

Main Topics

- *Calderón freezes energy prices*
- *Electoral reform quickly ratified by states*
- *Secretary of Public Function resigns to run for PAN presidency*
- *Minister of Government under fire for security failures*
- *Attorney General calls U.S. security assistance “marginal”*
- *PAN waffles on investigation of Fox’s finances*

Key Dates

10/07/07: *Chiapas and Oaxaca state elections*

10/14/07: *Sinaloa state elections*

11/11/07: *Michoacán gubernatorial election*

11/15/07: *Budget approval deadline*

03/08: *PAN and PRD elect new party presidents*

President Calderón went on national TV to announce that the controversial **new tax on gasoline and diesel fuel** will be **postponed** until January 1. He also announced a **freeze on scheduled price increases** for gasoline, cooking gas, and residential electricity rates, “in order to protect the poorest families.” The freeze, in effect through December, will cost the government more than Ps. 8 billion, or about one-tenth of the estimated gain from the fiscal reform. Columnist Sergio Sarmiento noted, “It doesn’t appear that the government of Felipe Calderón has any more comprehension than his populist predecessors as to how prices function in the economy....The President is falling into the most vulgar populism.” Carlos Acosta of Proceso said the move positioned Calderón as a “conciliator,” who “listens to the requests of the Legislative Power” and takes measures in favor of the “popular economy.” Carlos Navarrete, PRD leader in the Senate, called it “a desperate effort to stop generalized price increases.” (Reforma 9/27, Proceso 9/27).

Through Friday, the **electoral reform** had been **ratified by 18 state legislatures**, two more than the minimum needed. Manlio Fabio Beltrones, the PRI leader in the Senate, recommended waiting until mid-October for the Congress to make the formal declaration of approval. “We expect that by next week at least 30 state congresses will approve, in order to give the great solidity that such a profound change in the electoral system needs.” Once Congress issues its declaration and the President issues the promulgating decree, Congress will have 30 days to amend the secondary laws affected by the reform, including the naming of a new president of the Federal Electoral Institute. (Universal 9/28, Reforma 9/29)

Germán Martínez **resigned** as **Secretary of Public Function**, which seeks to promote honest and efficient government, to run for the presidency of the PAN. Martínez is a close ally of President Calderón. Analyst Jorge Zepeda Patterson called the resignation—the first ministerial change in the 10-month old government—“a strategic move” by the President, as he seeks to gain control of the party. Internal PAN elections will be held in March 2008. The current undersecretary, Salvador Vega Casillas, will replace Martínez as Secretary. (Universal 9/28)

Government Minister Francisco Ramírez Acuña faced harsh questioning by Congress about the **government’s inability to protect natural gas pipelines** from attacks by the EPR. Ramírez blamed the previous administration for the “deterioration” of the CISEN—the Mexican equivalent of the CIA. However, the Ministry’s own data show significant increases in terms of agents and budgets. “It is not acceptable that after ten months in office, the Calderón team is still trying to avoid responsibility for its own security failures,” editorialized El Universal (9/26).

Attorney General Eduardo Medina Mora described the aid provided by the U.S. government in the **war against drug trafficking** as “marginal” at an academic conference. He said that Mexico is conducting “a significant effort, with enormous human and financial costs, which is not matched by the U.S.” He described the aid plan that the two countries are negotiating as including only infrastructure, training, and equipment, with no operational components. “It should be called the ‘United States Plan’ because it will only bring benefits to that country,” he added. (Reforma 9/28)

The PAN congressional delegation reversed its earlier endorsement of a special commission to investigate **former President Fox’s finances**. Government Secretary Ramírez Acuña declared, “I would put my hands in the fire for ex-President Fox,” and PAN Senate leader Santiago Creel said he would too. Reporte Indigo published documents showing that the remodeling of the Rancho San Cristobal was paid for by businessman Cosme Mares, whose construction company received a large number of no-bid contracts during the Fox sexenio. (Universal 9/27, Reporte Indigo 9/28)