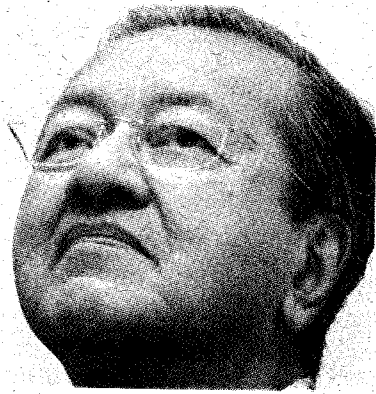


Tun Dr Mahathir Mohamad has raised allegations on the Government's decision to abort building a bridge to replace the Causeway. Below, the Government sets out the facts and sketches the historical backdrop of this decision.



HERE ARE THE FACTS

NS7-15/7/2006

● **THE ALLEGATION:** That the Singapore Government accepted Malaysia's proposal to build a half-bridge.

The facts: On March 4, 2002, Dr Mahathir wrote a letter to Senior Minister Lee Kuan Yew regarding Malaysia's proposal on the package of outstanding bilateral issues.

He proposed to build a bridge on the Malaysian side at its own cost while Singapore would build the bridge on the Singapore side at its own cost. Once the bridge was completed, the Johor Causeway would be demolished.

Dr Mahathir proposed that if Singapore did not build a bridge on its side, Malaysia intended to build a bridge on its side. Once this bridge was completed, the Johor Causeway on the Malaysian side would be demolished.

On April 11, 2002, (the then Singapore) Prime Minister Goh Chok Tong replied and agreed, although his preference was for a full bridge. However, that proposal was made in the context of the package approach for the outstanding bilateral issues which would be further discussed at ministerial and senior officials' level.

On Oct 7, 2002, Tun Dr Mahathir informed Prime Minister Goh Chok Tong that Malaysia had decided to discontinue discussions on the outstanding bilateral issues as a package and to give the highest priority to resolving the water issue. This move came because there appeared to be no agreement in resolving the issues as a package.

On Oct 14, 2002, Goh agreed to discontinue discussions on the outstanding bilateral issues as a package. Singapore withdrew its agreement on the crooked bridge.

Goh wrote: "I had been prepared to make concessions in varying the Points of Agreement (POA) with extra pieces of land, allowing early withdrawal of Central Provident Fund (CPF) deposits and building our part of the bridge to replace the Causeway at our expense, as trade-offs, so that you give us airspace and future water at a fair price ... Since you now want to deal with the water issue separate-

ly and discontinue the package approach, these trade-offs are no longer possible."

In effect, this letter signalled a return to a status quo position.

Goh's statement was not challenged by Dr Mahathir. In fact, there was no reply to Goh's letter by Dr Mahathir.

Singapore reiterated its position in a diplomatic note on Nov 29, 2004 while the Customs, Immigration and Quarantine Complex in Bukit Chagar was being built.

It said: "These negotiations on a package basis were unilaterally terminated by the then Prime Minister of Malaysia Dr Mahathir on Oct 7, 2002."

With the termination of the negotiations on the package of issues, Singapore's agreement for the construction of the crooked bridge no longer exists.

Conclusion: It is incorrect to say that Singapore accepted Malaysia's proposal to build a crooked bridge within its own territory. Singapore's acceptance for Malaysia to build a crooked bridge was at most a reluctant acceptance based on the package approach.

● **THE ALLEGATION:** That the letter from Goh on April 11, 2002 was the final commitment by the republic on the bridge proposal by Malaysia.

The facts: During negotiations between the two countries, there was an understanding that any proposal would not become final unless it was concluded in an agreement signed by leaders of Malaysia and Singapore.

This was explained in a letter by Kuan Yew to the then Minister of Special Functions and Minister of Finance Tun Daim Zainuddin on Aug 24, 2000.

The letter read: "To make it easier for us to write to each other, to test various options, all notes or letters I send to you or Mahathir, or vice-versa, will be treated as Without Prejudice: that there is no agreement until all points are agreed and signed by the two PMs."

Conclusion: It is incorrect to say that Goh had given a commitment on the bridge in

his letter on April 11, 2002. There was no signed agreement between the PMs of Malaysia and Singapore on building the bridge.

● **THE ALLEGATION:** That the bridge was not part of the package of bilateral issues.

The facts: At first, the outstanding package of issues only covered four areas: water, Central Provident Fund, airspace and the relocation of KTM's CIQ complex in Singapore. This was agreed to by both countries in Hanoi on Dec 27, 1998.

Later, however, the bridge project was inserted into the package of issues.

Dr Mahathir did so in a letter to Kuan Yew on March 4, 2002 and the bridge issue became one of five issues in the package titled: "Malaysia-Singapore Package of Five Issues: Malaysia's Proposals".

