

06 JUL 1998  
Ismail-Obituary  
THE PASSING OF A BANKING LEGEND

KUALA LUMPUR, July 6 (Bernama) -- Generations of Malaysians literally grew up with his name in their pockets.

Until the very end and long after, he will be remembered and recalled with the utmost respect that had marked his distinguished service to the nation and the banking world.

Tun Ismail Mohamed Ali, who died today, was synonymous with Bank Negara. He was governor of the central bank for 18 years from 1962, the first Malaysian to take over its reins, and his signature marked every Malaysian currency note issued during his tenure.

He was recalled home from the United States by Tunku Abdul Rahman, Malaysia's first prime minister who wanted him to head Bank Negara. He was then an executive director in the World Bank and its affiliates.

His stewardship of Bank Negara, having served for two years as the deputy governor before his promotion to the number one job, took place at a time when the nation's financial system was dominated by foreign banks interested only in financing international trade.

He changed the scenario of the nation's financial system, which was confined to the business sector and to the better off in urban areas, to domestic banks.

Under his supervision, the domestic banks took up their positions in the local financial system and dominated the scene with branches all over the country, including in the rural areas.

The use of banks was no longer the exclusive privilege of the well-to-do.

In Tun Ismail's own words, "the role of Bank Negara is to ensure that the less privileged, the farmers, the small traders, small enterprises, small businesses and individuals, have ready access to bank credit on reasonable terms".

Tun Ismail was looked upon with awe and respect for his achievements. Many have also quaked in the presence of this strict disciplinarian who brooked no nonsense, a man preceded by a overwhelming reputation of integrity, sharp acumen, simplicity and frankness.

The character of Tun Ismail is gleaned from the rare interviews with the man himself and those who worked for him.

A business magazine writer recalled how he shrank in a face-to-face interview with Tun Ismail who sternly refused to pose for a cover shot. Despite the cajoling, Tun Ismail retorted: "Come on, I'm a busy man."

That was in 1992 when he was chairman of Permodalan Nasional Berhad (PNB), one of the several corporate positions he held after succeeding Tun Tan Siew Sin as chairman of Sime Darby Berhad.

His long-time secretary May Wong disagrees with the stern public image of her boss. "Outwardly Tun may be stern. But he is a kind man at heart."

In another interview in 1986 when the country was in the throes of a recession, Tun Ismail said that if only the country had consumed less and saved more during its times of prosperity, "we would be in a better position to fight recession today."

In the same interview, he stressed the importance of a sense of responsibility and accountability, particularly from those trusted with public funds.

"One can easily be obsessed with the trappings of power and entrust the responsibilities of power and authority to someone else, usually their

underlings who take the blame when the business goes wrong," he said.

He also confessed his only regret -- that he could get neither of his two children, both sons, to join the government service while he himself had served the nation for 40 years.

He was often described as fanatically honest. He never used his privileges of office for his own benefit to the point he would not even his official car except for official duties.

There is also the story that when he heard that the architect firm involved in the present Bank Negara headquarters had hired one of his brothers, he told the firm that it would not get any more work from the bank.

Another story goes that when as Bank Negara governor, he refused to replace a battered fridge in his official residence because it still worked.

Born in Port Klang in 1918, Tun Ismail came from a prominent family of seven brothers and three sisters which included Datin Seri Dr Siti Hasmah, wife of Prime Minister Datuk Seri Dr Mahathir Mohamad, Tan Sri Ahmad Razali, former Selangor menteri besar, and Jen (R) Tan Sri Hashim, former Defence Forces chief.

After his early education at the Batu Road Boys' School and Victoria Institution in Kuala Lumpur, he completed his tertiary education in the United Kingdom with an economics degree from the University of Cambridge in 1941.

He was also called to the English Bar in 1943 and was admitted as a member of the Middle Temple, Inns of Court, London.

Upon his return in 1946, Tun Ismail was recruited into the Malayan Civil Service as an assistant collector of land revenue at the Kuala Lumpur district office. Then followed stints at state and federal levels before he was appointed minister at the Federation of Malaya embassy in Washington in 1957 before his posting with the World Bank.

During his term at Bank Negara, he was asked by Dr Mahathir to design a plan for the bumiputeras to participate in the ownership of the corporate sector in line with the objectives of the New Economic Policy.

Thus the Amanah Saham Nasional (ASN) scheme managed by PNB was born. Today, millions of bumiputeras have invested billions of ringgit and benefited from the scheme.

Among Tun Ismail's pastimes are listening to classical music, golf and swimming. He was also an avid collector of books, leather-bound and autographed first editions which adorned his study at home and his office at PNB where he was serving as adviser until his death.

Tun Ismail would have turned 80 on Sept 16 this year.

He was admitted to the Ampang Puteri Specialist Hospital here with flu on June 22 and died of a aneurysm burst due to complications.

The banking legend is gone.

-- BERNAMA

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