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Director of Central Intelligence

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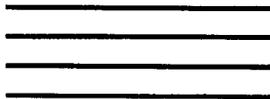


CIA/CPAS --- NID 95-046CX ---



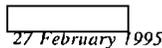
National Intelligence Daily

Monday, 27 February 1995



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CPAS NID 95-046CX



27 February 1995

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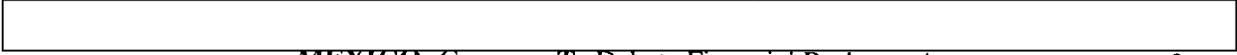
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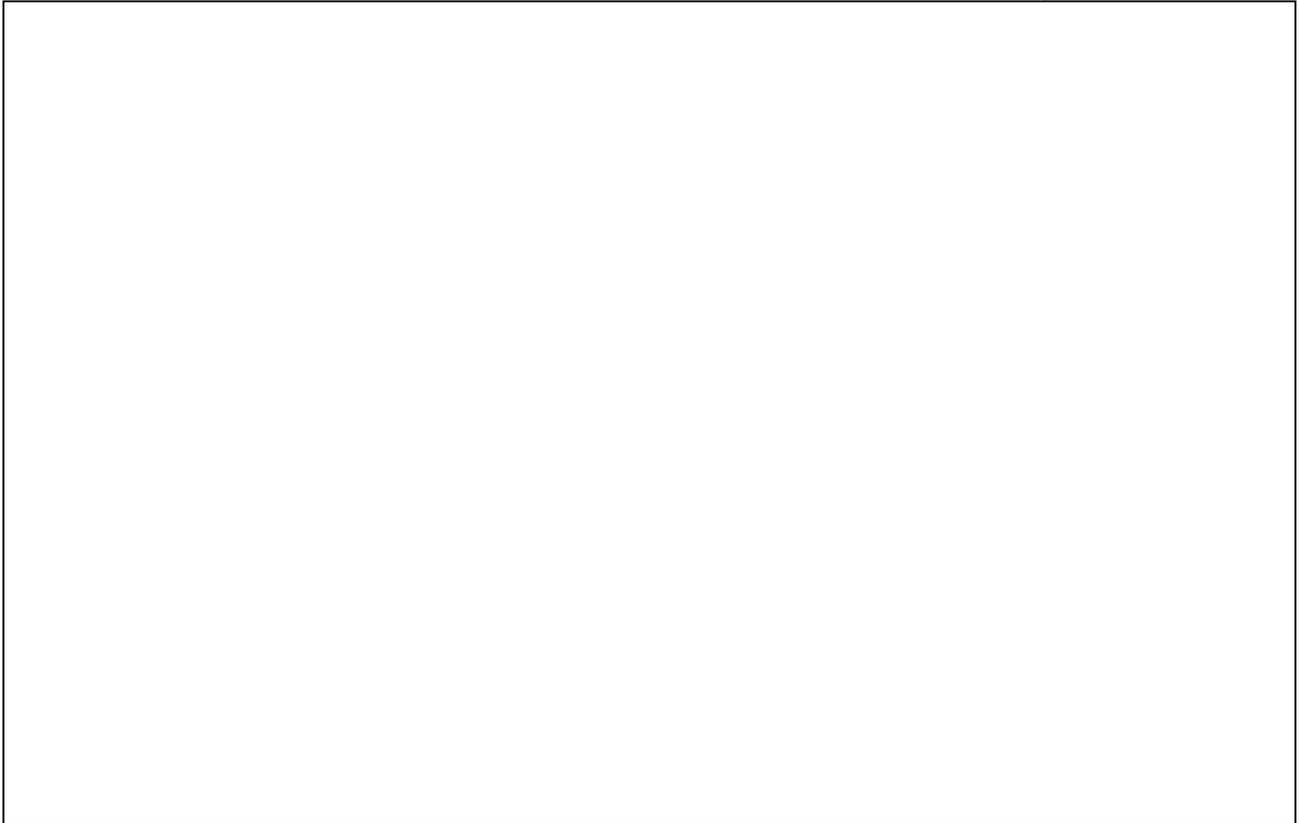
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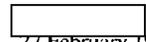


MEXICO: Congress To Debate Financial Package, Amnesty

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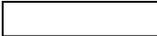




MEXICO:

Congress To Debate Financial Package, Amnesty

Both houses will meet in special sessions, probably beginning on Thursday,  Debate on the financial package may prove contentious; the leftist opposition has called the requirement that oil revenues be used as collateral "treason" and will lead the attack.

- Finance Secretary Ortiz will be asked to appear, and 
 some ruling-party legislators are likely to join the opposition in voting against the package.



A congressional committee proposal aimed at restarting peace talks with the Zapatista National Liberation Army (EZLN) also will be debated.

