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Koh-Lease

KEDAH SHOULD NEGOTIATE WITH FEDERAL GOVT ON LEASE AMOUNT, KOH SAYS

PENANG, June 18 (Bernama) -- The Kedah government should forward any proposal to review the perpetual lease amount for Seberang Perai to the federal government and not the Penang government, Chief Minister Tan Sri Dr Koh Tsu Koon says.

The annual lease amount had so far been paid by the federal government according to the agreement signed when the country achieved independence where the federal government had taken over the jurisdiction of Penang from the British, he said.

The matter is enshrined in the Constitution, told a media conference here today.

If there were any negotiation to review the lease amount with the federal government, the state government was willing to take part in it, he said commenting on the proposal by former prime minister Tun Dr Mahathir Mohamad for Kedah to review the RM10,000 annual honorarium payment.

Dr Mahathir was reported as saying that the amount was no longer appropriate as the payment agreement was signed when Penang and Seberang Perai were taken over by the British from Kedah.

Dr Koh said he was confident that any negotiation on the matter would be held in a friendly manner and in a context of good cooperation for the interest of the two neighbouring states.

It was also not a big issue and to date, Penang had contributed a lot to the economic development of Kedah, whether directly or otherwise, he said referring to the development of the manufacturing sector in Sungai Petani and Kulim as a spill-over effect from the development of the electronic industry in Penang in the 1970s.

"When Penang was facing an acute shortage of workforce in the 1990s, the state government had encouraged companies wanting to expand their operations to build their plants in Kedah," he said.

All these were done under the "Proper Thy Neighbour" policy propagated by Dr Mahathir when he was prime minister, he said.

Dr Koh believed Dr Mahathir was making the proposal to review the lease amount in a jest and asked the public not to be concerned into believing that Penang dan Seberang Perai would be taken over by Kedah.

He also clarified that Penang was not a rich government as most receipts were handed over to the federal government in the form of taxes.

"The state government's receipts are only from taxes on land and entertainment, others are given to the federal government and since several years recently, Penang has been recording budget deficits," he said.

On the use of untreated water from the Muda river, Dr Koh said it was not appropriate for Kedah to charge Penang as it was a common river with its source in Kedah while a major part of the river flowed through Penang.

"Penang and Kedah must also deal with floods as a result of overflow of the Muda river and the matter should not be used as an issue as both states are like brothers who work together," he said.

-- BERNAMA

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