

**Budget 'marks return to failed economic policies'**  
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KUALA LUMPUR - The Government has embarked upon a dangerous path of massive borrowing and spending as revealed in the 2011 Budget.

According to DAP adviser Lim Kit Siang (*left*), Prime Minister Najib Abdul Razak has imposed the risk of putting the country on a path to economic disaster in the medium term.

In a press statement Monday, the DAP stalwart claimed that the Budget marked the return to failed economic policies of the past as it demonstrated the incapability of the BN-led administration to learn from the past but persisted with policies that created the middle income trap.

"The Mahathir Economic Model built around mega projects, crony capitalists as key players, bailouts and handouts is once again alive and returns to haunt the nation," he said.

According to the Ipoh Timur MP, consultations in the formulation of the budget were concentrated on projects that would benefit the 'Umnoputras' and 'BN cronies.'

"The Budget for 2011 has all of the attributes of a blunt tool for distributing public funds to Umnoputras, BN cronies, and vested groups that constitute the vote bank of the Barisan," Lim said.

The distribution of public resources is to be achieved by way of granting mega projects to Umnoputras and cronies, new and additional perks to the 1.2 million public servants and party hacks that feed at the public trough," he added.

"No consultations were held with the state governments. Neither the BN nor the Pakatan state governments were engaged in a dialogue, giving a lie to the statement that the Federal Government no longer takes the position that it knows best," he said.

He further added: "The much promoted NEAC analysis and recommended policy reforms under the rubric of the New Economic Model have been totally ignored in the formulation of the budget for 2011. Indeed, the only reference to the NEM is in this preamble to the speech."

Lim also said the PM did not mention about the challenging issues that will determine the country's medium term economic performance and had remained silent on the issue of subsidies and the broadening of the tax base and gaining control over unsustainable budget deficits.

In his view, Lim claimed that it was no coincidence that the announcement of the Budget was ahead of the impending General Election.

Lim warned that "Short term political objectives are being placed ahead of the long term needs of the nation."

He also warned that "Malaysia tragically is headed towards the same situation as faced by Greece in its recent economic crisis."

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