

Main Topics

- *2007 Budget approved by all parties*
- *Military operation launched in Tijuana*
- *PRI sets internal election for party head*
- *Academic researcher to head national intelligence agency*

Key Dates

- 02/18/07:** *PRI internal election*
- 05/20/07:** *Yucatan gubernatorial election*
- 07/08/07:** *Baja California gubernatorial election*
- 11/11/07:** *Michoacan gubernatorial election*

The 2007 Budget was approved before Christmas, with only 20 votes against from the PRD. "It was a thorough negotiation. There were moments in which we felt that there would be another break between the PAN and the PRD," said the PRI coordinator, Emilio Gamboa. In addition, members of all parties expressed their willingness to discuss fiscal reform during the coming months.

According to PAN legislators, the negotiations were conditioned on maintaining Calderón's priority programs for job creation, health insurance for newborns, natural gas and electricity subsidies, as well as continuity for social programs like Oportunidades and Seguro Popular. Spending will total Ps. 2,260 billion, or Ps. 26 billion higher than the President's original proposal. "We lived through tough days, hard moments, but we also demonstrated that we can build accords in favor of Mexico," said Jorge Zermeño, the PAN Congressional leader. (Reforma 12/24)

Last week, the government launched its second major military operation, sending more than 3,000 soldiers and federal police to combat organized crime in Tijuana. "Today we start Operation Tijuana, where crime rates have been growing exponentially, in order to recover public spaces for the community, the citizens, and to put an end to the impunity of criminals who put at risk the tranquility of the families," said Government Secretary Ramirez. In the most controversial move, federal authorities ordered all 2,000+ policemen in Tijuana to turn in their arms. (El Universal 1/3, Jornada 1/8)

Ramirez said that the federal government will work with the governor of Baja California, PANista Eugenio Elorduy, and other local officials. In his speech, however, the Government Secretary did not mention the mayor of Tijuana, Jorge Hank Rhon. In October, the PGR accused Hank of being complacent or even protecting criminals. Mr. Hank said that the federal police did not cooperate with the local police and accused former President Fox for allowing organized crime to take over Tijuana. (Reforma, 1/5)

In a New Years' speech to the armed forces, President Calderón told them: "As your commander in chief, I instruct you to continue serving Mexico with justice, with courage and integrity, so that we can remain strong in the battle against crime and so that we don't succumb to [organized criminals and drug gangs]." He also said that "we will be decisive in recovering security not only of Michoacan or Baja California, but also of every region in Mexico that is threatened by organized crime." (Reforma, 1/3)

The PRI issued the formal call for internal elections of party president and secretary general. Approximately 20,000 national and state party officials meeting in the capitals of each state on February 18th will determine the winner, who will be announced the same day. Each pair of candidates (one of whom must be male, and the other female) will face a campaign spending limit of Ps. 13 million. The leading candidates for party president are former Mexico City mayoral candidate Beatriz Paredes and former Senate President Enrique Jackson. (Universal 1/7)

Guillermo Valdés Castellanos has been named head of the national intelligence agency, CISEN, which is part of the Government Ministry. Valdés has been the head of GEA-ISA, the economic research and public opinion polling think tank, and is expected to focus on improving CISEN's analytic capabilities. (Jornada 1/8)

Opinion Polls**Major findings were:**

Reforma reported their survey of expectations for 2007, carried out 15-17 December.

- **6 in 10** expect 2007 to be a better year than 2006
 - **73%** of northerners expect an improvement
- **65%** expect to get a promotion or salary increase during the year
 - Persons under 30 are particularly optimistic
 - Women, southerners, and those with only a basic education are pessimistic
- **54%** believe AMLO will lose support during the year
- **56%** believe the PRI will remain divided (including a third of PRListas)
- **56%** are doubtful that there will be an electoral reform