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Mahathir-Muslims

TAKE THE INITIATIVE IN PROVIDING GOOD IDEAS, SAYS PM

KUALA LUMPUR, Aug 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has called on Muslims to take the initiative in providing good ideas, alternatives and solutions, especially in Islamic banking and finance.

He said they should be more confident in responding to all problems as the Western financial system which the world accepted to help the poor had actually worsened the financial situation.

Closing a seminar on Islamic financial services and products here, he said there was "no more morality in the West as the most important thing for them is just maximising the profit for vested groups."

"We accepted the fact that they helped us to become rich through their investment, but very soon we became corrupted, which resulted in us being poor again," he said.

Dr Mahathir said Westerners had gone to the extent of devising ways to impoverish countries by devaluing currencies, which were their own invention, to make these countries poorer.

"It is not in their religion or anything like that. It is just an invention which would enable them to become rich.... Why, this is because they have no reference in religion on how they should behave morally in this area," he said.

He said more collective efforts should be put into finding ways to solve the current economic problems such as the currency attacks as individual efforts would not be successful.

In this respect, Dr Mahathir said that Islamic banking was one of the most important parts of commerce.

"We have been using the old system for a long time and there will be some who say that we should discard the old system based on interest rates and switch immediately and entirely, completely to the Muslim system.

"Perhaps, we should and can do this, but we have to be very careful because if we fail to do this, we will put Islam into dispute (and) for that reason we have to move very carefully," he said.

It was necessary therefore to have a parallel system to show that there was a Muslim alternative and that it would work, Dr Mahathir said.

"In Malaysia, we have tried and to a certain extent, we succeeded. We even came to the stage where non-Muslims look into Islamic banking in order to finance their enterprises," he said.

The prime minister said it was proven that there was already a non-Muslim acceptance for Islamic banking in Malaysia and probably also in other countries.

However, since there was a rapid explosion in terms of financial dealings throughout the world, there was a need to come up with new ways of doing business with money or so-called new financial instruments.

"... Or else we could fail to provide the alternative that would prove that the Islamic system works in the 20th and 21st centuries," he said.

Dr Mahathir also said that the Western capitalism system had put rich Muslim countries in trouble to the extent that they could not even control the products they produced and sell in the world market.

"God has blessed Muslim countries with more petroleum deposits than other countries. We should really be rich but we are not because through certain means the price of petrol has been brought down so low that petroleum-producing countries are now poorer than they were before," he

said.

"What do we do, do we just allow people to determine the price or do we do something about it. Sure it is simple to bring up the price of petroleum and retain the amount of money we earned without having to sell too much petrol.

"All we need to do is to sit down and decide together to reduce the petrol we produce and almost immediately the price of petroleum will go up. We will earn the same amount of money from a lower amount of petrol we produce and this means our deposits will last longer," he said.

"Unfortunately, we cannot do even this simple thing...how are we to deal with the instruments invented by the capitalists," he said.

Later, at a dialogue session, he said for the countries to reduce their dependence on the US dollar, trade should henceforth be conducted in the currencies of the trading partners.

For example, he said: "If we buy from Japan, we pay in the yen, and with Germany we pay in the Deutschemark and of course from the US, we use the dollar."

If a lot of countries stopped using US dollars, he said, there would be a huge amount of dollars floating around the world.

As for Malaysia, he said, besides Asean countries, it had reached an agreement with Japan and Pakistan to use their own currencies for trading.

Dr Mahathir said he hoped other countries would use their own currencies when trading with foreign partners.

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