

PHT *newsletter*

PENANG HERITAGE TRUST • PERSATUAN WARISAN PULAU PINANG

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January 1996

The Continuing Crisis

The last few weeks saw a spate of reports in the papers about conservation versus development in the city, and the municipal council being less than transparent when listing buildings and dealing with applications for planning permission. The foreign magazines, *The Economist* and *Time*, have also seen fit recently to comment on the politics of architecture in the country (see accompanying pages).

Now, we all know that when our developers look at an old building — no matter how distinctive its architectural style, how great its heritage value — they see not the structure itself, but the land under it and the air above it. And no doubt the condominiums, office blocks, and one-stop centres springing up all over the city in the last 5 years are to the government, as it takes in the scene from its perch half-way up Komtar Tower, exciting evidence of the success of its economic programme.

But, surprise, surprise, there is now, as *The Star* reported it, “a move by the council to add three buildings — the former St Xavier’s Branch School in Pulau Tikus, Royal House in Anson Road, and 20 Leith Street — to the (heritage) list recently”. The council, however, has “deferred decision on the status” of the school yet again, electing this second time around “to refer the matter back to the planning infrastructure committee for further discussions”. And so it goes on, this to and fro, back and forth, ping and pong, and your guess is as good as mine when and how it will all end. Will the building be allowed to remain as it is, in its “Sino-Malay Palladian” entirety, to remind us of what happened in our history at the turn of the century, or will it soon become, as did the unfortunate Hotel Metropole over the Christmas of ‘93, a promiscuous heap of broken woodwork and masonry?

The answer may lie in the report in *The Star* that a municipal council worthy has questioned the wisdom of saving those old buildings which look like “haunted houses”. This is bad news

indeed for Suffolk House, 200 years old and left to rot since the sixties, and inhabited by the nyonya Martina, Light’s dark lady, who likes to sing her sad songs about her Captain in the pale moonlight. But, as one PHT member says, what is a great house without its secrets and its stories and its ghosts.

Is there a future for our past? That depends on how we view our city. There are two ways to look at our old buildings. We can choose to see them as underused land we might develop, as we are doing with the row of Lim Cheng Teik bungalows along Pangkor Road, or as symbols of the culture and achievements of an earlier generation we might conserve, as we have done with the Cheong Fatt Tze mansion on Leith Street.

And, of course, the way we choose will give us the Penang we deserve.

A Word of Thanks

We would like to thank the members of the PHT Antique Collectors Club — Martine St Hilaire, Richard Lim, Marie-Louise Oh, Charlie Krimminger, Peter Foo, Lee Laine, Eddy Koh, Clara Chan, Vincenzo Castelli, Teresa Pereira, Michael Cheah, Peter Loh, Marcel Theseira, Ganasan, Tan Eng Wan, Soo Yeow Hoai, Mohd Ariffin — for organizing the PHT Antiques & Collectibles Fair ‘95 to raise funds for the Trust.

We are most grateful to Y. B. Madam Kee Phaik Cheen for making the Fair a Pesta Pulau Pinang event, and Y. B. Koay Kar Huah for declaring it open.

We also wish to thank Richard Lim for donating an antique silver plate as a gift for Y. B. Koay, Anthony Khoo for preparing the opening day refreshments, Hanaboy for presenting the Fair with a bouquet of flowers, and the girl guides from the Methodist Girls School for helping at the PHT stall.

The Chairman and Council Members
Penang Heritage Trust

Letters

The MPPP commended but

As Chairman of the Building Conservation Advisory Committee (BCAC), previously called the Heritage Advisory Committee (HAC), appointed by the Penang Municipal Council (MPPP), I note with concern the heated public debate taking place about the heritage value of the former St Xavier's Branch School in Pulau Tikus, Royal House on Anson Road, and 20 Leith Street (*The Star*, 8 December).

The MPPP is to be commended for trying to protect more heritage buildings. However, this ad hoc method of listing buildings seems to be creating unnecessary controversy.

It is quite clear that all the parties involved in this debate do not deny the need for a clear and comprehensive conservation policy. What they dispute is the suitability of the present system.

The BCAC addressed this very problem during its deliberations and we believe that our proposals will make any conservation policy the MPPP may implement that much more transparent and acceptable, especially to the homeowners and developers.

