

The Gleaner

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EDITORIAL

Air Jamaica must go, give us the full details on sale

THIS NEWSPAPER has for a long time backed the move by the Golding administration to relieve Jamaican taxpayers of the burden of the losses generated by Air Jamaica, the state-owned airline.

Indeed, as Prime Minister Bruce Golding remarked recently, the more than US\$1.3-billion deficit accumulated by Air Jamaica during its lifetime – over half of which came when it was under private control – could have fixed many schools and hospitals, thus helping to improve the quality of education and health in the country.

But we are where we are. And that is a place, we believe, of consensus that the state can no longer afford to annually shell out around US\$130 million, or over J\$11 billion, a year to keep the business afloat. That is perhaps the equivalent to the loss of all other state companies combined.

The move to divest Air Jamaica obviously makes sense. We are concerned, however, that the administration's clumsy handling of the effort is breeding not only uncertainty, but deepening opposition to a deal involving Caribbean Airlines, the carrier owned by the Trinidad and Tobago government. No one is clear, precisely, what is happening.

LACK OF CLARITY WORRYING

This lack of clarity and transparency is particularly worrying for the Government is well aware of Air Jamaica's iconic status in Jamaica and the sensitivities that were always likely to be aroused by its transference to foreign hands.

Discerning people were, of course, always aware that a straightforward sale of Air Jamaica was unlikely – certainly not in this difficult global economic environment, which is especially bad for the airline industry. No one was about to embrace the company's huge debts. These would have to become a direct

liability of the Jamaican state. The Government should have made this pellucid from the start.

Despite public sentiments in favour of the pilot-led employee group that belatedly put in a bid for the carrier, the Government was clearly right not to end negotiations with Caribbean Airlines to accommodate their offer. Not only would this have been a breach of procedure but, as Mr Golding said, they needed to demonstrate that they had the equity finance to run the business. They have not done this to the satisfaction of the Government.

APPROACH TO DEAL WANTING

Yet, the Government's approach to the deal with Caribbean Airlines, at least how it manages information, has been wanting. What it communicated to the public was too murky, when it should have been full and precise that this was not a conventional acquisition of the assets and liabilities of one company by another.

Then there was the public controversy over whether Caribbean Airlines would be designated exclusive national carrier for Jamaica, as was contained in an original letter of intent from which, according to Mike Henry, the administration has now retreated.

Additionally, there is the confusion over when Caribbean Airlines will actually assume its short-term 'management' of the old Air Jamaica, and whether what it is buying are Air Jamaica's profitable routes which, on the face of it, makes economic sense.

It is important for Prime Minister Golding to urgently lay out the facts of the deal, as well as outline Air Jamaica's most recent account, so that people are aware of the issues at hand. The confusing dribble of information is causing more harm than good.



LETTERS

What if US asks for 'John Public'?

THE EDITOR, Sir:

LET US forget for a minute that there is an outstanding extradition request for Christopher 'Dudus' Coke. Picture, if you will, that the request is for any ordinary Jamaican with no political ties. This Jamaican works hard and is on his way to achieving his goals, he has relatives/friends in the United States, they are involved in criminal activities of which he has no idea.

They send money for him to either transact business for them, maybe they help him pay his school fees or pay off a loan. Due to the harsh economic times, they promise to send him a barrel with foodstuff. He is grateful.

Included in the barrel is a bag for a friend who will come to collect it. This relative is of interest to the US State Department, he calls and says

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