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Salleh: Dr M did bailouts during his time

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KOTA KINABALU: The land bought by Tabung Haji from IMDB is not a bailout if compared with three major bailouts done during Tun Dr Mahathir Mohamad's tenure as prime minister, says Sabah Speaker Datuk Seri Salleh Tun Said.

"The word bailout is a negative term and has been intentionally used or misused to insinuate that there is something wrong going on Salleh, who is also Sabah Umno deputy chief, wrote in his blog, SSK

Salleh raised the issue of pre-

vious bailouts under Dr Mahathir's era, citing the case of Bank Bumiputra Malaysia Berhad (BBMB), which practically went bankrupt because of BMF's bad loans in Hong Kong, adding that Petronas was forced to pump in money to save the bank.

"Bailouts occur when money is pumped into an ailing organisation without any returns on that money.

"Neither do you receive dividends nor do you get your money back.

"Terwaja was a bailout because if money had not been pumped into that company, it would have gone under.

"Again, there were no returns

on the money the Government pumped into Perwaja," he wrote.

Salleh said the Government bought back MAS shares from Tajudin Ramli and that too was a bailout.

"If the Government had not bought the shares, Tajuddin would have gone bankrupt. The Government was forced to buy back the shares at way above market price, thereby incurring a huge loss to the taxpayers," he said.

He agreed with Dr Mahathir that Petronas* purchase of Konsortium Perkapalan Berhad was not a bailout.

He said Mirzan Mahathir wanted RM2bil so that he could cover his RM1.7bil debts.

"But Petronas agreed to pay only RM1bil. So Mirzan lost RM1bil on the deal while Petronas later sold the company for a huge profit of hundreds of millions."

He said in such a situation that could not be considered a bailout but a buyout, although if Petronas had not bought over the company, Mirzan would have become bankrupt.

"So when Tabung Haji bought over that asset from IMDB at a slight discount over market value, do you call it a bailout when Tabung Haji did not pump money into IMDB for no returns whatsoever, like what happened in all those other examples above?" he asked.