

Interview with Malaysia's former Finance Minister Tun Daim Zainuddin
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KUALA LUMPUR: Kedah-born Tun Daim Zainuddin -- Malaysia's former Finance Minister and a long-time UMNO treasurer -- speaks frankly about issues affecting Malaysia and Malaysians, in this translation of an interview that appeared in the Malay language daily, *Mingguan Malaysia*.

Q: What do you think of the country's political development in 2012?

A: As we can see, the country's political transformation seems to be more effective. The government has taken several initiatives and acted on what the Opposition had wanted to do like abolish ISA. I see the Peaceful Assembly Act as the main catalyst for change. At first, it was heavily criticised but the decision to allow Anwar's supporters to gather outside the court on Jan 2 in the spirit of the new act which at the time has not been gazetted, silenced critics.

I will not comment on Anwar's acquittal because the Attorney General's Chambers has filed an appeal.

If you compare Anwar's and Najib's traits, you will be compelled to give higher marks to Najib. Najib has, in my opinion benefited from being Tun Razak's son. From 1976 he has sharpened and shown his talents in politics, is skilled, more senior and experienced and has better network than those his age or more senior than him. He was in UMNO Youth several years before Anwar and is used to the personalities and issues faced by the party. His mind is very sharp in closed door meeting and he is extremely confident in facing the public. I am optimist about the political scenario this year. Najib has been tested with the toughest trials and tribulations and he is now ready to take the country forward. The most important issue now is whether Barisan Nasional (BN) is ready to move forward with him.

Q: This year, the main focus is the 13th General Election, do you think BN will be able to maintain its majority or otherwise?

A: It is up to the Prime Minister to decide on the most suitable time to call for the election. He can still announce the dissolution of the Dewan Rakyat in 2013 or allow Parliament to take its course and announce the election 60 days after Parliament is dissolved.

There are signs of new confidence in the country's economy. There are certainty and reliability, and I have always stressed on these two aspects whenever I talk about the economy. I believe BN has a better advantage to have a more outstanding result now compared to previous years. It will be a great battle and the side which makes less mistakes will win.

Talking about the Chinese voters, they are feeling sidelined and want something better because they have been influenced by an agenda mastermind like Lim Kit Siang. He has played up to their sentiments but failed to see several important issues that have been raised.

The Chinese have invested a lot in education. They want to secure their future. This is a matter of communication. The government has never sidelined the Chinese. We have to convince them using statistics. Malay political parties never have any intention to bring

down the opportunities of the Chinese but things are now improving. In the end, the Constitution will become the best guarantee in ensuring the harmony of all races. It has been equipped with a safety net and a just judicial system for all, and not one group can take away any privileges from other races.

The challenge now is to continue to develop the economy for everyone's benefit. All businesses should keep growing and investment must be made in new talents and new areas. All communities have to cooperate to develop new talents in various sectors. The world is the market. The Malays are not the Chinese's competitors and vice versa. We must steer students to mix with all races from primary school.

If you ask me if Malaysian politics has become more racist, my answer is no. The new media has brought change and irresponsible politicians have entered their radar to introduce new rhetoric to gain popularity. They have succeeded, but it is the people's responsibility to think wisely and move away from the mainstream political scenario's rhetoric and focus their time and energy on the new political philosophy. We must remember that Malaysia is our country and we all love our country and want to see it continue to prosper to benefit from its prosperity. Therefore, we must stay united. Unity will bring stability and peace and with our rich natural resources, the country will succeed.

Q: Do you think BN could regain control of states under the Opposition or lose more states to them?

A: From what I can see, Parti Keadilan Rakyat (PKR) is the most skilled in politics compared to other Pakatan allies. They have more voice in injecting "fitnah" (slander) ideas. The word fitnah has power in the context of the local political arena. This is because PKR is a party that was conceived from the concept of fitnah and conspiracy. As long as there are people who accept fitnah and conspiracy, PKR will continue to exist.

I think Pakatan's most tragic mistake in Selangor was the way they handled Datuk Dr Hasan Ali's situation. He had tried to express his views and he was fired because of it. There was no warning or show cause letter and he was immediately red-carded. Everyone has the right to be heard and whether you agree or not is not the issue. Both PAS and PKR could not deny Umno's argument that the decision was influenced by DAP. I have no intention to bring up racial politics. I am not associating DAP with any particular race but if we study this carefully, we can see that DAP is not comfortable with Hasan Ali. Anwar is also uncertain about him and therefore, he has to go. I'm sure part of the ulamas and professionals in PAS are against his sacking but they do not want to go against the wishes of their spiritual leader Datuk Nik Abdul Aziz Nik Mat. This reveals their weakness and have not shown any signs of recovery.

