

## “Is It Time For Another Revolt?”

Keynote Address

By: Ron Manners,

Chairman, Croesus Mining NL, DeGrey Mining Ltd  
and Mannkal Foundation

and Emeritus Chairman of the Australian Prospectors and Miners Hall of Fame Ltd.

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Tel: (08) 9322 6777 Email: [Mannwest@mannkal.org](mailto:Mannwest@mannkal.org) Web: [www.mannkal.org](http://www.mannkal.org)

Thanks for the introduction .....

I understand that our Prime Minister, Mr John Howard, was invited to this significant 150<sup>th</sup> celebration of the Eureka Rebellion but that he couldn't come.

Well, I was invited and did come. As I've said to your President, Rita, "you couldn't keep me away", and over the next 30 minutes I want to give you something of value to take away with you.

This is what I'd like to cover with you today:

1. First, I'm going to share with you the three reasons why I'm proud to have been chosen to give this keynote address.
2. Then, at President Rita's request, I'll tell you why I've enjoyed being a prospector since the early 1960s and how this has led me into a deeper involvement with Australia's mining industry.
3. How I see access to land as one of the major challenges facing us all.
4. Then we can look at the significance of the Eureka event, both then, 150 years ago and, more importantly to us, today, and then ask ourselves "are we due for another revolt?".

Will this be necessary to give us the kind of Australia that will fulfil its true potential?

1. These are the three reasons that I'm proud to be here today:
  - In 1992, in Ballarat, I launched the book I put together about my grandfather, W.G. Manners.

The book is called *So I Headed West* and it covers his journey west from Ballarat, where he was the first engineering graduate from the Ballarat School of Mines. He then worked on the Ballarat mines before moving westward to Broken Hill and then subsequently to Kanowna and Kalgoorlie where he started his mining consulting business which, after 110 years, is still operating.

I'm honoured to have a copy of this book go into the Eureka time capsule for opening in 2054.

- His father, my great great grandfather, William Manners, left school in Scotland at age 8, became a shipbuilder and at age 26 took a job as a ship's carpenter, jumped ship and went looking for gold at Ballarat in September 1853, about a year before the Eureka event.

Another reason for him jumping ship was that he fell in love with a young passenger on the ship and they eventually married and she moved to join him in Ballarat just 9 days before the Ballarat Rebellion.

On the fateful Sunday morning of the Eureka Stockade he was home with his new bride, but then became involved in the general pandemonium and had some contact with the police and troopers.

His wife's family downplayed his involvement, as there was not a deep understanding outside these fields of the issues and principles involved.

Now, with hindsight and contemplation, I'm extremely proud of his involvement.

William Manners continued prospecting and producing gold from his Queen Victoria Mine and later at the Smeaton Reserve Mine and lived out his life in Ballarat until his death in 1901.

- My other grandfather, Pietro Tamo, from Switzerland, who also left school at age 8, became a builder and built the church in the Swiss town of Sonogno before leaving Switzerland at age 19 to search for gold. It took him 18 months to get to Ballarat, arriving in 1856, too late for the Eureka event and too late for the early Ballarat opportunities.

However, he worked hard at prospecting from 1856, but found only sufficient gold to subsist and raise a family until he died of a heart attack aged 43.

As a commentary on the hardships of those times, these two Ballarat families of my great grandfathers produced a total of 15 children, of which 6 (more than a third) died at age eighteen months or younger.

All this tells you is that I've got some very deep roots planted over here at Ballarat and that those pioneers really "did it tough". These are the reasons I am honoured to commemorate the memory of all the Ballarat pioneers.

2. This is where I'm to mention how I got interested in prospecting and how things developed from there.

That's easy, I was born in Kalgoorlie, the WA centre of vigorous prospecting, so I just grew up with it.

I lived in a home full of rocks, where most visitors arrived with a rock in their hand, so they would have something to talk about.

My mother was the first female student to study geology at the Kalgoorlie School of Mines, so she, of course, knew much more about rocks than me or my mates.

Prospecting became my passion from the mid-1960s (predominantly in gold), then along came the nickel boom of 1968-70 where everything simply went into "fast-forward".

Ever since then, it's been a series of booms and busts in rapid succession, and I'm fortunate to have survived these extreme cycles.

My prospecting and joint-venturing developed into Croesus Mining NL in 1986 when we commenced with a staff of 2, including myself. Now, after almost 20 years, we've survived both good and bad periods, employ around 400 people and Croesus Mining has developed into Australia's 3<sup>rd</sup> largest Australian-controlled gold producer, approaching 300,000 oz of gold per annum.

