

Putin Promises Cash to Workers, Students

By The Moscow Times

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BRYANSK, Russia — Prime Minister Vladimir Putin promised extra cash to state workers and students Friday at a meeting of his ruling United Russia party in Bryansk.

"One of the biggest problems is rising food prices ... We cannot and will not turn our back on social obligations, leave people alone with their problems and the promise of a flourishing tomorrow," Putin said.

He said state workers would get an additional wage increase in the fall, while student grants would likely be raised by more than the previously promised 9 percent.

Given that high oil prices could earn the budget an extra 1.5 trillion rubles (\$53 billion) this year, the spending promises so far seem relatively modest in a sign that Putin may be heeding experts' warnings that spending too much would only fuel inflation.

Rising prices threaten to bolster opponents of United Russia, the long dominant party he uses as both a source of support and an instrument of power, in regional elections this month and December voting for the State Duma.

Meanwhile, the government plans to spend 261.3 billion rubles to build two towns by 2020, according to a fact sheet it distributed Friday in Moscow. The new settlements will be located in the Moscow region and near Lipetsk, as part of a government program to spur growth in the country's central region.

(Reuters, Bloomberg)

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