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Polls

Peña Nieto's popularity remains sky high

A BGC/Excelsior nationwide telephone poll of name recognition and popularity of leading PRI politicians showed that Mexico State governor **Enrique Peña Nieto** continues to stand well above other party figures in both dimensions. Only party president **Beatriz Paredes** comes anywhere close. The new governor of Nuevo León, **Rodrigo Medina**, takes office with very favorable ratings, but low national name recognition. The controversial governors **Mario Marín** and **Ulises Ruiz** continue to have very high negatives, though somewhat less than in the past. (Excelsior 10/5, [BGC](#))

	Name Recognition	Opinion	
		Good/Very Good	Bad/Very Bad
Enrique Peña Nieto Governor of Mexico State	89%	74%	6%
Beatriz Paredes Party president	80%	61%	12%
Francisco Labastida Senator, former presidential candidate	75%	35%	26%
Manlio Fabio Beltrones Senate leader	41%	38%	21%
Mario Marín Governor of Puebla	33%	23%	40%
Ulises Ruiz Governor of Oaxaca	23%	21%	39%
Fidel Herrera Governor of Veracruz	22%	57%	22%
Jesús Murillo Karam Party secretary general; deputy	20%	36%	20%
Humberto Moreira Governor of Coahuila	20%	46%	14%
Ivonne Ortega Governor of Yucatan	16%	53%	10%
Rodrigo Medina Governor of Nuevo Leon	13%	62%	8%
Francisco Rojas Leader in Chamber of Deputies	13%	43%	19%

Key Dates

10/18: Tabasco and Coahuila local elections
11/15: Deadline for budget approval

by 12/31: Terms end for President of Banco de México, CNDH, and two Supreme Court ministers

Calderón orders Luz y Fuerza liquidated

As the country celebrated the 4-1 victory over El Salvador that guaranteed Mexico a slot in next year's World Cup competition, President **Felipe Calderón** ordered the military to secure the installations of **Luz y Fuerza del Centro (LFC)**, the state owned electrical utility that serves Mexico City and surrounding states, and signed a decree liquidating the company. LFC operations were taken over without incident by CFE, the other government owned utility. In a televised speech, the President said, "Unfortunately, most of the resources that [LFC] got from the hands of the Mexican people didn't go to improve service, but to pay onerous labor privileges and perks, which were getting worse year by year. ... There weren't any other options, since time and resources were running out." The president emphasized that privatization was not in the cards, and that a new state-owned company would be created. While the takeover had been anticipated, the timing took most, including the SME electrical workers' union, by surprise. SME leader **Martín Esparza** vowed to fight the liquidation "to the death" through legal actions and protest marches.

Quick move to offer generous indemnities to workers

Finance Secretary **Agustín Carstens** and Labor Secretary **Javier Lozano** announced that the government would offer redundant LFC workers up to Ps. 20 billion in indemnities, about 25% more than the law requires. (LFC's annual deficit, which is covered by the government, is more than Ps. 40 billion.) The average worker would get a payment equal to 2-1/2 years' salary and benefits. Workers have one month to decide if they will accept the government's offer. Carstens estimated that about 10,000 of LFC's 43,000 active workers could be re-contracted to work at the new company. The 20,000 retirees will continue to receive their current pensions. ([Reforma 10/12](#))

PRI partially backs liquidation

PRI Senator **Francisco Labastida**, the head of the Energy Commission, immediately backed the liquidation of LFC, saying, "there was no other solution." The leader of the PRI in the Chamber, **Francisco Rojas**, however, criticized the government's move as betraying "an anti-union policy ... and the persistence of a privatizing instinct with respect to public sector energy companies." Governor **Enrique Peña Nieto** of Mexico State, which is served by LFC, said he "respected" the decision and would work to ensure that electricity supplies were not interrupted. ([Reforma 10/11](#), [13](#), [Universal 10/13](#))

Ortiz: tax increase won't hurt economic recovery

Speaking at the IMF meetings in Istanbul, Banco de México president **Guillermo Ortiz** backed the government's proposed tax package. Ortiz said that the tax increase was needed to bridge the fiscal gap and would not hurt the economic recovery. He called on the Congress to act "with responsibility" to keep public finances sound. Private sector groups, including the umbrella CCE business group and the American Chamber of Commerce continued to attack the proposals, saying they would hurt investment. ([Universal 10/8](#), [Reforma 10/12](#))

PAN proposes cutting party financing

PAN party president **Cesar Nava** proposed a constitutional amendment to cut public financing for parties by 50%. The parties currently receive government funding of about Ps. 3.1 billion pesos per year, and Ps. 4.5 billion in election years, based on an automatic formula linked to the minimum wage and the number of registered voters. PRI congressional leader **Francisco Rojas** rejected the proposal, saying the savings would be minimal. "[Nava] wants to deflect public opinion to the political parties instead of focusing on the lack of willingness by the federal government to impose austerity [and] on the high level bureaucrats who command extraordinary salaries," he said. ([Reforma 10/9](#))