Conclusion: The bridge became part of the package of unresolved bilateral issues as a result of Dr Mahathir's letter.

● **THE ALLEGATION:** That the Government's decision to abort the bridge project will cause billions of ringgit in losses.

The facts: The total cost of building the CIQ, the crooked bridge and the new KTM line across the Johor Strait was RM2.379 billion.

At this time, the Government is working out compensation to Gerbang Perdana Sdn Bhd.

However, the decision to abort the bridge was not an economic decision. Once it became clear that Malaysia could not build the bridge unilaterally or accede to Singapore's requests, calling off the plan to build the bridge was the most financially-responsible decision to make.

The conclusion: It would not have been advisable to spend RM1.13 billion on a structure and be stuck in limbo over its use.

● **THE ALLEGATION:** That Malaysia is a "half-past-six country with no guts" by calling off the bridge project.

The facts: The Government had to take into account the interests of Malaysians.

It revisited the unilateral proposal by Dr Mahathir to build the crooked bridge but came to a finding that this was not an ideal solution.

In coming to its decision to abort the project, the Government studied not only the Wayleave Agreements but also the Johor-Singapore Water Agreements 1961 and 1962, the Separation Agreement 1965 and took into consideration advice by the Attorney-General's Chambers.

This is what the Attorney-General's Chambers said: "The construction of the scenic half-bridge to replace the Malaysian side of the Johor Causeway must be studied in a holistic manner in view of the fact that the scenic half-bridge would have international legal implications, in particular environmental impact to Singapore in and around the Straits of Johor.

"Apart from the above, the construction of the scenic half-bridge will involve the demolition of the Malaysian side of the Johor Causeway.

"The said demolition would directly affect the water pipeline located inside the Johor Causeway and water pipelines straddling the Johor Causeway. In this regard, legal implications thereof would have to be studied based on the 1961 and 1962, Johor-Singapore Water Agreements, Wayleave Agreements and Separation Agreement 1965."

"Malaysia as a sovereign and independent state has complete power and authority over its territory and in exercising the said power and authority, no other state may interfere with its affairs.

"Nevertheless, Malaysia cannot take unilateral action without taking into consideration international law principles and requirements, among others, taking into account the rights and interests of its neighbouring states."

Conclusion: With so much uncertainty, it made sense for the Government to take a step back and abort the project. Running the Government is not about scoring points or engaging in brinkmanship. It is about weighing the pros and cons and reaching a decision that is good for Malaysia.

● **THE ALLEGATION:** That Malaysia offered its airspace and sand to Singapore.

The facts: The issue of allowing use of Malaysian airspace has been on the negotiating table between 1998 and 2002.

Dr Mahathir inserted this issue in a letter to Kuan Yew on March 4, 2002. He offered it as a trade-off during negotiations on the package of unresolved issues. With the de-packaging of the bilateral issues, the proposal made by Dr Mahathir is no longer relevant.

Singapore used to enjoy five flight privileges until 1998.

It sought all those rights to be re-inserted, but the Government of the day was only prepared to offer Search and Rescue and the Northern Transit Corridor rights on terms and conditions to be mutually agreed upon.

The rights of Search and Rescue was offered on the basis of reciprocity and is consistent with international practice. As for Northern Transit Corridor, it allows RSAF jets to transit only over the South China Sea. The jets will not be allowed to roam Malaysian airspace.

Conclusion: The use of Malaysian airspace was raised by Prime Minister Goh Chok Tong during a meeting with Datuk Seri Abdullah Ahmad Badawi on March 1, 2005 in Putrajaya.

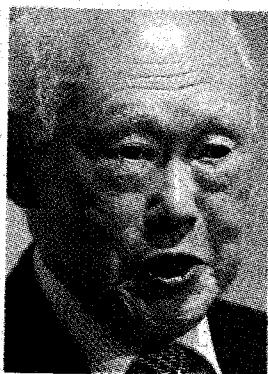
Singapore said this issue was of importance to them and said that it would make selling the bridge idea to Singapore more palatable.

Remember, as far as the Republic was concerned, it did not see the need for a bridge to replace the Causeway.

It wanted something in return for agreeing to the bridge deal and requested for sand and the use of airspace.

However, once it became clear that the Malaysian public was opposed to selling any sand or allowing RSAF jets to use its airspace, the Government aborted the plan to build the bridge.

Going ahead to satisfy the two conditions the Republic put forward would have meant going against the wishes of many Malaysians. — Bernama



Kuan Yew received a proposal on March 4, 2002, from Dr Mahathir to build a half-bridge to replace Malaysian side of the Causeway



Goh had not given a commitment on the bridge in his letter on April 11, 2002. There was no signed agreement between the PMs of Malaysia and Singapore on building the bridge.