

Political tiffs and

NST-27/6/2006

■ Comment by Kalimullah Hassan

A COUPLE of months ago, I ran into a foreign banker whom I had not met for some time.

Former prime minister Tun Dr Mahathir Mohamad had, by that time, started regularly attacking the current administration, and the banker was a little concerned about the effects it would have on the investment climate in the country.

His take as a "Mat Salleh", he said, was that these attacks were a serious problem for Prime Minister Datuk Seri Abdullah Ahmad Badawi and his deputy, Datuk Seri Najib Razak.

On June 23, foreign investment house Credit Suisse First Boston (CSFB) sent out a research report on the "Mahathir-Badawi administration battle" and its implications for the market.

The analysts — long-time Malaysia hand Stephen Hagger and Annuar Aziz — concluded that the "battle" could "pave the way for early elections".

CSFB and the foreign banker are not the only ones analysing this so-called battle between a retired prime minister and his successor administration.

Many research houses, the foreign media, Malaysians in general, businessmen local and foreign, and investors are watching, and by-and-large there is a general mood of uncertainty in the country.

And the markets dislike uncertainty, because when there is uncertainty they sit on the sidelines and watch. After all, Malaysia is not the only investable country in the world.

In a highly competitive world, there are many emerging economies where there is greater certainty — China and India, for example, or Vietnam, the new European Community economies and, of course, the traditional mature markets such as the United States, Japan and Hong Kong.

Malaysia's advantage, normally, is political stability, a skilled workforce, a rich resource base and an English-speaking workforce. Add uncertainty to the equation, and all that is negated.

CSFB's report states that:

● Dr Mahathir has become increasingly vocal in his criticism of the Badawi administration, particularly in relation to reversals of policy;

● Abdullah, whom CSFB says has the backing of his Cabinet, appears to be avoiding a direct confrontation with Dr Mahathir in favour of an "unprecedented proxy battle" in the media;

● Articles damning to the previous administration include contributions from an ex-high court judge, a former chief executive officer of Tenaga, Anwar Ibrahim, Proton, and the Metramac case; and,

● An early general election in 2007 is, in their view, possible. An early election will reduce the window of opportunity for announcing "bad" news and bring forward measures that can improve the "feel good" factor.

CSFB goes on to say that "Dr Mahathir had broken his promise of silence that he made when he stood down as prime minister on Oct 31, 2004, after 22 years in office.

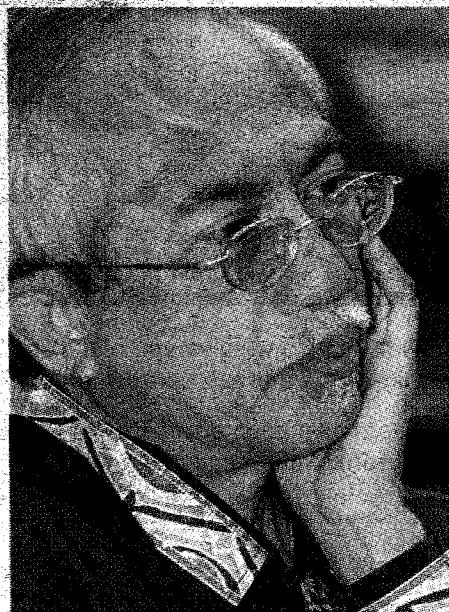
"He handed over the reins of prime ministership to Abdullah, with the promise that he would not interfere with domestic politics. It appears that he believed at the time that the policies that he put in place would largely remain intact.

"To a degree, much of Dr Mahathir's legacy has remained intact, most notably the Cabinet, which is largely unchanged since Dr M's days.

"However, Abdullah has subsequently reversed some of Dr Mahathir's decisions, notably the RM15 billion double-tracking project, automotive policy, and the bridge to Singapore. It was the last that caused Dr M to launch a full attack on Abdullah that included expressions of regret that he had appointed Abdullah as successor," Hagger and Annuar Aziz note in their report.

Hagger and Annuar also conclude that although Abdullah has attempted to give Dr M as much "face" as possible since becoming Prime Minister, a "proxy war is being waged through the media".

