

## Perdana Leadership Foundation Hands Over 21,000 Digitised Historical Records to National Archives



Tan Sri Nik Mohamed Nik Yaacob (Executive Director, PLF) presenting the digital materials and PLF-produced Bibliography of Tun Dr. Ismail to Encik Sidek Jamil (Director-General, National Archives) at the handover ceremony

On 28th February 2008, the Perdana Leadership Foundation (PLF) presented to the National Archives (Arkib Negara) the results of the Foundation's resource-sharing collaboration with Arkib Negara: digital copies of over 593,700 pages comprising more than 21,000 titles that were scanned and converted to digital form by PLF. These pages consist of news clippings, magazine articles, books, and photographs that were obtained from Arkib Negara's massive warehouse of historical documents under a collaboration arrangement that allowed PLF to site its digitisation unit in-house at Arkib.

The Foundation has a similar arrangement with the National Library (Perpustakaan Negara Malaysia or PNM) and materials digitised from PNM are also included in the discs presented to Arkib. Dedicated to national leadership and leadership history, the Foundation makes digitisation of historical documents one of its key thrusts. With the PNM and Arkib collaborations, the Foundation hopes to make Malaysia's history more accessible to the Malaysian public, and secure the country's records for future generations. To date, the Foundation has over two hundred thousand digital titles of news, articles, and photographs in its Library, most of which are accessible from the Perdana Library's website <http://library.perdana.org.my>.

The presentation of digital materials took place in conjunction with a discourse on the country's second Deputy Prime Minister, Tun Dr Ismail, organised by Arkib Negara, in partnership with PLF and Universiti Utara Malaysia. At the Discourse, friends and colleagues of the late Deputy Prime Minister shared their recollection of this leader, his personality and contributions to the country.

(More on the Discourse on page 4)

## Inside

Chairman's Message & The Foundation's Beginnings pg2 Event Calendar pg3 Tun Dr. Ismail: His Leadership And Legacy pg4-5 Scenes from Bicara Tokoh: Tun Dr Ismail pg6-7 Perdana Focus: Dr. Noor Inayah pg8-9 Book Review "Tun Dr. Mahathir's Selected Letters to World Leaders" pg10 The Perdana Bookstore pg11 Thank You pg12

## Chairman's Message



YBhg Tan Sri Dato' Azman Hashim  
Chairman, Board of Trustees  
Perdana Leadership Foundation

The library is not a shrine for the worship of books...A library, to modify the famous metaphor of Socrates, should be the delivery room for the birth of ideas – a place where history comes to life. ~Norman Cousins

When the Perdana Leadership Foundation started our digitisation drive in 2005, it was with modest means and noble intentions – to transform the history of this country that are told through newspapers, periodicals, books and photographs into a form that would withstand the test of time, be easily accessible and searchable. We did not, and do not, seek to duplicate the marvelous archives of our venerable national institution, the National Archives; we intend only to complement. As rich as the history of our country is, we believe it would serve future generations of Malaysians well to have the stories of their country preserved in more than one location, and in more than one form.

Whilst the means were modest, with the cooperation of the National Archives, the National Library of Malaysia and other academic libraries, the Perdana Library managed to digitize more than a million pages worth of valuable documents. So it is with much pride and gratitude that we handed over the digitized materials to the National Archives in February to complement the Archives' digital efforts.

Here, at the Foundation, efforts are ongoing to offer a rich, Internet-enabled resource centre to serve the public. This resource centre will be a good complement to the research work that the Foundation is actively propagating via research grants and, for the first time this year, resident fellowships in conjunction with AmBank Group, Public Bank and Yayasan Al-Bukhary. We are also pleased to publish the findings of our research fellow, Professor Dato' Yusof Hasan, who centred his thesis on Malay Intellectualism and the links between Tun Dr Mahathir's thoughts with that of Munshi Abdullah and Za'aba. It is, to me, a very unique angle on a familiar topic, and we hope for more distinctive research such as these to become part of the nation's research base.

With 2008 well under way, the Foundation looks forward to welcoming its first Resident Fellows in the second half of the year, and to hosting its debut CEO Lecture Series in August, as part of a fundraising and public outreach effort. In December, we will be the hosts to a Nobel Laureate and in the intervening months from now to the end of the year, our Library will be organising two workshops based on our hard-earned experience in digitisation and oral history.

A research and archive institution needs to be more than just a warehouse of facts and theories if it wants to be relevant. It needs to actively ignite interest and become the conduit for the public to learn more about their nation, and that is certainly what Perdana Leadership Foundation hopes to become.

I welcome you to our programmes and look forward to hearing your ideas on how we can make the history of our country relevant, accessible and pertinent to present and future generations of Malaysians.

## The Foundation's Beginnings

Perdana Leadership Foundation was chartered in January 2003 as a non-profit organization, founded with gifts from people who supported the vision of a thriving research and learning institution dedicated to the study of Malaysian leadership and nation-building. It is unique in the sense that it began as an entirely private sector initiative, seed-funded and organized by private sector individuals and corporations. Most of the Foundation's trustees were the early benefactors of this Foundation.

The Foundation's physical home in Precinct 8, Putrajaya, was completed in October 2003. The stately building now houses the Perdana Library, an auditorium as well as a multi-purpose hall in addition to the offices of the Foundation's Honorary President, YABhg Tun Dr. Mahathir Mohamad, and his wife, YABhg Tun Dr. Siti Hasmah Mohd. Ali.

A tax-exempt, non-profit organization, the Foundation intends to become the premier institution for the study of Malaysia's Prime Ministers and the central resource centre for research into national stewardship as well as a platform for reflection, debate, and discussion with distinguished figures in Malaysian leadership.



