

MP: Tajudin settlement shows cronyism is alive
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The global settlement between several GLCs and former Malaysian Airlines chairperson Tajudin Ramli is proof that the federal government manages the economy with imprudence, said DAP information chief Tony Pua.

In a statement today, Pua said the government's willingness to reach a settlement showed that large scale leakages and corruption will continue unabated because of cronyism and lack of accountability.

"If there are billions of ringgits of losses in Port Klang Free Zone project had seen former Transport Minister Dr Ling Liong Sik and Chan Kong Choy being charged for misleading the cabinet, surely former premier Dr Mahathir Mohamad and Daim Zainuddin must be similarly investigated for possibly providing illegal guarantee and indemnity of their cronies," he said,

Pua, who is also Petaling Jaya Utara MP, said minister in the prime minister's department, Idris Jala, had repeatedly warned of possible bankruptcy within seven years if we fail to manage our finances carefully.

"The question is should BN (be allowed) to continue to rule after the next two elections, then what Idris had warned might just come true," he said in a statement.

Idris had warned in 2010 that he does not want the country to be another Greece, by 2019 if the people do not swallow subsidy cuts that will see the price of petrol, food, electricity and other staples rise.

Yesterday, Tajudin had withdrew his appeal at the Court of Appeal over his counter-claim and settled the long-standing case.

However, the terms of the settlement was not disclosed despite the Kuala Lumpur High Court had in Dec 2009 ordered Tajudin to pay RM589 million to Pengurusan Danaharta Bhd and its two subsidiaries which manages the debt.

Settlement involves writing off debt

Pua revealed that the terms of the settlement involves the government and Danaharta being instructed to settle the suits at the appellate court by completely writing off the outstanding debt of RM589 million on Tajudin.

"From my sources, I can confirm that the debt has been completely written off as part of the settlement. I knew about it from inside sources. The settlement caused an immediate loss of RM589 million," he told Malaysiakini.

He said the government must disclose why it has decided to write off the debt when the court ordered it to pay, and who is ultimately responsible for the losses.

"Tajudin has now gotten off scot free from his court-ordered obligations to pay back to Danaharta, an agency 100 percent owned by the ministry of finance amounting to a whopping loss of RM589.15 million, excluding interest.

He said Danaharta's claims are based on claims that Tajudin had defaulted on a syndicated loan of RM1.79 billion when he took a 32 percent controlling stake in Malaysia Airlines (MAS) from the government in 1994.

Tajudin in his RM13 billion counter-suit claimed he was never meant to be personally liable for the loan as

the government had agreed to indemnify him of any liability that arose from his acquisitions of MAS shares from Bank Negara.

The former MAS chairperson also claimed that Mahathir and Daim, "instructed" him to pay RM8 per share for MAS when the market price was around RM3.50.

The High Court had in December 2009, ruled in favour of Danaharta and its two subsidiaries and ordered Tajudin to pay the RM589 million. The same court had struck out Tajudin's counter-claim.

"Prime Minister Najib Abdul Razak who is also finance minister must immediately explain why the BN government is writing off the entire debt and letting Tajudin off scot free without even defending itself in the Court of Appeal.

"The decision smacks of sinister motives, especially since the government has already won its case in the High Court. The decision of the BN government proves that it is intent on letting off its cronies easily, despite having caused hundreds of millions of ringgit loss to the government.

"Where is Najib's 'new economic model' where Najib declared to foreign investors that 'the behaviour of rent-seeking and patronage will no longer be tolerated'. Or is the settlement a result of the government's agreement with Tajudin defence that he is completely indemnified by Mahathir and Daim from having to bear any responsibility for losses?" he asked.

Pua said if the latter is the main reason, Najib must immediately take action against both Mahathir and Daim, for not only gross negligence but having wilfully provided guarantees and indemnity to Tajudin in the privatisation of MAS.

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