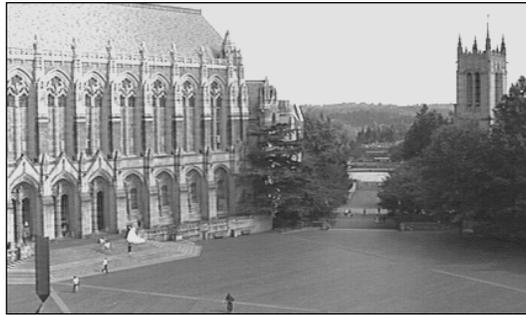


International Conference

The Asian Crisis, II

Seattle, Washington, U. S. A., January 4 – 5, 2000



Organizers: Kar-yiu Wong, University of Washington
Richard Y. K. Ho, City University of Hong Kong

Guest Organizer: Koichi Hamada, Yale University

Host: Department of Economics, University of Washington

Sponsors: Faculty of Business, City University of Hong Kong
College of Arts and Sciences, University of Washington
Center for International Business Education & Research, University of Washington

For more information about this conference and a previous one held in Seattle, 1998, please visit <http://faculty.washington.edu/karyiu/>

Program

January 3, 2000

8:00 – 10:00 pm **Welcome reception party, Edmond Meany Hotel**

January 4, 2000

8:00 – 8:35 am **Registration**

8:35 – 8:55 am **Welcome Session**

Chair: **Richard Startz**, University of Washington

Susan Jeffords, University of Washington
Richard Moxon, University of Washington
Richard Ho, City University of Hong Kong
Kar-yiu Wong, University of Washington

9:00 – 10:30 am **Session I: Currency Policies and Currency Crises**

Chair:

Charles Engel, “Should Mexico Dollarize? Answering Some Traditional Questions with a Modern Approach”

Discussant: **Joshua Aizenman**, Dartmouth University

Shin-ichi Fukuda, University of Tokyo, “On the Possibility of a Common Currency Area in East Asia: A Strategic Approach under Uncertainty by a Multicountry Model”

Discussant: **Stephen Turnovsky**, University of Washington

Koichi Hamada, Yale University, and **Yosuke Takeda**, Sophia University, “A Flexible Exchange Rate, Capital Control, or a Currency Board? The Stock and Flow Equilibrium under the Currency Crisis”

Discussant: **Levis Kochin**, University of Washington

10:30 – 10:45 am **Coffee Break**

10:45 – 12:15 pm Session II: Information Asymmetry, Loans, and Foreign Exchange

Chair: **Elaina Rose**, University of Washington

Been-Lon Chen, Academia Sinica, **Yeong-Yuh Chiang**, National Chengchi University, and **Ping Wang**, Vanderbilt University, “Asymmetric Information, Loan Contract and Financial Policy in an Economy of Crony Capitalism”

Discussant: **Wen-Fang Liu**, University of Washington

Clement Wong Yuk Pang, City University of Hong Kong, and **Yin Wong Cheung**, University of California, Santa Cruz, “Information Asymmetry in the Foreign Exchange Market: The Case of the Bank of Japan Intervention”

Discussant: **Dong-Geun Han**, Yeungnam University

Sanjay Banerji and **Ngo Van Long**, McGill University, “Wealth Distribution, Moral Hazard, and International Borrowing”

Discussant: **Henry Wan, Jr.**, Cornell University

12:15 – 2:15 pm Lunch

2:15 – 3:45 pm Session III: Financial Disturbances and Bubbles

Chair: **Charles Nelson**, University of Washington

Dong-Geun Han, Yeungnam University, “Land Price Bubbles, Wealth Effect, and Over-investment”

Discussant: **Masao Oda**, Kansai University

Yum K. Kwan, City University of Hong Kong, **Leonard K. Cheng**, and **Francis T. Lui** Hong Kong University of Science and Technology, “Risk Premium, Currency Board, and Attacks on the Hong Kong Dollar”

Discussant: **Debra Glassman**, University of Washington

Donald B. Hausch, University of Wisconsin, and **S. Ramachandran**, World Bank, “Systemic Financial Distress and Auction-Based Bankruptcy Reorganization”

Discussant: **Philip L. Brock**, University of Washington

3:45 – 4:00 pm Coffee Break

4:00 – 5:30 pm Session IV: Financial Shocks and Bank Bailouts

Chair: **Richard Ho**, City University of Hong Kong

Philip L. Brock, University of Washington, “From Free Banking to Bank Bailouts”

Discussant: **Koichi Hamada**, Yale University

Xiang Lin, Sodertorn University College, and **Pehr-Johan Norbäck**, Research Institute of Industrial Economics, “External Shocks, High Savings, and Financial Crises: A Model with Application to the Asian Crisis”

Discussant: **Charles Engel**, University of Washington

Yongzheng Yang and **Rod Tyers**, Australian National University, “Weathering the Asian Crisis: The Role of China”
Discussant: Judith Thornton, University of Washington

January 5, 2000

9:00 – 10:30 am Session V: Speculative Attacks and Exchange Rate Adjustment

Chair:

Joshua Aizenman, Dartmouth University, “Real exchange rate overshooting and capital controls in a crisis”

Discussant: Been-Lon Chen, Academia Sinica

Nan-Kuang Chen, National Taiwan University, and **Hsiao-Lei Chu**, National Chi-Nan University, “Collateralized Lending, Asset Prices and Financial Crises”

Discussant: Donald B. Hausch, University of Wisconsin

Xu Jian, Pacific Lutheran University, and **Kar-yiu Wong**, University of Washington, “Speculative Attacks and Financial Crises: A Dynamic Analysis”

Discussant: Xiang Lin, Sodertorn University College

10:30 – 10:45 am Coffee Break

10:45 – 12:15 pm Session VI: Global and Regional Adjustments

Chair:

Zhi Wang, US Department of Agriculture, **Warwick J. McKibbin**, Australian National University, **William T. Coyle**, US Department of Agriculture, “The Asia Financial Crisis and Global Adjustment: Implications for U.S. Agriculture”

Discussant: Sanjay Banerji, McGill University

Cao Yong, Nanyang Technology University, “The Co-Movement of Financial Market Volatility in Key Asian Economies: The Contagious Effects of Asian Financial Crisis”

Discussant: Eric Zivot, University of Washington

E. Kwan Choi, Iowa State University, “The Asian Crisis: Growth that Immiserizes the South and Benefits the North”

Discussant: David T. Owyang, National University of Singapore

12:15 – 2:15 pm Lunch

2:15 – 3:45 pm

Session VII: Banking Regulation and Financial Development

Chair: **Kar-yiu Wong**, University of Washington

Henry Wan, Jr., Cornell University, and **Wong Wing Keung**, National University of Singapore, “Contagion or Inductance: Crisis 1997 Reconsidered”

Discussant: **Anil Deolalikar**, University of Washington

David T. Owyong, National University of Singapore, “Bank Deregulation and Welfare”

Discussant: **Shin-ichi Fukuda**, University of Tokyo

Kevin H. Zhang, Illinois State University, “Does Financial development Promote Economic Growth in East Asia?”

Discussant: **Nan-Kuang Chen**, National Taiwan University

3:45 – 4:00 pm

Coffee Break