

THE FREE MARKET
July 28, 2010
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1. A long time ago when I was Prime Minister I met President Bush the father, at Boston University where he was conferring degrees for graduates. I met him in a side room and I told him of the unfair anti-palm oil campaign by America, blaming it for heart diseases.
2. We later submitted palm oil samples for three American chemical laboratories to examine the cholesterol contents. Their findings proved that although palm oil had more cholesterol than rival soya bean oil, the main edible oil in America, cooking reduced palm oil cholesterol but increased the cholesterol in soya bean oil.
3. The campaign against palm oil stopped but Americans still refused to use palm oil for cooking to this day. It was a case of non-tariff barrier. But that is the way America deals with competitions.
4. When the Vietnamese exported catfish to America, American catfish producers got their Government to declare that Vietnamese catfish is not catfish. The catfish farmers in Vietnam lost their business.
5. Malaysia-made rubber gloves were banned in the United States because out of the hundreds of millions used, one person had allergic reaction.
6. Foreign aircraft manufacturers wishing to export to the United States have to use American components and do part of the finishing in America. It is the same with the automobile. The Japanese and the Koreans have to put up plants in the United States and employ American workers in order to remain in the United States market.
7. Despite all these conditions Toyota's share of the world auto market grew. Then news came that Toyota was on the verge of becoming the No 1 automotive manufacturer in the world, displacing General Motors of the United States.
8. American's pride was hurt. Soon something was found to fail in the hybrid Toyota "Prius". Apparently one American user from tens of thousands was hurt because the brakes failed.
9. The news about the Prius failure hit the headlines in the American controlled world media. Toyota was forced to recall tens of thousands of the Prius model. The losses were enormous.
10. In order to put Toyota in its proper place the head of Toyota Corporation was summoned to Washington to face a congressional enquiry.
11. Toyota's position as a possible biggest automobile manufacturer in the world has been eroded. But while American auto manufacturers have to be put under Chapter II, i.e. as bankrupts, Toyota is still showing profits. In time Toyota will become the biggest automobile company in the world, the faults with the Prius notwithstanding.
12. There really is no free market. If tariff and other barriers fail to stop imports, the application of sanctions against countries, whatever may be the reason is also another form of non-tariff barrier. Free trade simply does not exist.

13. Truly hypocrisy prevails in the markets and in international trade. The greatest hypocrites are the very people who conceive and promote the idea of tariff free world trade.

58 Comments

By checkerAuthor Profile Page on July 30, 2010 12:17 PM

Salam Tun & Fellow CheDet's Bloggers,

Interesting topic and attract many interesting feedbacks. Unfortunately there are still people (seem to be good for nothing except anti-Mahathir sentiment) look at the "tree" instead the "forest".

Fact 1 - nothing is perfect except that come from our Creator - ALLAH

Fact 2 - it is natural for every living thing to fight for survival

Fact 3 - please acknowledge and accept what hadith says " I leave you all 2 things, Quran & my Sunnah, if you refer to these 2 sources, you will never get astrayed and you will be safe forever in this world and world after"

So that will be the possible sources for the difficulties we are facing., Insya'allah.

May Allah bless & protect us all.

By ayamkaperAuthor Profile Page on July 30, 2010 1:42 AM

salam Tun dan salam semua.

pandangan tun sememangnya sentiasa bernas. ttp ada juga manusia2 yang lebih suka melihat keburukan drpd kebaikan. ada satu pepatah(or hadis) allahualam

"walaupun seribu satu kejahatan yg mereka lakukan lihat la pada kebaikannya walaupun hanya 1 dan jika seribu satu kebaikan yg kamu lakukan maka perbetullah kejahatan yg ada pada kamu walaupun hanya 1"

so, to all commenters, its not the time we judge ppl whether he bad or good, but its the time where we have to truly understand each other and be generous to forgive others. when u re looking for bad things bout some1 while hes talking bout good things, its not him who r being hypocrite, but it is U.

thnks wssalam

By Wenger KhairyAuthor Profile Page on July 29, 2010 9:09 PM

eanisazman,

Congratulations on swearing and calling people names. Unfortunately I can't repay the compliment because we have been brought up to be careful with our words, especially when commenting on Tun Dr. Mahathir's blog.

Tun says America is hypocritical because it of the protectionism afforded to the Soy farmers, the litigation against the rubber glove manufacturer and the discrimination against cat fish from the Vietnam.

These are nitpicking on small EXECPTIONS. In any policy, there will always be EXCEPTIONS. By and large the United States practises free trade.

My point was to show the trade deficit America has with the rest of the world. Its about USD 3 trillion over

5 years. If America was the land of protectionism how on earth can this take place?

This is the essence of my contrarian argument. The fact that by and large America does practise free trade, quotas and restrictive trade practises are only for selected politically sensitive industries with little or no impact on GDP and to prove it I quoted a statistic.

Your argument that America is a hypocrite rests on some flimsy examples. What just because there is protection afforded to soy crop farmers means America is a hypocrite?

That is the problem with Tun's supporters. They can only see black and white. Its either 100% correct or 100% wrong. Little or no discretion.

Tell me which Govt policy has a 100% ring fence associated with it? There are always exceptions. If America had protected all its sensitive industry - yes then Tun has a point.

In the case of Malaysia, Malaysia enjoys a USD 10 billion trade surplus with Malaysia. Malaysia earns net foreign exchange on account that America does not impose trade barriers against Malaysia.

So I turn around and ask you.

We trade 3x our GDP. Isn't hypocritical to be against free trade when we ourselves export more than we import?

If you want to call names and act as a hero, pls by all means come over to <http://penumpang.blogspot.com>

Its embarassing that you folk like to baling sembunyi tangan in Tun's blog. Be a man for once in your life or forever hold your silence.

Tun has a blog. People give
By crazy diamond Author Profile Page on July 29, 2010 7:08 PM

Salam Tun,

Kebanyakan komen yg diutarakan oleh para blogger yg tidak bersetuju dgn pandangan Tun, lebih bersifat peribadi, dan sering lari dari tajuk yg diutarakan oleh Tun. Isu yg dibawa, berkenaan sikap hipokrit US terhadap Free Market, malangnya komen balas yg diutarakan oleh blogger pula, lebih ditujukan kepada Tun. Jelas sekali ianya telah lari dari tajuk yg cuba dibincangkan di sini. Akhirnya, kita gagal dlm membuat pertimbangan yg rasional lalu menghasilkan konklusi yg berbaur politik serta off topic, maka hasil yg cuba dicari tidak kesampaian. Inilah masalah yg menimpa org kita yg terlalu bersikap kepolitikan, ini secara tidak langsung mencerminkan keperibadian kita yg terlalu berpolitik, malah ia secara tidak langsung menunjukkan diri kita sebagai seorang yg berpolitik dlm kehidupan seharian. Segala serbi kehidupan kita akan dipenuhi oleh politik, atau akan menjadi caca marba.....

By andrewtay Author Profile Page on July 29, 2010 4:42 PM

I totally agree with you Mr Mahathir

The US is a hypocrite like in the case of British Petroleum. The Americans crave for every last drop of cheap oil and BP is there to supply that demand.

When the oil leak came about to the American public, they shamelessly raged and boycotted BP products. I think its just stupid!

Anyway back to the topic. Every country has its hypocritical moments may it be obvious or relatively oblivious to the masses. Free trade is possible but made difficult because of the protectionism of

indigenous industry. After all, the interests of the country and its citizen (shareholders) are the priority.

