

Quranic injunctions and Islamic banks

© Mahathir - Islamic Bank

107 29 APR 1985

KUALA LUMPUR, Mon. — Datuk Seri Dr Mahathir Mohamad today called for an Islamic banking system that stresses not just the letter but also the spirit of Quranic injunctions in that loans should not be a burden, but a help, to those in need.

The Prime Minister said Muslims had been obsessed with form rather than substance in their interpretation of Islamic finance and commerce.

Thus the Islamic banks and financial institutions that exist today are but an embryonic form of the Islamic banking and financial systems that Muslims need.

By NOR HAWA YUNUS

"They do business in a very restricted environment. Indeed the system of forward apportionment of profits results in repayment that are more onerous than interests," he said when opening the seminar on *Developing an Islamic Financial Framework*.

In Islam, it is impor-

□ TEXT OF SPEECH: P5

tant that the right people do the right job — if someone is chosen to deal in a subject he is ignorant of, his contribution can have undesirable results.

"As banking is not just business, nor is it solely a matter of Islamic juris-

prudence, and as lending and borrowing have vast social implications, it is important that relevant experts participate in a seminar and their views heeded.

"We would not like to see Islamic banks oppress their clients more than the ordinary commercial banks."

He hopes the seminar will propose banking systems that will be just to all, that will not oppress one group at the expense of another.

The Prime Minister dealt at length on the subject of Muslims' obsession with form in their interpretation of Islam.

"We concentrate on in-

significant matters, on forms and appearances, while the total welfare and well-being of the Muslims, which are enjoined upon us to protect and promote, are ignored."

Islam is all-encompassing, governing every aspect of human behaviour, not just a set of rituals regarding how to pay obeisance to God, although this is also part of the religion.

But despite being followers of a religion concerned with a way of life, Muslims seem to care only for death and retribution and little for the effect on life of Muslim society.

"The beliefs of the *Jahi-*

★ TURN TO P5 Col 4

Let us not be petty, Muslims advised

MST 29 APR 1986
★ FROM PAGE ONE

Jah period — when sufferings on earth were supposed to confer merit — influence our thinking so that we seem to want to punish ourselves on earth in order to enjoy the hereafter."

The *Jahiliyah* period — the Muslim Dark Age — refers to the pre-Quranic era, when the Meccans were mostly pagans who had strayed from the teachings of the prophets before Muhammad.

Muslims have succeeded in rendering themselves destitute in the midst of plenty by placing impediments in the way of their relief work.

Thus, despite Islamic injunctions against waste, that Muslims should do charity and help the poor, for a long time the huge number of animals sacrificed during the Haj were just buried in the desert sands.

"We are told that we cannot distribute the meat in case some non-believers get to eat it. Is this in fact what Islam wants of us as a way of life? Does Allah want so many of the *ummah* to suffer and die because a morsel might go to the unbelievers?"

Muslims also face the same situation in the field of finance by defining interest, no matter how small, as *riba* (usury).

Millions of dollars of Muslim money were deposited in non-Muslim banks in non-Muslim countries.

"Whether we accept the interest is irrelevant," Dr Mahathir said. "The fact is that money will be lent out by those banks with interest, sometimes to the enemies of Islam. These non-Muslim banks enjoy the interest earned by our money when the interest can very well finance the welfare of Muslims.

"We are deprived of this help because it is *riba* as a form that we abhor, not *riba* as a cause of misery — the reason why *riba* is forbidden by Islam."

This obsession with form rather than substance is also seen in commerce.

Profits of 1,000 per cent were made at one time from the sale of petroleum, but the high price of petroleum deprived many poor people, including the Muslim *ummah*, from a means of sustenance.

"Clearly, the taking of this very excessive profit has caused misery to a lot of people, but we interpret Islamic teaching as saying that this excessive profit is not a crime as compared to the taking of even the smallest amount of interest.

"We ignore the misery we cause, as if being miserable is a way of life in Islam. Is it true that Islam does not care for the pain and oppression that is caused as long as its injunctions are obeyed?"

The Prime Minister realises he is sticking his neck out by asking all these questions.

"It is imprudent for a politician to go against the mainstream of thinking in society.

"But I believe in Allah and the Prophet.

"The scholars of the past and of today are no doubt learned, but they are not prophets and they are not infallible. Some scholars of today have other motivations which are sometimes far from Islamic."

He is not questioning his faith and his religion, but the interpretations of the Quran and the Hadis made by scholars past and present.

Muslims have frittered away their money and time, and if they are not fighting or plotting against each other, they are busy quibbling over insignificant matters or arguing endlessly over words.

"As a result, the bounty that Allah has bestowed upon the *ummah* has not made us any better."

About 24 participants from 19 countries are attending the week-long seminar jointly organised by the Ministry of Finance and the Islamic Development Bank.