

**Khairy, it's not about the cows**  
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COMMENT The debate on National Feedlot Corporation's success (or failure, depending on which target you use) has dragged on for three weeks unabated.

Judging by the intensity of comments made on the Internet, there is a strong possibility that it will snowball to become a national issue in the coming weeks if proper explanation is not forthcoming from the authorities.

PKR has been persistent on NFC because we want to bring the discourse on public governance and accountability after the tabling of the annual Auditor-General's Report to a new level. The public expect more from our parliamentarians than just a re-reading of the report. They expect scrutiny, investigation and relentless pursuit to ensure public officials who abuse their position for a gain are made accountable for their actions.

Thus, any scrutiny of the NFC debacle should not steer away from the original framework of public governance and accountability. It is in this perspective that I would like to refer to some of the issues raised by Rembau MP Khairy Jamaluddin on his blog in response to the disclosure made by PKR this week.

I leave it to the public to digest Khairy's explanation of a trust bank account that "is like an escrow account, but not an escrow account"; supposedly used by the Finance Ministry to disburse a loan drawdown to NFC.

His explanation of a liability recognition rule used to recognise a RM250 million loan in NFC's books (when the amount has not been disbursed, so he claimed) due to this "escrow account which is not an escrow account" confuses even me, who had spent many years as a chartered accountant and an auditor.

In my understanding, an escrow account is a third party account held in trust on behalf of the transacting parties. In normal circumstances, a sum is considered as being drawn when it is disbursed to the borrower's bank account.

However, given Khairy's experience as an investment banker at ECM Libra, perhaps he does know better. So I will give him the benefit of a doubt that our government does operate an "escrow account which is not an escrow account" as he claimed.

Subsidised steak for the elites

But it is a lot more difficult to stomach his justification that NFC was entitled to subsidise the operations of Meatworks through a scheme that cost taxpayers nearly RM3 million in 2009. He claimed that this subsidy eventually goes to the public who patronise the elite restaurant or buy the beef from supermarkets.

What he deliberately left out is the fact that this is a premium beef that costs a lot more than your normal meat from neighbourhood markets. It is a subsidy for the elites who have expensive taste buds for expensive meat. The majority of Malaysian taxpayers and public will never taste a Meatworks steak in our lifetime because it is beyond our affordability range.

However, more alarmingly is his apologetic argument that NFC and its related companies need subsidies in order to compete with cheaper imported meats. It is rather hypocritical for a top BN leader to make a case for subsidies to companies owned by the family of a minister when it is also BN's view that the public's 'addiction' to subsidies is akin to opium addiction.

If NFC and Real Food Company (RFC) have to rely on public subsidies in order to remain commercially competitive, the whole grand design of a national feedlot project should not have been approved from the onset as it is clearly not commercially viable.

If the whole point of spending RM250 million of public funds on this national feedlot project is to cut reliance on imported meats, it is a common sense that the locally produced meats must be cheaper than imported ones.

Khiary's justification of the inter-company balance of RM83 million owed by National Meat and Livestocks Corporation Sdn Bhd (NMLC) is the weakest.

If his claim that there are proper authorisation procedures in place before a withdrawal from the "escrow account which is not an escrow account" can be made is true, there should not have been personal expenses charged as inter-company transactions.

Unfortunately, our scrutiny of the bank accounts points to numerous personal transactions unrelated to the meat business that should not have been authorised for withdrawals.

Minister must resign

In the final analysis, my esteemed friend from Rembau misses the point completely. This is beyond the hair splitting of whether an account is an escrow or not. It is about the moral principles of public office holders who abuse his/her position for personal gains.

Our society has evolved in recent years that it is no longer acceptable that a minister's family can easily secure a RM250 million soft loan and a vast tract of land to breed cattle, when there are thousand others more experienced breeders who could have qualified for such a grant.

It disgusts the public that the minister's family can spend close to a million ringgit on overseas travelling and entertainment when the company has to dish out huge discounts to its customers in order to compete with imports.

The NFC debacle is not about technicalities. It is about the moral leadership expected of our public office holders to safeguard the public funds.

As the debacle spirals out of control in the coming weeks, the only morally acceptable response from the minister is to resign honourably and for others like the Rembau MP to let her go quietly.

Otherwise, PM Najib Razak's promises for reforms shall be a subject of national ridicule the same way NFC had been.

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