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FEDERAL GOVERNMENT STILL STUDYING KELANTAN COMPENSATION REQUEST

Mahathir - Pergau

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KUALA LUMPUR, July 7 (Bernama) -- The Federal Government is still studying the request from the Kelantan Government for a \$90 million advance payment on the compensation it is seeking for the building of the Pergau hydro-electricity project in the state.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today his government had still not rejected the request from the Kelantan Government for the payment of the compensation.

However if such a request were to be entertained this would cause other states to make similar demands, he added.

+We (Federal Government) are prepared to pay the compensation if there is basis for such an application. If there is no basis, then of course, we'll not pay,+ Dr Mahathir said in response to reporters' questions after launching the Tunku Abdul Rahman Putra Memorial here.

The Prime Minister was asked to comment on the Kelantan Government's move to close an access road to the project site causing all works to come to halt. -- more

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Mahathir - Pergau 2 (last) Kuala Lumpur

Regretting the move, Dr Mahathir said the best way to resolve the question of compensation was to hold talks and not close the road.

He said the Kelantan Government frequently accused the Federal Government of not helping the state's development.

However when the Federal Government moved in to help, there was hindrance from the state government, he added. -- Bernama

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