

Australian Adam Smith Club (Melbourne)

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

The interest of a nation in its commercial relations to foreign nations is, like that of a merchant with regard to the different people with whom he deals, to buy as cheap and to sell as dear as possible. But it will be most likely to buy cheap, when by the most perfect freedom of trade it encourages all nations to bring to it the goods which it has occasion to purchase; and, for the same reason, it will be most likely to sell dear, when its markets are thus filled with the greatest numbers of buyers.
Adam Smith (The Wealth of Nations, 1776)

Alan Oxley

on

All these Free Trade Agreements? Would Adam Smith have approved?

The Adam Smith Club will host a meeting on Tuesday the 4th of February 2014,
at Bohème Restaurant Bar, 368 Bridge Road, Richmond.

Alan Oxley is Chairman of the APEC Studies Centre at RMIT University and Principal of ITS Global, a consultancy which advises on trade, investment and sustainability. He was a former Ambassador to the General Agreement on Tariffs and Trade, the predecessor of the World Trade Organization. He is a regular commentator in the media and has published two books – “The Challenge of Free Trade” and “Seize the Future”. He is also Chairman of World Growth, a free market NGO.

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 Friday the 31st of January 2014. 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 February 4th 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 Thursday 30th of January will not be accepted online. FEES - a \$2 card fee will apply for the transaction.

ON LAWYERS

One of the more noticeable but less commented on aspects of the modern legal profession, is how different the current practice of law is from what it was less than a generation ago. In some respects the profession seems unchanged; the various law schools continue to pour forth large numbers of ever more learned graduates and there seems to be no shortage of students desirous of pursuing a career in the law, lured by the prospects of making a worthwhile contribution to society and/or making a better than average income. And certainly the current crop of entrants to the profession come admirably equipped and trained for their role, seemingly the brightest and best of their generation. Unfortunately, times have changed, and the role that many aspired to no longer exists.

Arguably, the traditional concept of a lawyer, as being one involved in the pursuit of justice and truth, is obsolete. If one searches the advertisements for legal jobs, one will be directed to a choice of category; tax, compliance, local

government, mergers and acquisitions, building, employment, immigration, banking and finance, personal injury, insurance, property, crime, family, litigation, insolvency, superannuation, corporate, environment, trust, energy and resources, native title and so on, seemingly ad infinitum.

We are living in an era of extreme legal specialization. It was perhaps inevitable. The mass of legislation, regulation, rules, by-laws and so forth, which show no sign of abating, has become so overwhelming that it is impossible for one person to master, much less know them all. A would-be practitioner must choose his or her niche, and settle for it. Rather than aspiring to achieve a best possible result for a client consistent with justice and truth, such role must be to know and stay abreast of the legislation and the other requirements applicable to such niche and be able to advise on what it all means. What may happen in other areas or aspects is not, can not, be his or her concern. *DBS*

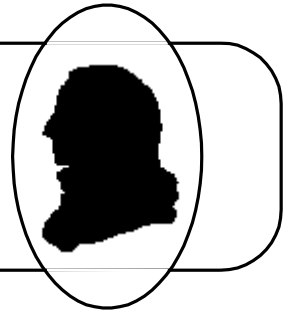
VENUE ARRANGEMENTS

For the February 4th 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 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 2nd of February, **we are unable to admit anyone to the dinner who has not notified the Club of their attendance by Friday 31st of January.**

Despite our best efforts, after 7 years we find it necessary to increase our standard dinner fees by \$5 to \$45/50. Our membership fees remain the same & have not changed since 2004.

Laissez Faire

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ECONOMIC FREEDOM IN 2014

Those who like to begin a new year on a positive note should be heartened by the recently released 2014 Index of Economic Freedom compiled by the conservative American think-tank, the Heritage Foundation and published in the Wall Street Journal. The Index, such as it is, places Australia in the top 3, behind only such stalwarts as Hong Kong placed first, and Singapore placed second.

The proponents of such Index are clearly of the view that economic freedom is both desirable and beneficial to the inhabitants of those places fortunate enough to possess it, providing them with progress, prosperity and economic growth. The Index itself is based on an assessment of 10 categories chosen by the compilers as indicative of the existence, within such country or place, of an element of economic freedom. Such categories include respect for private property, governmental restraint and sound fiscal practices.

The compilers have examined a list of countries and places, and rated them from 1 to 173, in the process categorizing them as “free”, “mostly free”, “moderately free”, “mostly unfree”, and “repressed”. Apart from the top 3, the next three, namely Switzerland, New Zealand and Canada are all categorized as free. The remaining 4 of the top ten, namely Chile, Mauritius, Ireland and Denmark are categorized as mostly free. Unlucky last in the list at 173 and, needless to say, categorized as repressed, is North Korea.

The report on Australia notes that its overall score was slightly lower than the previous year, with a gain in investment freedom outweighed by declines in monetary and labour freedom. Over the 20 years existence of the Index however, Australia has shown significant improvement, among the best in developed economies. Overall the compilers of the Index were heartened by the general improvement of many countries in the list, such as to cause them to claim that worldwide, economic freedom is increasing.