To be fair, Malaysia has policies and laws to shield its indigenous industries from international competitions. So nothing is like how its perceived.

and to hati.malaysia, kicking out all of the American's interests in Malaysia is not a solution. American can do without Malaysia but Malaysia cant do without the Americans. The devil is a necessary evil.
By sujiniAuthor Profile Page on July 29, 2010 4:38 PM

Che'Det

1. Sedang Che'Det masih berpandangan sinis terhadap polisi US, pentadbiran dibawah PM kita amat menyanjungi polisi mereka.
2. Contohnya,dalam Model Ekonomi Baru yang telah diterjemahkan kepada RMK10, kerajaan telah menekankan polisi Teknologi Hijau sebagai satu agenda baru untuk penjanaaan sumber kuasa tanpa luput(renewable energy resources).
3. Teknologi Hijau ini saya fikir ada kaitan dengan penemuan Shale Gas di US,Eropah dan mungkin juga di UK.Komposisi gas ini mungkin mesra alam makanya US telah mula menukar haluan menyokong Teknologi Hijau .
4. Pada salah satu panel Forum Antarabangsa Minyak & Gas yang telah diadakan baru-baru ini di KLCC,seorang CEO dari ISIS telah menegaskan bahawa negara-negara pengeluar minyak&gas terutama dari dunia ketiga haruslah menguna sistem Teknologi Hijau bagi pengeluaran dan pemprosesan minyak&gas mereka.
5. Salah seorang peserta dalam Forum,iaitu daripada Philipine(Presiden Oil&Gas,Philipine)telah menyanggah arahan CEO tersebut kerana negaranya masih memproses arangbatu dan gas secara konvensional.Beliau tidak bersetuju dengan sistem Teknologi Hijau ini kerana akan melibatkan kos yang tinggi.Beliau menambah lagi bahawa negaranya masih mengikut dan percaya kepada ide dan polisi Dr Mahathir.
6. CEO ini pula menempelak bahawa ide dan polisi Dr Mahathir telah lapok dan tidak boleh digunakan.
7. CEO ini juga adalah ahli dalam kaunsil NEAC.Baru-baru ini PM melantik beliau sebagai panel dalam SPAD(Pasal hal pengangkutan negara).
8. Saya rasa selagi pentadbiran DS Najib berpendirian bahawa ide dan polisi bule(white monkey)adalah yang terbaik dan bertaraf global maka negara Malaysia akan sentiasa terikut-ikut dengan cara penghidupan bule ini.
9. Oleh itu saya rasa Che'Det "is fighting a lonely battle here," melainkan Datuk Mustapha Muhamad & Datuk Mukhriz yang masih lagi Timbalan Menteri MITI tidak berfikiran macam CEO ISIS.

Sekian.Terima kasih.

By samuraimelayuAuthor Profile Page on July 29, 2010 4:32 PM

SALAM KASIH DAN SAYANG
AYAHANDA RAKYAT TUN
Izinkan,

By hati.malaysia on July 28, 2010 3:36 PM
Dear Tun,

....

I prefer to take the path of understanding how to overcome rather than keep telling the world who is devil.

Again we 'Tango 2' with you BUT can you show us the Malaysians and the WORLD how to overcome the DEVIL?

If you can't then we shud ask Nik Aziz. Only PAS can overcome the devils...so to speak.

MELAYU TAK HILANG DIDUNIA BUKAN DENDANGAN TETAPI LANDASAN PERJUANGAN

ALFATIHAH, AMIN.

By samuraimelayuAuthor Profile Page on July 29, 2010 3:58 PM

SALAM KASIH DAN SAYANG

AYAHANDA RAKYAT TUN

Izinkan,

6. ... The Japanese and the Koreans have to put up plants in the United States and employ American workers in order to remain in the United States market.

... and we knew some of our Muslim brothers working and/or having businesses in the land of total 'HYPER-CRAZY' adopting 'mat salleh' names like Joseph, Jacob, Isaac, Moses etc in order to remain employed and/or survive in their businesses!

Here in this beloved country, INGRATES like 'Ravi' and 'Gunse' need not changed their names for their survival!

ALFATIHAH, AMIN

By IdeaAuthor Profile Page on July 29, 2010 2:54 PM

Dear Tun,

1. I agree with 'free trade simply does not exist'. In addition to your examples, the sand mining business in Selangor has been unfair. Despite the opposition's claim of being fair, some really rip off the benefits whereas some others are left oppressed.

2. The insatiable greed of some people in extracting the sand has caused severe environmental damage. I wish I could write more.

By yychinAuthor Profile Page on July 29, 2010 2:43 PM

FREE TRADE but NOT FAIR TRADE!!

By mgpunyaAuthor Profile Page on July 29, 2010 1:50 PM

YABhg Tun,

It's like...peeling large onion ...sir.

By mgpunyaAuthor Profile Page on July 29, 2010 1:38 PM

YABhg Tun,

Free Market isn't free...

It involves cost...

And, I don't think the US is ready to pay, at any price, even in the name of Free Market..... in upholding Free Market!

By HBTAuthor Profile Page on July 29, 2010 12:37 PM

Ayahanda Tun,

It is 1 Captain and 3 soldiers, 1 director, 3 downlines.

With too much numbering of 1 & 4 in my memory could lead me to make mistakes, and this is why main media press owners require to hire Editor, with journalism experience and foundation, to lead few writers for a particular column to do proof reading and editing.

I think Utusan Chief Editor still prefer to hire proof readers for spelling and grammar mistakes so that his / her position will not be challenged and threatened until today, maybe they have change, Ayahanda Tun can check on this matter.

Good day Ayahanda Tun.

By SRAuthor Profile Page on July 29, 2010 12:31 PM

Dear Sir,

My hats off to you, you are great at pin pointing the hypocrisies of others, especially and namely the American. How about we look inwards and you can start laying out your hypocrasies on the table for every one to evaluate. That would be a good start to show your sincerity

do you wake up every morning and think, hmm how do i roul the people up today? and go " yes i shall make it seem like the americans are evil and everybody will think i am a saint" .

Perhaps childrens fairy tales could be another thing you could put your attantion to. I hear its good for the soul.

By eanisazmanAuthor Profile Page on July 29, 2010 11:37 AM

Salam Tokdet,

Hello Bloggers...

The topic is not new to me. I am refering to Tun's stand on FTA all the while. Glad to find out that it is still intact. For bloggers who are still blur with the topic such as Wenger Khairy, Joe Therapist and Donplaypuks please understand the topic before you're jump like crazy American ass kissing bitch, read those definition and stop talking shit...

What Does Nontariff Barrier Mean?

A form of restrictive trade where barriers to trade are set up and take a form other than a tariff. Nontariff barriers include quotas, levies, embargoes, sanctions and other restrictions, and are frequently used by large and developed economies.

Investopedia explains Nontariff Barrier

Nontariff barriers are another way for an economy to control the amount of trade that it conducts with another economy, either for selfish or altruistic purposes. Any barrier to trade will create an economic loss, as it does not allow markets to function properly. The lost revenues resulting from the barrier to trade can be called an economic loss.

So What Tokdet is saying is that there is no such Free Trade when there will be Non-Tariff Barrier or any form of it. It is fun to have people like you to produce different opinion but sometime you guys are quite annoying. Janganlar membanggakan diri...Then you said to Tokdet that he is no clue of what his saying.

Keep the fact simple. Because we are what we're talking about. And you don't want to look like an idiot

when you talk....

By pakpandir08Author Profile Page on July 29, 2010 11:23 AM

Tun,

It is publicly known that you are hypocrite as well. In this case, if compared to America, the difference only is who you side to ...

By Mis_bahAuthor Profile Page on July 29, 2010 10:51 AM

Assalamu Alaikum Tun,

To Joe Therapist,

Hi Joe, you should uphold positive thinking. don't be a negative thinker. It will not take you anywhere. It seems like you have "taken" your own life before you die..

By Mis_bahAuthor Profile Page on July 29, 2010 10:37 AM

Assalamu Alaikum Tun,

If giant economy country like USA can place various barriers to protect their economic interest so are we. Even we are more deserved to place certain conditions to protect local companies and banking interest..

By Redhuan D. OonAuthor Profile Page on July 29, 2010 10:30 AM

Yet, we are soooo dependent on the FDI (Foreign Direct Investment) factor. Everytime that index drops, we turn pale cold. How true that we are still in the age of Neo-Colonialism.

2 months ago i was in Libya to attend an e-govt conference. Since 2003, where Libya normalised and now is seeing unprecedented potential to grow with lots of investors from both West and East coming in. Libya is lucky as it has lots of oil and gas and can afford to have a welfare state that guarantees its 6 million citizens free education as long as they can till doctorates. But for software, it has to be dependent on the giant Microsoft, Oracle and SAP which will cost them billions as similar to what it has cost us.

Surely i introduced this one way of been independent among the Arab and African countries by using Open Source ERP for their e-govt implementations. Good news is that i have more luck there than in my own country.

Redhuan D. Oon

Pendatang Dengan Izin

By leo7Author Profile Page on July 29, 2010 10:21 AM

Tun Mahathir ,

Salam dengan penuh hormat.

The American are now trying very hard to rebrand themselves as they are self suffocating and firing themselves to another orbit.

If they don't realise that they are just a bit part of world society and that they have lived on borrowed brains in the past, they will continue to be a net borrower till the end of time. So, they will create many wars in the future.

The problem with the American, they can't deal with the truth therefore they lied all the times. And worst their leaders lied to their own people who are either sleeping or in dizzy spells most of the time. They need foreigners to oversee them on all things.

I would give them 20 years before they join their latino brothers in the south as America need to depend

on their neighbours more reliable economies to survive.