They point out that the Malaysian media recently featured articles that have been damaging to the previous administration, such as ex-Tenaga chairman Tan Sri Ani Arope's comments in *The Star*, where he said that the Government unilaterally negotiated



Kadir bought Berita Publishing for RM1

unfavourable power purchase agreements for the national energy company, Tenaga Nasional Berhad.

"I refused to sign the contracts. And then I was put out to pasture," Ani was quoted as telling *The Star*.

Ex-High Court Judge Datuk Syed Ahmad Idid alleged he was forced to resign over his whistle-blowing on alleged corruption in the judiciary.

CSFB further says that former deputy prime minister (Datuk Seri) Anwar Ibrahim had, in a 35-page document to the High Court, promised to prove that the falling-out began three years before he was dismissed.

His document "names names" and cites incidents that could prove very embarrassing to the former administration, CSFB says.

And finally, the analysts cite their conclusion on a proxy war on an article in *The Edge*, which demanded an explanation from Dr Mahathir over 22 murky issues, ranging from education to cronyism.

"The media has given unprecedented coverage and discussion to the issues at hand, so much so that Tengku Razaleigh, who mounted a leadership challenge in the 1980s, said, with some irony, that he was not given such good media coverage when in Opposition,"

the report says.

As such, they predict that the general election could be brought forward to 2007, two years ahead of the March 2009 deadline.

As to when the general election will be held, it is anybody's guess.

But it seems odd that Abdullah's Barisan Nasional would opt for a snap election after winning its biggest mandate ever in Malaysian history in the 2004 general elections only because one man, supported by a handful of other political and media retirees, and a coterie of businessmen whose projects have been shelved, is angry. It makes no sense at all.

As for the assumption that a "proxy war" is being waged through the media, perhaps, instead of looking at conspiracy theories, the easier explanation would be that the Malaysian media has never been freer in deciding what to print and what not to print.

Perhaps, the more rational explanation is that in this new climate, people like Syed Ahmad Idid and Ani Arope feel they finally can air their grievances.

In fact, Syed Ahmad Idid was very critical of how the Press, especially the NST, treated him when he made the allegations of corruption against the judiciary in 1996. He was demonised by the NST then, he said, and only decided to say his piece after a 10-year silence because of the new climate of freedom in the country.

After all, *The Star* is controlled by the Malaysian Chinese Association, the New Straits Times Press Group (NSTP) by Media Prima, which in turn is nominally controlled by interests close to Umno, and the other newspapers by a variety of business and political interests.

In a highly competitive industry where advertising revenues have stagnated, no media group will want to lose credibility, like the NSTP did during the late 1980s and 1990s, which turned the once-rich media group into a struggling entity.

All the analysts are talking about the so-called reversal in policies — the multi-billion double-tracking project, the crooked bridge to Singapore, the decision by Tengku Mahaleel Ariff not to renew his contract with Proton on the grounds that it was not favourable to him, the sale of loss-making MV Augusta for one euro by the Proton board, and the automotive policy.

Is it really about policies or is it about projects, and is it about individuals who have lost positions of influence and power?

That aside, I remember telling the foreign banker that in Malaysia, such tiffs have not been uncommon in the last 25 years, and perhaps we should not read too much into it.