### Perdana Leadership Foundation

Honorary President  
Tun Dr. Mahathir Mohamad

Board of Trustees  
Tan Sri Dato' Azman Hashim  
Tan Sri Dr Zeti Akhtar Aziz  
Tan Sri Dato' Seri Arumugam a/l A Packiri  
Dato' Azmil Khalid  
Tan Sri Dato' Dr Ir Chan Ah Chye  
Tan Sri Dato' Seri Dr Cheah Fook Ling  
Tan Sri Datuk G. Gnanalingam  
Tan Sri Dato' Seri Haidar bin Mohamed Nor  
Datuk Mohd Khamil bin Jamil  
Tan Sri Datuk Kua Sian Kooi  
Tan Sri Lee Kim Yew  
Dato' Seri Lee Oi Hian  
Tan Sri Dato' Lee Shin Cheng @ Lee Leong  
Tan Sri Mohamed Basir bin Ahmad  
Tan Sri Datuk Hj Mustapha Kamal Hj Abu Bakar  
Dato' Haji Nadzam bin Mohd Din  
Tan Sri Dato' Seri Nasimuddin S.M. Amin  
Tan Sri Nik Mohamed Nik Yaacob  
Tan Sri Rozali Ismail  
Datuk Shahril Shamsuddin  
Dato' Tan Boon Seng @ Krishnan  
Tan Sri Datuk Tee Hock Seng  
Tan Sri Dato' Sri Dr Teh Hong Piow  
Tan Sri Dato' Seri Vincent Tan Chee Yiuon  
Tan Sri Dato' Yeoh Sock Ping

Executive Director  
Tan Sri Nik Mohamed Nik Yaacob

### Editorial Board

The Perdana Quarterly is published four times a year by Perdana Leadership Foundation

Editor  
Zarina Abu Bakar

Writer  
Rosmawatie Abdul Halim

Contributors  
Adnan Haris  
Hidayati Haron  
Noor Sunfatima Abu Bakar

Photography  
Musyri Mohd Zin

Design & Layout  
Ruzanaliza Abdul Ghani

Address  
No.1, Jalan P8H  
Precinct 8  
62250 Putrajaya  
Wilayah Persekutuan.  
Tel: (+6) 03 8885 8900  
Fax: (+6) 03 8889 1166  
Website: [www.perdana.org.my](http://www.perdana.org.my)  
Email:  
[perdana@perdana.org.my](mailto:perdana@perdana.org.my)

Printed by  
Percetakan Tass Sdn Bhd  
No.7, Jalan 4/33B  
MWE Kepong Commercial Park  
6 ½ Miles, Jalan Kepong  
52000 Kuala Lumpur

## Visit from KUIS to meet Tun Dr. Mahathir Mohamad



It was a happy day on 13 February 2008 for visitors from Kolej Universiti Islam Antarabangsa Selangor (KUIS) as they had the opportunity to meet their beloved idol, Tun Dr. Mahathir Mohamad. 30 people including student council members, lecturers and officers from the institution visited the Perdana Leadership Foundation to meet Tun Dr. Mahathir.

The central issue of their discussion was leadership. The students peppered Tun Dr. Mahathir with questions on leadership qualities. The former Prime Minister emphasised the importance of reading as an essential leadership ingredient, as all leaders should keep abreast of discoveries and new knowledge areas.

To illustrate his point, he gave the example of the decline of Islamic civilisation after the 15th century and the advancement of Western civilisation during the Renaissance period. A hunger for knowledge and extensive research and reading were elements that the West had embraced, that made them more advanced than Muslims. He also shared his experience when he was studying to become a doctor, when he read his books many times over until he could 'see' their pages during examinations. Tun Dr. Mahathir also elaborated on his problem-solving method when he was Malaysia's Prime Minister: he would systematically 'diagnose' a problem by finding its root causes before determining and applying the 'remedy'.

It was a successful visit, and the students left the Foundation with new ideas on leadership and a renewed spirit to become exemplary leaders themselves.

The Perdana Leadership Foundation welcomes walk-in visitors on Tuesdays and group visits via appointments. To arrange for a group tour, please contact En. Adnan Haris (Tel: 03-88858940 / email: [adnan@perdana.org.my](mailto:adnan@perdana.org.my))

## Events Calendar

**24 January 2008**

Oral History with Tun Dr. Siti Hasmah Binti Haji Mohd. Ali at Perdana Leadership Foundation

**25 January 2008**

Oral History with Tun Dr. Siti Hasmah Binti Haji Mohd. Ali at Perdana Leadership Foundation

**30 January 2008**

Book Preview of "Tun Dr. Mahathir's Selected Letters to World Leaders"

**13 February 2008**

Visit from Kolej Universiti Islam Antarabangsa Selangor (KUIS)

**14 February 2008**

Visit from Universiti Teknologi Mara (UiTM) Puncak Perdana

**28 February 2008**

Bicara Tokoh Tun Dr Ismail dan Penyerahan Bahan Digital Arkib Negara oleh Perdana Leadership Foundation

**18 March 2008**

Visit from MATRADE Library

**19 March 2008**

Visit from Institute of Diplomatic Studies, Sudan with Advanced Engineering and Innovation Centre (UIA)

**21 March 2008**

Visits from Faculty of Administration Science and Policy Studies and Faculty of Information Management, UiTM Merbok, Kedah

**27 March 2008**

Visit from Negeri Sembilan State Library

# Tun Dr. Ismail: His Leadership and Legacy

A Discourse on Malaysia's  
Second Deputy Prime Minister

Date: 28th February 2008  
Venue: Auditorium Galeria Perdana,  
Memorial Tun Hussein Onn

Tun Dr. Ismail bin Dato' Abdul Rahman was the Deputy Prime Minister of Malaysia from 1970 until his death on 2nd August 1973. He was not only a local politician, he was also known as an active diplomat in international arenas. To expound his roles and contribution as a politician, cabinet minister, Deputy Prime Minister and also his diplomatic skills in integrating solidarity amongst the various races in Malaysia, a few of his friends were invited to share their personal recollections of Tun Dr. Ismail at an event organised by Arkib Negara, in collaboration with Perdana Leadership Foundation (PLF) and Universiti Utara Malaysia (UUM).

