

Fuel tax protests hit Spain

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In recent days, following the example of other European countries, Spain has been hit by large protests against the high cost of fuel.

A demonstration last month by Catalan farmers and Andalusian olive oil producers very quickly fizzled out, but beginning September 15, the conservative Popular Party government of José María Aznar confronted the first serious challenge to its taxation policy.

Approximately 4,000 lorries and taxis took part in “Operation Snail” in Catalonia, their vehicles travelling at just 25 miles an hour. The resulting jams blocked traffic flows into Barcelona and other Catalan towns.

In Mérida, Extremadura, about 1,000 tractors, lorries, buses and ambulances, blocked the streets. They were supported by 4,000 people on foot.

Groups of farmers also halted the traffic in Segovia, near Madrid; hours before the German-Spanish Summit between Prime Minister Aznar and Chancellor Gerard Schroeder was due to begin at the Granja Palace at the weekend.

Late Saturday, the protests were put on hold until Monday when the Agriculture Minister, Miguel Arias Cañete, will meet spokesmen for farmers and road hauliers' organisations, as well as agricultural co-operatives.

But protest organisers warned that they are prepared to blockade access to petrol stations and to stop fuel reaching its destination if concessions are not forthcoming. Fernando Moraleda, spokesman for the National Platform of Fuel Consumers, said that they expected the government to accept their demands to lower taxes on diesel oil and other fuels as well as the introduction of subsidised fuel.

Small and medium-size farms have been particularly hit by the doubling of the price of crude oil in the eighteen months, which has pushed up diesel costs. Overall, their incomes have fallen by 12 percent in the past three years. Such hardship led to the establishment

earlier this year of “the Platform”—an umbrella group bringing together associations of farmers, hauliers, fishermen, taxi owners, building subcontractors and other tax payers.

Juan Antonio Millán, president of Fenadismer, the association of autonomous lorry drivers, warned the government not to try and gain time, so that “the example of France fades back into memory”.

The situation is far from calm. On Friday the Galician fishing sector agreed to moor their boats indefinitely from October 2. Diesel for the fishing industry does not carry special taxes but the fishermen are calling for a lowering of their Social Security contributions, a demand that was conceded to the French fishermen two weeks ago.

Also from October 2, lorry drivers are to stop deliveries to the whole of Spain in a 72-hour national strike. Small traders are also planning a “general strike” on October 10.

While the movement is socially and politically heterogeneous, as in other European countries, there is widespread public support for the fuel tax actions. This is causing consternation among ruling layers. Both the government, the Socialist Party (PSOE) and the trade unions are extremely concerned that the protests may lead to a general outbreak of disruption across all sectors of industry, as workers give vent to their hostility at Aznar's pro-business agenda.

The Popular Party government appealed to “those who are suffering most from the hike of fuel prices” to be “responsible and understanding”. While making clear its determination not to lower fuel taxes it called for dialogue. “While the government does not deny that there is a problem.... this is not the moment for this type of mobilisations because we have begun a process of exchange of opinions”. This is a reference to government proposals, including freezing the special tax on hydrocarbons as well as allowing the co-

operatives to supply fuel directly to other industries. They also propose to lower Value Added Tax (VAT) on agricultural, fishing and transport, to facilitate compensation on costs by increasing prices to the consumers.

The newly-elected secretary of the PSOE, Jose Luis Rodriguez Zapatero, and the leader of the UGT (General Workers Union), Méndez, held a working meeting last week in response to a “certain deterioration in the economic situation, the growing social unrest and the government's distressing passivity”. According to Méndez there will be social conflict if the government insists on achieving zero deficit in the coming budget. “There is already social conflict, but it could happen that more sections join in which will stoke it up; the government has the answer to the social tensions,” he said.

The fuel tax increase is not the only economic factor driving the protests. Prices in general are rising. Inflation in Spain is the highest among the European Union countries, at 3.7 percent and it is expected to rise further.



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