BN has to be prepared with a new candidate to lead Selangor, someone who has an interesting academic qualification to attract the growing middle class in old university towns like Shah Alam, Bangi, Serdang and campus areas like Gombak, Sunway and Damansara. Old politics will not regain Selangor. You must be able to argue that warlord personalities have to be removed to convince new voters to vote for you. We must also respect UMNO's traditional voters, but they have also become smarter and more informed, therefore UMNO-BN must be quick in sharing knowledge and information with them. Politics have changed and BN must move with time or face the consequences.

The urban population in Selangor and Federal Territory want their children to have the best education opportunity, own affordable real estate with value appreciation, and security is also a major concern. The success in reducing the crime index is an important political input but more has to be done to make the people feel safe.

I am confident about BN's chances in Selangor if it is united and determined. What needs to be done is to introduce a new leader who can be accepted voters.

If you ask Guan Eng and Anwar about their chances in Penang, I think they will not be absolutely certain. They can sense that Najib's popularity is increasing but Penang will still be a battle for BN.

As for Kelantan, I know who Datuk Mustapa Mohamed is. He is a gentleman who works 18 hours a day no-stop with honesty and can return to work the next day early in the morning. This is the quality of a leader wanted by the rakyat. Honesty, the passion to serve and the willingness to sacrifice. Kelantan has a natural leader in Tok Pa. I have never heard PAS say anything bad about him. He is a real threat to Nik Aziz. He should not just concentrate on Jeli. He must remember that he is a Kelantan leader. In the past, infighting was what failed UMNO there.

The same goes for Terengganu. I want to see people in Terengganu to cast out their differences. For the party's struggles, the 'main contributors' to the split must make way to new faces like how the MCA leadership handed over power to their proteges in 2002 - 2003. UMNO has succeeded in Terengganu while PAS does not have new faces. I don't think Datuk Seri Abdul Hadi Awang is the best candidate. Compared to Hadi, UMNO's Menteri Besar candidate is more dynamic and energetic. UMNO must stay united and the voters will vote for them.

Moving on to Kedah, Negri Sembilan and Sabah. Kedah is Tunku Abdul Rahman's and Tun Dr Mahathir Mohamad's state. It saddens us to see this state under PAS and PAS has failed to show significant development. It is difficult for a poor state like Kedah to plan mega projects without financial assistance from the Federal government. PAS is now in crisis due to the attempt to seize power from the Menteri Besar. DAP and PKR were not satisfied with his administration as they think that he is too independent. There is a major chance here to merge the new blood with new leadership style, It is up to Umno to introduce dynamic, fresh faces to challenge Pakatan.

In Negri Sembilan and Sabah, once again, UMNO has to stay united to retain the states.

Q: On Anwar's acquittal in his sodomy case and his political plans?

A: This proves that the conspiracy theory and allegation that the judicial system is not independent was not true. Now it is up to the rakyat to judge his track record.

He promised to takeover the government on Sept 16, 2008 and how he planned to do this had been revealed. According to a report, he planned to use RM300 million to buy BN members of Parliament. This must be true if not, he would have sued but he just kept quiet. This is typical for some politicians. They are very vocal and heavily accuse others but in reality, they are the same.

DAP and PAS also kept mum. Are they conspiring with PKR to commit corruption to takeover Putrajaya? I am sure all Malaysians would want to hear from them. Anwar's plan has never changed. He wants to become the Prime Minister and he doesn't care how he does this. Anwar is an ambitious man and this has blinded him to the truth, honesty and fairness. It is a shame that he has not overcome his weakness and highlighted his virtues.

Q: Do you think Anwar has gone overboard in sowing hatred among the people and vilifying the Malaysian government overseas?

A: One of the reasons why Anwar loves to be interviewed overseas is to show Malaysian voters that he is a world personality and therefore, the news must be taken seriously. He realises that he has to come up with strong statements and controversial arguments and

appear bold and convincing so that more foreign reporters want to be the first to quote him in the hope to recreate a model of a liberal Muslim leader.

For them an ideal Muslim leader must be liberal, accepts global trends like gay rights, is not hostile to Israel and the United States of America and condemns extremism.

That is why BBC asked him to comment on laws concerning homosexuals and the Wall Street Journal on Israel.

He wants to portray himself as a Muslim leader who is accepted by all but here, we know that his stance is influenced by foreign parties. Malaysians must analyse other aspects through Anwar's media campaigns, such as his allegation towards the government and country about election fraud and widespread corruption. His efforts have extended overseas, where he would try to expose the so-called 'sins of the government'.