The discourse started with an opening speech by the Director-General of Arkib Negara, Encik Sidek Jamil. In his speech, he mentioned the Archive's initiative to set up Tun Dr. Ismail's Memorial in Muar, Johor. To date, the Archives has over 2,200 materials on Tun Dr. Ismail, all of which are listed in a bibliography on Tun Dr. Ismail published by PLF and distributed to the Discourse participants. The bibliography also contains references to materials on Tun Dr. Ismail available at PLF, the National Archive and the National Library.

With Assoc. Prof. Dr. Abdul Rahman Abdul Aziz, the Deputy Director of Institut Pemikiran Dr. Mahathir as moderator, the session began with Tan Sri Dato' Michael Chen, Parliament Secretary from 1964 to 1969 and the former President of The Senate at Dewan Negara from 2000 until 2003. Tan Sri Michael Chen recounted how Tun Dr. Ismail started his career as an ambassador to the United States and was appointed Malaysia's permanent representative to the United Nations.

Tun Dr Ismail was later the Minister of Home Affairs but left the cabinet in 1961 due to health issues. He was invited to rejoin the government in 1969, after the 13th May incident and became Tun Abdul Razak's Deputy Prime Minister in 1970. Tan Sri Michael recalled Tun Dr. Ismail's strictness and discipline as a Minister and also remembered Tun Dr. Ismail as a fashion trend-setter with stylish bush jackets and colourful shirts.

The second speaker was Tan Sri Zainal Abidin bin Sulong, the Chairman of the Industrial Development Board and former Ambassador to Indonesia and USSR. He had briefly worked under Tun Dr. Ismail as assistant when Tun Dr. Ismail was Ambassador. He told the audience he first met Tun Dr. Ismail when he was studying in University Malaya, Singapore. Tan Sri Zainal Abidin talked about Tun Dr. Ismail's role as Deputy Director of Majlis Gerakan Negara (MAGERAN), his views and contribution towards ASEAN issues (Vietnam War and Indonesia-Malaysia Confrontation) and his involvement in UMNO.

A few of Tun Dr. Ismail's friends who were present among the audience contributed their anecdotes on Tun Dr. Ismail. Dato' P.G Lim, a prominent lawyer, said he was a charismatic leader who was accessible to people and listened to their problems. Tan Sri Abdullah Ayub, the former Chief Secretary to the Government, candidly remarked that many politicians and cabinet ministers would avoid from bumping into Tun Dr. Ismail because of his sternness. However, Tan Sri Abdullah emphasised that Tun Dr. Ismail's strict nature helped to calm and assure Malaysians after the 13th May incident.

At the Q&A session, a University Malaya student suggested if a biography of Tun Dr. Ismail is to be written, a chapter on his childhood years should be included so that young Malaysians can comprehend who nurtured Tun Dr. Ismail's leadership skills and qualities during his youth. Other members of the audience brought up issues of scarcity of information, the use of rhetoric to promote national unity as well as the gaps of knowledge that exist between generations. The questions indicated keen interest among Malaysians, young and old, to know more of Malaysia's former leaders, and the events that shaped the nation. Discourses such as this can be a tool to pass on the lessons of the past to the present and future generations of Malaysia.

Tun Dr Ismail Abdul Rahman (November 4, 1915 - August 2, 1973) held several Malaysian ministerial posts and was appointed as the second Deputy Prime Minister in 1970 by Prime Minister Tun Abdul Razak. Born in Johor Bahru to Abdul Rahman bin Yassin, Ismail was part of a well-connected and influential family in Johor. Tun Dr. Ismail entered Malaysian politics in 1951 when he was elected as vice president of the United Malays National Organisation (UMNO).

Ismail was appointed as Malaya and Malaysia's first ambassador to the United States of America, as well as the United Nations — two posts to be held concurrently by him from 1957 till 1959. In 1963, Tun Dr. Ismail expressed strong support for an "Association of Southeast Asia", telling the media that "We look forward to a regional association embracing Thailand, Burma, Indonesia, Singapore, Malaysia, Philippines, Cambodia, Laos and Vietnam." This proposal eventually became the Association of Southeast Asian Nations (ASEAN).

In 1970, he was appointed as the second Deputy Prime Minister, replacing Tun Abdul Razak, who had been elevated to Prime Minister following the resignation of Tunku Abdul Rahman. On 2nd August 1973, Tun Dr. Ismail passed away after suffering a heart attack.



## Bicara Tokoh "Tun Dr Ismail"

28 February 2008  
Speech Excerpts

### Tan Sri Michael Chen

"If Tun Dr Ismail is still living today, he would be 93. But unfortunately he left us in 1973, when he was only 57. Now, what sort of a man was he? What sort of a politician was he? He was classified to be a reluctant politician. I believe that. Those days many professionals were reluctant politicians because they could earn more (from their professions) than what politics could give them. Datuk P.G. Lim could confirm that even as a young lawyer at that time, you could earn much more than the pay of Deputy Minister or Parliamentary Secretary. I was also one of the reluctant politicians. But nowadays, everybody thinks in politics you can make money but not those days. Those days, you want to be poor, join politics, but today, people think politics provides you with the shortcut to be rich. When you read about Tunku Abdul Rahman, Tun Razak, Tun Dr. Ismail, none of them were rich. And Tun Dr. Ismail, he had only one house, which he bought from Datuk P.G. Lim. That was the only house he had. In his book, he said, he was lucky to buy that house. And he said, the money came from his own pocket. Even if money was given to him, I don't think he would accept. That was the kind of politician we had.

Now, many stories have been told about him. He was a very punctual man. There was no doubt about it. Don't be late. Today I don't know anybody like him.

I had an appointment with him on one occasion at 9:30 am. But I was there at 9 o'clock sharp. There was another Minister whose name I shouldn't disclose otherwise he will not be able to stand for election anymore. He was late probably by about two, three minutes. But (when he went in) I heard Tun Dr. Ismail shouting at him at the top of his voice, "You get out! You're wasting my time, you're late!". With Tun Dr Ismail, if you were ten minutes late, five minutes late, two minutes late, you'd be in trouble. He explained that, "I could have given this time to somebody else", and chased out the Minister from his office.