Among the key proposals of the BCAC report was the appointment of a Conservation Committee consisting of recognised experts who will identify and list buildings as well as work out enforcement and design guidelines for them. This should ensure that any decision made will reflect a broader spectrum of public opinion and would be a significant step towards establishing public confidence.

The BCAC took 15 months to draft a framework for feasible conservation policy for Penang and I sincerely hope that the government will adopt the proposals, in part or in toto, without further delay. Otherwise we can expect to see a growing number of valuable buildings reduced to rubble.

The BCAC proposals, though they are the result of a close study of conservation practice in countries which have learnt from their mistakes, may still not be perfect. But unless we put them to the test they will remain purely academic.

Dr Choong Sim Poey

Heritage houses and housing shortage

I refer to the comments by Mr Eddy Choong reported in *The Star* on 9th December in an article about the Uplands School. While I have a lot of respect for Mr Choong for his leadership of the Housing Developers Association and the role he played in the Building Conservation Advisory Committee, I regret I have to disagree with his statement that heritage houses have to be demolished to relieve the housing shortage.

There is indeed a shortage of low and medium cost houses in Penang, but I am not convinced that the destruction of these old buildings has in any way helped with the problem. As far as I can tell every heritage house that was destroyed was replaced not by low or medium cost houses but by expensive commercial development or even more expensive apartments, meant only for the rich and foreigners. I can think of several instances when low income families were displaced when heritage properties

were redeveloped.

Even if I concede Mr Choong's point that there is a housing shortage, there is another alternative: Penang is about to embark on two large land reclamation projects on the east coast, near Jelutong, and on the north coast, near Tanjong Tokong. Is it not possible to channel all new development to these areas? Questions of heritage conservation aside, it will certainly help ease the traffic congestion in the city, which I fear will soon adversely affect all of us.

There is one point on which I am in total agreement with Mr Choong: the Penang Municipal Council planning process is arbitrary and given to ad hoc decisions. I would urge the Council to make planning a more open and rational process and as a start it would be helpful if the recommendations of the Building Conservation Advisory Committee, submitted months ago, are adopted.

Ahmad Chik

Tourism and Penang

Recently I met a Mr Kurt Androsch from Vienna, a regular tourist to Penang who loves to stay at the E&O Hotel. He told me that this year it was difficult for him to make arrangements to come here because "most European travel agencies have deleted Penang from their catalogues". And this is because beach holidays without cultural sightseeing is not in demand anymore. The few Europeans seen at Batu Ferringhi nowadays is proof that Penang is no longer "*The Pearl of the Orient*".

Singapore, comparable historically and geographically to Penang, has put itself back on the tourist market with its efficient heritage policy, started only 10 years ago. Despite its government's decision not to subsidise private conservation projects, more than 5,000 buildings have been restored. A combination of political will and private sector support has achieved that.

In Penang conservation efforts also began 10 years ago, with the MPPP approving guidelines for the inner city, but the efforts seem to have been abandoned. In fact, as early as 1961 a government committee had initiated plans to save the then still intact Suffolk House. But the government, after all these years, has still not restored Suffolk House, despite the fact that the Methodist Church has agreed to give up the Suffolk land in exchange for the government land in front of the Methodist Boys' School.

Alex Koenig

Former Urban Conservation Consultant to MPPP

New Members

We welcome the following as ordinary members of the PHT. They can nominate, vote, stand for elections, and take part in its activities.

Ong Jin Cheng	Tan Eng Wan
Lim Teik Oon	Goh Hooi Hong
Yeo Boon Ec	Abdullah b Hassan
Dr Ong Hean Teik	

Council to decide on branch school

By LIM AI LEE

PENANG: The fate of the former St Xavier's Branch School in Pulau Tikus — one of the oldest missionary schools here — will hinge on a decision by the Penang Municipal Council on its status as a heritage building.

A proposal by a private developer and the landowners, the La Salle Brothers, to demolish the building to make way for commercial development has now been put on hold pending a decision on the building's status.

Built before 1910 and reflecting Straits eclectic architecture with Sino-Malay Paddian influence, the building, now used as a residence by the

Christian brothers, is sitting on prime land estimated to cost RM100psf.