Does he have to attack Malaysia overseas? All he has to do is display the success of the Pakatan Rakyat-owned states to the Malaysian voters, and then ask for the mandate to conquer Putrajaya and implement his 'miracle' reforms. Anwar is not doing this because he wastes so much time overseas.

Anwar is a major threat to Umno and BN but in my opinion, the bigger threat is Pas. I see Pas as a worthy opponent. But theirs is a partnership with Anwar as Pakatan Rakyat is desperate to make him their leader. I foresee Anwar trying to be prime minister all his life, and he can keep trying. But he needs to back his bid with hard facts and empirical evidence to push for change. More and more people today are beginning to oppose Anwar because he's still at base level, grounded in the same rhetoric and allegations for the last few years.

I think the biggest and most effective strategy for UMNO-BN is to continue focusing on economic development, providing better housing, world-class public transport and world-class universities.

We have to sidestep the Anwar issue and get some of our youth leaders to tackle all the baseless allegations he's been throwing at us. The country's more competent and high-personality leaders need to be discussing the issues that affect Malaysians such as education and economy. They should not be trapped by Anwar's tactics. That is not part of their mandate. Their mandate is to ensure well-being, quality of life, combat corruption, as well as foster an efficient and trustworthy government.

Anwar's biggest hope is to distract the government. If we play to his tune, it will make him happy and allow him to continue misleading us.

His acquittal will in the long run help UMNO-BN attain a great result in GE13 as it denounces his main excuse to blame the government.

Everyone has a right to voice their views and in Anwar's case, his political survival is at stake. He will do anything to remain relevant. What I cannot accept is that he does it all to fulfil his personal agenda. Anwar has degraded some of the country's major institutions, like the judiciary, police, and government which are vital for the creation of a civil society.

With his continued attacks, Anwar has made the rakyat lose faith in these institutions. If you subscribe to his logic, it means you are allowed to break traffic rules because police are corrupt, and it is alright to live in a state of anarchy because he says the police and the judiciary are not trustworthy. Yes, it's true there are 'bad apples' in any institution

but the institution itself needs to be preserved. Unfortunately, Anwar has constantly threatened the well-being of our society. This is a very irresponsible act.

Q: What is the most important change UMNO-BN has to make to ensure its survival among the rakyat, a majority of whom were born after Merdeka?

A: The most important change is terms of work ethic. The PM once said: change or collapse. Umno has to be more transparent as well as combat corruption and wastage to the fullest. Those who are born post-merdeka are different from previous voters. They are more educated, informed and IT savvy. In the 60s, their parents influenced them, but today they are influencing their parents through knowledge of current issues and debates supported by convincing facts and figures. If BN fails to appreciate this group, they will not get votes.

Q: How do you see the new generation within UMNO, are they as spirited as their predecessors?

A: Actually, they no longer want to see a government that is corrupt and racially divided. They want to see issues being resolved the Malaysian way and not the racial way. The economy is very important to them. They want to see the country heading in the right direction under the leadership of someone they trust. They do not believe in empty promises and expect the government to fulfil their promises. Do not lose their support if you want their votes.

Q: As former finance minister, how do you perceive the allegation that Malaysia will be bankrupt by 2020 because its debt is bound to reach RM1.6 trillion from the RM450 billion currently?

A: The country's debt is still at a manageable level compared to countries facing trouble such as Japan and those in Europe. Some analysts are worried that our debt is increasing at a speedy rate, from 53.1 per cent in 2010 to 54.8 per cent this year. It is only an increase of 1.3 per cent which is not much, but the hike rate is higher compared to last year. This is necessary as a response to the global financial crisis which began in 2008. The crisis threatened Malaysia's economy causing it to continually decline. The government then acted swiftly by injecting a large fiscal stimulus under several programs and the result was that the country's economy improved at a better rate of between seven per cent in 2010 and five to six per cent last year.

We need to take the country's debt level into perspective here. The ratio of government debt to KDNK decreased from 75.5 per cent in 1990 to 41.5 per cent in 2007. The latest increase is due to worldwide economic recession and large subsidies required to support the increase in food and energy prices. The government pledged to reduce the fiscal deficit to 4.7 per cent this year which will reduce the need for more funds (debt). As a result, the debt level is unlikely to reach 100 per cent in 2019. One thing about the national debt is that most of it comes from domestic loans. This method is more stable and does not expose Malaysia to sudden outflows of large capital.