To sum up, I would like to use John Kennedy's benchmark for a good leader. I think Kennedy said that to be a good leader, you must be dedicated, far sighted, and courageous and also wise. I think Tun Dr Ismail had all these qualities."

### Tan Sri Zainal Abidin Sulung

"I was a junior officer in a foreign service when Tun was very active in politics. So I cannot claim to know him a lot. First, I came to know him in the early days when we were in University of Malaya, Singapore. Once in a while we went to Johor Bahru. There was one occasion where Rahman Hamidon brought us to rumah Datuk Taib Andak. That was Rahman's uncle. And in that house it was my first occasion where I met Tun Ismail. Tun Razak was there too. And they tried to plan something. But we do not know what since I was a student, I just listened to what they were talking about.

Eventually, the next stage of my experience, I think, was as permanent representative at the United Nation. I joined the Foreign Service in 1957. I trained in London for a year then was assigned to New York. So, I went to New York and reported to his office. I served under him when he was in the UN. Eventually when he came back to Malaysia, I was back in a ministry, so that was another occasion where I had the privilege of serving under him.

So, my experience with Tun Ismail is not as extensive as Tan Sri Michael Chen's. I have been reading quite a lot about Tun, including a book called 'The Reluctant Politician'. I wonder why he is called the reluctant politician. To me, he was a consummate politician. Reluctant just gives a negative impression. Certainly Tun Ismail was not a reluctant politician, he was a hundred percent involved in politics right from the start. So I disagree with the title of the book.

Secondly, I wonder why an institute from Singapore has been involved in this; we have our own institute as well. So my quarrel with The Reluctant Politician, is why was it printed by an Institute in Singapore?

From time to time, my colleagues and I receive scholars from all over the world, from countries like the United States, United Kingdom and Australia. These visitors come asking questions on certain historical events, which they know about through their embassies. Most of the classified documents in these countries are already declassified. They are available for research scholars but the documents in Malaysia are not. We have not declassified our documents. They are still somewhere in the archives, perhaps still secret, and not available for scholars to look at.

So, here is the strange situation where we have foreigners coming to us to say that according to the documents released by Washington or Australia, this and this happened. And they want us to verify. And in the case of verification, we are all getting old so we don't remember certain things that we did and what we said. And therefore, we only remember what we want to remember.

So, it's a pity that we talk about a prominent personality like Tun Ismail, but the articles written are based on secondary sources. We don't have primary sources. So, I think there's a missing gap, through I do not know what archives can do. Most of the stories are in our files. And our files are still secret and not available for scholars and research. And books are written on the basis of secondary sources not on primary sources. I think it is a pity that we have a situation like this."

### Datuk P.G. Lim

"My own experience of Tun Ismail is a personal one. He was a very good friend of my brother (Lim Ken Chong) at Melbourne University. Now when I saw Tun Ismail here (in Malaysia), he asked what happened to my brother and he told me very nice stories about my brother. But I must say, my own of experience people like him and Tunku Abdul Rahman, Tun Razak and all those people that went before us was that they were very accessible to people. You could ask for appointments to see them, they were very accessible. They listened, they did not have to agree with you but they listened. And if you were not in the same category or group or political belief (I was a member of the Labour Party and I took part in the party election and lost), that was not held against you by the government.

And that shows the open mindedness and the liberality and the atmosphere they propagated. And the message that they have left behind that we must not forget is that irrespective of what has gone before, what you did before, we still have to work hard to move as one people instead of in separate water-tight compartments."

### Tan Sri Abdullah Ayub

"Saya selalu berjumpa dengan beliau (Tun Dr. Ismail) di rumah UMNO Johor Bahru pada tahun 1953. Pada masa itu saya dalam my last year of my Honours study dan beliau baru masuk UMNO. Dia masuk UMNO ini lambat, dia tidak bersetuju dengan Dato Onn. Jadi dia masuk dalam UMNO setelah Dato' Onn keluar daripada UMNO.

Pada masa itu terdapat ura-ura untuk kemerdekaan. Jadi saya bertanya dengan dia bagaimana kalau-kalau sultan-sultan negeri kita ini tak bersetuju untuk adakan kemerdekaan kerana ini boleh mengeneppikan mereka? Jawapan Tun Ismail, saya ingat sampai ke hari ini. Dia kata, "It's very simple, Abdullah. When we control the country, we control the money. And what we do, we promise the Rulers that we'll give them more income, and also higher positions and prestige." True enough, the Sultans agreed. Saya teringat perkara ini semasa saya berkhidmat di Treasury. Whoever controls money, controls everything."



Transcripts by: Abdul Halim Ismail, Mariatul Qibiah Isa and Suhana Mat Tehor



Encik Sidek Jamil, Tan Sri Michael Chen and Assoc. Prof. Dr. Abdul Rahman Abdul Aziz at the discourse



Tan Sri Nik Mohamed Nik Yaacob presenting digital content to Encik Sidek Jamil



The National Archives choir



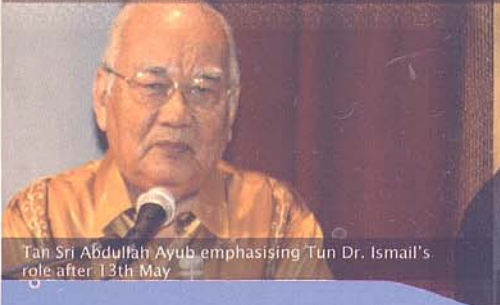
Students were part of the audience too



Encik Sidek Jamil emphasising the benefits of smart partnerships among archives centres



