



Australian Adam Smith Club (Melbourne)

President: Timothy Warner, Editor: Mannie Gross, P.O. Box 950, Hawthorn, 3122

No man was ever yet so devoid of sense
As to debate the right of self-defense.
Daniel Defoe (The True-Born Englishman, II 1701)

David Archibald on Australia's Defence 2016 and Beyond

**The Adam Smith Club will host a meeting on Tuesday the 10th of November, 2015
at Bohème Restaurant Bar, 368 Bridge Road, Richmond.**

David Archibald is a Perth-based scientist working in the fields of oil exploration, medical research, climate science and energy. After graduating from Queensland University in geology in 1979, he worked in coal and oil shale exploration in Queensland and then in oil exploration with Esso in Sydney. A long period in stockbroking as an analyst was followed by work for a private investor. He subsequently floated the oil exploration company Oilex in 2003 and then joined a Canadian-listed oil exploration company in 2006. Also at that time, he was CEO of the mineral explorer Westgold Resources. David's last book was *Twilight of Abundance* (2014). He will be talking about his new book on Australia's defence.

Attendance is open to both members and non-members. Those desiring to attend should complete the attached slip and return it to the Club no later than the 8th of November, 2015. Tickets will not be sent. Those attending should arrive at 6:30pm for dinner at 7:00pm. The cost is \$45.00 per head for members and \$50.00 per head for non-members (see next page for explanation of arrangements and for electronic booking details).

**Enquiries to Hon. Secretary, mob. 0403 933 786
or email: asmith@adamsmithclub.org**



detach and return

The Secretary,
Australian Adam Smith Club (Melbourne),
PO Box 950, Hawthorn, Victoria 3122.

Please reserve place(s) at \$45.00 dollars per member andplace(s) at \$50.00 per non-member for the November 10th meeting of the Australian Adam Smith Club. I enclose the amount of \$..... in payment for the same.

NAME (please print):

ADDRESS:

SIGNATURE: TEL:

LAISSEZ FAIRE ON THE WEB

This newsletter has an address on the web: <http://www.adamsmithclub.org/laissez.htm>. The Club's web site can be found at <http://www.adamsmithclub.org/>.

ELECTRONIC PAYMENTS

By popular demand, the AASC now offers electronic booking and payment to dinner meetings. Bookings can be made by emailing the number of members and non-members attending to twarner@adamsmithclub.org; a reply email from the club will then be sent with a link to PayPal where the payment can be made by Mastercard, Visa, AMEX, Diners or PayPal Account. Bookings made after Friday 6th of November will not be accepted online. FEES - a \$2 card fee will apply for the transaction.

UNLUCKY FOR ALL - 13 OCTOBER - DATA RETENTION BEGINS

On Tuesday 13th October the new requirement for telecoms and internet providers to store all your electronic activity came into effect. In effect what was stored to create your monthly bill now has to be stored for two years. In addition the location of your mobile phone at all times and the subject, address, time and date of all emails and SMS's will also be stored for a minimum of two years.

The Federal government will pay 130 million dollars as a first cost recovery payment to the telco's to store all this data. So you as taxpayer will be paying directly as well as any additional costs the telco has to incur which you pay as customer.

The list of civil servants who can 'request' the stored data without cause and without warrant is very long - and more departments are lining up. All the Police and corruption bodies Federal and State, Immigration authorities, Customs, ASIC, ACCC and ASIO will have this warrant-less right to peer into any individuals file.

For lawyers, journalists and even political activists who don't toe the line this is a very disturbing new reality. If you wish to keep some level of privacy I can commend the efforts of the Australian Privacy Foundation and their issue site is here <https://tinyurl.com/AS-data-privacy> - which outlines some of the ways you can with effort maintain some semblance of privacy. TW

VENUE ARRANGEMENTS

For the November 10th dinner at Bohème Restaurant Bar, there will be a two course dinner (main & dessert, followed by tea or coffee). The restaurant is fully licensed (no BYO). A separate (upstairs) room has been reserved for the dinner meeting. We hope these arrangements do not cause inconvenience and we welcome your feedback. Please note that because the Club must provide final numbers of attendees to the restaurant on the 9th of November, **we are unable to admit anyone to the dinner who has not notified the Club of their attendance by Sunday 8th of November.**

Laissez Faire

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THE CASE FOR RAIL

Rail is an old technology that has gained a new lease on life. In Britain, where the transport revolution began, rail is seen as an appropriate technology for a small country. But it is in vast countries like the United States, Australia and Canada where rail has really come into its own.

We may tend to think of rail transport in terms of passengers. Certainly, political support exists for passenger services in all three of these nations. AMTRAK, the US long haul passenger service, is state owned and subsidised, but it is only a tiny part of US rail revenues. US railroads haul millions of tons in bulk cargoes annually. This freight network is a prodigious wealth generator. The world's canniest stock investor, Warren Buffett, voted with his dollars for rail when he bought the Burlington Northern and Santa Fe, one of the most extensive rail networks in the United States.

Rail played an important role in uniting the colonies of Australia into a Commonwealth. Without a transcontinental railway Western Australia would not have joined the Commonwealth. Similarly, Canada only became a Dominion when a commitment was made to build a transcontinental railway. The natural linkages in Canada are north – south, not east – west. The founding fathers feared that without a railway to bind the new nation, the United States, would gradually absorb Canada's Provinces.

Australia saw a revival of railways in the 1960s when coal and iron ore proved ideal for heavy haulage of bulk cargoes. But around then it became obvious that carrying passengers by rail over long distances was not an economical proposition. The Ghan, running from Adelaide to Darwin, has struggled financially. The Ghan had been a gleam in the eye of many a Centralian booster over the years but it is a case of "we built it and they didn't come."

