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Umno (News Analysis)

ALL EYES ON MAHATHIR'S UMNO SPEECH

By: Azman Ujang

KUALA LUMPUR, Sept 4 (Bernama) -- When Prime Minister Datuk Seri Dr Mahathir Mohamad opens the Umno general assembly as he will do tomorrow, normally he delivers what is arguably his best speech of the year.

It is this speech that would have his audience in Malaysia's biggest conference hall at the Putra World Trade Centre here virtually on the edge of their seats -- as do millions of others watching it live over television.

Making the best speech is no mean feat even for someone who sets a very high standard in getting his message across like Dr Mahathir.

The Umno president's speech is like a State of the Union address by an American president, or a policy speech that spells out the nation's agenda -- its problems and plans of action, in no uncertain term.

Dr Mahathir of course makes countless speeches in a year, and even more off the cuff media interviews locally and abroad, but to many people this will be the speech that matters.

This time around, his keenly awaited presidential address will take on an added dimension and importance against the backdrop of the problems in the Malaysian economy caused by the plunge in the currency and stock markets.

The Umno speech, which the prime minister writes himself, could not have come at a more crucial moment, given the intense attacks on the ringgit and share prices by what Dr Mahathir has branded as foreign manipulators out to impoverish developing nations in this region.

At a pre-general assembly briefing for party delegates here yesterday, Dr Mahathir said: " I have just finished (writing) the speech only this morning".

" This is because normally our general assembly is held in October but since we are holding it a month earlier this year, I didn't have that much time to prepare for it," he said.

In the past week, the prime minister has made several announcements on measures to prop up the Kuala Lumpur Stock Exchange which has seen over RM400 billion worth of market capitalisation wiped out as share prices fell like ten pins.

Yesterday, for example, he came up with a RM60 billion fund to buy shares on the KLSE from Malaysians at a premium to the market price.

Analysts said it is still too early for the effects of this latest market incentive to sink in on the battered currency and stock markets, as reflected in further declines in both, especially the ringgit which "kissed" the sensitive 3.000 level against the US dollar today, its lowest ever.

Last week Dr Mahathir directed the big local institutional funds like the Employees Provident Fund, Khazanah Nasional Bhd, the federal government's investment arm, Permodalan Nasional Berhad and the Pensions Fund, among others, to enter the market to mop up the shares which are now very cheaply priced.

This is to offset the reported flight of foreign capital from the local stock market.

Dr Mahathir's speech tomorrow, among other things, is expected to further articulate and fine-tune the series of his pro-market moves, which include outlawing the lending of share scrip by banks which has been

identified as one of the main causes of market manipulation.

The four-day party gathering, preceded by the Youth and Wanita general assemblies today, is also held close on the heels of at least two strong rumours which seem to have further dampened the market despite already being dismissed as baseless by the prime minister.

One is the "arrest" of two of the country's top bankers, Tan Sri Rashid Hussain of RHB Bank and Tan Sri Azman Hashim of Arab-Malaysian Bank for alleged market manipulation.

Another is the distribution of a poison-pen letter, apparently timed for the Umno general assembly, with allegations of a sex scandal involving Deputy Prime Minister Datuk Seri Anwar Ibrahim.

Dr Mahathir described this as a plot to topple Anwar, whom he has named as his successor when he steps down, as police investigations had found the allegations were baseless.

Meanwhile, at both the Youth and Wanita general assemblies, the mood of the delegates was relatively subdued compared with the past years as they debated the traditional issues such as the policy speeches of the respective heads of the party's wings, economy, Islam, education and social matters.

Deputy Prime Minister Datuk Seri Anwar Ibrahim simultaneously opened both assemblies with a speech delivered in an unusually serious tone, without any light-hearted banter.

In an obvious reference to the sex scandal allegations, he cited Quranic verses and incidents in Islamic history to portray the evil of fitnah (false accusations).

"Anwar is in no mood to jest. Taking the cue, the debate that followed also seems to be subdued," said a delegate.

Also taking the cue from Dr Mahathir's briefing yesterday, the delegates avoided discussing the poison-pen letter as the police had completed its probe with the arrest of three people.

Perhaps, when Dr Mahathir opens the general assembly proper tomorrow, things will be more lively, say observers.-- BERNAMA

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