Academics and retired civil servants were among those present



Tan Sri Abdulllah Ayub emphasising Tun Dr. Ismail's role after 13th May



A University Malaya student asking a question

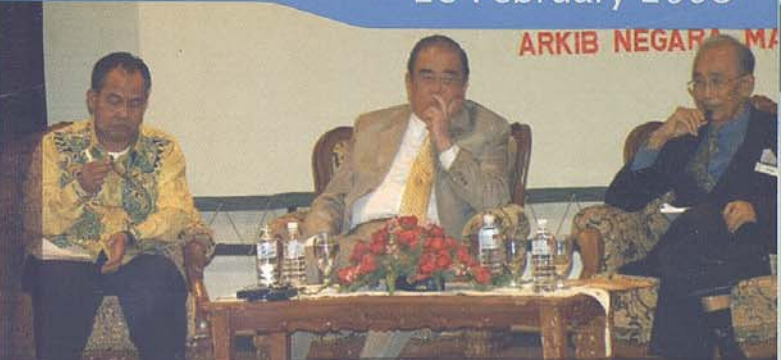
The panelists, Tan Sri Michael

# Stories from Bicara Tokoh: Tun Dr Ismail

28 February 2008



Tan Sri Michael Chen, recounting Tun Dr. Ismail's no-nonsense nature



The moderator and panelists



Tan Sri Zainal Abidin Sulong, recollecting how Tun Dr. Ismail was a stickler for punctuality



Dato' Hj. Omar Mohd Hashim from Malaysian Historical Society



Dato' P.G. Lim sharing her fond memories of Tun Dr. Ismail



Gift-giving at the end of the Discourse



Tan Sri Michael Chen and Tan Sri Zainal Abidin Sulong



(From left) Tan Sri Nik Mohamed, Assoc. Prof. Dr. Abdul Rahman, Encik Sidek Jamil, Tan Sri Michael Chen, Tan Sri Zainal Abidin Sulong



## Perdana Focus: Dr. Noor Inayah Yaakub

**Research Focus: Leadership Policies Relating to Islamic Banking in Malaysia and the Development of Malaysia's Islamic Banking Sector from Independence to the Present Day**

Perdana Leadership Foundation's Research Awards was introduced in 2005 with the aim of stimulating research on the leadership of Malaysia's past Prime Ministers. The Foundation offers short-term and long-term grants to qualified scholars with academic administration provided by the Institute of Research, Development and Commercialisation (IRDC), Universiti Teknologi MARA. The objectives of the Research Fellowships are: to encourage the study of this country's history beyond facts and figures; to yield valuable insights for future Malaysian leaders via in-depth study of the nation's past leaders and how their leadership as well as policies affected national development; to increase awareness of, and boost interest in, Malaysia's rich intellectual heritage. The first fellows of the Research Awards are Dato' Prof. Dr. Mohd Yusof Hasan, Dr. Suhaimi bin Shahnon, Prof Madya Kamarudin bin Ngah, Assoc. Prof Azhari Karim, Assoc. Prof Sue Valquis Md. Mashhor and R. Sivaperegasam P Rajanthiran.

Assoc. Professor Dr. Noor Inayah Yaakub is one of Perdana Leadership Foundation's research scholars. She is the lecturer and Chief Quality Officer for Faculty of Law, Universiti Kebangsaan Malaysia (UKM). She was appointed Associate Professor on 19 November 2007. Her areas of expertise are Islamic and conventional banking and Syariah laws. She is a member of the Banking Law Association of United Kingdom and was a consultant for the Islamic Banking Law Regulation Module for the International Centre for Education in Islamic Finance (INCEIF), Central Bank of Malaysia. She has done numerous law research, one of them being a monograph entitled "Equitable Remedies in Commercial Transactions".

For her PLF research, Dr. Noor Inayah and her colleagues: Dr Wan Kamal Mujani, Dr Hasani Mohd Ali and Dr Rooshida Merican Abd Rahim Merican (UKM) are pursuing a study entitled "A Study of Leadership Policies Relating to Islamic Banking in Malaysia and the Development of Malaysia's Islamic Banking Sector from Independence to the Present Day".

The research aims to identify Islamic banking leadership policies and provide a historical overview of the Islamic banking system in Malaysia.

Dr. Inayah, can you brief us on the central idea of your research?

Well, my research focuses on leadership policies relating to Islamic banking in Malaysia and the development of the Islamic banking sector with a special emphasis on Islamic banking laws from Independence to the present day. My research team also identifies some grey areas in Islamic banking law and proposes flexible recommendations to reform. It also includes historical perspectives of the Islamic banking system in Malaysia, such as the establishment of Lembaga Tabung Haji in 1963 as a method of depositing money according to Syariah; this reflected the starting point of the Islamic banking system. The era of Tun Dr. Mahathir Mohamad saw the development of Islamic banking institutions and the creation of non-usurious sources of funding as a necessary step to create an equitable, fair social and economic order. We also focus on the government's effort to promote such an idea. The establishment of BIMB and first takaful operator, for example was undertaken by the government towards an interest-free financial system in Malaysia.

In your research, "Islam" is always misunderstood by the courts, customers and even banking industry because of its connotation as a religion. Can you comment on that?

Well, an Islamic bank is expected to be clean of any kind of riba (usury), zulm (oppression) and gharar (uncertainty). As a result, no new products can be adopted until it is cleared by Syariah scholars. A practice today shows once a new product is put into use, Syariah auditing of the operations of financial institutions is very crucial to ensure actual practice complies with the requirements of Syariah. There are two reasons for this, namely, it is not only meant for religious reasons but importantly for business considerations. Islamic banks' customers may not be confident with Islamic banking operations unless Syariah scholars approve their activities.

What are the contributions of our past Prime Ministers to Malaysia's Islamic banking sector?

A lot! To briefly summarise, the earliest form of Islamic banking in Malaysia can be traced back to September 1963, during the period of our first Prime Minister. Perbadanan Wang Simpanan Bakal-Bakal Haji (PWSBH) was set up as an institution for Muslims to save for their Hajj (pilgrimage to Mecca) expenses. In 1969, PWSBH merged with Pejabat Urusan Haji to form Lembaga Urusan dan Tabung Haji (now known as Lembaga Tabung Haji).



Dr Inayah presenting on Islamic Banking at PLF

Tun Dr. Mahathir Mohamad established the first Islamic bank (Bank Islam Malaysia Berhad) in Malaysia in 1983. In 1993, commercial banks, merchant banks and finance companies were allowed to offer Islamic banking products and services under the Islamic Banking Scheme (IBS). These institutions however, are required to separate the funds and activities of Islamic banking transactions from the conventional banking business to ensure that there would not be any co-mingling of funds.