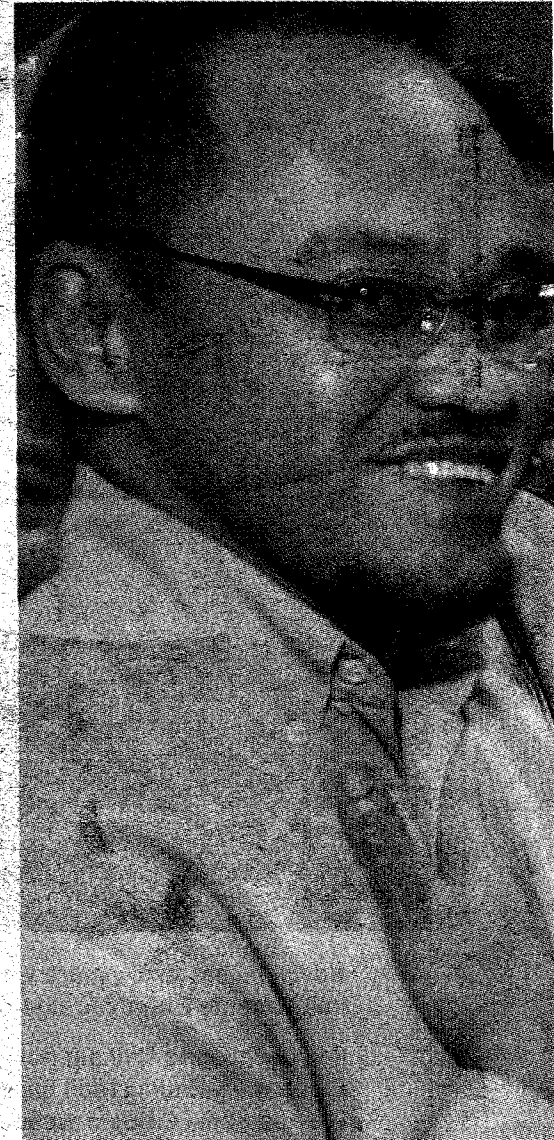
● In 1981, Tun Musa Hitam and Tengku Razaleigh Hamzah slugged it out for the Umno deputy presidency. It was a bruising battle that started the rifts which would emerge in a battle royale six years later.

● In 1982, the new Mahathir-Musa team won a convincing election victory on the back of a slogan for a "Clean, Efficient and Trustworthy" Government.

● In 1983, Umno took on the Malay rulers in what led to a major constitutional crisis.

● In 1984, there was a repeat of the Musa-Razaleigh battle.

● In 1985, there was the Sabah crisis where Berjaya, backed strongly by Tun Mahathir who said he would "sink or swim" with the party, which had evidently lost support among Sabahans, lost to the newly-formed Parti Bersatu Sabah. A power grab ensued



Dr Mahathir (right) with Pas deputy

and in the ensuing year, riots and bombings took place, claiming five lives.

● In 1986, Musa quit as deputy prime minister, citing irreconcilable differences with Dr Mahathir, throwing the party and country into a spin.

● In 1987, Musa and Razaleigh teamed up against Dr Mahathir and Tun Ghafar Baba in a battle which split Umno down the middle. Dr Mahathir sacked five Cabinet members who had sided with Razaleigh and Musa.

● In 1988, Umno was declared unlawful by the High Court because of breach of the party electoral process in 1987. The same year, the Government set up a tribunal in which some judges were sacked, leading to another constitutional crisis.

● In 1990, the PBS, which had been accepted into the BN, left the coalition on the eve of general elections because of the "unfair" manner the party's leaders perceived they had been treated. The BN lost two states: Kelantan and Sabah.

