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Governing Party And Opposition Legislators Clash Over Proposals To Legalize Unregistered Cars And Monitor Bank-rescue Agency

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In a direct affront to President Ernesto Zedillo's administration and the governing Partido Revolucionario Institucional (PRI), a coalition of opposition parties in the Chamber of Deputies approved two controversial initiatives that could affect the upcoming July 2 presidential and congressional elections. One bill would legalize almost 2 million motor vehicles brought into the country by Mexicans who have resided in the US at for least part of the year. The initiative would apply only to 1992 or older models. A second controversial initiative approved by the opposition legislators would create a commission to closely monitor the activities of the bank-rescue agency, the Instituto de Proteccion al Ahorro Bancario (IPAB). This measure was approved by a 222-209 vote. Zedillo says initiatives are electorally motivated Zedillo immediately denounced the two initiatives as ill-advised and electorally driven. "[This is] a political move with shades of total demagoguery," he said of the initiative to legalize an estimated 2 million unregistered vehicles illegally imported into Mexico. These vehicles are commonly known as "autos chocolates," a play on words of the term "autos chuecos" or crooked cars.

The legislation to legalize the unregistered vehicles was approved by a 245-175 vote, with support from the Partido Accion Nacional (PAN), Partido de la Revolucion Democratica (PRD), the Partido del Trabajo (PT), and the Partido Verde Ecologista Mexicano (PVEM). A handful of PRI members voted with the opposition. The administration has long resisted efforts to legalize these cars, claiming such a decision could harm the Mexican motor-vehicle industry (see SourceMex, November 10, 1999, December 8, 1999). Zedillo likened the latest initiative to "legalizing contraband." He questioned whether the opposition legislators would next pass bills to "legalize kidnapping, bank robbery, and other major crimes." But the weekly news magazine Proceso accused Zedillo of hypocrisy when he labeled the initiative a political ploy. In March of this year, the administration issued a decree to legalize 750,000 imported pickup trucks. "The majority of these trucks belong to members of the PRI-affiliated Confederacion Nacional Campesina (CNC)," the magazine said. The decree was announced simultaneously with new regulations requiring owners of autos chocolates to return the vehicles to the US (see SourceMex, March 22, 2000).

The Zedillo administration has defended its seemingly contradictory policies, saying imported pickups would not have the severe impact on the Mexican auto industry as the autos chocolates. "Two million families, close to 10 million Mexicans, in one way or another, directly or indirectly, have jobs and income from the country's most important industry," Trade Secretary Herminio Blanco said in an interview on InfoRed radio network in late April. The measure came close to gaining approval in the PRI-dominated Senate, where many members expressed support for the plan to legalize the unregistered cars. "We have to consider the reasons presented by each side, including the political cost to our party if we don't approve this bill," said Sen. Eduardo Andrade,
one of the PRI leaders in the upper house. In the end, PRI members failed to show up for a vote, which effectively postponed consideration of the measure until after the July 2 election. "They avoided debate in order not to assume the political costs that would have followed their rejection of the project," said an angry PAN Sen. Rosendo Villarreal Davila. PRI legislators say IPAB commission unnecessary The opposition’s move to create the special IPAB commission also met resistance from PRI members in the Chamber of Deputies, who charged that the commission was an effort by the PAN and PRD to influence the upcoming elections. In addition, PRI legislators said the panel would duplicate efforts of another legislative committee, the Comision de la Contaduria Mayor de Hacienda. "We must allow the IPAB to conduct its business," said PRI Deputy Guillermo Barnes. "If we raise doubts about the good work of the agency, this will impede its ability to raise funds in international bond markets." PAN Deputy Fauzi Hamdan said the opposition parties moved forward with the initiative to create the IPAB commission because some aspects of the agency's operations have been inefficient. Under the proposal, the seven-member commission would review all IPAB activities, from regulation to capitalization. The commission, which would include three members from the PRI and two each from the PAN and PRD, would be required to issue a report by July 31. The three parties would rotate in chairing the commission. Hamdan said the IPAB has also failed to supply all the necessary information requested by legislators. "This is particularly true with cases involving the investigation of activities labeled as irregular," Hamdan said. The IPAB, created in December 1998 to replace the controversial Fondo Bancario de Proteccion al Ahorro (FOBAPROA), has refused to turn over certain records requested by the PAN and PRD on the grounds that their release would violate the country’s bank secrecy laws (see SourceMex, July 14, 1999). Opposition parties say these records would prove the PRI used FOBAPROA to fund its 1994 presidential campaign. In passing the two controversial initiatives, the opposition coalition presented a strong united front against the PRI. But such cohesion has been absent from the presidential race, where the opposition parties have broken into separate coalitions. The PRD, PT, and several small parties are running under the banner of the Alianza por Mexico represented by former Mexico City PRD mayor Cuauhtemoc Cardenas Solorzano. The PAN and PVEM have joined in the Alianza por el Cambio, which has selected the PAN’s former Guanajuato governor Vicente Fox Quesada as its candidate.

