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## Government Suspends Bus-fare Increase

by LADB Staff

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A government-approved increase in bus fares, coming on the heels of other rate hikes, touched off a massive protest that ended in a violent confrontation with police. In the aftermath, the government suspended the increase but only postponed a resolution of the problem. On May 3, the government ordered a 66% increase in urban bus fares to US\$0.25, causing university students to call for protests. They were later joined by construction workers belonging to the Sindicato Unico de Trabajadores de la Construccion y Similares (SUNTRACS).

A Catholic Church publication said the increase was "a punishment" for bus riders because the present service was already too expensive and deplorable. The bus owners, represented by the Camara Nacional de Transporte (CANATRA), say the increase was necessary because of increased fuel costs and the need to replace aging equipment. Fares have not risen for 20 years.

Vice President Arturo Vallarino said that the decision to raise fares had been amply discussed in the Cabinet and with students and workers and that the increase was needed to upgrade the fleet of busses, many of which have been in service for 30 years. "We have to guarantee that there will be financing to renovate the fleet, since no one is going to loan a cent to any bus owner charging a 15-cent fare," Vallarino said. Along with the rate increase, bus owners agreed to clean up the buses. Drivers are to wear uniforms and take classes in dealing with the public and in proper driving habits. They were also ordered to remove loudspeakers and obscene signs from the buses and submit to regular alcohol and drug tests.

On May 9, after several days of demonstrations, a march involving an estimated 10,000 protestors turned violent. The Movimiento Nacional para la Defensa de la Soberania (MONADESO), representing students and workers, mounted a march on the presidential palace to present President Mireya Moscoso with a list of grievance that covered the fare increase, recent increases in utility rates, and complaints about the government's neoliberal economic policies. But when Moscoso did not receive the demonstrators, they turned to the Legislative Assembly where they were met by riot police. In the resulting clash, 67 marchers were arrested and more than 100 people were injured, including six police officers. At least 12 people were struck by bullets. Press reports said there was widespread looting.

A government official told Reuters that it was the first time there had been any looting since the US invasion of Panama in 1989. Protest leaders and University of Panama officials said they had proof that police used unnecessary force, and they blamed the riot on Moscoso for failing to discuss the issues. Moscoso reacted to the riot by claiming the protest was part of a movement, directed by "backward sectors" of society, to bring down the government. She said the protestors were "perpetual students" and "communists."

### *Cuban Embassy accused of organizing the protests*

Moscoso was seconding the views of Interior and Justice Minister Winston Spadafora, who said that a foreign embassy had organized the protests. Later, a Panamanian security official said he was investigating a report that the Cuban Embassy had links to the protesters. Alejandro Garuz, head of the Servicio de Proteccion Institucional (SPI) and a member of Panama's Consejo de Seguridad y Defensa Nacional, told a television audience that Cuban Embassy officer Felix Luna had held meetings with student and labor leaders. MONADESO coordinator Conrado Sanjur called the charges "totally false." On May 14, the daily La Prensa published a photograph showing a SUNTRACS leader distributing anti-government flyers in the company of a man identified as Luna.

Cuban Ambassador Carlos Zamora denied Luna was in the photograph and called the photograph part of a "dirty campaign" against Cuba-Panama relations. The daily El Panama America reported sources as saying Luna belonged to the Departamento de las Americas of the Partido Comunista de Cuba (PCC). The report said the department was part of the Cuban intelligence service and used clandestine methods to influence leftist groups in Latin America. Spadafora's statement was "infantile," said Assembly Deputy Ruben de Leon. "You can't tell anyone in this country that it was extraterrestrials who arrived in Panama and forced the government to change the bus fares."

### *Fare hike temporarily rescinded*

Following a May 14 meeting of government officials, bus owners, and transportation workers, the government announced that the fare increase would be rescinded. The government placated bus owners by agreeing to give them US\$30 million in credit from the Banco Nacional de Panama (BNP) to purchase new buses and repair older ones. However, the agreement only suspends the increase until Dec. 15. Protest leaders agreed to accept the increase in December only if service has substantially improved by then. The agreement also split the protestors as MONADESO refused to participate in the talks.

One union official said the government's proposal was intended to undercut MONADESO and negotiate only with the unions. MONADESO leaders, who wanted to hold out for more concessions, said the agreement was a "victory for the government." However, Sanjur took credit for the suspension on behalf of MONADESO, saying the protests forced the government to negotiate. But he warned that the agreement did not address the larger economic issues the protest had raised.

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