It is significant to note that 7 of the top10 are Anglo-Saxon or Anglo-Saxon influenced economies. Such economies are ones in which economic freedom is considered particularly significant and plays a prominent part. It is somewhat ironic then to discover that the originators of the concept, namely the United Kingdom [14th] and the United States of America [12th] have begun to slide down the list. For the first time in the existence of the Index, the USA is not in the top 10. *DBS*

CAN INDIVIDUALS CHANGE HISTORY?

REVIEW: *AIR DISASTER CANBERRA* BY ANDREW TINK
(NEW SOUTH PUBLISHING, SYDNEY: 2013)

When Hudson bomber A16-97 crashed on 13 August 1940 on approach to Canberra airport, there were no survivors. The crash deprived the United Australia Party (UAP) government, led by Prime Minister Robert Menzies KC, of its most able ministers - Geoffrey Street, Sir Henry Gullett and James Fairbairn. Chief of the General Staff, General Sir Brudenell White also perished.

Tink makes a good case that the loss of his best ministers destabilized the Menzies government, leading to the Australian Labor Party under John

Curtin winning a no confidence vote on the floor of the House of Representatives. Menzies had recently returned from a four-month stint in London where he had appointed himself a member of the British War Cabinet.

Much ink has been spilled over whether or not Menzies was a coward for refusing to volunteer for World War One. He seemed to be convinced his trips to British cities bombed in the Blitz were invaluable morale raisers. It is more likely that the British were simply displaying their innate good

manners, even under extreme stress. As Pattie Menzies seems to have warned him, the longer he stayed in the United Kingdom, the less likely he was to remain Prime Minister.

The man who replaced him, John Curtin, was pathetically ill equipped to lead the nation. He had virtually no formal education, he was what we would call today a “recovering alcoholic”, he was always in danger of losing his seat and his wife, for reasons about which we can only speculate, refused to live in Canberra. Curtin did, however, make a fair fist of being war time leader.

One school of historians supports the “Great Man” school of history; that is, history is made by great men acting out their destiny. Others see history formed by impersonal forces which are largely impervious to individual action. Although “Air Disaster Canberra” does not discuss in great depth

the influence the home front had on the war, at this time most Australians were interested in who won the races rather than what was going on in the near north. The ability of leaders who could motivate the nation to make sacrifices and do it with flair, such as James Fairbairn, the air minister could, makes a difference.

Losing his best men probably cost Menzies government eventually and changed the course of history. Competence, energy, application and enthusiasm are not easy to come by. As for Churchill, it will probably take centuries for a nuanced evaluation of his political career to emerge. All that one can say of Menzies is that he learned his lessons well. His early apprenticeship in government and his political blunders served as way stations along the road to becoming Australia’s longest serving prime minister. *JRB*

IPCC BACKS DOWN (QUIETLY)

Christopher Monckton of Brenchley issued a paper with the title *Game Over! IPCC Quietly Concedes Defeat* (http://scienceandpublicpolicy.org/originals/game_over_the_ipcc_quietly_concedes_defeat.html) on January 2, 2014. In it he points out that the IPCC (International Panel on Climate Change), in its latest 2013 report, surreptitiously reduced the mid-point of its range of projected average global temperature increase from 0.23°C/decade (2nd Draft) to 0.17°C/decade (Final Draft). There was no hint of this in the Summary for Policy Makers (SPM) which the politicians and media read. Rather this is contained in the Working Group 1 (WG1) report that is mostly read by scientists. It should be pointed out that in the 2007 WG1 Report this figure was 0.38°C/decade. Therefore the estimated rate of global temperature increase is now less than half of what it was 6 years ago. And if we recall that the so called “consensus” was that anything over 2 degrees per century temperature increase was considered dangerous, the now 1.7°C projected increase per century should be considered benign.

In more restrained but more detailed terms, Dr Judith Curry (Chair of the School of Earth and Atmospheric Sciences at the Georgia Institute of Technology) noted this IPCC back down in her presentation to the US Senate on January 14. (See also <http://wattsupwiththat.com/2014/01/09/the-ipcc-discards-its-models/>).

If even the IPCC now effectively concedes that the increase in CO₂ in the atmosphere will not lead to catastrophic global warming, our Federal and State governments must abolish all plans to limit CO₂ emissions, especially by substituting so called renewable energy for coal powered electricity. As pointed out by Alan Moran in the January IPA Review (*Renewable Energy Requirements*), “Overall, renewable requirements add about 40 percent to the wholesale electricity price.” The effective destruction by government fiat of what was previously a competitive advantage for Australian industry has led to business closures, increased unemployment and a general decrease in our standard of living. The maintenance of Australia’s Renewable Energy Target is no longer justifiable in terms of “saving the planet” as now even the IPCC has conceded the planet does not need saving. *MG*

MEETING REPORT

The July meeting was well attended and featured some lively Q & A after Prof Melleuish's address on Australian Intellectuals. There were sharp differences on definitions and on what could be drawn from the nature of Australia's academic culture.

The venue did well in catering - with the upstairs mini bar a welcome addition. The issue of acoustics was raised, and an experiment of the speaker addressing from the opposite end of the room was tried. It has been agreed that in future a small PA will be used to boost the speaker's voice. *TW*