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Mahathir-royalty

FED GOVT NOT BOUND TO PAY ROYALTY TO KEDAH, SAYS DR M

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KUALA LUMPUR, Jan 11 (Bernama) -- The Federal Government is not bound to pay the annual RM10,000 royalty to the Kedah government for having handed over Seberang Perai to Pulau Pinang in the 1700s, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

The agreement on the royalty was made between the Sultan of Kedah and the British colonial government when the sultan handed over what was then Province Wellesley to the British government in Pulau Pinang, he said.

"We (the Federal Government) can actually cease payment because we are not bound by the British agreement with the Sultan of Kedah," he told reporters after a visit to the Sekolah Menengah Datuk Lokman in Kampung Pandan here.

Pulau Pinang Deputy Chief Minister Datuk Dr Ibrahim Saad had proposed yesterday that the Federal Government cease payment of the royalty as Kedah, Pulau Pinang and Seberang Perai were all part of Malaysia now.

He had responded to Kedah Menteri Besar Tan Sri Osman Aroff who had recently asked the Federal Government to increase the payment to RM10 million annually. -- more

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The matter of royalty payment was raised by a member of Kedah's Kubang Pasu Umno Division which is headed by Dr Mahathir himself, at a divisional delegates meeting last September.

Osman, who is the deputy leader of the division, said the RM10 million annual royalty, if the sum was increased, could be used to undertake development projects in Kedah.

"My deputy (Osman as deputy leader of the division) spoke for Kedah. I will have to speak for the Federal Government which makes the payment," said Dr Mahathir.

Dr Mahathir said that usually the side making the payment did not like to pay more than the agreed sum while the recipient usually wanted more.

"The royalty payment is only a condition ... it is history and we are only continuing with what is history. It has become meaningless," he said.

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He said the Federal Government would keep to tradition and pay the royalty and that the sum would be retained at RM10,000 annually, in keeping with the tradition.

Dr Mahathir said the Kedah government should not seek an increase in the sum because the Federal Government had given many other financial allocations to the state.

According to historical records, Sir Francis Light, the founder of Pulau Pinang, and the Sultan of Kedah had agreed in the 1700s that the British government pay a royalty of RM10,000 annually to the Kedah government for Province Wellesley "as long as the moon and stars are present". -- Bernama

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