

# PAS wants Dr M to help push dinar idea

The Star - 25/5/2006

By IAN MCINTYRE  
ianm@thestar.com.my

**KOTA BARU:** Kelantan aims to get the support of former Prime Minister Tun Dr Mahathir Mohamad for its plan to use the gold dinar and silver dirham as an "alternative currency".

The state government will also propose the idea to Second Finance Minister Tan Sri Nor Mohamed Yakcop.

State Public Administration, Economic Planning, Finance and Community Development committee chairman Datuk Husam Musa intends to meet the two men to present the proposal.

He clarified that the dinar and dirham would not be an "outright currency denomination" but rather an investment and savings scheme.

In view of the rising global gold prices in the commodities market, the proposal was timely, the PAS vice-president told reporters after the state executive council meeting here yesterday.

The gold dinar concept was touted by Malaysia some years back when Dr Mahathir was prime minister and finance minister.

The Government then suggested the use of the gold dinar for trading between Islamic nations, saying it was more stable than the US dollar.

But the plan received cool response from the other countries.

Prime Minister Datuk Seri Abdullah Ahmad Badawi recently shot down Kelantan's proposal, saying that state governments were not allowed to issue their own currencies.

At the same time, Bank Negara said that only the coins that it issued were the legal tender.



Husam: 'Dinar and dirham will not be an outright currency denomination'

Kelantan's proposal stems from the Islamic-based Ar-Rahnu pawn broking system where the dinar and dirham current value will be tied to trade on the commodities market.

The state government hopes to extend the use of the dinar and dirham to other sectors, including the payment of salaries to its public servants.

Husam said a committee comprising bankers had been formed to ensure a smooth implementation of the scheme here.

The state will also propose to commercial banks to allow people to open accounts using gold as deposit and urged Tabung Haji to allow pilgrims to use gold to finance their haj pilgrimage.