Council president Datuk Tan Gim Hwa said yesterday the council's development planning committee had recommended that the building be retained in view of its heritage value but approved development of the surrounding site for commercial-cum-residential development.

However, the decision which was to have been endorsed by the full council yesterday, was deferred following an objection by a councillor who wanted to consider the building for conservation.

Tan said the development planning committee would now have to reassess its decision

and decide whether the building should be retained or taken off the heritage list.

The committee could also review its decision on the zoning and decide whether to retain the site for education as originally designated or proceed with residential-cum-commercial development.

On the development of a new private hospital at the Peel Avenue junction, Tan said the council had approved the project at the residential area as hospitals were considered "tolerable development."

The council had, in October, approved planning permission for the hospital, with a two-storey podium fronting Peel Avenue and a five-storey block facing Jalan Macalister.



HERITAGE BUILDING? ... The former St Xavier's branch school at Pulau Tikus

FRIDAY December 1 1995 THE STAR

Development cannot be stopped: Tan

By LIM AI LEE AND HWA MEI SHEN

PENANG: The Penang Municipal Council cannot stop development in the city if developers comply with development and planning guidelines, council president Datuk Tan Gim Hwa said yesterday.

He said the council was governed by the Town and Country Planning Act and had no control on the use of private land.

"Developers can take the council to court if we try to stop their development and we may have to

end up buying the property," he said.

Tan was commenting on a proposal by a university hydrologist that development on the island be shifted to Balik Pulau as a long-term plan to check floods.

Dr Chan Ngai Weng, at a talk on *Flash Floods and Landslides*, had said that the recent flashfloods was a result of over-development in the city and had recommended more better land-use control.

Land Committee chairman Abdul Latiff Mirasa said the state had to be

very careful about shifting development to Balik Pulau.

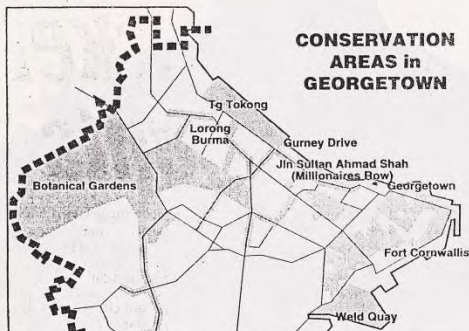
He said development should not be pushed to another area solely because of the flood control problem.

"Unless we have the necessary precautions and proper guidelines, we shouldn't enlarge the problem," he said, adding that planning must also respond to the needs of Balik Pulau residents.

Abdul Latiff also said there would "definitely" be more control of development near rivers.

THE STAR SATURDAY December 9 1995

THE STAR SATURDAY December 9 1995



The Star 5/12/95
18 Tuesday

Put school on heritage list: Conservationists

PENANG: Conservationists here have urged the Penang Municipal Council to designate the former St Xavier's Branch School in Pulau Tikus as a heritage building to prevent the turn-of-the-century structure from being destroyed.

Penang Heritage Trust honorary secretary Khoo Su Nin said the mansion, reflecting Straits eclectic architecture with Sino-Malay Paddian influence, is one of few such remaining buildings in the country and should be preserved.

She urged the council to reject a proposal to demolish the building and instead put in under the heritage list.

Any development, she added, should only be allowed in the courtyard and be compatible with the historical building.

The Star reported on Friday that plans to develop the site for commercial use were being put on hold pending a council

decision on the building status.

Khoo said the building, with its unique durbar hall and double-tier roof, was set in its original grounds and an elegant example of early Straits architecture.

Believed to be built around 1910, the building was originally a family mansion of a prominent Straits Chinese family here prior to its use as a missionary school and later as a residence of the Christian Brothers.

Khoo also stressed on the urgent need for a conservation policy in Penang to protect old buildings.

"There must be political will to implement the policy," she said.

"Right now the whole planning process is too secretive. With a conservation policy, we can get public feedback on whether a building should be preserved."

Penang heritage lovers cry foul

By LIM AI LEE

PENANG: Penang is fast losing its old mansions and bungalows to development, causing concern among heritage lovers and the public.

While the Penang Heritage Trust (PHT) claims that almost three quarters of the city's old bungalows and mansions had been torn down, developers argued they have no choice due to land shortage.