In Malaysia, the National Syariah Advisory Council was set up by Bank Negara Malaysia (BNM) to advise on Syariah aspects of the operations of these institutions, as well as on their products and services.

In June 2005, Dow Jones, the Company of New York and RHB Securities of Kuala Lumpur, teamed up to launch a new "Islamic Malaysia Index" — a collection of 45 stocks representing Malaysian companies that comply with a variety of Syariah-based criteria. Three variables (the total debt of an indexed company, its total cash plus interest-bearing securities and its accounts receivables) must each be less than 33% of the trailing 12-month average capitalisation.

More specifically, Tun Dr Mahathir described some steps already taken by Malaysia to address difficulties imposed by the current global financial regime. For instance, the formation of bilateral trading agreements with third world countries that utilise credit clearing, eliminating the need for payment in US dollars or any other outside currency. He also emphasised the importance of agreement as to what constituted ethical practice and procedures that were consistent with tenets of religion, and foresaw structures and procedures that were universally acceptable beyond the Muslim world.

What are the difference between Islamic banking and conventional banking?

The main difference between the two banking systems is Islamic banking does not allow the giving and receiving of interest. According to Islamic teachings, people must not profit from money by lending it without a certain amount of risk. Profit can only be made through trade or investment. Therefore, Islamic banking is based on buying and selling of assets. Any gains made from this trading are shared between banks and clients at a pre-agreed ratio.

The differences can also be seen from this table:

Characteristics	Islamic Banking System	Conventional Banking System (Interest based system)
Business Framework	Based on Shari'a laws – Shari'a scholars ensure adherence to Islamic laws and provide guidance.	Not based on religious laws or guidelines – only secular banking laws
Balance between moral and material requirement	The requirement to finance physical assets which banks usually take ownership of before resale reduces over-extension of credit.	Excessive use of credit and debt financing can lead to financial problems.
Equity financing with risk to capital	Available. Enables several parties, including the Islamic Bank to provide equity capital to a project or venture. Losses are shared on the basis of equity participation while profits are shared on a pre-agreed ratio. Management of the enterprise can be in one of several forms depending on whether the financing is through Mudarabah, Musharaka, etc.	Not generally available through commercial banks, but through venture capital companies and investment banks which typically take equity stakes and management control of an enterprise for providing start-up finance.
Prohibition of Gharar	Transactions deemed Gharar are prohibited. Gharar denotes varying degrees of deception pertaining to the price and quality of goods received by a party at the expense of the other. Derivatives trading e.g. options are considered as having elements of Gharar.	Trading and dealing in derivatives of various forms is allowed.

(Source: Project Dubai: <http://www.projectdubai.com/faqs.php?part=2>)

What is your comment on the conflict of jurisdiction between our civil and Syariah courts on Islamic banking issues?

Well, Islamic banking cases law are heard by civil courts in Malaysia. Islamic banking law is a contract in nature and is mainly governed by the Contract Act 1950, since there is no banking legislation that solely governs Islamic transactions. This can be clearly seen in Schedule Nine of our Federal Constitution.

What are your final words to Perdana Quarterly readers?

I would like to take this opportunity to thank PLF for their support and the fellowship award. The Islamic banking sector will greatly contribute to the economy of our country. The only thing now is ensure the strengths of our Islamic banking laws in this sphere.



**Dr Mahathir's Selected Letters to World Leaders/Introduction and Selected Commentaries by Abdullah Ahmad. Shah Alam: Marshall Cavendish (Malaysia) Sdn Bhd. 2008. 239 pp.Index.**

It is always a privilege to be privy to the thoughts and articulations of world leaders through media interviews and publications but particularly so through records of conversations and official letters. This is true of a leader such as Tun Dr. Mahathir Mohamad, who is well known for writing his own public lectures, speeches and letters. This collection of letters which is published less than five years after Dr. Mahathir retired from office covers subjects related to world events which are still fresh in our minds. Our curiosity is aroused as to what actually transpired between Dr. Mahathir and world leaders who had the power to shape the course of history.

The 71 letters in the book were selected from the 84 which were given the official stamp of approval out of a larger selection of 200. Thirteen were deemed of little significance by the publishers. Dr. Mahathir made the preliminary selection on the basis that 'they might be of interest to members of the public.' There is, however, no mention of the contents of the letters which did not pass official scrutiny nor the reason given for not allowing their publication. So the excluded letters now have a higher curiosity value.

The published letters are categorized into four main sections, namely Terrorism— Winning Hearts and Minds; Globalisation: Between Power and Powerlessness; War and Conflict... Then Peace, (As Always); and Economic and Diplomatic Relations: Raw Power (Not Skill) in Real Diplomacy. These topics especially on Arab-Israeli conflict in Palestine, Iraq, Afghanistan and the war on terror' continue to hog news headlines in the electronic and print media today. The headings of each section give the gist of what the letters in the section are about and reflect Dr. Mahathir's stance and somewhat sardonic view of the 'might is right' approach of super powers.

In the prologue, Dr. Mahathir explains why he wanted the letters published, his reflections on the events and issues he raised with the Presidents and Prime Ministers of the United States, Britain, and France who are among leaders of the world's most powerful nations. Particularly revealing is his relationship with them and his personal opinion of the leaders he wrote to. That he and Margaret Thatcher, Britain's Prime Minister (1979–1990) got on extremely well is public knowledge, but perhaps not so well known is that he and Jacques Chirac, the French President whom he described as 'special', shared a congenial friendship. For instance Dr. Mahathir acknowledged with 'deep appreciation' President Clinton's crucial role in halting the blatant massacre of Muslims in Bosnia Herzegovina by ordering US and NATO / air strikes on Serbian positions in occupied territory. He has however little regard for the current American President, and blames his 'dense-ness' for ordering air attacks on Afghanistan and Iraq despite evidence and advice to the contrary. As a straight talking, direct and sometimes blunt narrative, Dr. Mahathir's prologue makes for a very interesting read. Although not a world leader, letters from and to Prince Charles, heir to the British throne deserves mention. He came across as genuinely interested and knowledgeable about Islam when he wrote to

Dr. Mahathir as Patron of the Oxford Centre for Islamic Studies. Complimenting Dr. Mahathir on his 'fascinating lecture' on 'Islam—The Misunderstood Religion', Prince Charles shares Dr. Mahathir's concern and dismay about the serious misconceptions of Islam and laments the role of the British press in propagating them. Having had the privilege of meeting the Prince at a luncheon in Highgrove as a student at the University of Wales Aberystwyth, I am well inclined to believe the sincerity with which he expressed his views about Islam.