Canada has a VIA Canada passenger service connecting Canada's main cities, from Quebec City to Toronto via Montreal and Ottawa. The train has a business section, with aircraft style seats and meal service. Perhaps there is something to be learnt. *JRB*

TO CHANGE ANOTHER'S MIND

At a committee meeting of an unnamed organization, where I am politely known as a climate skeptic, I offered to talk on 'climate change'. This caused a debate that ended in prevarication by the committee chair. He and others gave a number of irrational excuses that clearly indicated that they did not want to let others hear my heretical views.

After the meeting one of the committee members, a distinguished scientist, said to me privately that what he found most puzzling was why it seemed impossible to change someone's mind with rational arguments. As it happened I had only recently read an article which referred to a study on this very topic. (<http://judithcurry.com/2015/09/03/ins-and-outs-of-the-ivory-tower/>). Some excerpts follow:

"Over the past decades psychologists have uncovered many biases shared by people like you and me. These biases commonly lead us to adopt beliefs and commitments on grounds that have less to do with an honest and rational assessment of the available evidence, and more with things such as how

well they fit with what we like, already believe, or the framework in which they are presented."

In In-group bias, "we adopt the beliefs that we think others in the relevantly same group hold."

Motivated reasoning is a bias "where people substitute what they like and dislike for what they believe is true."

The halo-effect, "leads us to interpret facts in ways that make them cohere with other parts of the context in which we are invested."

The availability heuristic "makes things with which we are familiar seem more plausible."

"Instead of rationally evaluating the case for or against a certain position, we base our views in part on how "our" group thinks, how it makes us feel about ourselves as partisans, and other biasing grounds."

The bottom line seems to be that it is almost impossible to change someone's mind because of the hidden biases outlined above. But does that mean we should give up?

A few days ago I came across the following 9000 word article from a former true believer: <https://medium.com/@pullnews/what-i-learned-about->

climate-change-the-science-is-not-settled-
le3ae4712ace. He wrote:

“As I started to look at the data and read about climate science, I was surprised, then shocked. As I learned more, I changed my mind.”

Does this disprove the assertion made above that it is not possible to change someone’s mind with rational argument? Not really. As it turns out, the former true believer changed his own mind rather than being convinced by anyone else. *MG*

TRADE & ENTERPRISE ARE ENGINES OF HISTORY

The roles of trade and enterprise as engines of history are often not fully appreciated. Take for example the history of North America. It seems likely that the Vikings found and settled the north eastern coast of America. These settlements failed due to the unremitting hostility of the indigenous peoples and the fact that the Vikings’ technology was much the same as that of the Indians. The proposition that all history is the history of imperialism is a gross oversimplification.

The long conflict for supremacy in North America between Britain and France, which ran for more than two centuries, demonstrates this. Arguably, without the support of the French, the United States would never have gained its independence. The rallying cry of the Americans in the Thirteen Colonies, it should not be forgotten, was “No taxation without representation” and the first organised act of defiance was the Boston Tea Party of 1773. A cargo of tea owned by the British East India Company, the British monopoly trader with Asia, was dumped into Boston Harbour and ruined. The East India Company exercised great influence with the British government and had “interests” at stake in the North American trade,

The persistence of French interests in terms of territory is small: of France’s vast North American possessions, only two small islands, St Pierre and Miquelon off Canada’s north east coast, remain. In terms of culture and enterprise, however, Quebec has remained obstinately French in language and attitude over the centuries. Although the Bloc Quebecois, the main pro-independence party, is at a low ebb, Quebec has shown it has the determination to make economic sacrifices to retain its cultural distinctiveness within the Canadian Confederation.

Fishing initially helped stir the European interest in North America. The cod fisheries off the Newfoundland banks were said to be so rich that one could lower a basket over the side of a ship and it would come up full of cod. Fur trapping was the impetus that led to the establishment of New France – what we today call Quebec.

This pivotal clash in the Seven Years War between France and Britain settled the destiny of Canada. The British army commanded by Wolff and the French under Montcalm on the Plains of Abraham met near Quebec City in 1759. Quebec City commands a choke point above the narrows where the St Lawrence and St Charles rivers meet. These rivers control access to Canada’s interior and its rich larder of primary products. Although it was some time before the French were conclusively vanquished, the British were now pre-eminent in North America. The French and Indian War, a particularly nasty conflict, helped break the French stranglehold over the North American interior. Colonial Americans, including future President George Washington, gained valuable military experience in the French and Indian War as part of the British forces. The first major conflict in New England between settlers and Indians, King Phillip’s War between 1675 and 1678, set the course for future conflicts. Early America was not all turkey and corn bread. In fact, King Phillip’s War was a major calamity for the New England colonists.

Although France may have been defeated militarily on the field of battle, the Province of Quebec remains today an economic powerhouse and a repository of French culture. The persistence of Quebec within Anglophone Canada was not inevitable. The Arcadians, later to be called Cajuns after they were dispersed from Nova Scotia to other places, including Louisiana, did not persist as a united entity as the Quebecois did. The success of the Quebecois resulted in large part from their skills in agriculture and the fur trade. Quebec remained a unique entity which persisted since before the French Revolution of 1789. The Catholic Church retained significant influence until the Quiet Revolution of the 1960s. Quebec remained, for all its Francophone heritage, a unique society and the leading province within Canada.

The Quebecois did not lose all military influence. During World War One, the Royal 22nd Regiment of the Canadian Army was raised in Quebec, with French as the language of communication and command, with French-speaking officers. The 22nd Regiment has served with distinction in subsequent conflicts and peace keeping operations, winning three VCs.

Without a vigorous economy Quebec could not have persisted as a viable cultural and political entity within Canada. *JRB*