

# PM: We will not raise RM10,000 annual royalty paid to Kedah

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KUALA LUMPUR, Tues. — The Federal Government will not increase the annual royalty of RM10,000 to the Kedah Government for handing over Seberang Perai to Penang in the 1700s, Prime Minister Datuk Seri Mahathir Mohamad said today.

Dr Mahathir said the Federal Government would keep with tradition and pay only the RM10,000.

He 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.

He was responding to reporters' questions on a call by Kedah Menteri Besar Tan Sri Osman Aroff, who had recently asked the Federal Government to increase the payment to RM10 million annually.

Dr Mahathir said Osman was speaking on behalf of Kedah and "I will have to

speak for the Federal Government which makes the payment".

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 after a visit to the Sekolah Menengah Datuk Lokman in Kampung Pandan.

The agreement on the royalty was made between the then Sultan of Kedah and the British colonial government when the Sultan handed over what was then Province Wellesley to the British government in Penang.

"We can actually cease payment because we are not bound by the British agreement with the Sultan of Kedah," he said.