

# Solution to the nation's economic woes

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THE ONLY solution to the country's economic problems is to increase productivity and reduce expenditure, according to Datuk Seri Dr Mahathir Mohamad.

He said what was important now was to overcome the recession and not find out what caused it.

He said that if the country wanted to carry on as before, as if it was not affected by the recession, it could borrow from abroad.

"But all the country's earnings would go back towards repaying the loans and the future generations would have to bear the burden," he said.

"Our forefathers mortgaged the country due to wasteful expenditure and our country was colonised."

Dr Mahathir said it was not wrong to borrow money but there was a limit to spending.

He said some people has asked why the Government continued with projects like building bridges and roads despite the recession, to which he said:

"The Government had shelved all projects if was not committed to when the recession hit in 1983.

"Other projects could not be shelved because the country would have had to pay huge sums in compensation.

"And infrastructure projects which bring in returns in terms of money must go on to finance other projects."

He said there was still a need to cut down on expenditure for years to come to reduce the foreign debts.

"But certain projects must go on or else the construction industry will grind to a halt and this will set off a chain reaction," he said.

He said the foreign debt situation had become quite serious.