

S. T. 17 JAN 1969
AN Alliance back-bencher today urged the Government to break off from the Malaysia-Singapore Airlines and set up its own national airline.

Making the call during the fourth and last day of the policy debate on the Supply Bill in the Dewan Ra'ayat, (Dr. Mahathir bin Mohamed, Kota Star Seletan) said that one of the biggest benefits of this was that the Kuala Lumpur-Singapore sector would no longer be monopolised by a single airline.

"This will result in more airlines making a stopover in the Federal capital," he added.

"If more airlines stop here, we can reap a rich return not only from the more frequent use of our costly airport but also from tourists who can break journey in Kuala Lumpur."

Finances

Another benefit would be that all foreign exchange proceeds from exports to non-sterling area countries would be received in Malaysia instead of by outside intermediaries.

Dr. Mahathir said he believed that the MSA earned a "fair amount" of foreign exchange. As the head office of the airline was in Singapore, he was sure that all receipts and accounting were done on the island.

"In a way, the sale of passenger seats by MSA is a form of export when the sale is made abroad," he said.

"If the actual handling of the finances of the MSA is done in Singapore, then the new arrangement on foreign exchange proceeds cannot have applied to the airline, in which case, of course, we are not getting the full benefits from the operation of this bi-national airline."

He realised that the Transport Minister had re-

peatedly said the company was a commercial venture. But if it was such a venture, why did the Government not acquire shares in it when it was being run by BOAC and other British interests?

"Surely our participation in the MSA is dictated by political considerations," he told the House.

Background

"If it is a purely commercial enterprise, I would suggest that the whole airlines be run by some Americans who seem to have a knack for making airlines succeed.

"We should allow them to do what they like, employ whom they like, for so long as we get dividends.

"As it is, every time we query why Malaysian interests have been relegated to the background, the answer invariably is that it is a commercial enterprise.

"And the non-application of the new arrangement on foreign exchange proceeds is yet another instance of a loss to Malaysia."

"If it is impossible for the accounting to be done here in Kuala Lumpur so that we can reap some benefit

from the foreign exchange receipts of the MSA, then I suggest that it is about time that Malaysia has its very own national airline."