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Mixed reactions from foreign media

THE recent measures on foreign exchange and capital controls continue to attract mixed reactions from the foreign media, and an article in support of these measures was published in the International Herald Tribune on Wednesday.

A partner of a consulting firm, Marshall Auerback, and author Patrick Smith contributed an article titled "It is one world, Ready or Not? But some are not" which pointed out that "Anglo-American capitalism may have to its place as one alternative among others" if Malaysia's new measures prove to be successful.

The article stated that the country's measures should be seen in the context of "preservation of an (Asian) economic model that has advanced the region at a rate and for a duration with no parallels in history."

"Some banks will close and some corporations will merge ... but from Tokyo to Jakarta, the clear intent is to stimulate the region out of recession while avoiding structural changes that the IMF (International Monetary Fund) has long deemed essential."

"Wall Street and the State Department are reportedly shocked that (Datuk Seri Dr) Mahathir Mohamad has taken this step."

"They should be, as we now have a live case study of an alternative to the Anglo-American model, which ranks unfettered capital flows among its signature features."

Many people, including the Malaysian public and foreign investors, are anxiously waiting to see whether the new measures will succeed in pulling the local economy out of the doldrums.

The article said capital controls implemented in China, South Korea and Taiwan have not impeded investment, and the Malaysian stock market's level suggest that capital flight by foreign funds occurred a long time ago.

"East Asians have ever since (the Kuala Lumpur Asian leaders' summit) nodded politely toward the West with no serious intention of carrying out the IMF's socially-destructive, no-pain-no-gain solutions to their currency and debt crises.

"It is well understood across the Pacific that globalisation caused the Asian crises and logically cannot be its cure.

"Some in the West have been confident for years that globalism in inevitable. It is not," the article said.

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