

Main Topics

- *Emergency plan to prepare for end of tariffs on corn and beans under NAFTA*
- *Calderón proposes 'working group' negotiations with U.S. and Canada on agriculture*
- *Rural subsidy program extended to 2012*
- *Goicochea is pulled out of the freezer*

Key Dates

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

President Calderón announced an **emergency plan to assist three million farmers** producing corn, beans, milk, and other agricultural products that will be affected by the end of import tariffs under NAFTA's agricultural chapter beginning in 2008. The price tag is Ps. 18 billion. (Excelsior 2/24)

The President also said that he will propose the creation of a **trilateral working group on agricultural issues** during his March 13 meeting with President Bush. "This will be a subject that we discuss ...with President Bush here in Mexico, in order to have better conditions for the production and marketing of products such as beans, corn, and milk. For this, I will propose that the [three] governments establish a working group to confront the end of tariffs for these delicate products, so that nobody is hurt." (Reforma 2/22)

Calderón also announced the **extension of the Procampo rural subsidy program**, due to expire in 2008, for four more years. Procampo will pay out more than Ps. 16 billion pesos this year, and benefit more than 10 million persons. Created in 1994 by President Salinas, Procampo was envisioned as a transitional program to assist small farmers in adjusting to the liberalization of the market and the end of the ejido system of communal agriculture. "Whatever happens in the countryside concerns us all," said Calderón. Agriculture Minister Alberto Cardenas said that Procampo needs to be reformed, since it has not been able to effectively address the fragmentation of rural holdings and low levels of productivity and competitiveness. (Reforma 2/22)

In his first trip to the U.S., Finance Minister Agustin Carstens told the Council of the Americas that there is a **positive relationship between the government and all parties in Congress on financial issues**, as demonstrated by the passage of the income and expenditure laws in December. He highlighted the expected decline in Pemex's exports, and said that Pemex would get more investment resources and greater financial independence. At the same time, he said that the most important targets of the President's austerity decree are Pemex and CFE. He said that the administration is "interacting" with Congress on federal pension reform proposals, and "starting" discussions on fiscal reform. He quoted 1960s Finance Minister Ortiz Mena as saying that "the best fiscal reform is the one that is possible," adding that he could not predict the shape of the reform that might emerge, because if anything happened it would come together at the last minute. Energy, the national highway grid, and other transportation are the infrastructure investment priorities. He noted the importance of using government resources to stimulate private co-investment in infrastructure, and talked of turning Banobras into an "infrastructure development bank." Carstens also discussed competition issues, saying that it was of maximum importance that the government maintain "consistency on all fronts" and adhere to the rule of law in making any changes in competition policy. He concluded that "all these things take time."

After weeks of delay, the **Senate ratified Emilio Goicochea**, former personal secretary of Vicente Fox, as Ambassador to Canada. According to Manlio Fabio Beltrones, the PRI leader in the Senate, the PRI decided to support the nomination after personal lobbying by Calderón. Senators from the PRD, PT, and Convergencia left the chamber in protest. (Excelsior 2/23)

Opinion Polls

An Ipsos-Bimsa national poll showed strong, and increasing favorable opinions of the PAN, the eclipse of the PRD, and the continuing discredit of the PRI in the six months since the July election.

Which party do you associate most with the following phrases?

	PAN	PRI	PRD
Corruption	14	39	23
A party that cares about people like you	41	17	20
Does what it promises	34	13	17
Economic growth	38	13	13
Obeys the law	37	11	16
Conflict	13	15	52
Good government	42	15	14
A better future	47	14	17
War against crime	50	14	16
Firm hand	47	16	13
More just laws	40	13	21
Danger for the country	17	20	38

What is your opinion of the following parties?

