

A healthy TPPA debate

WHATEVER the outcome, Malaysians will look back one day on the Trans-Pacific Partnership Agreement (TPPA) and realise just how deftly International Trade and Industry Minister Datuk Seri Mustapa Mohamed (*pic*) has helmed a healthy national debate on the issues involved.

The discourse that has emerged not only addresses arguments both for and against participation, but also balances fear with hope, and makes the TPPA's intricacies plain and simple for the common man.

Those who have observed Tok Pa will know that his unassailability in upholding Malaysia's intellectual dignity at the international stage is always reflected by a natural affability that sees his constituents embrace him as the man-next-door.

This combination of astuteness and good sense is valuable in confronting the TPPA because Malaysia's decision must satisfy the moral question as well as the economic one.

When Mustapa produced a spring coil, a cable, a pair of long pants and gloves during his speech in Parliament to demon-



strate the benefits of the TPPA, he invoked the memory of the first man of the modern age to propose doing away with mercantilism in favour of free trade – Adam Smith.

Smith's example of the production of pins to show how specialisation under free trade creates wealth is the cornerstone of *The Wealth of Nations*.

However, it is necessary to remember that Smith balanced

considerations of wealth creation through the free market with those of preserving the well-being of the people through governance.

"So unfortunate are the effects of all the regulations of the mercantile system," Smith had warned, "that they not only introduce very dangerous disorders into the state of the body politic, but disorders which it is often difficult to remedy, without occasioning, for a time at least, still greater disorders." (*The Wealth of Nations*, 1776: Book IV, Ch. VII)

In encountering the TPPA, Malaysians might take solace from Smith that the free trade it promises will do the country a lot of good.

At the same time, Malaysians should also take heed from Smith that what negatives which should arise from free trade can be mitigated with counter-measures by government.

It is worth remembering, though, that with respect to free trade, no historical or cultural precedence exists to bind Malaysia against it.

Sir Stamford Raffles, an avid reader of Adam Smith, who introduced free trade in the Malay

archipelago two centuries ago, leaves posterity with the following observation: "Another of the customs injurious to the Malay Nations is the trading monopoly which in most of the Malay ports is actually assumed, or attempted to be assumed by the Malay chiefs."

"Of this monopoly, there is no trace in the Undang Undang of the Malays, or in the fragments of their history which I have seen, such as the traditional *Annals of Malacca*, and after an attentive consideration, I am induced to think that this pernicious practice has been entirely copied from the monopoly regulations of the Dutch."

"Where this system has been fully carried into effect, it has generally succeeded effectually in repressing industry and commercial enterprise, and where it has been for some time established, its evils have been felt deeply, so that there is no doubt but the Malay chiefs could easily be induced to relinquish it in favour of a regulated commerce."

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