

# Chile's Bachelet vows transportation fix

The Miami Herald  
May. 21, 2007

SANTIAGO, Chile -- President Michelle Bachelet apologized Monday for failing to fix her capital's public bus system and promised to raise education spending by hundreds of millions of dollars.

"People have the right to be angry and anguished. I understand their indignation," said Bachelet, who devoted her second state-of-the-nation address to transportation problems and underfunded schools, issues that have sparked violent protests and sent her once-soaring approval ratings below 50 percent for the first time.

"It has been a bad, frustrating experience for a majority of Santiago residents, especially the poorer sectors," Bachelet said of the 100-day-old Transantiago system, which has left many neighborhoods without service.

She proposed creating a transit authority, urged Congress to approve US\$290 million for 2,000 more buses and other upgrades, and said she guarantees the problems will be solved without raising fares.

Bachelet also said her administration has made real gains in the last year: steady 5 percent economic growth, lower poverty and unemployment, the passage of various women's rights measures, improved health services and the signing of trade accords with several countries.

"Let's not allow pessimism to take us off track," she said.

Many of the capital's 6 million residents have been forced to walk long distances and switch lines two or three times to get to work or school, and buses virtually vanish after 11 p.m. Anger has boiled over in street demonstrations and attacks on buses.

Bachelet fired her transportation minister in March, and took responsibility for the problems Monday, even though the bus system is privately operated and was planned under her predecessor, fellow socialist President Ricardo Lagos.

Bachelet said she would reduce Chile's customary budget surplus of 1 percent of gross domestic product to 0.5 percent, freeing up some US\$1.4 billion for additional spending, while vowing to "continue to maintain our fiscal responsibility."

Finance Minister Andres Velasco said most would go toward education - an olive branch to angry high school students who for months have organized on-again, off-again demonstrations.

Bachelet also announced a bill that would allow private pension funds to invest up to 45 percent of their assets overseas.

A small group of masked demonstrators threw rocks and destroyed signs outside the building where Bachelet spoke in the port city of Valparaiso. Police responded with tear gas and water cannons. Police also removed a half-dozen people who interrupted her speech with shouts demanding relief for people who fall behind on home mortgage payments.