

Dr M: Don't blame us if project fails

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KOTA TINGGI, Sat. — The Federal Government cannot be blamed if the Pergau hydro-electric project issue is not resolved amicably because it is the Kelantan Government which has given a one-week ultimatum.

Prime Minister Datuk Seri Dr Mahathir Mohamad said it would not be right for negotiations to take place because the State Government has decided to put the Federal Government under pressure.

He reiterated that the Federal Government could not negotiate on the Pergau project as long as Kelantan continued to obstruct its implementation.

"If we do, the outcome of the negotiations will not be

fair," he told reporters after launching the Baktiadang housing scheme of the Johor State Economic Development Corporation at Ladang Tunjuk Laut, 45km from here.

On Kelantan Menteri Besar Nik Aziz Nik Mat's statement that the State would decide on the next course of action if the Federal Government failed to sign the agreement on the \$1.3 billion project by July 16, Dr Mahathir said:

"We have to wait and see what sort of action it will take."

To another question, he said he would have to check with the Attorney-General whether Kelantan's action of barricading the three routes leading to the site was illegal.

Meanwhile, in Bandar Muadzam Shah, Pahang, Finance Minister Datuk Seri

Anwar Ibrahim said he had told Tenaga Nasional Bhd to stop all discussions with the Pas-led Kelantan Government over the Pergau project although the water rights payment scheme was in the final stages.

He stressed that until the barricades were removed all negotiations were suspended.

Speaking to newsmen after opening the Rompin Umno division's delegates' conference here, Anwar said Nik Aziz had refused to discuss the matter although the Treasury had tried to organise meetings.

He said the Government did not practise favouritism and that Kelantan would be paid what was due to it under the water rights payment scheme.

"It is not a question of whether they are from the opposition or not."