PHT secretary Khoo Salma Nasution said yesterday a number of build-

ings were of heritage value or had unique architecture as they were built between the late 19th century and the 1940s.

She estimated that such buildings in the city had dwindled to about 100 from some 600 over the years.

"In the last few years, as many buildings had been destroyed as in the previous 50 years put together to make way for apartments, condominiums or commercial complexes," she said.

"We understand that the Uplands School site at

Gurney Drive and The Aloes at Jalan Sultan Ahmad Shah were recently sold. We are worried over the fate of these buildings," she said.

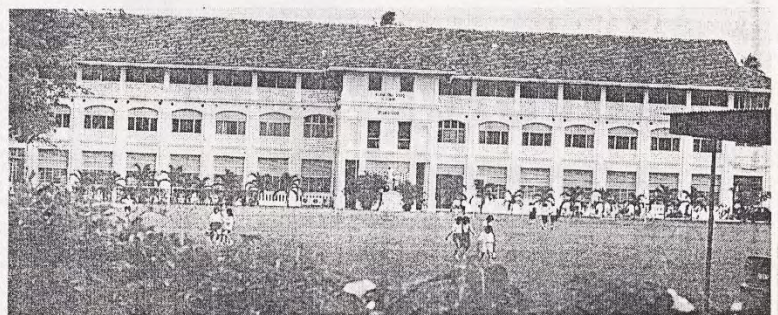
The development of such projects in originally low-density areas had led to urban problems such as flooding, drainage and traffic problems, she claimed.

However, State Housing Developers Association chairman Eddy Choong said many such buildings were under-utilised and sitting on large

tracts of prime land.

"We cannot just look at beauty which is subjective but also the economic viability and social needs. If developed, the land will house many more families and resolve the housing shortage in the state," he said.

Penang Municipal Councillor Dr Chin Fook Weng, who sits in the council's development planning committee, said a tentative list of heritage buildings and areas for conservation had been drawn up (See Map).



CAUSE FOR CONCERN ... PHT is worried over the fate of Uplands School.



Tan ... 'institutional use'



Dr Chin ... 'historical'

Decision on branch school deferred

PENANG: The Penang Municipal Council deferred decision on the status of the former St Xavier's branch school in Pulau Tikus for a second time yesterday after councillors failed to reach a consensus on whether the building should be conserved.

After a heated debate, the full council decided to refer the matter back to the planning infrastructure committee for further discussions and agreed that the site remain zoned 'for education and other institutional purposes.'

A private developer had submitted a proposal to the council to demolish the building, said to have been built around 1910. The building is being used as a residence by the La Salle Brothers.

The committee had earlier recommended that the building be designated for heritage but allowed the site to be rezoned for commercial-cum-residential development. If approved, the developer would have been allowed to develop the land surrounding the building.

At the meeting, Umno whip Mohamed Ali Ismail questioned the basis of conserving the building, arguing that not all old buildings merited conservation, adding that some old buildings resembled "haunted houses."

He said it was unfair to landowners who had purchased land but later could not develop the site because the council had designated the building for heritage.

At this point, council president Datuk Tan Gim Hwa interjected to say that the site was zoned for institutional use when the developer bought the site.

MCA whip Ooi Chuan Aik said there was still no conservation act to protect heritage buildings here.

Umno councillor Roquiya Hanim Tun Hussein Onn said that under the Antiquities Act, only buildings over 100 years could be gazetted for conservation.

Gerakan whip Dr Chin Fook Weng felt that the building should be preserved in view of its historical value. For example, he said, the P. Ramlee House which was less than 100 years old was preserved because of the late singer's contributions to the state.

'Hot' over heritage list

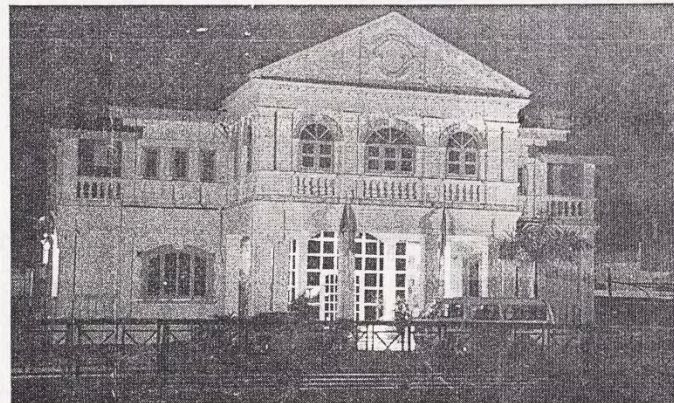
Wrong picture - this row of buildings has been conserved

By LIM AI LEE

Pix by: CHARLES MARIASOOSAY



20 LEITH STREET ... identified for conservation



ROYAL HOUSE ... another heritage building?

