

PM: Switzerland not co-operating in probe

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LONDON: Lack of co-operation from the authorities in Switzerland and other countries is hampering investigations into allegations of wrongdoing at Perwaja, Datuk Seri Dr Mahathir Mohamad said.

The Swiss had acknowledged that some funds were in bank accounts there, but "they are not co-operating with us in the investigations," the Prime Minister said.

Some of the alleged suspicious deals took place in other countries, which were also not co-operating with the probe, Dr Mahathir said to a question at a dialogue with Malaysian students at the Imperial College here on Sunday.

A student had asked why the Anti-Corruption Agency, which started its probe of Perwaja in 1996, had not been able to bring charges against those suspected of financial wrongdoing.

Last year, then ACA director-general Datuk Ahmad Zaki had said that the Swiss authorities had agreed in principle to help the agency identify a company which allegedly transferred RM76.4mil belonging to Perwaja to a Swiss bank account.

Ahmad Zaki said the ACA had identified two foreign companies which had transferred the money to the Swiss bank account belonging to a British Virgin Island registered company.

When Dr Mahathir was asked about the issue at that

time, the Prime Minister had said that information from the Swiss could result in some action.

Dr Mahathir had also stated then that the Government wanted to revive Perwaja and would decide to find ways to privatise it.

The ACA launched investigations into Perwaja in 1996 following a government request and had interviewed more than 50 people, including then managing director Tan Sri Eric Chia.

Responding to the student's question, Dr Mahathir said: "If there is evidence we will bring the person (concerned) to court."

He defended the Government's decision to set up a steel industry, which was required for Malaysia's industrial development, cit-

ing the example of the Japanese government's efforts in nurturing its steel industry with heavy subsidies.

The Prime Minister said while the Government was prepared to lose money in "this difficult industry," mistakes had been made, resulting in Perwaja's losses of RM10bil, a fact that was never denied by the Government.

On allegations of financial irregularities in MAS, which were also raised by the student, Dr Mahathir said the present management had discovered alleged misappropriation of funds, and the matter had been reported to the police.

"We won't tolerate such acts, crony or otherwise," he said.