Presidential debate reflects tightening race

In recent public-opinion polls, Fox is now in a tight race with PRI candidate Francisco Labastida, with Cardenas running a distant third (see SourceMex, March 29, 2000). One poll by the daily newspaper Reforma in late April showed Labastida leading Fox by only 45% to 42%, considered a statistical dead heat. That poll was conducted only days before the first of two presidential debates scheduled for this year. Public-opinion polls suggest Fox greatly enhanced his position following a debate April 25, which featured some heated exchanges between the two front-runners. Nine surveys conducted immediately after the debate gave Fox an edge ranging from 14 to 40 percentage points over Labastida. But many analysts noted that the surveys were conducted by telephone among residents in urban areas, where Fox has strong popularity. The surveys, the analysts said, failed to consult an adequate cross-section of rural areas, where the PRI has traditionally had strong support. Some analysts said the format of the debate presented obstacles for the candidates to truly debate the issues. "What we saw was a succession of speeches, not a real debate," said syndicated political columnist Sergio Sarmiento. Many analysts said Fox won the debate more with style than substance. The PAN candidate was described as dynamic and assertive, compared with the
almost dull performance of his two main rivals, Labastida and Cardenas. "Cuauhtemoc Cardenas failed to reflect the social energy that at times has characterized his political struggle," the daily newspaper La Jornada said in an editorial. But La Jornada said the biggest loser in the debate may have been the governing party, since even Labastida portrayed himself as the candidate of change. "All candidates directly or indirectly distanced themselves from the social disaster caused by recent administrations," said La Jornada. "They all agreed on the urgent need for a change in direction."

The second and final debate of the presidential campaign has been scheduled for May 25, and will feature only Labastida, Cardenas, and Fox. The format has been challenged by Gilberto Rincon Gallardo of the tiny Partido de Democracia Social (PDS), who has claimed a right to participate in the second debate. Rincon says Mexican voters should continue to have choices beyond the three main candidates. With the Fox campaign gaining strength, the PRI faces a real possibility of losing both the presidential election and the mayoral race in Mexico City. In a recent poll by the daily newspaper Reforma, PRD candidate Andres Manuel Lopez Obrador has opened up a lead of almost 10 points over rivals Jesus Silva Herzog of the PRI and Santiago Creel Miranda of the PAN in the race to succeed PRD Mayor Rosario Robles. The Reforma poll, conducted among more than 1,100 likely voters in Mexico City during April, showed Lopez Obrador with 41% support, compared with 30% for Silva Herzog and 28% for Creel. A similar poll in March showed a statistical dead heat among the three candidates (see SourceMex, April 5, 2000). Lopez Obrador's qualifications to run in the Mexico City race remain in doubt because of questions regarding his residency. In a recent ruling, electoral authorities narrowly voted to allow the PRD candidate to remain in the race, even though he has not resided in the city the required five years. But the PAN and the PRI have challenged this decision and have asked a court to rule on whether Lopez Obrador is eligible to run for the post. The court is expected to issue its verdict sometime during May. (Sources: Agence France-Presse, The Boston Globe, 04/25/00; New York Times, 04/21/00, 04/26/00, 04/27/00; The Dallas Morning News, Notimex, Los Angeles Times, 04/26/00, 04/27/00; Associated Press, San Antonio Express-News, 04/26/00; San Jose Mercury News, Copley News Service, 04/27/00; El Universal, The News, 04/26-28/00; Reuters, 04/25-27/00, 04/29/00; La Jornada, 04/26-28/00, 05/01/00; Excelsior, El Economista, 04/26-28/00, 05/02/00; El Financiero, Notimex, 05/02/00; Novedades, 04/26-28/00, 04/30/00, 05/03/00; Reforma, 04/26-28/00, 05/03/00)}