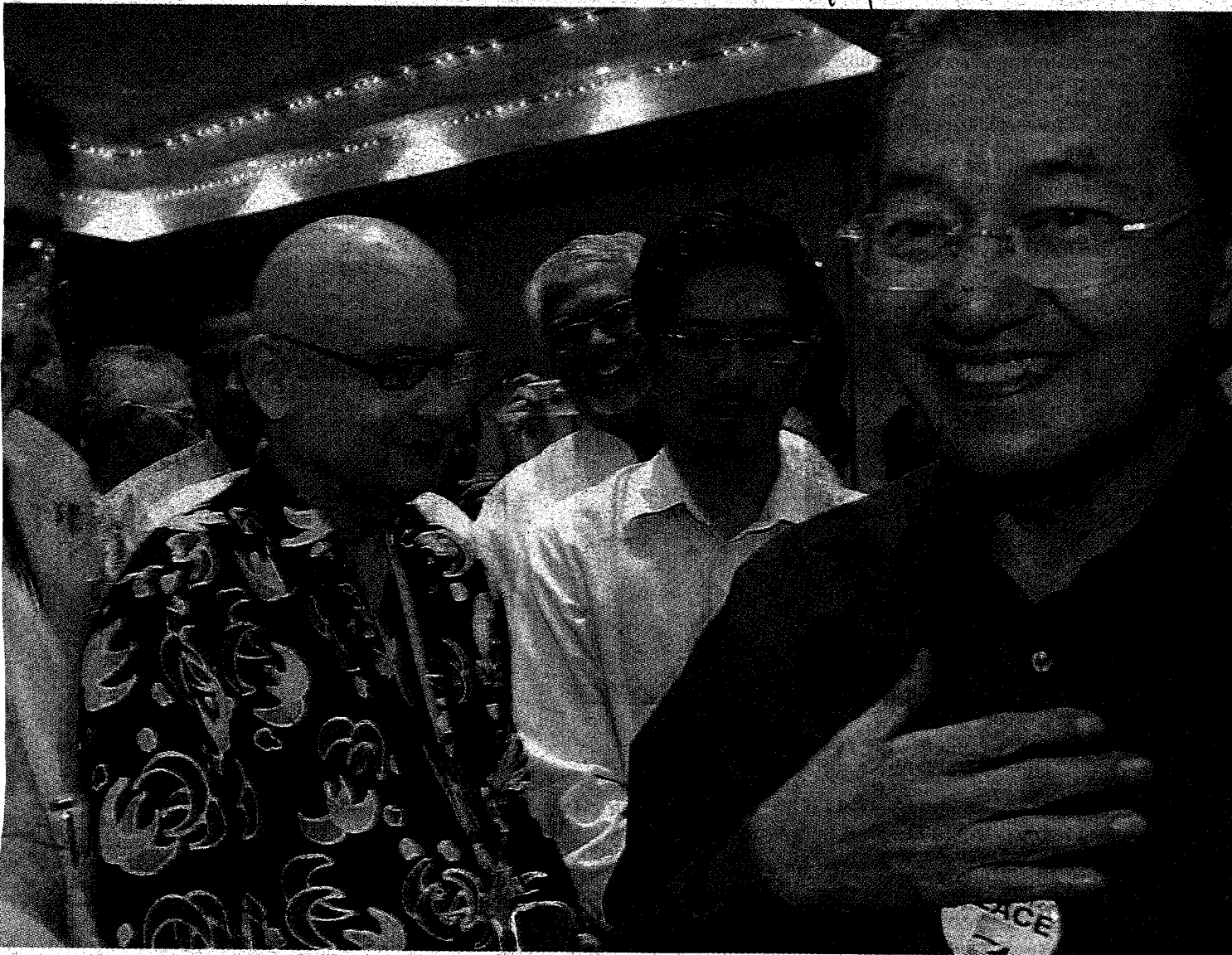
● In 1992, the second round of confrontation with the Malay rulers took place and with it, another constitutional crisis.

● In 1993, the dirtiest election in Umno history took place, with money blatantly used to depose Tun Ghafar as deputy president of Umno.

● In 1998, rumblings started of differences between Dr Mahathir and Anwar Ibrahim, and amid allegations of "nepotism, corrup-

intrigues not new

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president Nasharuddin Mat Isa (left) at the Special Dialogue with politicians and NGOs in Kuala Lumpur last week.

tion and collusion" Dr Mahathir revealed the whole list of privatisations and major government contracts given out.

Among the many names, including friends and relatives of Anwar and Dr Mahathir himself, were media man Datuk Abdul Kadir Jasin and Datuk Yahya Jalil, whose Gerbang Perdana was awarded the contract for the crooked bridge. Kadir and his partners were the largest recipients in a number of projects, including three Independent Power Plants (IPPs). Therefore, Ani Arope's comments must have stung.

Kadir — during whose tenure as NSTP editor-in-chief the newspaper dropped from being the top-selling paper to being a far second behind *The Star* by the time he left — was allowed to buy the group's magazine publisher, Berita Publishing, which included *Malaysian Business* and *Her World*, for RM1. Sounds almost like MV Agusta, doesn't it? Only, Agusta was a massively debt-laden company.

Kadir's proposal to privatise the national news agency, Bernama, together with Dr Mahathir's former special assistant Datuk Jalaluddin Bahaudin, was rejected by the Government a few years ago.

Today, he remains one of Dr Mahathir's staunchest supporters and is a harsh critic of the current administration through his blog, Internet websites and the dwindling *Malaysian Business* he bought for RM1.

● In 1997, Malaysia was hit by the Asian financial crisis and the ringgit depreciated drastically against global currencies. The stock market plummeted and tens of thousands of Malaysians lost their shirts.