I'm fortunate to be working alongside such a fine bunch of enthusiastic young people and I enjoy following their progress.

More recently, in 2000, I've also become chairman of DeGrey Mining Ltd, a company formed by my long-term prospecting mate, Denis O'Meara.

Denis started drilling these prospects the day before listing in July 2002. From the continuing success of this drilling we are confident that we will be mining gold in the Pilbara, near Port Hedland, in the not-too-distant future.

I see no reason why DeGrey should not follow the same success path as Croesus Mining.

Now that all sounds fairly positive, but I'm finding that more and more often we are being obstructed by multi-levels of bureaucracy in our pursuit to gain access to exploration ground. So I'd like to raise my concern with you about the attack on our property rights and land access. I see this is a growing impediment which calls for a battle into which we must all throw ourselves before it grinds us to a halt.

3. Land Access is one of the major challenges facing us all.

I've been adversely affected by governmental attacks on Property Rights, both as a farmer in Esperance (where the problem was rezoning and the multiple approvals process), and as an explorer in Australia, particularly since the advent of what is mistakenly called Native Title.

Let me tell you a little story to illustrate just how seriously our property rights are being eroded.

In 1979, I purchased a block of land in Hong Kong. I have the title here, headed "Document of Land Ownership" and it certifies quite clearly that "Ron Manners, the above named honourable person, is a purchaser of a square centimetre of land in the British Colony of Hong Kong entitled under this document."

It was purchased from China Square Inch Land Ltd.

Now let me compare that with an application in Western Australia for an Exploration Licence, Prospecting Licence or a Mining Lease.

Neither these applications nor the China Land Title gives me any access or rights.

The essential difference is that when I purchased the square centimetre of Hong Kong land I knew it was a joke, simply a clever tourist gimmick and I never had any expectations of claiming the rights to my so called "title", for which I paid very little.

But it was different with the Mineral Tenement Application. I paid good money for it, with the expectation that I could proceed to explore and produce.

The scandal that confronts us is that any of us applying for a mineral tenement today would be lucky to live long enough to go through the various procedures that will give us the access—access that once let us simply get on with our job.

I despair at the outcome (or lack of any outcome) on the Native Title Issue.

Our Aborigines do not have any title as a result of this and, simultaneously, the system of mining titles that previously gave good title is now severely diminished.

The Act was not well thought through and poorly drafted.

With all due respect to our High Court and Parliamentary scribes, I'm amazed how they can have had so much knowledge, but so little wisdom.

Since the High Court judgement, property rights have not only been reallocated without compensation for people's losses, but worse, from an economic perspective, they have been stripped of a useful function – destroyed!

What is called Native Title is inalienable, and therefore cannot be sold or mortgaged.

Native Title is unclear as to .....

- Ownership
- Geographic extent
- The rights that it confers

It is of almost no use to Aborigines and an absolute nightmare to investors who must steer clear of uncertainty.

I estimate that it has cost our nation between \$60–\$90 billion<sup>1</sup> in lost production, lost opportunities and lost employment, and gives the Aborigines no rights whatsoever other than to hold projects up. (I have a reference for this figure if anyone is interested.)

When the eminent Economist, Hernando de Soto, visited Fremantle's Notre Dame University last year, he pointed out that such unclear and unreliable property rights are the essence of "Third World" status.

Do I see this situation getting better?

No, not without a struggle, mainly because we haven't got enough votes between the lot of us to strike terror into the hearts of politicians, and because neither Liberal nor Labor politicians are willing to risk upsetting the Greens and their fellow travellers.

However, these land access problems are not exclusive to the exploration and mining industries. They equally affect farmers, fishermen, hunters, prospectors and property developers.

Their mutual concern is that another major threat, Environmental Fundamentalism is denying them all their access rights, their property rights and their water rights.

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<sup>1</sup> Native Title lost opportunity cost between \$60 - \$90 billion.

A figure of \$30 billion was the estimated opportunity cost of the Native Title legislation in its reduction in the value of mining projects, quoted in a paper delivered to the Securities Institute Seminar on Native Title in Perth on June 4<sup>th</sup>, 1996, by Coopers & Lybrand Partner, Wayne Lonergan (now at Lonergan Edwards & Associates).

In delivering the paper Mr Lonergan said, "this is not a comment about the underlying social policy – it is a comment on a tragic and unnecessary waste of money."

Only a fraction of this lost value will flow to successful Native Title Claimants. Most of the lost value simply disappears because of the statutory time delays and the increase in risk created by the Native Title Act.