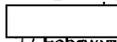
- The plan recommends creation of a "peace zone" where talks with the EZLN would take place, outlines a program for governing Chiapas, and includes an amnesty agreement that President Zedillo has suggested.
- Congressmen sponsoring the proposal claim they have the support of Government Secretary Moctezuma and Chiapas mediator Ruiz,



The Mexican Congress historically follows the president's wishes in national policy matters, and the large ruling-party majority is likely to endorse the financial package eventually. Furthermore, the development of the Chiapas strategy by a multiparty committee probably will help smooth its passage.

- *If ruling-party hardliners see the peace proposal, particularly the new plan for governing Chiapas, overly lenient to rebels, they probably will object.* 

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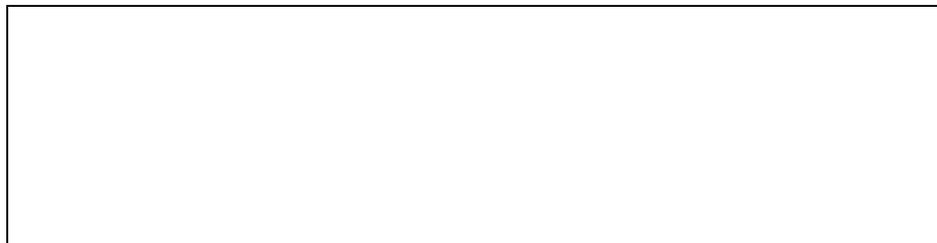


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Mexico: New Fiscal Pressures

Deficit spending this year is forcing Mexican officials to consider tougher measures to get a budget surplus as required by US and IMF financial assistance packages.



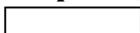
— Generating a budget surplus is complicated by President Zedillo's edict against a new value-added tax and Labor Secretary Onate's strong opposition to further cuts in public spending.



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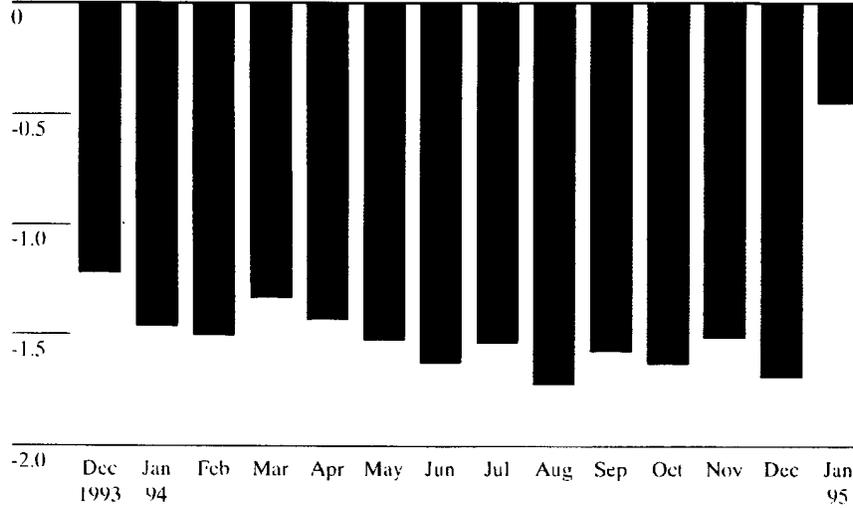
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Mexico: Monthly Trade Data, December 1993-January 1995

Monthly Trade Balance

In January, Mexico's staggering trade deficit was reduced by nearly 70 percent from the previous month to about \$450 million.

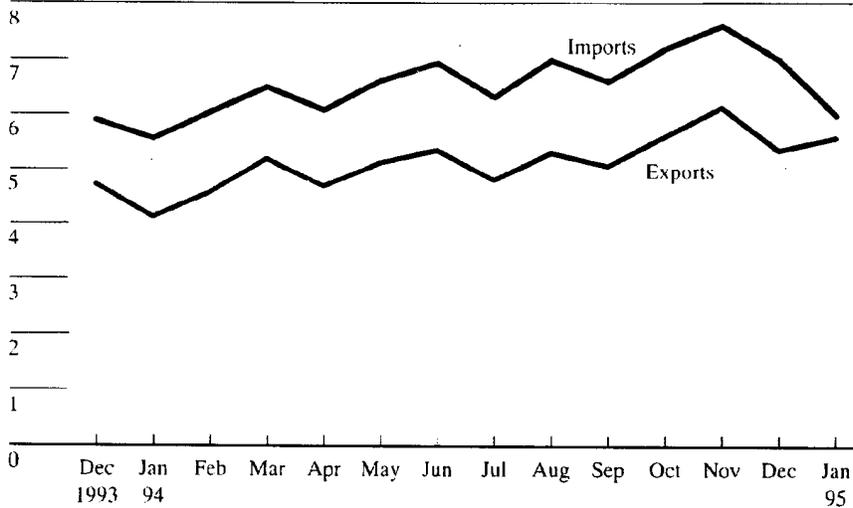
Billion US \$



Imports and Exports by Month

Exports were up by 35 percent, as compared with January 1994, while imports increased by only 8 percent.

Billion US \$



Source: Official statistics released by press.