If by then, they seek the truth, it will be too late and too painful to the other fair minded Americans.
By gunse007Author Profile Page on July 29, 2010 10:09 AM

i always wonder why you people dont bother speaking up during Rwanda crisis and Haiti earthquake but always concern about Gaza and Bosnia only.

you people are hypocrites. Only help out certain group of people only.
By alibabaanjingAuthor Profile Page on July 29, 2010 9:52 AM

Many people tend to understand the meaning of globalization. However, they do not understand the hidden agenda from the western world. Globalization is equivalent to colonization. All Malaysian should unite together and find their way to compete with western world. Malaysian should not live under the "Ketuanan Melayu" policy. The unity of Malay is the key stability for government. It does not necessary need to be united under UMNO, UMNO is corrupted.
By wajaperakAuthor Profile Page on July 29, 2010 9:39 AM

Assallammualaikumwarahmatullahiwabarokatuh.

Semoga mendapat izin dan perkenan Tun.

hati.malaysia

I am really dissapointed with you:(

You should be better than this but instead of understanding the "forest of the matter" you go for the "trees"..

Now..read carefully.

From a perspective of the teacher.

Listen student.I have been a teacher for the past 25 years now.Most of my student is now people of the establishment.Doctors,lawyers,accountant,pharmasists you named it..I have been honoured to teach them in their primaries..

Excuse me teacher..asked a student

WHY ARE STILL HERE??

To bear and educate the likes of you...)

Now Mr hati.malaysia.

That is what Tun role here and for the past visibly 22 year's..

DONT YOU GET IT??

Terima kasih Tun.

By PohAuthor Profile Page on July 29, 2010 9:21 AM

Dear Tun,

Good Morning.

I have to agree with what you wrote. It is a conspiracy. I have used Toyotas for year and I must say that it

gave me no problems and served me very well.

Coming to the oil palm topic. You know I add raw palm oil in my rice when I eat. I also add it to the food I give to my 8 dogs. By the way I also take virgin coconut oil. It is very tasty. Our fathers used coconut oil those days and you do not hear of that many heart cases. Here it is the conspiracy of the pharmaceutical giants; they want you to take fast foods like Big Mac and then take statin.

By mushashiAuthor Profile Page on July 29, 2010 3:54 AM

salam tun...

first rule of law in global free trade market (FTA) is equal price of currencies...

is it unreasonable?

which one is unreasonable...

FTA or equal currencies?

just wonder....)

By bersia-siaAuthor Profile Page on July 29, 2010 3:19 AM

Tun, I think that for palm and soybean oil you meant to say saturated and unsaturated fat content rather than cholesterol. Oil palm and soybean are both of plant origin and thus would be cholesterol free.

By pakbelalangAuthor Profile Page on July 29, 2010 2:30 AM

Dear Tun,

The idea of free market propagated by the West is just bullshit !! It is an indirect way of colonising the poor countries. It is indeed free trade and globalization benefit the West much more than the poor countries.

Yes, the West is the greatest hypocrites of the first order. Make no mistake about it.

By Rimba EmasAuthor Profile Page on July 29, 2010 1:16 AM

SALAM BUAT TUN BERDUA MOGA DIRAHMATI ALLAH S.W.T

1) ALLAH S.W.T MEMBERI AMARAN CELAKALAH ! ATAS ORANG-ORANG YANG CURANG YANG APABILA MENERIMA SUKATAN DARIPADA ORANG LAIN, MEREKA MINTA DIPENUHI (TIDAK MAHU RUGI)TETAPI BILA MENYUKAT ATAU MENIMBANG UNTUK ORANG LAIN DIBUATKANNYA MERUGI(MEROSAKKAN PASARAN).

2) MAKSUDNYA SERUAN INI KEPADA SEMUA UMAT MANUSIA TIDAK KIRA ORANG ISLAM ATAU BUKAN ISLAM DAN TEMPATNYA GOLONGAN INI DI DALAM NERAKA.

3) URUSAN DUNIA INI TERUTAMA ADA UNSUR PENIPUAN TIDAK AKAN KEKAL LAMA, ALLAH S.W.T MENGAITKAN INI DENGAN BALASAN YANG AKAN DITERIMA NANTI DI AKHIRAT TERUTAMANYA SEKALI KEADAAN NYERI YANG BELUM DIHADAPI LAGI ITU.

4) KEADAAN INI JUGA BOLEH MENJADI SATU IKTIBAR KALAU CARA ITU JUGA DI AMALKAN OLEH YANG MEMERINTAH NEGARA KITA MALAYSIA BAHAWA SUSAHNYA DI NEGARA ORANG BETAPA BAIK NEGARA KITA KERANA DIBERI PELUANG. MENKHIANATI (PENIPUAN) RAKYAT(TIDAK MENIPU) AKAN TETAP DIBELA OLEH YANG EMPUNYA BUMI YANG KITA CINTAI INI.

5) TERLEPAS DIDUNIA TETAPI TIDAK DISISI ALLAH S.W.T KERANA IA TETAP AKAN DIADILI KERANA PERKARA YANG SALAH ITU SENTIASA TERSIMPAN SELAMAT DI DALAM SIJJIN (KITAB YANG BERTULIS) OLEH MALAIKAT YANG SETIA MENJALANKAN TUGAS KEPADA ALLAH S.W.T.

6) KEMBALILAH MENJALANKAN URUSAN JUAL BELI BERLANDASKAN 100% YANG TERTULIS DIDALAM AL-QURAN.

WALLAHU'ALAM

By nabilaAuthor Profile Page on July 29, 2010 12:53 AM

Omputih ni memang besar punya penipu.

By daniel noorAuthor Profile Page on July 29, 2010 12:28 AM

Assalam mualaikum

Dear Tun,

The USA and UK are the two biggest hypocrites in this modern world. Not only in trade or commerce but also the politics and policies that they practiced.

Yet there are many in this country that worship these TWO DEVILS as though there are Gods.

Many a times they have used certain politicians in this country and they still are using them just to change the leadership and government of the day.

During your leadership days you was able to stand up and expressed your frank opinions about them. A lot of us those days were very proud to have you as our leader.

We hope the current leaders as well as future leaders of this country do not sell their souls to these TWO DEVILS.

Take are Tun and salam to your family

By shahrulAuthor Profile Page on July 28, 2010 11:41 PM

then Malaysia should do the same thing, stringent our policy & regulation!

By nibinz1400Author Profile Page on July 28, 2010 11:17 PM

salam Tun,

Amerika dan Tuh sama sahaja, hahaha
cuma Tun memihak kepada melayu,
Amerika memihak kepada rakyatnya,
bijak bijak...

By Joe TherapistAuthor Profile Page on July 28, 2010 11:08 PM

I Apologize for my ignorance,

Last Economical reports put Malaysia Lowest in the region. Last Year FDI was at 1.3Bil. Behind Thailand, Indonesia, Singapore(of course), Philippines (for the first time) And Vietnam (4.56Bil).

I don't think they are crying over the Catfish issue.

Soon we'll be compared to African countries only... And our PM wants the country to be a High income Bracket Population. He must be dreaming. Or Delusional....

When will you Learn?? Free Enterprise. Be Rewarded in Proportion to the Effort Put in the Endeavour. I think the concept is alien to you.

God bless

By al-DinAuthor Profile Page on July 28, 2010 10:43 PM

They have defined free market to their liking. Take it or leave it. It has come to such arrogance being the sole superpower. They set the stage for the whole world to dance to their tune and kick ass.

The Japanese humbled or not take the "Prius" temporary setback as a challenge and will soon come out with improved and superior version to astound the critics. It is not easy to open factories and able to outgun local competitors.

"They talk peace all the times but prepare for war."

By parameswara 2Author Profile Page on July 28, 2010 10:34 PM

Dearest Tun

The USA thought the free market they have created will ensure their lasting dominance over the World..no, on the contrary, it'll be the cause of their downfall. Nothing last forever and this is consistent with the law. They of course think they will be the exception.

The mighty Egyptian civilization was shown its end by the then insignificant Jews led by Moses. No one thought that the Great Roman Empire could be toppled, but the insignificant Arabs rose from the desert and did it. Doesn't make sense did it?

USA is definitely at the tail end of its civilization. The writing is on the wall. So just hang on in there for a while longer. Just do the best in accordance with the rules that they have created. If they want to abuse it let them. This world has a Creator and he oversees us continuously. To Him we shall surrender our faith.

So Tun, life is short just go with the flow, don't worry be happy.

Thanks Tun.

By pasprosAuthor Profile Page on July 28, 2010 10:29 PM

Dear Tun,

US is always creating havoc when they loose out the competition. if one country is stable politically, socially and economically, that wont be good for the US. thats what Anwar Ibrahim come about, to create havoc.