Therefore, the national debt situation is not as worrying as bandied about by certain quarters. Personally I would advise the government to control and reduce this debt as soon as possible. It would benefit them and allay any criticism towards the issue.

Q: How do you view Malaysia's economy now following the status of neighbouring countries like Indonesia and Vietnam who are better positioned? What is actually required to generate the country's economy towards a better direction?

A: A country which is at an 'acceleration stage' can usually achieve a high growth rate. Malaysia achieved this between 1986 and 1997. Now we see it in Vietnam and Indonesia which are currently in development stage. However, we are better off now as our economy is a knowledge-based economy, with expertise in ICT, education and health services among others.

The New Economic Model has identified a target to be met to become a fully developed nation. Malaysia possesses a fine base to become a successful economic presence - skilled labour, infrastructure sources, and flexible policies - that can generate high economic growth.

We should also be encouraging our multi-ethnic society to maximise the advantage of Asia being a prime location for rapid growth. Based on a report by HSBC last year titled 'The World in 1950', Asian countries like China, India, Philippines and Malaysia were included among those undergoing rapid development.

Q: Technological advancements have altered the country's socio-political landscape whereby society is more free and critical, but this newfound freedom has also caused discord, especially among Malays. In your opinion, how can we ensure the Malays remain united to maintain their survival?

A: In truth, the Malays have always been divided. The only time they were united was when they opposed the Malayan Union and when UMNO was born. After that, we've seen the formation of too many factions - Parti Rakyat, Semangat 46 and now Keadilan - which champions its own cause. The Malay divide is a complex issue but for them to unite, it must not see the interference of 'exclusive' policies. I believe Malays need to pay attention to these matters:

- Do not waste precious opportunities and allow the younger generation to be lost to drug addiction.
- Dwell in comfortable homes and serve as assets to human resource and mobility.
- Write and converse in various languages and be knowledgeable in order to become great leaders.
- Learn to appreciate success and remain humble so as to not project greediness.
- Combat elitism with courage and dignity. No one has the right to proclaim themselves as greater than others.
- Genuine cooperation with non-Malays in business and negotiations.
- Work hard and be unafraid of failure. Learn from it.
- Strengthen and preserve the Malay language.
- Aspire to become leaders, contributors, and the best version of a Malay.

Q: How do you view the 'plastic cooperation' between PAS and DAP currently, and what will happen if they win the coming election?

A: The reality is that there are enough personalities in each party to ensure the coalition continues to work. Their biggest motivation is Putrajaya, and they intend to get there first before deliberating on their differences.

The problem here is that PKR is currently seen as the weakest link. Therefore, there are figureheads within PAS and DAP who'll claim that they, and not PKR are best equipped to lead Pakatan.

PAS president Hadi Awang must also be disappointed because he's not been allowed to run the party his way. After all, who was it that decided to sack Hasan Ali? Was it Nik Abdul Aziz or Hadi?

I believe if Kedah MB Azizan Razak does not contest anymore, it would complete the division occurring in the state administration and expose Hadi of not being able to control his own party.

The longer elections are delayed, the more disputes will occur in the opposition coalition. This may not transfer the votes to BN-UMNO but it will definitely crush the Pakatan machinery. The selection of Saifuddin Nasution and Mustafa Ali is a strategy. Once they are missing the necessary influential figures, PKR and PAS will be less effective and expose themselves to a Kelantan-Terengganu split.

DAP on the other hand believes in a sudden attack, especially after what happened in Sarawak. They are confident but I think Najib will fight back.

Perkasa's efforts in getting close to the Chinese community is commendable. They have to protect the Chinese, Indians and Kadazan by upholding the constitution and fighting discrimination. Unfortunately, they have been viewed as racist by the non-Malays.

UMNO has some major cleaning up to do in its own yard. There are those who dislike Umno as they are perceived as arrogant and incapable of connecting with non-Malays. The truth is, there's also a significant number of Umno supporters who are qualified and professional in their duties.

DAP and PAS may have their squabbles but that doesn't mean the votes are easily transferred to Umno. They have to work for it.

Q: How do you foresee the future of UMNO and its cooperation with component parties?

A: BN component parties are working as a team. They all have to support Najib's leadership and work hard to get votes.

The majority of the people want BN to continue to rule but they want things to change. They want stability but they also want check and balance. The Prime Minister knows this and he is committed to change but it must be done gradually. He does not want the country to become unstable because he realises the consequences but the people are impatient. They want immediate result. This is the era of instant communication. The voters can't wait and BN have to take action. They have to change the way they work and listen to the people concerns.

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