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Dr M's role praised (HL)

Ahmad A. Talib; Mustapha Kamil in Chicago

PRIME Minister Datuk Seri Dr Mahathir Mohamad's leadership was yesterday described by an American Islamic finance house as one that has restored dignity and self-respect to all developing countries.

In awarding the Prime Minister its Lifetime Achievement Award at the Islamic Cultural Centre in Northbrook, an hour's drive from here, American Finance House-Lariba's founder Dr Yahia Khairy Abdul Rahman said Dr Mahathir had single-handedly redefined the role of national leadership.

American Finance House-Lariba is the only Government-recognised establishment in America that offers Islamic financing products.

It is an independent finance company offering financing in accordance with Islamic jurisprudence to Muslims and non-Muslims in America. It was formed by a group of highly accomplished Muslim businessmen and is the only such establishment in the United States.

It was incorporated in California as a finance company in 1987. Apart from the meaning "No Riba", or without element of conventional interest in its financial products, the word "Lariba" is also an acronym for Los Angeles Reliable Investment Bankers Associates.

The company is licensed to conduct business in the states of Arizona, California, Georgia, Michigan, Kentucky and New Jersey. It is getting approvals to operate in Minnesota, Colorado, Virginia, Maryland, Illinois, Missouri, Kansas and Washington State. Its main goal is to provide Islamic financing to all people regardless of nationality, religious beliefs, gender or colour.

Especially noted was Dr Mahathir's successful leadership in mustering defence of the Malaysian economy by imposing selective capital controls during the economic crisis in 1997.

Yahia said while Dr Mahathir's unconventional method was criticised as a sure failure by the West in the beginning, it was accepted as a case study in monetary policy eventually.

Yahia was in Kuala Lumpur at the height of the crisis and personally thought it would be a pity to let outsiders acquire the fruit of Malaysia's pragmatic development policy for a pittance.

He noted that initially Malaysia was headed towards the International Monetary Fund's door for help.

"That would have been a recipe for disaster," he said after describing how Malaysia had been so successful in engineering its wealth distribution among the various races in the country.

Also mentioned was Dr Mahathir's determination in learning in-depth the working of the international finance market in his effort to find an effective solution to Malaysia's problems during the crisis.

In his acceptance speech, Dr Mahathir said the most important change the Islamic world had to make was to accept reality and to adjust to it without deserting the fundamentals of Islam.

By fundamentals, he meant those which created the centuries of glorious Islamic civilisation in the past.

In contrast, he said, today's so-called Islamic fundamentalists were only interested in the trappings of the religion, a path he said would only produce negative results.

The Prime Minister reminded Muslims that their economic future was in their own hands.

"True, we live in a world which is not particularly fond of Muslims. But

there is nothing to prevent the ummah from rising again, if the ummah wants to," he said.

Earlier, he outlined Islam's golden age in its history and spoke of how low Muslims had fallen today with the Islamic world full of paradoxes and contradictions.

The Muslim world was resource-rich, yet economically poor and weak. Some lived in wealth but the majority lived in abject poverty and despite the many breakthroughs in science and technology around the world, most of the ummah remained ignorant.

He said this was nothing like Islam's golden age, the period of temporal and spiritual achievement, conquest and brilliance.

He said it was time for the Muslim world to take a hard look at itself and decide whether it wanted to move forward and how to do so.

"I said whether we want to move forward because a significant number of us do not want to do so and many others are afraid to oppose them because they invoke Islam as the reason for their stand and everything that they do."

"Unless we decide to go forward, it is useless for us to attempt to do so," the Prime Minister added.

Noted among others for his successful leadership in preserving peace and promoting economic success in a multi-racial country, Dr Mahathir also described how Malaysia had managed to steer away from internal conflicts and provided a stable platform for economic progress.

He elaborated on the organised division of wealth among the races in Malaysia through the New Economic Policy in 1970, a strategy which had reduced economic imbalance among the races and between the rich and poor.

He also described how Malaysia built its trading-based economy from scratch, including by opening the country wide to foreign direct investments and how its government had managed the economy prudently.

Malaysia, he said, prepaid its external loans whenever it had excess money and had never resorted to its central bank for deficit financing.

Later, the Government engineered the establishment of a full-fledged Islamic financial services sector, including the successful banking and insurance system.

Dr Mahathir also described events leading to Malaysia's imposition of selective capital controls, beginning from the destructive effects of unfettered currency and stock market speculation by international funds to the time when the decision was made to shut them out of the country's economy.

Also present at the ceremony were Datuk Seri Dr Siti Hasmah Mohamed Ali, Education Minister Tan Sri Musa Mohamad and a delegation of businessmen.

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