PENANG: The Penang Housing Developers Association yesterday criticised the Penang Municipal Council for allegedly designating private property as heritage buildings at its "whims and fancies."

Its chairman Eddy Choong said the council had a tendency to identify buildings for conservation although they were not in the heritage list in the Penang Island Structure Plan.

He was referring to a move by the council to add three buildings — the former St Xavier's Branch School in Pulau Tikus, Royal House in Anson Road and No. 20 Leith Street — to the list recently.

"The list keeps growing, it is scary. We do not know where they (the council) will be pointing at next. It could be any building tomorrow," Choong told a press conference.

"When developers buy property, they check with the council to see if the building is designated for conservation as we do not want to be saddled with land which we cannot develop."

"However, it is only after we submit our plans that we are told that the buildings have been identified for conservation."

Choong questioned the basis and guidelines used by the council in identifying heritage buildings, adding that the current manner was too subjective.

"The council must be transparent in its guidelines and follow the spirit of the Town and Country Planning Act. Any law or guideline cannot be retrospective."

Choong said the council should buy up the property it wants to designate for conservation or offer incentives to the owners.

He also produced a newspaper report quoting Chief Minister Tan Sri Dr Koh Tsu Koon as saying that the state government could not force building owners to conserve their buildings as the owners had the right to do what they wanted.

Don't backdate conservation guidelines, urge developers

PENANG, Thurs. — The Penang Housing Developers' Association (HDA) today urged the Penang Island Municipal Council not to enforce conservation guidelines retrospectively.

It should not create new guidelines to control plans already submitted as it would be unfair to both developers and homeowners, HDA president Eddy Choong said.

He told a Press conference today there should be clear-cut guidelines when the council dealt with building conservation so that developers would not find that plans they had submitted for approval earlier were now left hanging as the property had been listed for conservation.

Choong cited No 17 An-

son Road and No 20 Leith Street, where reconfirmation of approval for both buildings were being held back despite the fact that approval had been obtained earlier for both.

"The council should strictly adhere to the guidelines set in the book *Design Guidelines for Conservation Areas in the Inner City Area of Georgetown Penang* and should not create any new guidelines for plans already submitted," he said.

Any plans submitted, he said, should be subject to the guidelines prevailing at the time of submission and should not be subject to any new conditions which were not in existence at the time of submission.

"If that were the case,

then prospective investors would be afraid to invest in the State."

Furthermore, Choong said, conservation guidelines should not burden homeowners by imposing conditions such as ensuring that they maintain their houses in their original state if the houses were listed for conservation.

"There are only two ways whereby conservation can be enforced — the State can buy the property and conserve it under its own expense or give incentives to the homeowners to maintain their property," he said, adding these two measures were already in force in other countries.

On Penang Heritage Trust honorary secretary

Khoos Nin's appeal for the former St Xavier's branch school in Pulau Tikus to be listed for conservation as it reflected the Straits Settlements eclectic architecture with "Sino-Malay Palladian" influence, Choong said:

"It would be precarious indeed if the identification and classification of buildings as heritage were not left to experts in the field, but were up to the whims and fancies of certain individuals."

Choong said the association was not against the identification of buildings for conservation, but only hoped that the council would adhere strictly to the list of over 100 properties identified for conservation.

NST FRIDAY, 8 December 1995

Sunday Star
Dec 10 '95 5

Council refutes Penang HDA's claims

PENANG: The municipal council has refuted the press statement by the Penang Housing Developers Association that it was designating private properties as heritage buildings at its "whims and fancies."

In a press statement yesterday, the council said association chairman Eddy Choong should be aware that conservation of heritage buildings had been part of the council's planning policy since 1973 when the Interim Zoning Plan of George Town was first formulated.

