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## Infrastructure projects to spur economy (HL)

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SEREMBAN, Tues. - The Government will spend on large-scale infrastructure projects as this will help trigger spin-offs in other sectors of the economy, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

This was one of the approaches to be taken by the Government to kick-start the economy, Dr Mahathir said at a Press conference after chairing a closed-door meeting with Negri Sembilan Umno leaders here.

Dr Mahathir was here for a half-day working visit.

After the meeting, he joined Umno leaders for lunch and then addressed community and Barisan Nasional leaders at Wisma Negri.

He said the Government would finance infrastructural projects because it wanted to see spin-offs which would stimulate more economic activities.

This was one of the recommendations made by the National Economic Action Council, he said.

The council, he said, had also recommended that such projects be given sufficient support and this would result in the implementation of even more projects, thus offsetting a major contraction of the economy.

He said he anticipated that the construction sector would forge ahead following the council's recommendation.

Dr Mahathir said: "It has been shown that at least 140 types of economic activities will take place once the construction industry gets going.

The bigger the construction project, the more varied the spin-offs.

"In any case, we will continue with infrastructural projects as they are essential for the country's continued growth. We need them anyway."

He said it was essential that the economy had sufficient liquidity to help it grow, as opposed to suggestions by multilateral agencies that credit facilities be tightened in these hard times.

The NEAC's recommendations are better suited to the country's problems because tightening credit would lead to a contraction in the economy, as seen in the first three months of the year.

This was why the Government was putting in more money into the economy so as to stimulate it, the Prime Minister said.

Later, speaking at a meet-the-people session at the Seremban Municipal Council hall, Dr Mahathir said the economic problems could best be overcome by a deep analysis of the situation accompanied by rational actions.

Whatever measures which need to be taken must be well organised, as they would be meaningless if not accompanied by the people's united stand, he said.

The Prime Minister said the country had managed to ride out previous economic slowdowns and it would do so again this time.

The people's strong support would be crucial if corrective actions were to achieve the desired results, he said.

Dr Mahathir said the meet-the-people sessions would enable the people to understand measures taken by the Government to overcome the economic problems.

He said it also gave him the opportunity to remind the people to remain united when facing such problems as their understanding would help overcome these difficulties.

The Prime Minister expressed concern over reports in certain Chinese newspapers which highlighted the Indonesian problems.

This, and the DAP position on the matter, could be seen as an attempt to

meddle in the internal affairs of another country, he said.  
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