

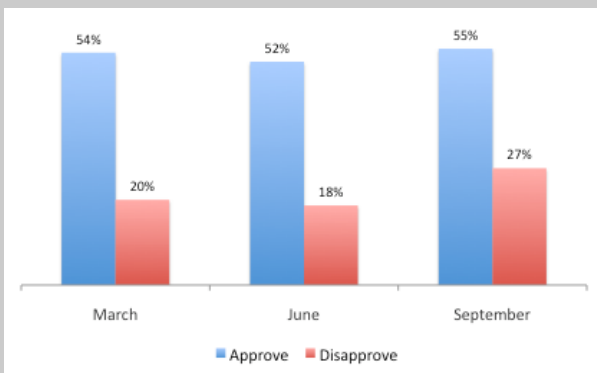
Alan Stoga, President
Daniel Wilson, Managing Director and Editor

Polls

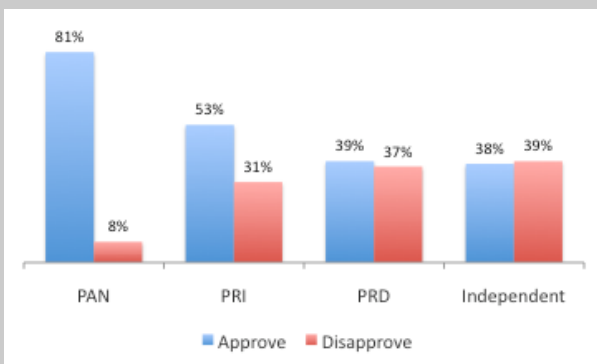
Presidential disapproval rises

A Berumen/El Universal national poll showed that while overall support for **President Calderón** remained high, those expressing disapproval increased from 18% to 27% since June. The overall presidential evaluation dropped to 6.7 (out of 10) from 7.0 in June. Those saying the country was on the wrong path rose to 44% in September from 36% in June. The President continues to command strong support from voters who identify with the PAN and PRI, while approval/disapproval rates were equal among PRD supporters and independents. ([Universal 9/21](#))

In general, do you approve or disapprove of the work that Felipe Calderón is doing as President?



Presidential approval by party affiliation



Key Dates

9/22: Likely Senate vote on Arturo Chávez as Attorney General

9/23: Calderón at UN

9/24-5: G-20 meetings, Pittsburgh

11/15: Deadline for budget approval

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

Carstens defends new taxes

Finance Minister **Agustin Carstens** defended the 2010 budget plan, with its tax increases, before a hostile Chamber of Deputies. Carstens said that the financial markets would not finance a higher deficit, given the permanent reduction in oil export volumes. He said the proposed 2% anti-poverty tax would enable a major expansion of anti-poverty programs such as *Oportunidades* and food assistance, and said that for every peso the poor paid in higher taxes, they would receive back ten in social program benefits. Congressmen from the PRD, PT, and Convergencia unveiled a massive 12-meter banner while Carstens spoke that read, "No to the 2% Value Added Tax." ([Reforma 9/16](#))

Business leaders object to tax plan

Some of the leading business leaders and business groups also criticized the government's tax plan. José Antonio Fernández, the chairman of beer and soft drinks producer Femsa, was quoted (using what *El Universal* called 'unusually strong' language) as saying, "The easy decisions are to collect more from those who already pay a lot in taxes, and not to try to collect from those who never pay or who don't want to pay. ... Sincerely, Mexico needs the difficult decisions that many people for many *sexenios* or for many years have not risked taking." The CEESP business think tank said that special tax regimes and exemptions cost the government Ps. 500 billion per year, or 4% of GDP, in potential revenues. ([Universal 9/18](#), [CCE](#))

Gómez Mont calls for second round elections

In his formal testimony before the Chamber of Deputies, Government Minister **Fernando Gómez Mont** called for a political reform that would include several measures already promoted by PRI Senate Leader **Manlio Fabio Beltrones**, including mechanisms for enhanced citizen participation, such as plebiscites or referenda, the reelection of mayors and congressmen, reducing the size of Congress, and greater accountability. Gómez Mont also put on the agenda second round elections in the event that no candidate achieved a majority of the vote. "The search for greater governability demands that we analyze if the second round is a useful mechanism to consolidate political legitimacy in our country," Gómez Mont said. Beltrones seemed to dismiss the second round proposal, saying that it would only create "artificial majorities" and increase costs. ([Excelsior 9/18](#), [Reforma 9/20](#))

U.S. unfreezes Zhenli Ye Gon assets

U.S. district court judge Emmet Sullivan ordered the Justice Department to release the frozen assets of Mexican businessman **Zhenli Ye Gon**, including US\$1.7 million in cash, a Rolls Royce, a Lamborghini, and two Mercedes. The judge refused a State Department request to keep the assets frozen pending an expected request from the Mexican government to extradite Ye Gon on drug charges, noting that Mexico had had two years to present a formal request but had not done so. "You are asking me to be sensitive to the interests of a foreign government, but they have not assisted you in more than two years," *Reforma* quoted the judge as telling State Department counsel Robert Stapleton. In a separate court hearing, Ye Gon's lawyers forced a postponement in the extradition hearing scheduled for last week. ([Reforma 9/17](#), [BLT 9/16](#))

Independence Day celebrations pass without incident

Mexico celebrated the 190th anniversary of Independence on September 15 and 16 under tight security and without incident. Last year's celebrations were marred by a grenade attack by the **La Familia cartel** in the main plaza of Morelia that killed 8 persons. In Mexico City, President Calderón had the Zocalo to himself in giving the Cry of Independence. In the last two years, the PRD staged counter-celebrations in the main square; this year, the PRD moved its event out of the historic center to the Monument to Benito Juárez. ([Reforma 9/16](#))