

# 'Pergau issue can only be settled Dam blockade

By Jeffrey Ramayah  
and Shamsul Akmar

KUALA LUMPUR, Tues. — The Federal Government is saddened by the Kelantan's barricading of two of the four main routes leading to the \$1.3 billion Pergau hydro-electric dam project, which is meant to benefit the east coast.

Datuk Seri Dr Mahathir Mohamad expressed regret over the action taken by the Kelantan Government which had also demanded \$90 million as ex-gratia payment for the project to be undertaken by Tenaga Nasional Berhad.

The Prime Minister also said the Federal Government was still studying the claim for compensation, and if there was justification, it would be paid.

"We have not rejected their claim as yet and we are prepared to pay if there is justification," he said.

He added that such matters could only be solved through negotiations and not through actions like blocking roads.

In a lighter vein, Dr Mahathir said: "What would happen if we closed all roads leading to the State?"

He was responding to questions by reporters after launching the Tunku Abdul Rahman Putra memorial at the Residency building in the Prime Minister's Department.

Dr Mahathir said there must be a basis for any compensation otherwise the Federal Government would have to pay all the other States compensation whenever it undertook development projects there.

It was reported today that the Kelantan Government had directed the Land and Mines Department's enforcement division to put up roadblocks at the Batu 10 road and Kampung Sungai Renyok on Saturday and yesterday.

This had stalled work in several parts of the project site.

Dr Mahathir said the project was carried out to benefit the people in the east

coast States.

Meanwhile in Kota Baru, Menteri Besar Nik Abdul Aziz Nik Mat said today the Kelantan Government put up barricades to remind the Federal Government that the work being carried was illegal as no agreement had been signed.

He added that once an agreement was signed and the payment of compensation settled, it would tear down the barricades.

He described the action of putting up the barricades as "knocking on the Federal Government's door" for perhaps forgetting, in its enthusiasm to complete the project, that an agreement has yet to be signed.

Speaking to reporters after holding a reception for the Kelantan Semi-Pro soccer squad at his official residence, he said the State Government had prepared the documents pertaining to the deal.

"The terms we drafted had been agreed upon by the Federal Government, including the \$90 million ex-gratia payment that we requested. We also excluded some of our demands on the request of the Federal Government.

"There was a preliminary agreement signed between Kelantan Government representatives and a ministry official last year. There was also an understanding that a final agreement will be signed by me, in my capacity as the Menteri Besar, and Finance Minister Datuk Seri Anwar Ibrahim on behalf of the Federal Government.

"Since the first agreement, we have been trying to get Anwar to meet us to sign the agreement but it has been futile. Anwar, on his many visits to Kelantan had also not made any attempt to meet us to sign the agreement.

"I am always ready to go to Anwar's office to finalise the agreement and I had conveyed this to the Federal leaders," Nik Aziz said.

Asked whether the Kelan-

through negotiations'  
saddens PM

# MB: Next action to be decided later

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tan Government would order a total cessation of work on the Pergau dam project if the agreement was not signed, Nik Aziz said that would be decided later.

"It is enough now that we have reminded the Federal Government that it has failed to sign the agreement which it had agreed to do so last year.

"Our next course of action will be decided later," he said.

Nik Aziz said the Kelan-

tan Government had about a month ago decided to barricade the routes to the Pergau project site but had postponed the implementation as discussions were going on and it had hoped the Federal Government would finally agree to sign.

"However, after waiting for a long time and since there were still no indications that the Federal Government wanted to keep its side of the understanding, we had no alternative but to remind them.

"We also have to remind

the Federal Government that a number of villagers in the project site whose land, orchards and plantations were taken up have not been compensated," he said.

Nik Aziz said he would lead Pas leaders and members in special prayers this Friday to request Allah's blessings that Anwar would change his mind and sign the agreement.

He said the prayers would be held at the Kem Kijang near here where an Islamic seminar organised by the State Pas would be held.

This is the second time that work on the project has been stalled.

The first time was in February last year when the Kelantan Government used similar tactics, directing the cessation of work in camp A of the project site.

Following that, the Kelantan Government demanded an ex-gratia payment of \$90 million which Energy, Telecommunications and Posts Minister Datuk Seri S. Samy Vellu said was unreasonable and would not be entertained.