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Decision hinges on US questions: PM (HL)

WHETHER Malaysia allows US officials to conduct investigations into Petronas' dealings with Iran will depend on what questions the Americans pose.

"We want to know what questions they will ask. If they want to stop us, of course we will not accept it," Prime Minister Datuk Seri Dr Mahathir Mohamad told reporters after the launching of the national truck, Perkasia, in Kuala Lumpur yesterday.

He was asked for his comments on the expected arrival in Malaysia of a US official on November 18 to conduct investigations pertaining to Petronas' participation, in partnership with France's Total and Russia's Gazprom, in a US\$2 billion gas development project in Iran.

The official is said to have made similar trips to Paris and Moscow.

Dr Mahathir said if the US official's questions involve matters like ownership of the national oil company, the Government will oblige.

"But if they want to stop us, they must stop the French and the Russians too. It cannot be that just because we are weak we are stopped and the stronger countries are allowed to proceed. Otherwise, there is no justice and I believe the US believes in justice for all," Dr Mahathir said.

The investigations are believed to include determining the type of technology to be transferred to Iran and if it can be used for weapons production.

Under the Iran Libya Sanctions Act passed by the US Congress last year, the US President is required to impose sanctions on any foreign company investing more than US\$20 million in Iranian and Libyan energy sectors.

Dr Mahathir added that the Government has so far not received any formal US request to investigate Petronas.

At the Dewan Rakyat, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim said the US has no right to question Petronas and any company if it decides to invest or have business links with other nations.

He said the Government will handle the issue cautiously and will continue to monitor the Clinton Administration's actions.

"The Government has yet to decide whether it will lodge protests at the United Nations and World Trade Organisation.

"If the matter persists, the Government may table a special motion at the Dewan Rakyat," he said in reply to a supplementary question from Yunof Meringking (PBS-Tuaran).

Anwar added that the people must support the Government on this as the US action is a violation of the nation's rights and a challenge to its sovereignty.

The Cabinet will discuss the issue at its regular meeting today, he said.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz meanwhile said: "While we have not received the itinerary of the US official's visit, we have been made to understand that he would like to meet with officials from Miti, Wisma Putra, the Finance Ministry and Petronas."

Malaysia, she told reporters, has only been informed verbally of the visit.

Malaysia strongly opposes the principle on which the Iran-Libya Sanctions Act and the Helms-Burton Act are based, as these laws involve the extra-territorial application of domestic legislation, she said after

opening Telekom Malaysia Bhd's seminar on "Manufacturing in the MSC Era - Virtual Opportunities".

This position, she added, is shared by all countries, including the European Union.

French Ambassador to Malaysia, Mr Eduord Braine, said that US law is only applicable on American soil and to American companies and not anywhere else.

"We are standing on the same `line' with our Malaysian friends on this issue," he said.

France is giving full support to Malaysia in not allowing US investigators to check Petronas' involvement in the natural gas field development project in Iran, Braine said after witnessing the signing of a memorandum of understanding (MOU) on the Visio Centre for Remote Accessibility between Mara and Citcom France SA and Citcom Malaysia Sdn Bhd.