

**Main Topics**

- *Government enacts controls on tortilla and corn prices*
- *The PAN split in Yucatan deepens*
- *PRI kicks-off internal campaign for party presidency*
- *New security sweeps in the Sierra Madre and Guerrero*
- *Top drug dealers extradited to U.S.*

**Key Dates**

- 02/18/07:** *PRI internal election of party president and secretary general*
- March 07:** *PAN internal election of party National Assembly*
- 05/20/07:** *Yucatan gubernatorial election*
- 07/08/07:** *Baja California gubernatorial election*
- 11/11/07:** *Michoacan gubernatorial election*

The President and his economic and social cabinet announced a **pact to reduce tortilla prices**. Large companies, such as Cargill, Wal-Mart, and Bimbo, signed the agreement, as did several associations representing small tortilla vendors. The agreement sets maximum prices of Ps. 3.50 per kilo for corn and Ps. 8.50 per kilo for tortillas. The government will also increase the quota for corn imports to 750,000 tons. While the agreement is not binding on non-signatories, President Calderón said, “We will not tolerate speculators trying to corner the market.” Reports suggested widespread compliance, although prices remain above Ps. 8.50 along the northern border and in the south. The measures drew praise for the **quick action to defuse a political crisis**, while commentators like economist Luis Rubio called the crisis a “market failure” resulting from “complete incompetence” in government regulation. He said future government action to resolve the problem would be one of the signposts for future economic development—“to return to corporatism, with all its inherent corruption and inefficiency (and which condemns the *campesino* to permanent misery) or to create, once and for all, a market without bureaucratic impediments or corporate privileges.” (El Universal, 1/18-19, Reforma 1/20-21)

Ana Rosa Payán, a long-time leader in the **PAN in Yucatan**, noisily renounced her party membership after the PAN’s National Executive Committee rejected her petition to overturn the selection of Xavier Abreu as its candidate for the May gubernatorial elections. Abreu is considered an ally of party president Manuel Espino. She said she preferred to quit “rather than continue to be complicit in the arbitrary and dirty things happening in the party.” Payán also announced the formation of a Broad Civic Front “to fight for democracy,” and refused to rule out running for governor under another banner. (Reforma 1/17, Universal 1/17)

The **PRI** recognized five slates as eligible to compete for the **party president/secretary general election** on February 18. The two front runners for the party presidency are Beatriz Paredes and Enrique Jackson, who pledged not to use the party presidency as a springboard for their own ambitions—an allusion to the divisions created by Roberto Madrazo when he used his position as party head to become the PRI’s candidate for President in 2006. (El Universal 1/18, Reforma 1/19)

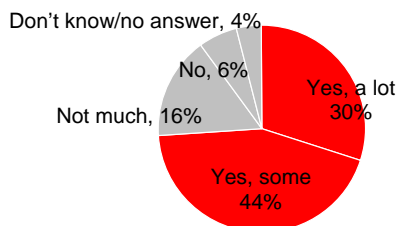
The security cabinet revealed details of its **largest**—and previously unannounced—**anti-drug operation**: “Operation Sierra Madre” in the region where Chihuahua, Durango, and Sinaloa meet. A total of 9,000 federal agents have been deployed since January 7. According to government statistics, of the 2,221 drug-related killings in Mexico in 2006, 869 took place in the so-called Golden Triangle. A fourth major operation, “Combined Operation Guerrero,” has deployed 6,700 army, police, and security agents to the state starting January 7. (Universal 1/21-22, Reforma 1/22)

The **extradition of 15 convicts** to the United States, including 11 top drug lords, produced criticism from the PRI and PRD in Congress, who questioned whether Mexico was caving to U.S. pressure and whether the rights of the convicts were respected. Attorney General Medina Mora stated that the extraditions took place only after all legal appeals had been exhausted, and said that another 20 extraditions could take place in the near future. (Reforma 1/20-21)

**Opinion Polls**

An Ipsos/Bimsa-Universal poll released 1/22 reported broad support for the government’s military operations against drug trafficking, while showing some skepticism over long-term prospects for success.

Will the deployment of the Army in the fight against drug trafficking help in reducing drug consumption and trafficking in Mexico?



Are the operations against the traffickers:

