

# Divided Mexico: The Bankers' Alliance Holds on to Power

By [John W. Warnock](#)

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For a brief time the media in Canada and the United States gave some coverage to the July 2 election in Mexico. There was a threat from the social democratic left – the possibility that Andres Manuel Lopez Obrador (AMLO) might emerge as the next president. The U.S. government, concerned about the spread of the new socialism across Latin America, settled back when the Mexican establishment carried the day. Nevertheless, the election produced a major shift to the left, angered the poor and disenfranchised, and heightened social divisions and political resistance.

Mexico was ruled by a succession of generals until President Lazaro Cardenas (1934-40) restructured the Institutional Revolutionary Party (PRI). A populist party, it included the trade unions, peasant organizations, a civic alliance, and small business organizations. The PRI governed Mexico between 1929 and 2000 as a one-party state. Through the system known as “Presidentialism,” the PRI completely dominated. Elections were a farce as the PRI won them all, legislatures rarely had any representation from other parties, and the President appointed everyone, including his own successor.

In 1939 a group of right wing Catholics, business leaders and large land owners formed the National Action Party (PAN) to defend the church, protect private property rights, and to push for a government similar to Francisco Franco’s in Spain. They received strong support from the Mexican Confederation of Employers (COPARMEX), whose slogan was “not class struggle but class collaboration.” The PAN provided token opposition to the PRI down to the 1980s when it began to seriously contest local elections, demanding a liberal democratic electoral regime.

Mexico has always been run by powerful wealthy families, foreign capital, large landowners and the hierarchy of the Catholic church. The “bankers’ alliance,” as they are known in Mexico, dominated the leadership and policy of the PRI. It is commonly said that Mexico is run by 300 families. Protected until the 1980s from competition from foreign firms, powerful family groups have run the economy. In 2000 eight groups controlled around 70 percent of the stock on the Bolsa Mexicana de Valores. The most influential organization has been the Mexican Council of Businessmen (CMHN), 37 of the richest men who in 1994 contributed \$750 million to the PRI’s presidential campaign.

The first challenge to the bankers’ alliance came in the 1988 presidential election. When Carlos Salinas de Gortari was nominated to be the PRI candidate, the moderate left wing caucus, the Democratic Current, left the PRI and organized the National Democratic Front, an electoral alliance with several small parties, the political left, and a broad range of popular and community organizations, Mexico’s “rainbow coalition.” They supported

Cuauhtemoc Cardenas, the former PRI governor of Michoacan, for President. The 1988 election was the biggest fraud in Mexican history. With 60 percent of the votes counted, and Cardenas with a good lead, the PRI-controlled Federal Electoral Commission (CFE) shut down the vote count; ten days later they proclaimed that Salinas had won by a narrow plurality. It was Mexican politics as usual. Salinas and his successor, Ernesto Zedillo, pursued the neoliberal agenda of big business and embraced NAFTA.

The PRI's control over the Mexican political system was broken in 2000. Vicente Fox, the candidate for the PAN, was elected president with 43 percent of the vote to 36 percent for the PRI's candidate and only 17 percent for Cardenas, now running for the Party of the Democratic Revolution (PRD). With the introduction of a modified system of proportional election, the PRI lost control of the Chamber of Deputies and the Senate, and political pluralism emerged. But the bankers' alliance was not worried; Fox was a businessmen and rancher, one of their own, and the PAN was solidly on the political right.

### **The threat from the PRD**

Lopez Obrador was elected as Head of Government of Mexico City in 2000. AMLO, as he is known, was a history teacher from Tabasco, where he was an active member of the PRI. In 1988 he joined the Democratic Current, left the PRI, and backed Cardenas for president. In 1994 he ran for governor of Tabasco for the PRD and lost in an election stolen by the PRI. He is known for his strong support of the rights of indigenous peoples, his dedication to fair elections and ending corruption, and a willingness to use civil disobedience to confront injustice. As head of the government of Mexico City he led a fight against crime, greatly reduced corruption, worked to help the poor and introduced the first universal pension for seniors. When he left office in 2005 public opinion polls reported he had an approval rating of over 80 percent.

Other polls indicated that Mexicans wanted AMLO to be the next president. While he is not a radical, he supported the broad coalition of peasant organizations that asked for a renegotiation of NAFTA to exempt agriculture and food. He advocates taxing corporations and the rich and using the revenues to expand social programs in a fight against poverty and inequality. Mexicans quickly became disillusioned with Vicente Fox and the PAN, and in the mid term elections in 2003, only 40 percent bothered to vote.

The bankers' alliance took up the challenge. The wealthy political elite in the PRI began to work out a political agreement with the leadership of the PAN. In 1989 the legislature had created the Federal Electoral Institute (IFE), which earned the respect of the Mexican people for their commitment to a clean electoral process. But this changed in November 2003 when the two parties in the Chamber of Deputies appointed their allies to the nine-member General Council. Nominations by the other parties to the Federal Judicial Elections Tribunal (TEPJF), the highest electoral court, were also rejected. The partisan nature of these two bodies was demonstrated in the 2006 election.

In 2004 the PAN-PRI alliance stripped AMLO of his legislative immunity so that he could be sued by a landowner for expropriating a piece of land to build a road to a Mexico City hospital. This court action would have made him ineligible to run for President. After a demonstration of over one million supporters in Mexico City, President Fox abandoned the process.

