

MAS, TR deals price of Dr M's failed privatisation plans, says PAS
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KUALA LUMPUR, Aug 15 — PAS has called the MAS-AirAsia share swap and the Cabinet's "off-site" settlement of lawsuits against the national carrier's former executive chairman Tan Sri Tajuddin Ramli the "manifestation" of Tun Dr Mahathir Mohamad's failed privatisation programmes.

PAS vice-president Datuk Mahfuz Omar said the two recent headline-grabbing stories linked to Malaysia Airlines System Bhd (MAS) were the "two greatest symbols" of the former prime minister's alleged policy of privatising state-owned companies for the benefit of cronies.

"These two are greatest symbols of cronyism and corruption along the lines of 'who do you know' and 'you help me I help you'," he told reporters here.

Mahfuz pointed out even though Dr Mahathir has been in retirement for seven years now, the loss of competition in the airline industry resulting from the share swap and the potential out-of-court settlement with Tajuddin meant the people were still paying the price of the Umno strongman's 22 years in power.

He said MAS had once been an airline "owned by the people" whose service was on par with Singapore Airlines and Cathay Pacific before it was allegedly bled by Tajuddin after the latter took control of the ailing state carrier in 1994.

"Ownership was transferred from the people to an individual, Tajuddin, who lost RM8 billion with no accountability even though there was an effort to charge him," he said.

The government regained control of MAS in 2001, but not before the airline allegedly incurred losses in excess of RM8 billion as a result of Tajuddin's dealings.

According to a report to the Malaysian Anti-Corruption Commission (MACC), a major contributor to the record losses under Tajuddin was the relocation of MAS's cargo operation in Amsterdam and Frankfurt to a single hub in Hahn, Germany, where the airline was forced to enter into a disadvantageous aircraft lease contract with a company which was later linked to Tajuddin's family.

The Malaysian Insider had reported that Minister in the Prime Minister's Department Datuk Seri Nazri Aziz issued a letter earlier this month telling all GLCs that the government was settling their claims with Tajuddin out of court.

Tajuddin is facing billions in legal claims against him, following accusations by MAS in 2002 that he had caused the carrier to suffer losses in excess of RM8 billion.

Nazri's letter had called for "all civil claims against Tajuddin and others to be withdrawn immediately in view of the fact that the government and the Finance Ministry have agreed that the said cases will be settled out of court."

"For your information the government has given me the mandate to act for the government in this matter," it added, directing these companies to hand over their cases to Datuk Hafarizam Harun, who has handled other high-profile cases for Umno such as the

constitutional crisis over its takeover of Perak in 2009.

But after his letter surfaced, Nazri defended the administration's move, saying it would not spell a debt bailout for Tajuddin but was merely a suggestion to the GLCs to work out an out-of-court settlement with the former MAS chairman.

When responding to the matter on Friday, Prime Minister Datuk Seri Najib Razak appeared to play down the issue, describing the intervention as an "off-site" solution.

Tajuddin was a poster boy of former Finance Minister Tun Daim Zainuddin's now discredited policy of nurturing a class of Malay corporate captains on government largesse during the Mahathir administration.

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