By emma49Author Profile Page on July 28, 2010 10:28 PM

Salam TUN,

Saya peminat Toyota, banyak buku2 on Toyota meliputi aspek pengurusan, budaya toyota (toyota culture), toyota talents yg actually boleh di aplikasikan dalam aspek pengurusan negara. Contohnya, di toyota, their employees sahaja contribute almost a million ideas yearly on how to improve their performance.. sebab itu toyota are among the best company in d world..!

Dalam aspek pengurusan "talents", toyota mengamalkan kaedah rewards system for their employees, contohnya employees yang achive full "attendance" (maksudnya tiada mc/urgent leave) akan layak untuk cabutan bertuah kereta mewah @ their annual dinner. Employee yg tak perform pula will be punish fairly. I think its a fair "system" to encourage concentrated efforts from the employee/public.

Selain itu, Toyota juga mempunyai "training" system secara mentor/mentee where the seniors are responsible to train their own juniors so they can maintain their high skill/well trained workers. Konsep

"hei-san" / reflection juga digunakan untuk mengenal pasti kelemahan dan mencari solution.

Saya berpendapat, kerajaan seharusnya mengkaji "Toyota" as case study untuk memperbaiki aspek kelemahan pengurusan negara.

*** Sorry Tun, lari topic...

*** I also, would like to suggest, for PGPO to organize debate competition, open to all (schools/university/public) to get their feedback on PGPO efforts to criminalize war... i think PGPO have to engage more with the public to gain their support locally && also internationally...

WE SUPPORT YOU!!!

Terima kasih...

missy_kay49@yahoo.com

By HBTAuthor Profile Page on July 28, 2010 10:08 PM

Ayahanda Tun,

For you to read and understand how free market or free economy works..why Toyota, the automaker could maintained the world No. 1 title in imperfect market competition in free market or economy, and they make profit after the negative headlines on Prius. Peugeot and now Honda are following Toyota strategy to deal with paid free news..and Singapore Government is good in this strategy too!!

Free market

From Wikipedia, the free encyclopediaJump to: navigation, search

For free-market economy, see Market economy.

A free market is a market without economic intervention and regulation by government except to enforce ownership ("property rights") and contracts. It is the opposite of a controlled market, where the government regulates how the means of production, goods, services and labor are used, priced, or distributed. This is the contemporary use of the term "free market" by economists and in popular culture; the term has had other uses historically.

A free-market economy is an economy where all markets within it are unregulated by any parties other than those players in the market. In its purest form the government plays a neutral role in its administration and legislation of economic activity neither limiting nor actively promoting it (for example neither regulating industries let alone owning economic interests nor offering subsidies to businesses let alone protecting them from internal/external market pressures). Such an economy in its most radical form does not exist in developed economies, however efforts made to liberalise an economy or make it "free-er" attempt to limit the role of government in such a way. The theory holds that within an ideal free market, property rights are voluntarily exchanged at a price arranged solely by the mutual consent of sellers and buyers. By definition, buyers and sellers do not coerce each other, in the sense that they obtain each other's property rights without the use of physical force, threat of physical force, or fraud, nor are they coerced by a third party (such as by government via transfer payments) [1] and they engage in trade simply because they both consent and believe that what they are getting is worth more than or as much as what they give up. Price is the result of buying and selling decisions en masse as described by the theory of supply and demand.

Free markets contrast sharply with controlled markets or regulated markets, in which governments

directly or indirectly regulate prices or supplies, which according to free-market theory causes markets to be less efficient.[2] Where government intervention exists, the market is a mixed economy.

In the marketplace the price of a good or service helps communicate consumer demand to producers and thus directs the allocation of resources toward consumer, as well as investor, satisfaction. In a free market, price is a result of a plethora of voluntary transactions, rather than political decree as in a controlled market. Through free competition between vendors for the provision of products and services, prices tend to decrease, and quality tends to increase. A free market is not to be confused with a perfect market where individuals have perfect information and there is perfect competition.

Free-market economics is closely associated with laissez-faire economic philosophy, which advocates approximating this condition in the real world by mostly confining government intervention in economic matters to regulating against force and fraud among market participants. Some free-market advocates oppose taxation as well, claiming that the market is more efficient at providing all valuable services of which defense and law are no exception, that such services can be provided without direct taxation and that consent would be the basis of political legitimacy making it a morally consistent system. Anarcho-capitalists, for example, would substitute arbitration agencies and private defense agencies.

In social philosophy, a free-market economy is a system for allocating goods within a society: purchasing power mediated by supply and demand within the market determines who gets what and what is produced, rather than the state. A free market may refer narrowly to national economies, or internationally; specific reference to international markets is referred to as free trade (for goods) or lack of capital controls (for money). Early proponents of a free-market economy in 18th century Europe contrasted it with the medieval, early modern, and mercantilist economies which preceded it.

[edit] Supply and demand

Main article: Supply and demand

Supply and demand are always equal as they are the two sides of the same set of transactions, and discussions of "imbalances" are a muddled and indirect way of referring to price.[3] However, in an unmeasurable qualitative sense, demand for an item (such as goods or services) refers to the market pressure from people trying to buy it. They will "bid" money for the item, while in return sellers offer the item for money. When the bid matches the offer, a transaction can easily occur (even automatically, as in a typical stock market). In reality, most shops and markets do not resemble the stock market, and there are significant costs and barriers to "shopping around" (comparison shopping).

The model is commonly applied to wages, in the market for labor. The typical roles of supplier and consumer are reversed. The suppliers are individuals, who try to sell (supply) their labor for the highest price. The consumers of labors are businesses, which try to buy (demand) the type of labor they need at the lowest price. As populations increase wages fall for any given unskilled or skilled labor supply. Conversely, wages tend to go up with a decrease in population.

When demand exceeds supply, suppliers can raise the price, but when supply exceeds demand, suppliers will have to decrease the price in order to make sales. Consumers who can afford the higher prices may still buy, but others may forgo the purchase altogether, demand a better price, buy a similar item, or shop elsewhere. As the price rises, suppliers may also choose to increase production. Or more suppliers may enter the business.

[edit] Gourmet coffee and electronics as examples of market forces in economics

For example, the gourmet coffee business, pioneered in the US by Starbucks, revealed a demand for high quality fresh coffee. Further, the Starbucks sales growth showed that consumers would pay significantly more for this type of coffee. Other food service retailers, such as McDonald's, Sonic Drive-In, and Burger King, responded to the demand by offering similar coffee.

Increased supply can indirectly result in lower prices, particularly with computers and other electronic devices. Mass production techniques have been steadily reducing prices 20 to 30% per year since the 1960s.[citation needed] The functions of a multi-million dollar mainframe computer in the 1960s could be

performed by a \$100 computer in the 2000s.

[edit] Spontaneous order or "Invisible hand"

Main articles: Invisible hand and Spontaneous order

Friedrich Hayek argues for the classical liberal view that market economies allow spontaneous order; that is, "a more efficient allocation of societal resources than any design could achieve."^[4] According to this view, in market economies sophisticated business networks are formed which produce and distribute goods and services throughout the economy. This network was not designed, but emerged as a result of decentralized individual economic decisions. Supporters of the idea of spontaneous order trace their views to the concept of the invisible hand proposed by Adam Smith in *The Wealth of Nations* who said that the individual who:

"intends only his own gain is led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for society that it was no part of it. By pursuing his own interest [an individual] frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the [common] good." (*Wealth of Nations*)

Smith pointed out that one does not get one's dinner by appealing to the brother-love of the butcher, the farmer or the baker. Rather one appeals to their self interest, and pays them for their labour.

"It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own self interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages."^[5]

Supporters of this view claim that spontaneous order is superior to any order that does not allow individuals to make their own choices of what to produce, what to buy, what to sell, and at what prices, due to the number and complexity of the factors involved. They further believe that any attempt to implement central planning will result in more disorder, or a less efficient production and distribution of goods and services.

[edit] Economic equilibrium

Main article: Economic equilibrium

General equilibrium theory has demonstrated, with varying degrees of mathematical rigor over time, that under certain conditions of competition, the law of Supply and Demand predominates in this ideal free and competitive market, influencing prices toward an equilibrium that balances the demands for the products against the supplies.^[6]^[7] At these equilibrium prices, the market distributes the products to the purchasers according to each purchaser's preference (or utility) for each product and within the relative limits of each buyer's purchasing power. This result is described as market efficiency, or more specifically a Pareto optimum.

This equilibrating behavior of free markets requires certain assumptions about their agents, collectively known as Perfect Competition, which therefore cannot be results of the market that they create. Among these assumptions are complete information, interchangeable goods and services, and lack of market power, that obviously cannot be fully achieved. The question then is what approximations of these conditions guarantee approximations of market efficiency, and which failures in competition generate overall market failures. Several Nobel Prizes in Economics have been awarded for analyses of market failures due to asymmetric information.