It said initial studies on identifying and listing heritage buildings commenced in the inner city area of George Town but later extended to cover Jalan Sultan Ahmad Shah, Macalister Road (be-

tween Anson Road and Perak Road junctions), the area bounded by Gurney Drive and Kelawei Road, and Green Hall.

"As such it was unrealistic and irresponsible of Choong to suggest that the council strictly adheres to guidelines in the book of *Design Guidelines for Conservation Areas in the Inner City Area of George Town* and should not create any new guidelines," it said.

The council had recently made a move to add three buildings — the former St Xavier's Branch School in Pulau Tikus, Royal House in Anson Road and No. 20 Leith Street — to the heritage list.

It said when the current owner and developer bought the land on which the former school stands, the zoning was for "educational use."

On Choo's question of the basis and guidelines used by the council in identifying heritage buildings and that the current manner was too subjective, the council had been very transparent in its guidelines.

"In fact, to encourage public participation and better understanding of this subject, the council formed the Building Conservation Advisory Committee last year," it added.

Saturday
16 Dec. '95
21

Look after our heritage buildings

I REFER to your report, "Heritage lovers cry foul" (*The Star*, Dec 9).

I have just come back from visiting the Tokyo Metropolitan Teien Art Museum, a heritage building — built in 1933 where the eighth daughter of Emperor Meiji used to live — which was converted into an art museum.

Economic viability and social pressures are simply not good excuses to tear down our heritage buildings. Look at how the Japanese try so hard to preserve theirs.

Most of the heritage buildings in Japan are so well preserved and taken care of. They are usually turned into tourist spots, art museums or cultural information centres.

Why can't we do the same?

S.K. KHOO,
Tokyo

ARTS, BOOKS AND SPORT

The politics of architecture

KUALA LUMPUR

WHEN the countries of South-East Asia became independent many of the buildings associated with their former colonial masters were torn down or left to rot. Look carefully, and you can still find a few old colonial buildings, survivors of the purge. But it is the glittery city centres which have arisen in their place that government officials prefer to talk about.

This is not only a matter of pride. Architecture remains a political issue, says an official in the Malaysian capital, Kuala Lumpur. He points to a twin-towered building being put up in the town centre for the state oil company. When it is completed next year it will be the tallest on earth, just topping the Sears Tower in Chicago. It will be not just a building, says the official. It will be a statement. The world will acknowledge that Malaysia has really arrived.

He may be right. But one of the irritating things about visitors from rich countries is that they are not impressed by tall buildings. They have seen enough of them at home. The most photographed building in Kuala Lumpur is the railway station, built in 1885. It is covered with turrets and minarets; quaint rather than beautiful, but it has character. Only the poor and the backpackers now use Malaysia's decrepit railways, but lots of visitors turn up to gaze at this monument to colonial splendour, and then cross the road to what was the Majestic Hotel, which survives, but as a rather dingy state art gallery.

The railway station and the Majestic seem safe, along with several other pleasant buildings, such as the Selangor Club and St Mary's Anglican church. Belatedly, the simple truth has dawned on Malaysia, that if it is to attract tourists and the money they bring, it has to provide a bit of the old. Anything traditional is now seen to have merit, sometimes absurdly so. On the way into Kuala Lumpur from the airport notices have gone up saying "You are now passing a rubber plantation."

If there is a note of desperation about the born-again conservationists, it may be because they have noted with alarm what happened in Singapore. There, the enthusiasts

for "urban renewal" were far more ruthless than in Malaysia. The East, as exemplified by Singapore, came to look less and less mysterious as the bulldozers moved in. Bugis Street, with its old shops, small bars and transvestites, was a victim. The street has now been "recreated" under pressure from Singapore's tourist board. Raffles Hotel has been refurbished and described as a "national monument", and Telok Ayer, a Victorian market, has survived. Singapore, though, still looks like a modern metropolis



Where trains terminate in Kuala Lumpur

that happens to be in the tropics.

That said, it has to be acknowledged that it would be strange if a country did not wish to display its growing wealth. Prospering medieval Europe experienced the same impulse, building splendid cathedrals and inventing new architectural devices to sustain great heights. Can the new cathedrals, to Mammon, harmonise with their surroundings as well as the old ones did? In Kuala Lumpur and Singapore the opportunity has been lost. It still exists in Vietnam, where poverty has protected the French architec-

ture, although the foreign firms arriving in large numbers now that the country is respectable want modern offices. It exists in Rangoon, or Yangon, as it is called now. But, as in Vietnam, the opportunity won't last.