● In 1998, Anwar Ibrahim was sacked by Dr Mahathir on moral grounds, and violent street demonstrations were the order of the day as Malaysia tail-spinned into one of the most unstable periods in history.

● In 1999, Dr Mahathir chose Abdullah as his deputy and went for general elections in which the BN lost two States — Kelantan and Terengganu — and almost lost a third, Kedah, in one of its worst electoral performances in history.

● In 2002, Dr Mahathir shocked the nation by announcing his resignation at an Umno assembly. Abdullah, who would have automatically assumed the post, immediately tabled a resolution urging Umno delegates to reject the resignation and managed to persuade Dr Mahathir to stay on for another 15 months and allow a more gradual transition of power.

Therefore, I told the banker, Malaysia was used to political infighting, skulduggery and intrigue. It should also be noted that most of the central figures in the current tiff — including media personalities and retired politicians — were no different from those of the last 25 years.

Still, to the outside world and even to

Malaysians who have forgotten or have short memories, the attacks on the current administration seem like a really serious and destabilising onslaught that creates the uncertainty that the market does not like.

Already, it has distracted a lot of people, especially Government ministers and civil servants, from the real work of the day, that is, developing the country as outlined in the Ninth Malaysia Plan.

The longer it continues, the more it runs the risk of becoming a self-fulfilling doomsday prophecy for the country.

Who loses then? A group of disgruntled people who have had their chance and time at power to do the things they wanted? Or the current administration, which has its own plans and ideals to develop and benefit the country?

It is easy to attack when you do not have a country to run. It is not easy to retaliate if you are thinking of the greater good of the country and have your hands full in re-shaping the country to compete with the new emerging wannabes.

The real losers will be the people and the country of Malaysia.

■ The writer is former chairman of the national news agency, Bernama, and former group editor-in-chief of the NSTP Group.

Accused of 'cheap stunt'

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Opposition politicians and non-governmental organisations on Saturday, Dr Mahathir repeated criticisms that Datuk Seri Abdullah Ahmad Badawi had betrayed him by reversing some of his policies. He also accused ministers, many of whom had served under him, of blindly supporting Abdullah.

Nazri said it was puzzling that the former prime minister could collude with Parti Islam SeMalaysia's Nasharuddin Mat Isa, Husam Musa, Mahfuz Omar.

"He is now sharing a platform with the very people who had attacked him and called him a 'Pharaoh' (Firaun), people who want to destroy Umno," he said.

Even more troubling was Dr Mahathir's ridiculing of Islam Hadhari in front of Pas politicians, said Nazri.

"Attacking Islam Hadhari was a cheap stunt on his part to attract support from Pas people."

Nazri noted that by constantly sniping at the administration, Dr Mahathir was giving ammunition to an Opposition which was bankrupt of ideas. Cabinet ministers had kept quiet hoping things would cool down.

"But (Dr Mahathir) chose to go to a forum and mix with those people who were against him when he was prime minister and Umno president."

Nazri claimed Dr Mahathir had reneged on all his promises to the Government of the day and forgotten the advice that he had given other Umno leaders before retiring.

"He had said 'the Malays forget easily', but now we can see who has forgotten his promise, the Malays or him?"

"This is what really bewilders me," Nazri said. "Previously he asked (us) to follow the leader but when we support the Government led by Abdullah, he is angry."

On why Nazri is taking on Dr Mahathir

"The way the current PM runs the country is that he gives responsibility to relevant ministers and companies, so if there are any queries, it will be up to the relevant party to answer... the PM will not pick a fight with his former boss. A clash between the PM and ex-PM is not good for the country. What is done by the PM now is good. Don't expect any answer from him, because he will let the professionals involved reply."

On him being disillusioned

"I can't accept that just because he is angry with one young individual, he is prepared to burn the whole party. He is not a rookie politician, he is a seasoned politician."

On whether the Government will be distracted

"No, we will focus on what we want to do, as the PM said — the Ninth Malaysia Plan and to realise the election manifesto."

On Dr M baiting Deputy Prime Minister Datuk Seri Najib Razak

"He is angry with Datuk Najib for being a yes-man to the Prime Minister. But when he was Umno president, when Datuk Seri Anwar Ibrahim fought him, when Tun Musa Hitam fought him, he got rid of them."