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We leave it to KL to decide what we must pay, says Koh

PENANG, Fri. - Penang is leaving it to the Federal Government to decide on the amount it should pay Kedah for the perpetual lease of Seberang Prai, said Chief Minister Tan Sri Dr Koh Tsu Koon.

He was commenting today on former Prime Minister Tun Dr Mahathir Mohamad's statement that Kedah should raise the annual RM10,000 "lease" payment for Penang island and Province Wellesley (as Seberang Prai was known then) to a more reasonable rate.

He said the issue should be raised and discussed jointly with the Federal Government because payment was made by the latter to the Kedah State Government. This originated from an agreement at the time of Independence.

Speaking to reporters, Koh said the Penang Government would participate in any discussion on the issue.

Koh said he believed Dr Mahathir's suggestion for Kedah to take back Penang Island and Seberang Prai as reported in some vernacular Press was said in jest.

"It is not possible for any State to unilaterally take the territory or land of any other State without the mutual agreement of States concerned as provided under the Federal Constitution," he added.

Ten years ago, Dr Mahathir had said in Kuala Lumpur that the Federal Government would not increase the annual royalty of RM10,000 to the Kedah Government for handing over Seberang Perai to Penang in the 1700s.

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.

Dr Mahathir was then responding to a call by Kedah Menteri Besar Tan Sri Osman Aroff, who had asked the Federal Government to increase the payment.

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

The agreement on the royalty was made between the then Sultan of Kedah and the British colonial government when the Sultan of Kedah 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 was quoted as saying.

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