Some models in econophysics^[8] have shown that when agents are allowed to interact locally in a free market (i.e. their decisions depend not only on utility and purchasing power, but also on their peers' decisions), prices can become unstable and diverge from the equilibrium, often in an abrupt manner. The behavior of the free market is thus said to be non-linear (a pair of agents bargaining for a purchase will agree on a different price than 100 identical pairs of agents doing the identical purchase). Speculation bubbles and the type of herd behavior often observed in stock markets are quoted as real life examples of non-equilibrium price trends. Some laissez-faire free-market advocates, like Chicago school economists,

often dismiss this endogenous theory, and blame external influences, such as weather, commodity prices, technological developments, and government meddling for non-equilibrium prices.

[edit] Distribution of wealth

Main article: Distribution of wealth

The distribution of purchasing power in an economy depends to a large extent on the nature of government intervention, social class, labor and financial markets, but also on other, lesser factors such as family relationships, inheritance, gifts and so on. Many theories describing the operation of a free market focus primarily on the markets for consumer products, and their description of the labor market or financial markets tends to be more complicated and controversial. The free market can be seen as facilitating a form of decision-making through what is known as dollar voting, where a purchase of a product is tantamount to casting a vote for a producer to continue producing that product.

The effect of economic freedom on society's and individuals' wealth remains a subject of controversy. Kenneth Arrow and Gerard Debreu have shown that under certain idealized conditions, a system of free trade leads to Pareto efficiency, but the traditional Arrow-Debreu paradigm within economics is now being challenged by the new Greenwald-Stiglitz paradigm (1986)[9]. Many advocates of free markets, most notably Milton Friedman, have also argued that there is a direct relationship between economic growth and economic freedom, though this assertion is much harder to prove empirically, as the continuous debates among scholars on methodological issues in empirical studies of the connection between economic freedom and economic growth clearly indicate:[10][11][12]. "there were a few attempts to study relationship between growth and economic freedom prior to the very recent availability of the Fraser data. These were useful but had to use incomplete and subjective variables"[13]. Joshua Epstein and Robert Axtell have attempted to predict the properties of free markets empirically in the agent-based computer simulation "Sugarscape". They came to the conclusion that, again under idealized conditions, free markets lead to a Pareto distribution of wealth[8] .

On the other hand more recent research, especially the one led by Joseph Stiglitz seems to contradict Friedman's conclusions. According to Boettke:

Once incomplete and imperfect information are introduced, Chicago-school defenders of the market system cannot sustain descriptive claims of the Pareto efficiency of the real world. Thus, Stiglitz's use of rational-expectations equilibrium assumptions to achieve a more realistic understanding of capitalism than is usual among rational-expectations theorists leads, paradoxically, to the conclusion that capitalism deviates from the model in a way that justifies state action--socialism--as a remedy.[14]

[edit] Laissez-faire economics

Main article: Laissez-faire economics

The necessary components for the functioning of an idealized free market include the complete absence of artificial price pressures from taxes, subsidies, tariffs, or government regulation (other than protection from coercion and theft, and no government-granted monopolies (usually classified as coercive monopoly by free-market advocates) like the United States Post Office, Amtrak, arguably patents, etc.

[edit] Deregulation

Main article: Deregulation

In an absolutely free-market economy, all capital, goods, services, and money flow transfers are unregulated by the government except to stop collusion or fraud that may take place among market participants.[citation needed] As this protection must be funded, such a government taxes only to the extent necessary to perform this function, if at all. This state of affairs is also known as laissez-faire. Internationally, free markets are advocated by proponents of economic liberalism; in Europe this is usually simply called liberalism. In the United States, support for free market is associated most with libertarianism. Since the 1970s, promotion of a global free-market economy, deregulation and privatization, is often described as neoliberalism. The term free-market economy is sometimes used to describe some economies that exist today (such as Hong Kong), but pro-market groups would only accept that description if the government practices laissez-faire policies, rather than state intervention in the economy.[specify] An economy that contains significant economic interventionism by government, while still retaining some characteristics found in a free market is often called a mixed economy.

[edit] Low barriers to entry

A free market does not require the existence of competition, however it does require that there are no barriers to new market entrants. Hence, in the lack of coercive barriers it is generally understood that competition flourishes in a free-market environment. It often suggests the presence of the profit motive, although neither a profit motive or profit itself are necessary for a free market. All modern free markets are understood to include entrepreneurs, both individuals and businesses. Typically, a modern free market economy would include other features, such as a stock exchange and a financial services sector, but they do not define it.

[edit] Legal tender and taxes

In a truly free-market economy, money would not be monopolized by legal tender laws or by a central bank, in order to receive taxes from the transactions or to be able to issue loans.[citation needed] Minarchists (advocates of minimal government) contend that the so called "coercion" of taxes is essential for the market's survival, and a market free from taxes may lead to no market at all. By definition, there is no market without private property, and private property can only exist while there is an entity that defines and defends it. Traditionally, the State defends private property and defines it by issuing ownership titles, and also nominates the central authority to print or mint currency. "Free-market anarchists" disagree with the above assessment – they maintain that private property and free markets can be protected by voluntarily-funded services under the concept of individualist anarchism and anarcho-capitalism[15][16]. A free market could be defined alternatively as a tax-free market, independent of any central authority, which uses as medium of exchange such as money, even in the absence of the State. It is disputed, however, whether this hypothetical stateless market could function.

[edit] Ethical justification

The ethical justification of free markets takes two forms. One appeals to the intrinsic moral superiority of autonomy and freedom (in the market), see deontology. The other is a form of consequentialism—a belief that decentralised planning by a multitude of individuals making free economic decisions produces better results in regard to a more organized, efficient, and productive economy, than does a centrally-planned economy where a central agency decides what is produced, and allocates goods by non-price mechanisms. An older version of this argument is the metaphor of the Invisible Hand, familiar from the work of Adam Smith.

Modern theories of self-organization say the internal organization of a system can increase automatically without being guided or managed by an outside source. When applied to the market, as an ethical justification, these theories appeal to its intrinsic value as a self-organising entity. Other philosophies such as some forms of Individualist anarchism (especially that of that 19th century) and Mutualism (economic theory) anarchism believe that in a free-market competition would cause prices of goods and services to align with the labor embodied in those things. This goes against the contemporary mainstream view, which is held by most contemporary individualist anarchists, that prices would accord to the marginal utility of these things irrespective of the labor embodied in them.

[edit] Index of economic freedom

The Heritage Foundation, a conservative think tank, tried to identify the key factors which allow to measure the degree of freedom of economy of a particular country. In 1986 they introduced Index of Economic Freedom, which is based on some fifty variables. This and other similar indices do not define a free market, but measure the degree to which a modern economy is free, meaning in most cases free of state intervention. The variables are divided into the following major groups:

- Trade policy,
- Fiscal burden of government,
- Government intervention in the economy,
- Monetary policy,
- Capital flows and foreign investment,
- Banking and finance,
- Wages and prices,

Property rights,
Regulation, and
Informal market activity.

Each group is assigned a numerical value between 1 and 5; IEF is the arithmetical mean of the values, rounded to the hundredth. Initially, countries which were traditionally considered capitalistic received high ratings, but the method improved over time. Some economists, like Milton Friedman and other Laissez-faire economists have argued that there is a direct relationship between economic growth and economic freedom, but this assertion has not been proven yet, both theoretically and empirically. Continuous debates among scholars on methodological issues in empirical studies of the connection between economic freedom and economic growth still try to find out what is the relationship, if any.[10][11][12].[13].

"In recent years a significant amount of work has been devoted to the investigation of a possible connection between the political system and economic growth. For a variety of reasons there is no consensus about that relationship, especially not about the direction of causality, if any." (AYAL & KARRAS, 1998, p.2)[13]

[edit] History and ideology

The meaning of "free" market has varied over time and between economists, the ambiguous term "free" facilitating reuse. To illustrate the ambiguity: classical economists such as Adam Smith believed that an economy should be free of monopoly rents, while proponents of laissez faire believe that people should be free to form monopolies. In this article "free market" is largely identified with laissez faire, though alternative senses are discussed in this section and in criticism. The identification of the "free market" with "laissez faire" was notably used in the 1962 *Capitalism and Freedom*, by economist Milton Friedman, which is credited with popularizing this usage.[17]

Some theorists might argue that a free market is a natural form of social organization, and that a free market will arise in any society where it is not obstructed (i.e. Ludwig von Mises, Hayek). The consensus among economic historians is that the free market economy is a specific historic phenomenon, and that it emerged in late medieval and early-modern Europe.[citation needed] Other economic historians see elements of the free market in the economic systems of Classical Antiquity,[citation needed] and in some non-western societies.[citation needed] By the 19th century the market certainly had organized political support, in the form of laissez-faire liberalism. However, it is not clear if the support preceded the emergence of the market or followed it. Some historians see it as the result of the success of early liberal ideology, combined with the specific interests of the entrepreneur.

