

China Promises More Rural Spending

When nuclear energy is mentioned in the same breath as medicine, rationality is returning.

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Premier Wen Jiabao opened the annual session of China's figurehead parliament on Sunday with promises of new social spending to placate the country's rural poor, and said the economy is expected to slow but should still grow by 8 percent. Wen warned Taiwan, which the communist Beijing government claims as its own territory, not to pursue formal independence.

The session of the National People's Congress is to focus on efforts to ease tensions over the gulf between China's rich and poor by spending more to help the countryside, home to 800 million people, and others left behind by its economic boom.

"Building a 'new socialist countryside' is a major historic task," Wen said in a nationally televised address to 2,927 NPC delegates.

The government is promising to spread prosperity to the countryside amid mounting rural anger over chronic poverty, corruption and the seizure of farmland for factories and other development projects. This year, Beijing will spend an extra \$5.2 billion on rural schools, hospitals, crop subsidies and other programs, raising spending on those areas by 15 percent, Wen said. A 15,000-member security force was deployed around the hall to block protests by laid-off workers, farmers with land disputes or supporters of the banned Falun Gong spiritual movement. Pedestrians were stopped and questioned, and at least one man was detained. A group of college students who approached a foreigner reporter, apparently hoping to practice their English, were ordered away by a policeman.

The premier promised "fast yet steady" economic development, but said growth was expected to fall to 8 percent this year – down from 9.9 percent last year and below a World Bank projection of 9.2 percent for 2006. Beijing has been trying to restrain sizzling growth in recent years, warning that a prolonged annual rate above 9 percent could cause inflation and financial problems.

Wen said a key government priority will be increasing domestic consumption – part of efforts to sustain growth while easing reliance on exports amid pressure by the United States and other trading partners to cut China's huge trade surpluses.

The budget also calls for a sharp increase in spending on science in line with official plans to make China a world power in areas ranging from genetics **and nuclear energy** to medicine and computers.

The premier also warned Taiwan's democratically elected leaders against pursuing formal independence – a step that Beijing has warned could lead to war with the island, which has been split from the mainland since 1949. "We will uncompromisingly oppose secessionist activities aimed at Taiwan independence," Wen said. Beijing has no official relations with Taipei and reacted angrily this week when Taiwanese President Chen Shui-bian abolished an agency dedicated to unifying the island with the mainland. The premier's report included no mention of political reform – a taboo topic in a system where the ruling Communist Party rejects any challenge to its monopoly on power.