Through these correspondences Dr Mahathir shows that a Malaysian leader had the courage and conviction to voice out what he saw as injustice and misconceptions on the part of the super powers, at the risk of being ignored or told off, or worse, threatened with repercussions. Those who were overseas at the time, especially in Britain could not help but share Dr. Mahathir's frustration and anger as night after night television news reported yet further delays or breakdown in talks to decide on the course of action, while the massacres of Bosnian Muslims continued unabated. His letters were timely and important as they made known Malaysia's position as a 'moderate' Muslim country and were part of his relentless efforts to entreat the super powers to put a stop to the slaughter of Muslims in Palestine and Bosnia. Some of the letters are quite long as Dr. Mahathir went to great lengths to explain fundamental Islamic principles in the holy Quran, his stand on world atrocities and injustice against Muslims and third world countries, and why the US and other powers should not resort to air strikes which will kill innocent people. **Malaysians would do well to take a leaf from Dr. Mahathir's letters and speeches should they be required to explain these issues.**

It is expedient to be reminded that more than 10,000 Malaysian soldiers remained in Bosnia Herzegovina at the expense of the Malaysian government as peace-keeping forces, after the United Nations Protection Force (UNPROFOR) troops were disbanded and withdrawn. The role of Malaysian soldiers in maintaining international peace and order must be documented for posterity. On a visit to Sarajevo in 2003, everywhere I went with Ambassador Zakaria Sulong, the Malaysian envoy in Bosnia-Herzegovina, the people we met talked about Dr. Mahathir and Malaysia's role in speaking up for their country and what Malaysia had done to help its recovery. **It is vital that the story of Malaysia's role in Bosnia Herzegovina's recent history be carefully documented, told and retold so that Malaysians themselves and others are aware, appreciate and take pride that a relatively small country like Malaysia can and did make a difference.** The publishing of Dr. Mahathir's letters is a positive step towards this.

Tan Sri Abdullah Ahmad, former Group Chief Editor of the New Straits Times is a major contributor to this book. At the invitation of Dr. Mahathir, he wrote the Introduction to each section of the book as well as the commentaries on the letters. His writings provide an informative and insightful overview of the topics covered and the relevant context or background of events in which to place the letters. Dr. Mahathir's letters reaffirm the importance of letters as a means of communication among world leaders as they not only narrate the making of history but reveal the thinking behind it. They show that official correspondence certainly has an important place in the documentation of history. Malaysians young and old should read this book with great interest and appreciate the articulations of a Malaysian leader in attempting to change the course of world events.

Dato' Zawayiah Baba is the Principle Research Fellow of Institute of the Malay World and Civilisation, (ATMA), National University of Malaysia (UKM)

# The Perdana Bookstore

The following titles are available for purchase at the Perdana Leadership Foundation. If you are interested in any of the titles, please contact Puan Latifah at 03 8885 8942 / latifah@perdana.org.my. All proceeds from the sale of these items will go to the Foundation.

## Peace Dividends, War Profits: Proceedings from the Perdana Global Peace Forum 2005

Publisher : Perdana Leadership Foundation  
Edited by : Dr. Rusnah Johare, Jasni Rahim, Zarina Abu Bakar, Shamsul Akmar Musa Kamal  
Year & Price : 2007, RM 25.00



This Publication features the main speeches from the Perdana Global Peace Forum 2005 which was organized by the Perdana Leadership Foundation on December 15-17, 2005 at the Putra World Trade Centre, Kuala Lumpur. The Prime Minister of Malaysia, Dato' Seri Abdullah Ahmad Badawi, delivered a dinner keynote address on Islam and Peace, while the Deputy Prime Minister, Dato' Sri Najib Tun Abdul Razak, presented the Forum's closing address.

## Merdeka 50: A Celebration of Malaysia Art

Publisher : Perdana Leadership Foundation and Islamic Arts Museum Malaysia (IAMM)  
Author : Dr. Zakaria Ali  
Year & Price : 2007, RM 80.00



This publication is a catalogue of the sixty-seven paintings and sculptures on display at the exhibition. Each work is accompanied by a commentary by the exhibition's curator, Dr. Zakaria Ali. More than just a catalogue, though, this book contains a fascinating essay on art and nationalism in Malaysia, revisiting

the visual elements that embodied, in their time, the struggle for peace and independence. This book is also a tribute to Malaysia itself, illustrating the nation's progress and the patriotism that surrounds it.

## Selected Titles from the Perdana Library's Rare Book Collection

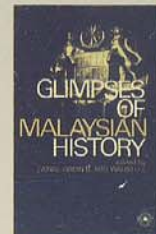
### Malaya Upside Down. K.E Chin, (1946)

This book is a most complete and illuminating account of the period of 1942-1945. It describes briefly, vividly, and accurately what happened to Malaya, in that period of its history. It records clearly trials and tribulations experienced by the people of Malaya during the Japanese occupation.



### Glimpses of Malaysian History, edited by Zainal Abidin Abdul Wahab, (1970)

This collection of essays was originally prepared for a series of talks organised by the Malaysian Historical Society for broadcast by Radio Malaysia. The essays have been chronologically arranged, from prehistory to Merdeka in 1957. Nine different persons have contributed to this volume (Tom Harrison, Zainal Abidin, Khoo Kay Kim amongst them), who prepared their writings independently of each other, presenting new aspects of, and approaches to, Malaysian history.



