

Kelantan's debt cannot be written off, says Dr M

SEGAMAT, Sat. — The federal Government cannot write off the Kelantan Government's debt or convert it into grant, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said The federal Government had never done such a thing before.

"Actually, only when a body has become bankrupt can we write off debt...so long as it is not declared bankrupt, we cannot write off the debt," he told reporters after launching the Peninsular Gas Utilisation Stage II project.

He was asked to comment on Deputy Prime Minister Ghafar Baba's statement that the PAS-led Kelantan Government had submitted a memorandum to the federal Government asking it to write off 70 per cent of the \$100 million debt incurred from the North Kelantan water supply project.

He said there was no reason for the federal Government to allow only Kelantan to have its debt converted to grant.

"Why should we let Kelantan only?...If we want, we have to give it to the

whole of Malaysia," he added.

He said it would not be a good example to write off the debt of a State as the Government had been advising the people to settle their loans with banks.

"If we owe someone, we just pay up," he said, adding that the Kelantan Government could afford to pay the money it owed the federal Government.

Dr Mahathir also said Kelantan Menteri Besar Haji Nik Aziz Nik Mat had not requested for a second meeting with him. — Bernama

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