Support for the free market as an ordering principle of society is above all associated with liberalism, especially during the 19th century. (In Europe, the term 'liberalism' retains its connotation as the ideology of the free market, but in American and Canadian usage it came to be associated with government intervention, and acquired a pejorative meaning for supporters of the free market.) Later ideological developments, such as minarchism, libertarianism and Objectivism also support the free market, and insist on its pure form. Although the Western world shares a generally similar form of economy, usage in the United States and Canada is to refer to this as capitalism, while in Europe 'free market' is the preferred neutral term. Modern liberalism (American and Canadian usage), and in Europe social democracy, seek only to mitigate the problems of an unrestrained free market, and accept its existence as such.

[edit] Classical economics

In the classical economics of such figures as Adam Smith and David Ricardo, "free markets" meant "free of unnecessary charges"[18] and a "market free from monopoly power, business fraud, political insider dealing and special privileges for vested interests".[19] A "free market" particularly meant one free of foreign debt;[20] as discussed in *The Wealth of Nations*.^[21] Alternatively, stated, it was a market freed from Feudalism and serfdom, or more formally, one free of economic rent, in the formulation by David Ricardo of the Law of Rent.

[edit] Marxism

In Marxist theory, the idea of the free market simply expresses the underlying long-term transition from

feudalism to capitalism. Note that the views on this issue - emergence or implementation - do not necessarily correspond to pro-market and anti-market positions. Libertarians would dispute that the market was enforced through government policy, since they believe it is a spontaneous order and Marxists agree with them because they as well believe it is evolutionary, although with a different end.

[edit] Liberalism

Support for the free market as an ordering principle of society is above all associated with liberalism, especially during the 19th century. (In Europe, the term 'liberalism' retains its connotation as the ideology of the free market, but in American and Canadian usage it came to be associated with government intervention, and acquired a pejorative meaning for supporters of the free market.) Later ideological developments, such as minarchism, libertarianism and Objectivism also support the free market, and insist on its pure form. Although the Western world shares a generally similar form of economy, usage in the United States and Canada is to refer to this as capitalism, while in Europe 'free market' is the preferred neutral term. The advocates of modern liberalism (American and Canadian usage), and in Europe those of social democracy, seek ostensibly only to mitigate what they see as the problems of an unrestrained free market, and accept the existence of markets as such.

To most libertarians, there is simply no free market yet, given the degree of state intervention in even the most 'capitalist' of countries. From their perspective, those who say they favor a "free market" are speaking in a relative, rather than an absolute, sense — meaning (in libertarian terms) they wish that coercion be kept to the minimum that is necessary to maximize economic freedom (such necessary coercion would be taxation, for example) and to maximize market efficiency by lowering trade barriers, making the tax system neutral in its influence on important decisions such as how to raise capital, e.g., eliminating the double tax on dividends so that equity financing is not at a disadvantage vis-a-vis debt financing. However, there are some such as anarcho-capitalists who would not even allow for taxation and governments, instead preferring protectors of economic freedom in the form of private contractors.

[edit] Criticism

Critics dispute the claim that in practice free markets create perfect competition, or even increase market competition over the long run. Whether the marketplace should be or is free is disputed; many assert that government intervention is necessary to remedy market failure that is held to be an inevitable result of absolute adherence to free market principles. These failures range from military services to roads, and some would argue, to health care. This is the central argument of those who argue for a mixed market, free at the base, but with government oversight to control social problems.

Another criticism is definitional, in that far-ranging governmental actions such as the creation of corporate personhood or more broadly, the governmental actions behind the very creation of artificial legal entities called corporations, are not considered "intervention" within mainstream economic schools. This inherent definitional bias allows many to advocate strong governmental actions that promote corporate power, while advocating against government actions limiting it, while putting these dual positions under the umbrella of "pro free markets" or "anti-intervention."

Two prominent Canadian authors (both very hostile to the "Chicago School" philosophy) argue that government at times has to intervene to ensure competition in large and important industries. Naomi Klein illustrates this roughly in her work *The Shock Doctrine* and John Ralston Saul (former Governor General Regent) more humorously illustrates this through various examples in *The Collapse of Globalism and the Reinvention of the World*.^[22] While it is argued that only a free market can create healthy competition and therefore more business and reasonable prices, free markets in its purest form may result in the opposite. According to Klein and Ralston, the merging of companies into incredibly large corporations or the privatization of government run industry and national asset often result in monopolies (or duo-tri-mego-ogliopolies) requiring government intervention to force competition and reasonable prices.^[22]

Critics of laissez-faire since Adam Smith^[23] variously see the unregulated market as an impractical ideal or as a rhetorical device that puts the concepts of freedom and anti-protectionism at the service of vested wealthy interests, allowing them to attack labor laws and other protections of the working classes.^[24]

Because no national economy in existence fully manifests the ideal of a free market as theorized by economists, some critics of the concept consider it to be a fantasy - outside of the bounds of reality in a complex system with opposing interests and different distributions of wealth.

These critics range from those who reject markets entirely, in favour of a planned economy or a communal economy, such as that advocated by Marxism, to those who merely wish to see market failures regulated to various degrees or supplemented by certain government interventions. For example, Keynesians recognize a role for government in providing corrective measures, such as use of fiscal policy for economy stimulus, when decisions in the private sector lead to suboptimal economic outcomes, such as depression or recession, which manifest in widespread hardship. Business cycle theory is used by Keynes to explain 'liquidity traps' by which underconsumption occurs, in order to argue for government intervention with central banking. Free market economists consider this credit-expansion as the cause of the business cycle in refutation of this Keynesian criticism.

[edit] Externalities

One practical objection is the claim that markets do not take into account externalities (effects of transactions that affect third parties), such as the negative effects of pollution or the positive effects of education. What exactly constitutes an externality may be up for debate, including the extent to which it changes based upon the political climate.

Some proponents of market economies believe that governments should not diminish market freedom because they disagree on what is a market externality and what are government-created externalities, and disagree over what the appropriate level of intervention is necessary to solve market-created externalities. Others believe that government should intervene to prevent market failure while preserving the general character of a market economy. In the model of a social market economy the state intervenes where the market does not meet political demands. John Rawls was a prominent proponent of this idea.

[edit] Differing Ideas of the Free Market

Some advocates of free market ideologies have criticized mainstream conceptions of the free market, arguing that a truly free market would not resemble the modern-day capitalist economy. For example, contemporary mutualist Kevin Carson argues in favor of "free market anti-capitalism." Carson has stated that "From Smith to Ricardo and Mill, classical liberalism was a revolutionary doctrine that attacked the privileges of the great landlords and the mercantile interests. Today, we see vulgar libertarians perverting "free market" rhetoric to defend the contemporary institution that most closely resembles, in terms of power and privilege, the landed oligarchies and mercantilists of the Old Regime: the giant corporation." [25]

Carson believes that a true free market society would be "[a] world in which... land and property [is] widely distributed, capital [is] freely available to laborers through mutual banks, productive technology [is] freely available in every country without patents, and every people [is] free to develop locally without colonial robbery..."[26]

[edit] Simulation Of Biological Laws

See also: Social Darwinism

The Red-billed Oxpecker feed on ticks off the impala's coat. Such biological interaction is not of competitive nature. The free market is believed to self-regulate in the most efficient and just way. Adam Smith attributed this characteristic to the invisible hand, which he thought was responsible for urging society towards prosperity. Some scholars (like Ludwig von Mises) have argued that this notion possesses features of a divine presence.[citation needed]

Charles Darwin's theory of evolution was very appealing to economists, sociologists and political scientists (most notably Walter Bagehot and William Graham Sumner) who decided to upgrade and rationalize the invisible hand by incorporating the popular idea of the survival of the fittest.[27] They proposed - among others - that in a fully competitive economic environment (as they thought was the

case of ecosystems) the most potent individuals would thrive and in turn society would prosper (in analogy to the observed biodiversity and abundance of life on earth). Such arguments lead to the consolidation of neoliberalism and laissez-faire.