Carlos Salinas, back in Mexico and deeply involved in building the PRI-PAN alliance, helped to engineer a sting operation where several businessmen made payments to two government officials in Mexico City to further their construction projects. The transfer of cash was secretly filmed and then run on television for months to demonstrate that the PRD was not free of corruption. AMLO' support in the polls fell by 15 points.

The bankers' alliance directly entered the campaign. Aided by Dick Morris, former adviser to Bill Clinton, they spent more than \$19 million on television ads; third party political advertisements are illegal under Mexican law. The U.S. International Republican Institute, funded by the National Endowment for Democracy, help train PAN activists. Foreign interference in an election is also a crime. PAN election spending far exceeded the legal limits. President Fox spend six months campaigning for Calderon, which is contrary to Mexican law. All these illegal activities were recognized by the Federal Judicial Elections Tribunal, which concluded that they did not have a significant effect on the outcome of the election.

### **Election results disputed**

On July 2 around 60 percent of eligible voters went to the polls. The results announced by IFE were as follows: Felipe Calderon, candidate for the PAN, 36.38%; Lopez Obrador, 35.34% and Roberto Madrazo, the candidate of the PRI, 21.57%. The margin of victory for Calderon was only 244,000 votes. No major frauds were reported. However, many people went to the polls, found they were not on the voters' list, were sent to special voting stations, and found there were no ballots. This was especially the case in low income areas where the PRD was strongest.

Going into the election, national polls indicated that AMLO had a lead of around three percent. The two television networks, Televisa and TV Azteca, did extensive exit polls which indicated that AMLO had won, but they did not report the results. A large exit poll by the Instituto de Mercadotecnia y Opinion showed AMLO had won, again not reported by the corporate media. Academics who closely monitored the returns reported by IFE noted that through most of the election night AMLO was ahead by a steady margin of about three percent. Then, with around 70 percent of the vote counted, the reports from the polls changed dramatically, with a five and then ten to one margin going for Calderon up to the end. IFE officials claimed that this discrepancy was due to the fact that rural votes came in last. But Calderon's support was weakest in the rural areas. Shades of 1988.

Supporters of AMLO gathered by the hundreds of thousands in the zocalo of Mexico City, demanding a complete recount. They camped there for weeks. A poll by *El Universal* one of Mexico's major newspapers, revealed that 59 percent believe that there had been fraud. A poll in August found 48 percent wanted a complete recount, while on 28 percent supported the announced results. The *New York Times* and the *Financial Times* called for a recount in order to establish the legitimacy of Calderon's apparent victory. But President Fox, Calderon and the bankers alliance said "no!" They would ride out the storm, as they did in 1988.

The PRD presented the Electoral Tribunal with 800 pages of documentation of problems with the election. They challenged results in 72,000 of the 130,000 electoral districts, noting that there were major discrepancies between the ballots delivered to polling stations, the votes counted at these stations, and often between votes counted and numbers on the official

voters' list. In some areas the vote for Calderon exceeded the number on the voters' list. They protested that officials at IFE had opened many of the sealed ballot boxes after the election, which is against the law.

On August 5 the Electoral Tribunal dismissed the challenges from the PRD but ordered a recount of 11,839 voting stations in 149 districts, covering around 3.8 million voters. On August 28 they announced that they had annul ballot boxes which contained 237,000 votes, but insisted that this had no effect on the outcome of the election. They refused to release any details of the recount.

The PRD and its allies, the Workers Party (PT) and Convergencia, had observers at all the recounts. They recorded the following from this sample:

\* In 3,074 polling stations there were a total of 45,890 illegal votes, above the number of recorded votes. This was primarily in PAN areas of strength.

\*in 4,368 polling stations a total of 80,392 ballots were missing. If this sample was characteristic of the entire country, it would mean a discrepancy of over 1.5 million votes, clearly enough to change the election results.

On September 5 the Federal Judicial Elections Tribunal finally declared Calderon the winner of the election. The court noted the criticism of the procedures on election day but argued that they did not have enough information to conclude that this affected the election results. They announced that the ballots would be burned, as in 1988, thus blocking an independent recount requested by a group of academics and *El Proceso* news magazine.

But this is not 1988. Mass mobilizations have disrupted the political establishment. More have been scheduled. A National Democratic Convention was held in Mexico City on September 16, declaring AMLO the real president, and appointing a commission to draft a plebiscite to call a new constitutional convention.

The media focus on the presidency has obscured the fact that this election has changed Mexican politics. The PRI was routed in the vote for president, the elections for the legislature, and failed to carry a single state. The PRD is now the second largest party in the legislature. If there had been a run off vote for president, which is common in Latin America, AMLO would have likely won, for the rank and file supporters of the PRI are peasants and ordinary workers who hate the PAN. Even more than Fox, Calderon represents the rich and powerful.

Political conflict is on the rise across Mexico. Miners are striking. A national strike was held in February. Police killed two striking steelworkers in Michoacan. Security police viciously attacked street vendors in the State of Mexico. Striking teachers and their supporters occupy the centre of Oaxaca City, demanding the resignation of the Governor and have created an alternate government. Police and military are again stepping up the harassment of peasants in Chiapas. The general political trend across Latin America has moved up to the Rio Grande.

*John W. Warnock is a Regina political economist and author of **The Other Mexico: The North American Triangle Completed**. He was a member of the Canadian team of observers for the 1994 and 1997 Mexican federal elections. In February 2006 he did*

*research on the maquiladora zone industries in Matamoros, Ciudad Juarez and Tijuana.*

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