For years, after the British left in 1948, almost nothing was touched in the Burmese capital. This was partly because any money went to the army which was fighting numerous ethnic groups, and partly because Ne Win, the dictator for many years, liked the place the way it was. As a result until recently Yangon had the largest collection of British colonial buildings left in the world. They are gradually being knocked down to make way for high-rise buildings. But, encouragingly, the military junta that runs Myanmar these days has appointed one of its generals to be minister of tourism.

In what may be the best bit of news coming out of the country since the opposition leader Aung San Suu Kyi was freed in early July, he said that some of the old buildings are to be preserved and that high-rises should be scattered. The Strand hotel has been done up by a Japanese company and looks as posh as it did when it was built in 1901. It joins the modernised Oriental in Bangkok, the Eastern and Oriental in Penang, the Metropole in Hanoi, the Peninsula in Hong Kong, the Bela Vista in Macau, the Spanish-style Manila in Manila, and of course Raffles, as a retreat for those who long for the space and airiness of colonial buildings. Those who also want to eat food to match like to go to the Café Batavia, which occupies a restored Dutch building in Jakarta. The Dutch have, it seems, finally been forgiven for colonising the East Indies, which became Indonesia.

The list sounds impressive, but, if anything, it is a reminder of all that has been lost. What does seem to survive is a folk memory of a gracious style of building. This correspondent was in Kelantan, in northern Malaysia, far from Kuala Lumpur. The prospering middle class there has discovered the column. This useful architectural device was successively popular with the Egyptians, the Greeks, the Romans, Renaissance Italy and eventually the British. It has at last arrived at Kota Bharu, the modestly pleasant capital of Kelantan, where no new house seems to be complete without a few columns. Purists may scoff, but they are easier on the eye than the towers of Kuala Lumpur. Or the unappealing skyline of Singapore.

■ MALAYSIA

Metropolis of Dreams

Is Kuala Lumpur getting too crowded? No problem. Spend \$8 billion to build a new capital

By ANTHONY SPAETH

A SIDEWALK STROLLER IN DOWNTOWN Kuala Lumpur can hardly turn around without encountering huge construction cranes. The ones atop the twin 450-m Petronas Towers will soon be dismantled, after work is completed on what are now the world's tallest buildings. A decade-long construction boom has pretty much entombed the former colonial backwater, as the capital is invariably described, in concrete and asphalt. These days, "K.L." is an Asian metropolis that, with a few more throbs of the GDP, may become an oppressive, traffic-clogged sister city to such urban disasters as Bangkok, Taipei and Manila.

Not, however, if Prime Minister Mahathir Mohamad has his way, which he usually does. Mahathir has clapped his hands and sent the cranes migrating to a 4,400-hectare former rubber plantation 25 km south of K.L., where he has commanded a new \$8.1 billion capital to rise. The satellite city is named Putrajaya, after the country's first Prime Minister, Tunku Abdul Rahman Putra. Mahathir is hoping that Putrajaya, where nearly every major federal agency will have its headquarters, can also attract banks, securities houses and media organizations weary of Asia's more congested capitals—and particularly of wealthy Hong Kong, which will fall under Beijing's control in 1997. That date has put some hustle into the building bustle. Construction has been under way since August, and will continue for the next decade, though Putrajaya should be ready for occupants far earlier. Mahathir plans to move his own office there as soon as 1998.

On paper, the new city looks like something out of a science-fiction comic book. Private cars will virtually be banned—Mahathir envisions an "environmentally benign" metropolis—and replaced by a public transport system combining buses, metros, trams and ferries. More than half a million people will reside in Pu-

trajaya and surrounding suburbs, and sleek commercial buildings will accommodate 135,000 workers. There will also be a golf course, sports stadium, cultural center and shopping malls, as well as a giant man-made lake surrounding the city center, complete with a floating mosque. Fiber-optic cable is being laid beneath the streets, and residents will be able to have Internet access and other electronic-superhighway conveniences.