I have extrapolated his 1996 figure of \$30 billion through to 2004 as "between \$60 - \$90 billion" for the following reasons:

1. The effects of the Native Title Act were only starting to make themselves felt in 1996 and opportunity costs have compounded since then.
2. No other detailed study of this nature has been conducted since that time, to my knowledge, simply because it would not be regarded as politically correct to identify such lost opportunity costs to our nation. (Perhaps we need a study to identify the opportunity costs of "political correctness".)

Now I should also mention that 25% of my time is spent running the Mannkal Economic Education Foundation in Perth and that, on November 9, we gathered a bunch of these concerned people together at a Land Users Symposium.

If I thought the problem was bad before we organized this symposium, I now realise that it's worse than we could ever have imagined.

There are so many people in Western Australia being crippled by excess regulation and destruction of their property rights that our very own State Government launched an inquiry into this and the Executive Summary of their findings, consists of 683 pages—that's how serious the problem is!

Is the Western Australian Government going to do anything about it? No, because there is no political pressure to do so. That's the way the system works—they've had their inquiry, there's the information, the problem is really serious but there is no pressure to do anything about it.

The information we gathered from our Perth symposium was part of the national input to the Inaugural Eureka Forum held in Ballarat yesterday.

Yesterday's forum was organized by the Institute of Public Affairs. It saw 150 separate land user groups come together to identify the size of the problem right around the nation. An agenda for action and the sheer number of people involved has become obvious. This push is gaining momentum and if we all get behind it, we can make a difference.

Let me explain why we chose Tuesday 9<sup>th</sup> November 2004 as the date to hold our Land Users Symposium in Perth.

That date was declared World Freedom Day, as it was the 15<sup>th</sup> anniversary of the day that they tore down the Berlin Wall, without bloodshed.

As the late President Ronald Reagan had a lot to do with demolishing that particular wall, we started our symposium with a quotation from Ronald Reagan, and I'd now like to share it with you as it's as relevant today as it was 15 years ago. He said:

“You and I are told increasingly that we have to choose between left or right, but I would like to suggest that there is no such thing as left or right. There is only an up or down – up to man's age-old dream – the ultimate in individual freedom consistent with law and order – or down to the ant heap of totalitarianism, and regardless of their sincerity, their humanitarian motives, those who would trade our freedom for security have embarked on this downward course.”

If Ronald Reagan was still alive, he'd identify today's environmental fundamentalists and our over-aggressive bureaucracy as those who were steering us on a downward course towards the ant heap.

The challenge is for us all to learn more about our property rights and the vital importance such rights play in the very survival of our wonderful and exciting prospecting and mining industry. In short, we must become activists for our own industry. This is a very worthy cause.

#### **4. The significance of the Eureka Rebellion, then, now and the lessons for us.**

If we accept the challenge of honouring the memories of those pioneers, we must keep their dream alive.

Those diggers were confronted with an insurmountable problem and they had a choice: do something about it, or do nothing.

For us to judge this event, we must train our eyes to see the world as it was in 1854.

The monthly licence fee being extracted by force from the Ballarat diggers was equivalent to a week's wages. That's a tax of about 25% with almost nothing offered in return.

They say that a fine is a tax for doing wrong; and that a tax is a fine for doing well.

But this tax or fine was being forcibly extracted and it applied whether you found gold or not.

It has been said that "taxation is the price we pay for civilization", but isn't the opposite really the case?

Taxation is the price we pay for failing to build a civilized society. The higher the tax level, the greater the failure.

A centrally planned socialist state represents a complete defeat for the civilized world, while a totally voluntary society represents its ultimate success.

So here in Ballarat, back in 1854, we had an intolerable situation, being badly administered.

It is difficult for anyone with an Australian sense of "a fair go" not to side with the diggers once they hear the facts....

- There were other issues, beside the Gold Licence Fee, including the right to vote, the ability to purchase land, democratic reforms and, in particular, the blatant corruption of the administration.
- Religion was always a powerful force on Australia's goldfields and it was seen as a sneaky manoeuvre when up to 300 well-prepared troops and police (both mounted and on foot) attacked the Eureka Stockade at dawn on the Sunday morning when many of the diggers were away with their families.

- Only about 150 diggers were in the stockade, many of them unprepared.
- The ratio of those killed—30 miners as opposed to 5 soldiers—represents the imbalance of the battle.
- Public sympathy was such that the 13 arrested and charged with high treason were all found not guilty.

The influx of more than 100,000 miners to the Victorian Goldfields was an interesting mixture.

