia – South America.

After an eight-year experiment with Marxism, during which Chile experienced the depths of the misery to which collectivism can plunge a country, Chile has rebounded under liberal economic policies.

Chile thanks Australia – USA – Canada, for their excessive environmental restrictions with senseless, long waits for mining permits or rejections. Chile also thanks Australia for not wanting to be the 'quarry of the world' and for being overly regulatory.

He might have added – Chile thanks Australia for *Mabo*. Although a country of ethnic diversity every bit as mixed as Australia's, Chile is not besieged by racial tribes seeking to confiscate the country's wealth by means of spurious land rights claims. Chile is, we are told, still more interested in creating wealth. Its government eagerly welcomes foreign capital and offers the investor an aggressive, hard-working and ambitious work-force whose spirit has not yet been crushed by the dole. Chile does not erect small-minded bureaucratic barriers to mining exploration or to any other form of enterprise.

In the final essay in the book, the authors address the ideological roots of Statism with a brief but coherent discussion of the theories of Mill, Rousseau, Keynes, Marx and H C Coombs. After '100 years of brainwashing' by these thinkers and their acolytes, they conclude that 'nothing less than a rededication of current policy towards principles already abandoned will enable us to avert the threatening danger to freedom.

What of the future? The authors' conclusions *seem* inconsistent. On the one hand Manners proclaims his optimism and confidence in Australia, or more particularly in Western Australia, where a pro-business government has lately loosened restrictions on the mining industry. On the other hand Kitching advises young men and women of drive and talent 'to at least take a look at South America. There will be found something for everybody. It is one of the world's great new frontiers'. *Really* the authors are agreed. Every individual has a duty to himself, every corporation a duty to its shareholders. Perhaps the flight of mining capital from Australia will bring Australia to its senses. Certainly, misplaced philanthropy, such as is encouraged by the endless and repetitive *Buy Australian* campaigns, may only prolong the agony by supporting the mistaken belief that communal enterprise can save Australia. Manners does not ask for government grants or even for a *renewed community spirit*:

All I ask of Governments is that they keep out of our way and leave us with the economic freedom to explore and produce. I know that we will only hold these freedoms as long as we have the courage to fight for them.

*Gold 'n Dollars* is neither beast nor fowl: it is talk combined with action, warning mixed with advice, history intermingled with philosophy, ideology and economics. Manners and Kitching each move effortlessly from one style to another in a writing style which is captivating and inspiring.

It is easy to become depressed about Australia's future for many reasons. Perhaps the chief of these is apparently sullen, pessimistic and defeatist condition of its people. More than during the grimmest days of the Great Depression, Australians seem to have no faith in themselves. What this book more than anything conveys is that the spirit of enterprise is not dead. In spite of everything done to crush him, the rugged individual survives, ready to revive Australia from the dead hand of government.

It is trite to say: 'every Australian ought to read this book'. Some Australians can't read; others have no need to read this book. And 'every Australian' is perfectly entitled to make up his own mind what to read. However, as an antidote to the collectivist nonsense peddled last year by *Shutdown: the Failure of Economic Rationalism, Gold 'n Dollars* is simply indispensable.

### **GOLD 'N DOLLARS THE CHILE-KALGOORLIE CONNECTION**

Lessons in Free-Enterprise for Australia a booklet containing the two part address to the jointly sponsored MacArthur Club – Ernst & Young Luncheon

February 1994

#### **Ron Manners and Ron Kitching,**

the two Ronnies of the mining scene, have authored numerous papers on mining and economics. The last time they appeared in concert was in Moscow when these two irrepressible miners played their part in undermining that Wall – digging around and planting the dynamite of ideas in this huge resource of untapped human potential which has been locked away for so long. Who knows what they have inspired with this address to the Brisbane based resources sector luncheon! **This should be read and digested by every politician, every aspiring politician and every voter** with even the slightest interest in Australia's economic future. It is of particular interest to those directly involved in the mining industry.

From all accounts, resource rich South America is coming out of the economic doldrums at an astounding rate, and will leave Australia wondering what happened. There are vital lessons to be learned from what is happening in South America today.

*"Gold 'n Dollars, the Chile-Kalgoorlie connection"* is guaranteed to inform and entertain.

**RRP** \$5 plus \$1 pack & post if applicable.

Information packs of 20 for \$80 plus \$6 p & p if applicable.

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