

Main Topics

- PAN holds Baja California governorship
- PRI gains in Aguascalientes; sweeps in Oaxaca
- Ministry of Public Safety pledges no retreat after murder of agents investigating Ye Gon
- PAN Deputies propose changes to fiscal package
- EPR bombers strike again

José Osuna Millán of the **PAN** appears headed for **victory in the Baja California gubernatorial election**, after a hard fought, dirty race against Jorge Hank Rhon of the PRI. With 90% of the preliminary vote counted, Osuna had 50%, Hank 43%, and the PRD candidate 2%. However, with both candidates declaring victory and the state electoral authority announcing a ‘technical tie,’ **post-election challenges are likely**. Hank Rhon had fought back from the decision of the state electoral tribunal to bar his candidacy (overturned by the federal Electoral Tribunal), and last minute disclosures of tapes showing collusion of Tijuana police with drug traffickers. The actual voting was uneventful, despite the arrest by Tijuana police of some 70 teachers union activists brought in to support Osuna. The **PAN also won four of the five mayor’s races**, including Tijuana and the state capital of Mexicali, **and increased its majority in the state Congress**. (Reforma and Universal 8/6)

In **Aguascalientes**, the **PRI made strong gains** at the expense of the PAN. The PRI captured the mayoralty of the capital city, and a total of 5 towns out of 11; the PAN won 4, and the Green party 2. In elections for the state congress, the PRI appeared to win the majority from the PAN, with leads in 11 of the 18 races period.

In **Oaxaca**, elections for the state congress were marked by **low voter turnout** –only 20% according media reports. The **PRI/PVEM was leading in all 25 direct election congressional races**, and had 48% of the total vote.

Key Dates

- 08/16-19/07: PRD national congress
- 08/20-21/ 07: Quebec summit
- 09/02/07: Presidential Informe
- 09/02/07: Aguascalientes and Oaxaca state congress elections
- 11/11/07: Michoacán gubernatorial election
- 03/08: PAN and PRD elect new party presidents

Two federal agents who investigated Chinese-Mexican businessman Zhenli Ye Gon were **assassinated** in southern Mexico. Authorities said that there were no clues, and that no line of investigation was being ruled out. Speaking at the agents’ funerals, the Undersecretary in the Ministry of Public Safety Patricio Patiño declared that these crimes “don’t frighten us; **we will not take one step backwards.**” (Universal 8/1-2)

Members of PAN in Congress sent the Ministry of Finance some **14 proposed changes to the fiscal reform package**, including a reduction in the rate of the corporate flat tax (CETU) and an increase in deductible expenses. The director of the revenue policy at the Ministry of Finance, Juan Manuel Pérez Porrúa, said that a reduction in rates might be possible if and only if there were no additional deductions, and characterized some of the PANista proposals as “absurd.” Congressmen from other parties also criticized the PANista proposal. (Universal 8/1-2)

A **small bomb exploded** in the pre-dawn hours in front of a department store in **Oaxaca**, days before the local election. The **People’s Revolutionary Army (EPR)**, which attacked the PEMEX pipelines several weeks ago, **claimed responsibility**. (Universal 8/1)

State Congressional Races (direct election seats only)