Nearly half were Irishmen being brought up on the epic and heroic tale of the 1798 rebellion at County Wexford near Dublin where 20,000 people were killed from a population of 120,000. There were many Americans, mainly from the Californian Gold Rush (with a tradition of their War of Independence behind them), while the rest came from all over Europe, some with first-hand or family involvement in the then current Crimean and Sebastopol conflict (where 600,000 people died) and earlier memories of the French Revolution, 1789-1799 (25,000 deaths).

These people had a tradition of achieving results through violence. They didn't have the benefit of excellent communications, the Internet or democratic votes.

There were almost no Australians at the Eureka Stockade. In those days, we all came from somewhere else, all busy blending into the people we now call Australians. One hundred and fifty years later, the world is learning to appreciate us as a people, small in number, but who always manage to "punch above their weight". Our own P.M., John Howard, is a classic example of that when he represents us on the world stage.

It's always constructive to accentuate the positive about what makes Australia special. Outside of the U.S., it is about the only country in the world where people can come from all over the world and become citizens of their adopted nation.

You can't go to Greece and become Greek, or go to Japan and become Japanese, or Switzerland and become Swiss. Think about this and the many qualities that we have blended together by combining British law and property rights with the creativity and energy of so many other peoples.

The Eureka Stockade memory and tradition has been very much a part of giving us this competitive edge.

The incredible thing is that, despite .....

the Eureka Stockade being almost completely ignored by the government-controlled education syllabus;

that despite .....

the union movement hijacking the Eureka flag and devaluing its memory by presenting it as a symbol of mob rule;

that despite ....

the contemporary musical *Eureka!* defining the Eureka Stockade as a politically correct revisionist absurdity;

that despite all that ....

the overwhelming majority of ordinary, intelligent Australians have understood the importance and the lasting significance of the Eureka Stockade for the enduring nature of democracy in Australia—a country which is one of the oldest continuous democracies in the world.

The key to understanding and preserving democracy is to ensure that it doesn't degenerate into the "tyranny of the majority" where we allow pressure groups to impose their priorities on the rest of us.

I think the philosopher-writer Ayn Rand put it well when she said:

"individual rights are not subject to public vote; a majority has no right to vote away the rights of a minority; the political function of rights is precisely to protect minorities from oppression by majorities (and the smallest minority on earth is the individual)."

That's what she said and let me add that the "individuals" she spoke of are people like us, members of the creative class who are "turning ideas into gold", and there can be nothing more creative than that.

Never underestimate the importance of what you are doing as part of Australia's resource industry, often described as the "power-house of Australia".

The small band of people in the Australian resources industry is vital to Australia. We account for 27% of the nation's exports (and considerably more if we include the finished products of mining).

We are responsible for 8% of Australia's gross national product.

But despite that, we don't even rate a dedicated Minister for Resources either in Canberra or in any State Government.

We have a long way to go in making our presence felt.

Through your leadership and clear understanding of the problems confronting us, your Prospectors and Miners Association is an example for the rest of us. You have devised a focused strategy and it shows through in your excellent publication *The Eureka Echo*.

You know that you have to fight your own battles, that your concerns are not the concerns of the giant mining companies. I know the majors are not as concerned about the issues of land access as we smaller companies are, as access to land is our very life blood.

Each of us carries this responsibility on our own shoulders. As Thomas Paine once said, “those who expect to reap the benefits of freedom must undergo the fatigue of supporting it.”

That’s exactly why we built the \$25M Australian Prospectors and Miners Hall of Fame: to be an effective and easily recognized symbol and icon for your efforts.

Prospecting and mining have given this country such wealth and opportunity in raising the standard of living for all Australians, we felt it fitting that this symbol should be created to celebrate the past, the present and future of our industry.

The Hall of Fame would benefit from your support, just as you would benefit from creating a two-way link with the Hall of Fame. In that way, we can be part of keeping the Eureka legend alive.

So, in conclusion, let me say there are not many “trigger points”, as we say in business, that acted as a catalyst for making Australians different.

Let me suggest that the 1854 Eureka Stockade and the 1915 Anzac Gallipoli experience predominate, so let’s take up the worthy baton in life’s relay race and get on with the job of defending our rights and freedom to prospect, our freedom to explore and our freedom to produce, with minimum interference.

We have the modern tools to continue the Eureka Revolt; without spilling blood.

We have to work smarter at it, just as the enemies of industry are working smarter at closing us down.

We have technology, economics and morality on our side—so all we need is the physical courage and the moral courage to win.

Our livelihood depends on us winning these battles, but it goes beyond this.

If Australia is to achieve its potential, it depends more than ever on people such as yourselves relentlessly pursuing these strategies to keep the Eureka dream alive.

