

(COPY)

13th August, 1966.

The Hon'ble Mr. Tan Siew Sin,
Minister of Finance,
The Treasury,
Kuala Lumpur.

Dear Siew Sin,

I refer to your letter of 8th August, 1966.

2. I am troubled by the haste with which both you and I are making decisions of great import with considerable long-term repercussions. Neither of us have had the time to consider more carefully either arrangements which could be acceptable to both, particularly when we both agree that neither side will gain anything by breaking up our currencies into two. I am disturbed that we must arrive at a decision so suddenly, either to go on with the proposals which have taken months to work out or to throw them overboard in a matter of days.

3. All I seek is that we should not be in a worse position than Malaysia if there should be a breach between the two Governments after an agreement has been implemented and that we should not be placed in a position where our reserves can be jeopardised. This is not altogether an impossibility. For as you know it has happened in other parts of the Commonwealth.

4. I have suggested that our reserves be reposed in a secure third party or that it be handled by the Deputy Governor who is a Singapore nominee and who in extremis will be able to safeguard Singapore's assets. You have found neither of these proposals congenial. I am sure it is not beyond us, given time, to work out a formula which will give both of us an equitable arrangement whereby your assets will be protected for the M series and ours will be protected for the S series.

5. Your officials may not have understood the purpose of making the Deputy Governor in Singapore a corporation sole. I make bold to enclose herewith my Attorney General's explanation of a corporation sole and the implications thereof for the Bank as one entity. My Attorney-General does not agree that the incorporation of the Deputy Governor for Singapore as a corporation sole will make the Bank Negara Malaysia two corporations. It will still be one Bank with the Singapore assets held by the Singapore Deputy Governor.

6. In any case, I am prepared to consider any alternative proposal which will resolve this difficulty, for it is purely a legal impasse facing us, since it is not your intention that Singapore reserves should be withheld from the Singapore Government in the event of a breach. Perhaps we could jointly approach the I.M.F. again for expert advice and guidance on this matter.

Yours sincerely,

Sd.

(Lim Kim San)
Minister for Finance.

Corporation Sole

A corporation sole is a fictitious personality distinct from its member. Corporations may be of three kinds —

- (a) a corporation sole;
- (b) a corporation aggregate;
- (c) a corporation partly sole and partly aggregate.

A corporation exists on its own distinct from its members. Often public offices are made into corporations. One speaks of the corporation of Mayor, Alderman, Councillor, elective auditor of a borough or ecclesiastic — see Local Government Act, 1933, section 305.

A corporation sole consists of only one member at a time. The corporate character is kept up by a succession of solitary members. Corporations sole are always holders of a public office, for example, the Sovereign, Bishops, Parsons. The Treasury Solicitor is a corporation sole being a statutory creation — see Treasury Solicitor Act, 1876, section 1. The principal incident of such a corporation is that the property which the member holds by virtue of his office passes on his death to his successor in office as if the successor were the same person. Accordingly, in a conveyance to a corporation sole, he should be described by his corporate name. The word “successors” need not be used when one conveys property to a corporation sole.

The particular corporation sole you would be thinking of, namely, the Deputy Governor, would be a creation of our Act of Parliament.