As of the 21st century, biologists agree that the phrase "survival of the fittest" has been severely simplified and misinterpreted. While in nature organisms often compete for limited resources, at the same time several other complex mechanisms (including symbiosis, mutualism, cooperation, solidarity etc.) maintain or alter the balance of ecosystems. In fact the behavior of the "fittest" individual can cause evolutionary disadvantages. For example a strong but aggressive lion may be obsessively preoccupied with fights of display and domination while failing to feed or mate adequately.[28]

...we find that the survival of the species does not only depend on the competitive ability of isolated individuals, but also on the team spirit they exhibit, the ability of harmonious cooperation and synchronization of their actions and the ability of solidarity and mutual help in dealing with dangers. Excessive individualism and sheer self-interest are factors that shred social coherence and put survival at risk. The view that economic and social life is no more than a brutal combat of competition and annihilation is a mere madness.

—G. Dourakis, prologue in the Greek edition of *The Wealth of Nations* by Tom Vima

Hence critics of the free market argue that the imitation of the laws of life in society is awkward, has no solid basis in the natural sciences and may lead to adverse or unpredictable consequences.

[edit] Martin J. Whitman

Not all advocates of capitalism consider free markets to be practical. For example, Martin J. Whitman has written, in a discussion of Keynes, Friedman and Hayek, that these "...great economists...missed a lot of details that are part and parcel of every value investor's daily life." While calling Hayek "100% right" in his critique of the pure command economy, he writes "However, in no way does it follow, as many Hayek disciples seem to believe, that government is per se bad and unproductive while the private sector is, per se good and productive. In well-run industrial economies, there is a marriage between government and the private sector, each benefiting from the other." As illustrations of this, he points at "Japan after World War II, Singapore and the other Asian Tigers, Sweden and China. The notable exception is Hong Kong which found prosperity on an extremely austere free market concept.

He argues, in particular, for the value of government-provided credit and of carefully crafted tax laws.[29] Further, Whitman argues (explicitly against Hayek) that "a free market situation is probably also doomed to failure if there exist control persons who are not subject to external disciplines imposed by various forces over and above competition." The lack of these disciplines, says Whitman, lead to "1. Very exorbitant levels of executive compensation... 2. Poorly financed businesses with strong prospects for money defaults on credit instruments... 3. Speculative bubbles... 4. Tendency for industry competition to evolve into monopolies and oligopolies... 5. Corruption." For all of these he provides recent examples from the U.S. economy, which he considers to be in some respects under-regulated,[29] although in other respects over-regulated (he is generally opposed to Sarbanes-Oxley).[30]

He believes that an apparently "free" relationship—that between a corporation and its investors and creditors—is actually a blend of "voluntary exchanges" and "coercion". For example, there are "voluntary activities, where each individual makes his or her own decision whether to buy, sell, or hold" but there are also what he defines as "[c]oercive activities, where each individual security holder is forced to go along...provided that a requisite majority of other security holders so vote..." His examples of the latter include proxy voting, most merger and acquisition transactions, certain cash tender offers, and reorganization or liquidation in bankruptcy.[31] Whitman also states that "Corporate America would not work at all unless many activities continued to be coercive." [32]

"I am one with Professor Friedman that, other things being equal, it is far preferable to conduct economic activities through voluntary exchange relying on free markets rather than through coercion. But Corporate America would not work at all unless many activities continued to be coercive." [33]

COMMENT:

DAP Tony Pua told the press that he is a Economist, and I laughed when he asked why FDI dropped to 81% base on foreign magazine of what name, so lame this DAP.....and they are racist and they are repeating UMNO's arrogance and ignorance during Pak Lah's time because DAP thinks that they sure win.....1Malaysia is receiving very very positive response from all walks of life, and PM Najib is good and seasoned.....

By Redhuan D. OonAuthor Profile Page on July 28, 2010 9:55 PM

Today i was in Harakah's office and sat down with Haji Subky Latif who reminiscence about the good old Utusan Melayu days and he gave us a slight surprise when he said that Tun Dr. Mahathir's time is more freer than Tun Razak or Tun Hussein's times. I wrote a Bahasa piece on it here PendAtang Dengan Izin.

Have a nice day!

Redhuan D. Oon

By gagakhitamAuthor Profile Page on July 28, 2010 9:41 PM

Tun,

Pasaran bebas banyak memberi manfaat kepada kerajaan yang di pilih oleh rakyat,untuk rakyat.lihat la negara yang mengamalkan dasar ekonomi komunisme,masih terkejar-kejar/terkial-kial untuk menjadi negara sederhana membangun.

By chaAuthor Profile Page on July 28, 2010 7:18 PM

As Salam Tun

Thanks for the interesting views. Complicated world and our country really need brilliant generation to face these challenges. Ia menjadikan saya begitu sayang dengan tanah air ini.

By amin tanAuthor Profile Page on July 28, 2010 6:33 PM

Dear Tun,

What you say about free market is true except no 13 about hypocracy is a bit too harsh. Free market means peoples and countries are encouraged to trade without restriction or embargo. By and large it is better to have free trade in the world due to many advantages like bigger markets bring about economies of scale, people can have access to new, better, cheaper and more choices of products. With free trade, not only can we drive s-class Mercedes, travel in big, comfortable airplanes but also we can drink apple juice in a tropical country like Malaysia. The Europeans have free markets and even common currency, Euro, because they know the many advantages of free trade.

China and Japan gain much from free trade. In fact these two countries are quite selfish. They freely export their products to other countries like America and Britain, but they dont fully open their markets to foreigners. Can we export our proton cars to Japan or agriculture products or whatever, except maybe tiger skin which we dont have anyway? They would put all kinds of restrictions in the name of quality control and safety. It is harder to work in China and Japan than the U.S.

Tun's description about the competition between palm oil and soya oil is normal in free market competition. A producer has to sabotage and outsmart his competitor in order to capture bigger share of the market. Promotion including kickbacks to big customer like government purchase of submarines, helicopters and other contracts are part and parcel of market competition. On the other hand, those who lose out due to higher price, non performance and bad track record would report to MACC and join Pakatan Rakyat and blame every thing on UMNO. The sore loser or sour grapes. Those who are smart

would triumph in free market. Those not so smart would lose out. Market place is full of corruption or they call promotion. Buy one get one free. 70% discount. Home delivery. If you buy one brand new printing machine worth rm4 million, you and spouse are given 2 weeks tour of Germany or Japan, all expenses paid. This is promotion. That is why they say consumer sovereignty. Customer is the king. You are even allowed to mark up the price to rm7 million and pocket rm3 millions. In business it is all money politic. How many accountants dont cheat or collude? Arthur Anderson? Ethics?

amin tan

By tongkatmusa Author Profile Page on July 28, 2010 6:31 PM

Likewise, democracy or self rule or anarchy is accepted by US if it favours her. First world with a third world mentality.

By Wenger Khairy Author Profile Page on July 28, 2010 6:28 PM

Dear Tun and followers,

I was shocked when I read your posting. In fact I almost fell off my chair even though its a very strong and sturdy chair.

How can Tun accuse the United States of being protectionist? America is the biggest promoter of free trade. Yes, they protect their soya bean farmers and their catfish growers But I totally don't buy the Toyata story.

Primary agriculture is protected due to the strong congressional lobby. The farmers are based in rural America and I can't blame them for wanting to protect their livelihood. And personally I'd prefer American catfish. Its tastier and catching catfish via noodling is a way of life.

But lets put some data out to dispute this story.

The United States of America has been running huge trade deficits for the better part of the last 3 decades. For the last 5 years, their trade deficit was an astounding US\$ 757 billion per year, or US\$ 3.7 trillion in total.

Source: http://www.bea.gov/international/bp_web/simple.cfm?anon=71&table_id=20&area_id=1

That means America imported \$3,700,000,000,000 more than they exported over the last 5 years. This enabled millions of people around the world to find jobs and improve their quality of life. Without America's trade deficit, I dare say, a billion or more people will still be illiterate, hungry, unclothed and easily misled by a certain statesman's simplistic arguments.

Of course exporting to America is not easy. One way is by partnering with American firms as an OEM supplier. That is the way for those producing undifferentiated products. But if a country had invested properly in their education system, developed talent and not caused the biggest brain drain, then surely that country could produce some technologically innovative device that they can export.

You yourself have proved my point. Americans can appreciate technology. Whilst the Americans, grew up with all the propaganda surrounding Motown (home of the US automakers), still every year, millions of Americans prefer to buy Toyata and Honda cars because it offers a better product. And if Toyata slips up, the American high standards of customer satisfaction would force them to rectify the issue. The Prius had a defective brake pedal system. The Chairman of Toyata admitted it. I saw him getting grilled on TV. Of course he had to be pressured by the United States Government to come out and say so.

So if we want to export to America, we have 2 options. Option 1 is to operate sweat shops and produce goods under American labels. Option 2 is to invest in the citizen's education (and not monuments), produce a superior product, keep the manufacturers on their toes (ahem, am thinking of a certain power

window in a car) and continue to innovate.