## Other Books / CDs for sale

### Books / Speeches by Tun Dr. Mahathir Mohamad

Letters to World Leaders  
Globalisation & The New Realities  
Islam & The Muslim Ummah  
The Malaysian Currency Crisis  
Melayu Mudah Lupa / Malays Forget Easily  
The New Deal for Asia  
Reflection on Asia  
The Role of Islam  
Terrorism & The Real Issues  
The Way Forward  
Islam, Knowledge & Other Affairs  
Selected Speeches by Dr. Mahathir Vol. I  
Selected Speeches by Dr. Mahathir Vol. II

### Perdana Discourse Series

Monograph Perdana Discourse Series No.1/2004  
- National Unity  
Monograph Perdana Discourse Series No.4/2004  
- Political Stability and Sustainability as Key Success Factors in Developing Malaysia

### Peace

Final Judgement by Michael Collins Piper  
The High Priest of War by Michael Collins Piper  
The New Nuclear Danger by Dr. Helen Caldicott

### CDs / VCDs / DVDs

Perdana Global Peace Forum 2005 DVD (Set of 5)  
Perdana Discourse Series: Positioning Malaysia in the World Arena DVD (Set of 2)

## Event Highlights



### Visit from UITM Puncak Perdana

On 13th February 2006, 26 Faculty of Information Management students and their lecturer, Puan Zuraidah Abdul Manaf, visited the Perdana Leadership Foundation. They had a lively Q&A session with PLF members and visited the Perdana Library. They also had the opportunity to observe the archiving and indexing process of the Perdana Library.

The Perdana Leadership Foundation welcomes walk-in visitors on Tuesdays and other visits via appointments. To arrange for a group tour, please contact En. Adnan Harris (Tel: 03-88858940 / email: adnan@perdana.org.my)

# Thank You

Perdana Leadership Foundation thanks the following organisations and individuals who have lent support to the Foundation and our programmes:

Amalgamated Industrial Steel	Malaysia Pacific Corporation Berhad
AmBank Group	Malaysian Tatler
Bank Negara Malaysia	Melium Sdn Bhd
Bank Rakyat	MK Land Holdings Berhad
Berjaya Group	YBhg Dato' Mohd Nazir Razak
Bina Puri Holdings	MTD Capital Bhd
Bintulu Port Sdn Bhd	M-Ocean Holdings Sdn Bhd
Bumiputera-Commerce Bank Berhad	Naza Group Companies
CIMB Group	Pembinaan Redzai Sdn Bhd
Commerce Asset Holdings Bhd	Public Bank Berhad
Country Heights Holdings Bhd	Puncak Nlaga Bhd
Cycle & Carriage Bintang Bhd	Sapura Group
DRB-Hicom Berhad	SCB Development Berhad
Ecovest Berhad	Sime Darby Bhd
HSBC Bank Malaysia Berhad	Southern Bank Bhd
IJM Corporation	Sungei Way Group of Company (Sunway)
IOI Properties Berhad	Talam Corporation Bhd
Khazanah Nasional Berhad	Tan Chong Motor Holding Berhad
Kuala Lumpur-Kepong Berhad	Telekom Malaysia Berhad
Kurnia Insurans (Malaysia) Berhad	Tenaga Nasional Berhad
YBhg Dato' Andrew Leong	UMW Holdings Bhd
Mahkota Technologies Sdn Bhd	Wah Seong Corporation Berhad
Maju Holdings Sdn Bhd	Yeo Aik Resources Berhad
Malayan Banking Berhad	YTL Power International Berhad

We also thank all our other individual donors, including those who contributed to the Foundation via the Malaysian Tatler Annual Ball 2005.

## Programme Supporters

Resident Fellowship Awards 2008  
Yayasan AlBukhary  
AmBank Group  
Public Bank Berhad

Merdeka 50: A Celebration of Malaysian Art  
Islamic Arts Museum Malaysia (IAMM) - Co-Presenter  
MPH Publishing Berhad - Publication Sponsor  
Poslaju Malaysia - Official Courier  
Ministry of Arts, Culture and Heritage, Malaysia  
Malaysia Tourism Board  
Participating artists

Thank you to all artists who participated in the exhibition who kindly agreed to donate part of the proceeds from the sale of their art to Perdana Leadership Foundation.

Perdana Leadership Foundation's "Nurturing the Minds of Future Leaders" Essay Contest 2007-2008  
Proton Holdings Bhd  
DRB-Hicom Bhd  
Malayan Banking Berhad  
Berjaya Corporation Bhd  
Sunway Group  
MPH Bookstores  
AmBank Group  
Bank Rakyat  
Yayasan EmKay  
CIMB Bank

## Upcoming Events

Workshop on Oral History & Transcription Techniques  
26-28 May 2008

There is increasing urgency to capture the personal stories and perspectives of the people who played key roles in the history of an organisation, a community, or a country. This workshop is designed to encourage professional organizations, libraries, historical societies, museums, and educational institutions at all levels to start collecting and preserving the stories of these individuals and the memory of the nation.

The workshop will be held at Perdana Leadership Foundation, Putrajaya. The theme for the workshop will be "Oral History: Preserving Legacy and Corporate Memory". The scope will be on oral history issues and techniques. Registration fee is RM700 and include refreshments, lunch, course materials and CD-ROM. Further information about the workshop can be accessed through <http://www.perdana.org.my>

CEO Lecture Series "Approaching 2020: Major Trends that will Impact Malaysian Business"  
8 August 2008  
Sime Darby Convention Centre

A debut event, the Foundation is proud to host Yang Amat Berbahagia Tun Dr Mahathir Mohamad as the keynote speaker at this corporate fundraising affair. The architect of Vision 2020 who industrialized Malaysia and foresaw the digital age, Tun Dr Mahathir will impart his views on the scenarios that await Malaysia's corporate sector, and the trends that will shape the business landscape. Tun's keynote address will be complemented by a commentary from leading corporate figure Dato' Azman Yahya. This is an event not to be missed. Enquiries can be directed to Rose Halim - Email: [rose@perdana.org.my](mailto:rose@perdana.org.my).