

Disclose Reason Behind Decision To Write Off Payment

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Tajudin Ramli has now gotten off scot free from his Court-ordered obligations to pay back to Pengurusan Danaharta Bhd, an agency 100% owned by the Ministry of Finance amounting to a whopping RM589.15 million excluding interest.

The High Court had in December 2009 rule in favour of Danaharta and its two subsidiaries on the on the full amount outstanding and had ordered Tajudin to pay an interest of 2% above the base lending rate of Malayan Banking Bhd until the date of full realisation. The Court had also dismissed Tajudin's counterclaim to the tune of over RM14 billion excluding damages and cost.

Danaharta's claims are based on the claims that Tajudin had defaulted on a syndicated loan of RM1.792 billion, which he took in 1994 to acquire the Government's 32% stake in Malaysian Airlines System (MAS).

In Tajudin's defence, he claimed that he was never meant to be personally liable for the term loan as the government had agreed to an overriding agreement to indemnify him of any liability that arose from his acquisition of MAS shares from Bank Negara Malaysia.

Tajudin has also claimed that the then Prime Minister Dr Mahathir Mohamad and then Finance Minister Daim Zainuddin, "instructed" him to pay RM8 per share for MAS when the market price was around RM3.50.

However, in a shocking decision by the Government, Danaharta has been instructed to "settle" the suits in the Court of Appeal by completely writing off the outstanding debt from Tajudin Ramli and causing an immediately loss of RM589.15 million to the tax-payers' coffers.

The Prime Minister and Finance Minister, Najib Razak 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 Courts. The decision of the BN Government proves that it is intent on letting off its cronies easy despite having caused hundreds of millions of ringgit to the Government. Where is Najib's "New Economic Model" where the Prime Minister 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 the Tajudin defence that he is completely indemnified by Dr Mahathir Mohamad and Daim Zainuddin from having to bear any responsibility for losses?

If the latter is the main reason, the Najib must immediately take actions against both the former prime minister and finance minister for not only gross negligence but having wilfully provided guarantees and indemnity to Tajuddin in the privatisation of MAS.

If the billions of ringgit of losses in PKFZ can result in both the former President and Deputy President of Malaysian Chinese Association, Ling Liong Sik and Chan Kong Choy to be charge for misleading the cabinet in open court, surely then Dr Mahathir and Daim Zainuddin must be similarly investigated for possibly providing illegal guarantees and indemnity their cronies.

It is clear from the above settlement, the BN Government has no political will to manage our treasury in any prudent fashion. Large-scale leakages, corruption and wastages will continue under a BN

government that is keen to promote cronyism and marginalise accountability. Minister in the Prime Ministers' Department Idris Jala, has continuously warned of possibly bankruptcy if we fail to manage our finances prudently. Should BN continue to rule after the next two elections, then Idris' warning might just come true.

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