That sir is not hypocrisy. That sir is the American dream.
By HOT ZOOMAuthor Profile Page on July 28, 2010 6:27 PM

Adakah kegemilangan akan berterusan lagi <http://bloginfo4uall.blogspot.com>
By zoropAuthor Profile Page on July 28, 2010 6:07 PM

you said it mr chedet
By lanmohamadAuthor Profile Page on July 28, 2010 5:43 PM

Salam Tun, i remember one book that you wrote telling about all the universal concept in the world. ...communism, democracy, capitalist, globalization, free market and so on. On my point of view, all of the ideas are good at first, but later on, its become bad because of the individual. So, for Malaysia to succeed (economy, politic, education, social, etc) we should choose a good leader... in business and politics. Thank you.
By TuaChengAuthor Profile Page on July 28, 2010 5:26 PM

Well, not really of a suprise. Afterall during your tenure as PM, it seems business and free trade were exclusively control by your Economic Advisor.

I think Daim was so privelege during that time.
By the way, I think so much protection given to Proton, yet it is boy still learning to walk, while Perodua had sprinted overhead it.

Equally, we've told people to buy British Last right.
By Prabakaran GopalakrishnanAuthor Profile Page on July 28, 2010 5:18 PM

Dear Tun
Tun's article appears to be written by someone with conspiracy theories.

Anyway Tun we have our own problems here in Malaysia with a civil servant defying an elected chief minister. The chief secretary then has the gall to defend this guy.

Hmm we live in interesting times!
By hakimjbAuthor Profile Page on July 28, 2010 5:15 PM

Dear Tun,

Great article. Sorry but I have to digress from your topic for another urgent one: our education system policy changes.

Can you please do us all a favour and read Syed Akbar Ali's (author of Things In Common & Malaysia and the Club of Doom) take on our education system? It's here:

<http://syedsoutsidethebox.blogspot.com/2010/07/examinations-versus-upsr-pmr.html>

And please publish your response in this blog, so that more people can get inspired by - what I think, may be - the best input we can get for the much publicised education policy changes in Malaysia.

Please, Tun.

Thanks.
By METAAuthor Profile Page on July 28, 2010 5:03 PM

Assalamu'alaikum Tun

Mohon laluan

For your info, Palm Oil and the rest of other Vegetable oils like soybean oil and canola oil are free from cholesterol.

The ingestion of these oil might increase the blood cholesterol level but the oil it self does not contain any cholesterol. I think what you meant in your writing is that the ingestion of soybean oil will increase the blood cholesterol level compared to palm oil.

Just my 2 cents.

By HalimAuthor Profile Page on July 28, 2010 4:54 PM

Assalammualaikum warahmatullahi Wabarokatuh...

Saya bersetuju dengan pendapat ayahnda tun....

pasaran amerika bercorak laissez-faire atau lebih dikenali sebagai pasaran bebas...mereka cuma ingin yang terbaik dan tidak pernah ingin sedikit kesilapan berlaku...

namun,

saya yakin tiada yang benar-benar sempurna.....

syarikat yang telah melakukan kesilapan selayaknya memperoleh peluang kedua dan tidak seharusnya di "band" begitu sahaja....

sekian...Assalammualaikum warahmatullahi Wabarokatuh...

By Joe TherapistAuthor Profile Page on July 28, 2010 4:54 PM

Dear Tun,

You are a funny man. You condemn America and Israel so much and yet here you are trying to say you needed America to vouch for a product(Palm Oil) before it can succeed?

Who Cares if America Approves of Palm Oil or Soy Bean Oil? Why didn't you go forward to the OIC and get them to listen to a fellow of the Faith? America has only 300Mil population. There are another 5.7Bil around the world. How many fellow Islamic Countries?

At that time we can see the folly of your ways. You want money. So you go to America to get them to approve and buy because they spend. When they spend We make. Instead of that, Malaysia should have gone on a vigorous Research to rebut what the Americans claim. Actively go out to find new Markets. Ni tidak. Just sit there ans cry because America spoilt your plans???? Pathetic.

Toyota broke the barrier. From a zero war devastated Country to

No 1 in the world. Now, there's an issue with the Cars. Sabotage? Probably. But do you see them crying?

No. They didn't come out with a Jihad against America. They are fighting. They admit their mistake.

Accept the blame(Even though it was not) and find solutions.

profits.>>>

They are not sitting down crying about how unfair the Americans are. They will remain the best.

That is Free Market. Something you have no idea about. To be proportionately Rewarded to the effort put into the Endeavour.

Vietnam are not crying about how unfair they have been treated. They are a rising Economy. They will

learn. We have fallen behind the Philippines in Economy. Soon we will be behind Vietnam. If not already.

Stop blaming America for everything. Look at how Lazy our people are than you will see the Fault falls close to home.

Good Day Tun

By donplaypuksAuthor Profile Page on July 28, 2010 4:33 PM

Tun

"It is the same with the automobile. The Japanese and the Koreans have to put up plants in the United States and employ American workers in order to remain in the United States market."

I don't think this statement is true. Anyone can export their cars to USA as long as they comply with industry standards, which given their lucrative market and population of 400 million, will be very high!

Proton has exported (with little success) cars to UK and Middle East without putting up a plant. Don't expect Americans or anyone else to accept our products without a fight or as a favour.

I do agree that the Toyota Prius affair was a deliberate attempt at sabotage by USA Auto Mafia, but it's backfired on them. It's to Obama's shame that he fell for their tricks.

Also do remember the non-tariff barriers you put up to bailout Proton such as 100% import duty on foreign cars and the corrupt Approved Permit (AP) system which has been cornered by 4 AP Kings earning cost free RM 2+ billion every year, even now, thanks to Rafidah Aziz, your appointee to head MITI!

The Japanese and Koreans like Toyota and Hyundai set up car plants in USA to compete directly with USA auto giants like Ford, GM and Chrysler. That's what competition is all about and not asking for handouts with sub-standard products.

Instead of bitching about non-tariff barriers (and you can't in the modern global world really legislate against competition and create lame-duck monopolies) and people's tastes and preferences, M'sians should learn to compete on merit. They should employ experts to show the world how good palm oil is. It's all about informative marketing. That's what Najib should be spending our hard earned money instead of wasting RM77 million on APCO to spindocor and RM4 billion operational budget + RM8 billion development budget with 43,000 staff!

By contrast President Obama has an annual budget of RM 1.2 billion and employs under 2,000 staff!

Teach and exhort M'sians to compete globally and not expect state provided crutches and handouts at the expense of our own people!

dpp

we are all of 1 race, the HUman Race

By LionelcheeAuthor Profile Page on July 28, 2010 4:24 PM

Dear Tun,

I believe the majority understand how the Americans control the world market and yet we have to rely on them. It is time that we start to fend for ourselves and look into other resources. We do not need American products in Malaysia and likewise we can widen our export horizons. I know it will hurt our economy initially but we will prevail. I remember Tun has opposed the World Bank and lead us through the economy crisis in 1997. This is one of the great work Tun has done and there were many more of your valuable contributions that I have lost track. I hope the Malaysians are grateful for what you have done and instead of judging Tun of your flaws. We are humans and making mistakes is just part and parcel of life.

Let us pray you will have a good health and stay strong. We need a great leader like Tun to guide us.

Take care Tun.

By azlanAuthor Profile Page on July 28, 2010 3:51 PM

Salam Tun,

United States should write books and the title of the book should be " How to kill your Competitors"

By Hazman Abu BakarAuthor Profile Page on July 28, 2010 3:45 PM

Its a free-market only when the americans can make money but with losing competitions they constraint the so called 'free-market'.

By hati.malaysiaAuthor Profile Page on July 28, 2010 3:36 PM

Dear Tun,

Again another article about America, another case-study to prove how evil the Americans are.

I am very sure alot of Muslim reading this article will be more angry and hate American more...

Good work, keep it up, this is what we need now, what Malaysia need now and what our children future need.

I prefer to take the path of understanding how to overcome rather than keep telling the world who is devil.

The whole world knows this for the fact. Everyone know that American is selfish, arrogant, can not be trusted, what they do is not truth, their president is the worst liar in the world.

Said all that we still need America's business and their non-Halal money, our PM willing to pay million to have chat with their president.

I think if we do not like American's, then we should kick all Americans interest in Malaysia out and recall all our interest from there, show the world we can leave without been associated with the devil.

If can not then think how to work around, rather than wasting time.

Sorry, Tun, while I respect you alot, I love Malaysia future more.

Wish you the health and wealth for benefiting Malaysia.

Source: <http://chedet.co.cc/chedetblog/2010/07/the-free-market.html>