Excerpt

MAY 9, 1978

Shenton Way in 1978

Lifting of curbs indicative of maturity

Alignment of rates

SINGAPORE will become a more "open economy" on June 1 when the Government dismantles the 40-year-old system of exchange control, bringing in its train, a free flow of funds and with local interest rates, exchange rates and monetary policies more in line with international trends.

Despite some risks the national economy may face, the move will accelerate the Republic's development as a financial centre and encourage more foreign investment here.

This is how bankers and economists analyse the implications of the Government's decision to eliminate exchange controls which have been in existence since 1939.

But the new situation calls for more vigilant monetary and fiscal policies to grapple with inflation and liquidity problems which may arise in a "laissez-faire" foreign exchange system.

Mr Peter Holzer, vice-president and general manager of Chase Manhattan Bank here, said yesterday the nation's present exchange control system does not pose a "serious impediment" to banks and business since it is relatively free and flexible.

"But elimination of these controls will enable banks to provide finance on a global basis. They will also be able to finance extensively non-resident companies using a wider variety of currencies.

OCTOBER 13, 1978

Jurong Shipyard blast kills 48 on tanker

DECEMBER 14, 1978

H. Leong's offer objectionable

ASST REGISTRAR STEPS IN

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