

16/07/2003

Malaysia has right of review (HL)

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KUALA LUMPUR, Tues. - If Malaysia had lost the right to review the price of water it is supplying to Singapore, why did Senior Minister Lee Kuan Yew come to Malaysia to negotiate the price of water?

This poser is being thrown at Singapore which has been telling the world that Malaysia has lost the right to a price revision after it failed to invoke the review clauses in 1986 and 1987.

In the September 2001 meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad, besides an agreement in principle on the water pricing, both leaders also found common ground on several other issues affecting ties between the two countries.

The republic's contradictory stand is revealed in the latest advertisement (see page 5) placed by the National Economic Action Council to counter misconceptions and allegations by the Singapore Government on the stalled water talks.

Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said today the facts and figures revealed in the series of advertisements were the results of an indepth research.

"Let Singapore react. We will continue with the advertisements. The NEAC will make its statements," he said when asked to comment on Singapore's Ministry of Foreign Affairs' statement describing the facts as "nothing new" and "repeating old stories".

After launching the Agriculture Ministry's Agrifood Business Development Centre at Wisma Tani today, Abdullah said Singapore could interpret the advertisements whichever way it liked.

He said the advertisement campaign would help Malaysians and Singaporeans get the truth on the water dispute.

The NEAC has embarked on a series of advertisements in newspapers, providing readers with facts and figures, to set the record straight after the publication and distribution of a booklet by the Singapore Government which blamed Malaysia for the failure to reach an agreement on the water agreement.

Besides the advertisements, which have also been placed in the Asian Wall Street Journal, NEAC will publish a booklet on Malaysia's positions and version of events.

Turning the tables on the city state which has repeatedly stated that Malaysia had lost the right to review the water price because it did not pursue the matter in 1986 and 1987, the fourth advertisement asked: "Has Malaysia lost the right to a fair price?"

"If Malaysia has lost the right to review the price of water, why did Senior Minister Lee Kuan Yew come to Kuala Lumpur to negotiate the price of water?" goes another question.

If Singapore has been using the 1961 and 1962 water agreements to back up its claim that Malaysia's legal basis for a review had lapsed, Malaysia is using the same agreements to demolish Singapore's argument.

The NEAC points out that Clause 17 of the 1961 water agreement and Clause 14 of the 1962 water agreement state clearly that the price of water "shall be subject to review after the expiry of 25 years ...".

"Twenty-five years after 1961 and 1962 respectively means any time after 1986 and 1987. It does not mean the review must take place in 1986 and 1987," goes the advertisement.

Dr Mahathir had also questioned the logic behind Lee's visit to

negotiate the water price.

He had pointed out that if Malaysia had no legal right to review prices in the two agreements, Singapore should not have suggested a price revision in the first place.

Dr Mahathir said Lee had met him twice and on both occasions proposed that the price of water be revised to 15 sen per 1,000 gallons from the present three sen.

Malaysia, however, had proposed 60 sen.

"(If we are not allowed to review the price,) then he (Lee) shouldn't have come at all. He shouldn't talk to me at all. They are changing their minds. Now they are becoming very legalistic," said Dr Mahathir last November when commenting on a statement by Singapore Foreign Minister S. Jayakumar in its Parliament that Singapore would challenge the price review.

Jayakumar was quoted as saying that under the 1961 and 1962 agreements, Johor, from which the water was sourced, should have invoked the review clauses in 1986 and 1987, and now Malaysia had lost the right to do so.

Singapore's stand is that since the 25-year mark passed without review, Malaysia has no legal basis to raise the price of water.