Putrajaya is the latest in a series of Malaysian megaprojects. The Petronas Towers, built for the national oil company, will have cost \$1.2 billion by the time they open in early 1997. A new Kuala Lumpur airport, set for completion in 1998, will require \$3.5 billion. All across the country, construction crews are laying highways, sewage systems, a gas pipeline and, on Borneo, building a \$5.5 billion hydroelectric dam. The bill for this infrastructure binge has topped \$60 billion, and some econo-

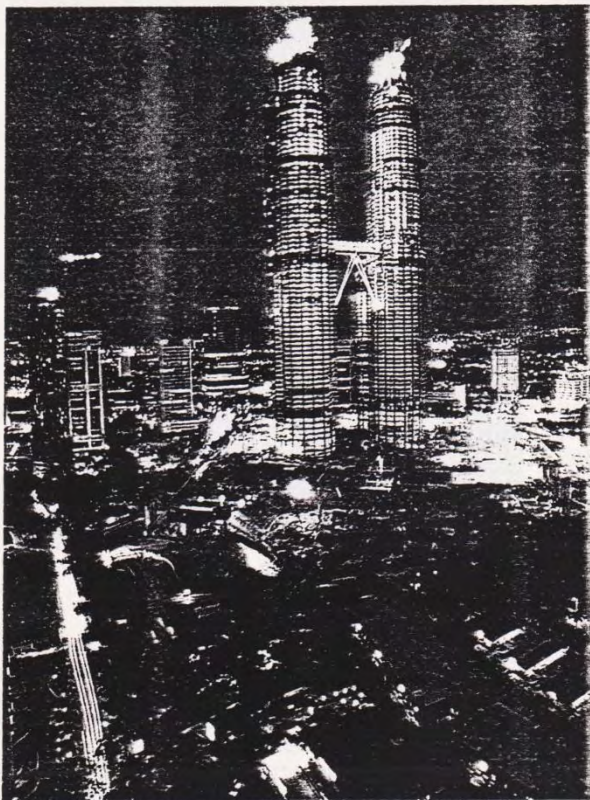
mists wonder whether Malaysia can afford it. The required borrowing, they say, might fuel inflation, strain the country's financial system and derail the roaring economy, which has grown 8% or more for eight straight years. "It's a timing issue," says Low Ming Siong, managing director of Peregrine Services in Kuala Lumpur. "Do we really need an \$8 billion new capital now?"

If Mahathir does manage to build his dream city, will anyone join him there? He hopes to attract multinational firms looking for reasonable property prices, comfortable life-styles and a stable political system. "My emphasis now," says Anwar Ibrahim, the Deputy Prime Minister and Finance Minister who is overseeing the financing for all the projects, including the new city, "is on the financial services and foreign media." Anwar predicts that rents in the new capital will be among Asia's lowest. In addition, literacy among Malaysia's 20 million people is a relatively high 80%, English is widely spoken, and a greater percentage of Malaysians study abroad than do residents of any other Asian country.

Nonetheless, Malaysia is in some ways more insular than its Asian rivals. By law, outside investors must have a Malaysian partner. Generally a foreign company can keep only two expatriate employees in the country. And the Kuala Lumpur stock exchange, though the world's 15th largest, is plagued by volatility and frequent rumors of trading by politically linked parties. "We still have remnants of the earlier hard-core nationalist policies," admits Zainal Aznam Yusof, deputy director general of Malaysia's Institute of Strategic and International Studies. "We're still very backward."

Mahathir's capacity to deliver shouldn't be underestimated. He has proved frequently in 15 years as Prime Minister. Experts scoffed when he decided in 1983 to start a domestic automobile industry. Today Malaysia's profitable Proton employs more than 4,800 people; it accounts for some 72% of the domestic auto market, and last year sold more than 10,000 cars in Britain.

The Putrajaya project is no doubt riskier, though to the government the alternative is far worse. "We're scared when we look at those megacities in Asia," says Ibrahim Saad, deputy minister in the Prime Minister's department. So scared that to raise money for the move, the government expects to sell off nearly all its buildings in Kuala Lumpur—including the Prime Minister's office. —Reported by John Colmey/Kuala Lumpur



NEW HIGHS: The recently completed twin 450-m Petronas Towers in central Kuala Lumpur are the world's tallest—for now