

For immediate release *Contacts: *Tom Loudon, *Alliance for Responsible Trade*

October 8, 2007 011 (506) 864-3449 through 10/9 and (301) 204-9549

Tara Carr-Lemke, *Stop CAFTA Coalition* (202) 319-5542

*Costa Rica Referendum on CAFTA Questioned *

U.S. Intervention, Corruption, and an Internationally Financed Fear Campaign Provoke Questions about Referendum Process

United States intervention, corruption, and the realities of an internationally financed campaign led to the passage of the U.S.-Dominican Republic-Central American Free Trade Agreement (CAFTA) in yesterday's popular referendum in Costa Rica. A delegation from the U.S.-based Alliance for Responsible Trade and the Stop CAFTA Coalition, who represent U.S. faith-based, solidarity, union, and student organizations and served as international observers, point to the process as an example of dirty campaigning designed to pressure countries to accept the existing trade model and the economic program it promotes.

"In Costa Rica, voting 'No' was about stopping CAFTA, but it was also about a twenty-year struggle to preserve publicly run electrical, phone and health care systems," says Tom Loudon from the Alliance for Responsible Trade. "The Costa Rican and U.S. governments and the multinationals they represent simply had too much to lose to allow the 'No' campaign to win."

Many characterized the "Yes" and "No" campaigns as a struggle between David and Goliath. Although the locally-funded grassroots door-to-door strategy facilitated unprecedented broad-based mobilization around the trade agreement, it was up against an internationally-backed fear

campaign administered by the Costa Rican and U.S. governments, multinational companies, and multilateral institutions.

"It is clear that pro-'free trade' forces identified Costa Rica as a pivotal battleground for their model," said Phil Jocelyn from the New York People's Referendum of Free Trade. "The amount of funds that the 'Yes' side had at its disposal was practically limitless, and as a result, Costa Ricans were submitted to a nine-month long advertisement for CAFTA."

In spite of the funds available to them, CAFTA advocates witnessed a swelling movement, which they feared would triumph at the polls---a fear which led to manipulation and corruption. Vice President Kevin Casas resigned last month over a leaked memorandum mapping out their strategy for an iron-fist approach to ensuring CAFTA's passage. Just two days before the referendum, another scandal broke uncovering illegal campaign financing to President Arias from powerful Carlos Slim, the Mexican telephone baron, and Central American families with interests in the Costa Rican telecommunications market.

"We are not accepting the results of the referendum because of the way in which the Costa Rican and U.S. governments behaved during the final three days of the referendum," said Jorge Arguedas Mora, President of ANTTEC union electrical and telephone workers and coordinator of the No CAFTA campaign. "Both violated laws regulating the referendum, the constitution, and even existing international agreements," he said.

"The media colluded in the government manipulation and unfortunately the Supreme Electoral Tribunal looked the other way," Jorge clarified. The Tribunal, which oversees elections, permitted pro-CAFTA messages to be broadcast and failed to act when allegations that the government was delivering housing vouchers to influence votes in marginalized communities in the three days leading up to the referendum surfaced---campaign activities that are illegal. CAFTA opponents pledged to investigate allegations of fraud in the voting centers.

The U.S., on behalf of the multinational companies in whose interests it acts, played an aggressive role to secure a favorable vote. "Observing the campaign waged in the Costa Rican media over the last few days, I am outraged by the U.S. role in presenting misinformation as fact and

pressuring Costa Rica with threats," said Emily Gaggia from CISPES. As recently as just three days prior to the referendum, U.S. Trade Representative Susan Schwab made a declaration stating that Costa Rica risked losing trade preferences with the U.S. if it did not vote for CAFTA---a power given only to Congress. The Bush Administration, represented by U.S. Ambassador Mark Langdale, backed up those threats in-country and went as far as visiting export-dependent companies with the same message.

In spite of the manipulation and fear campaigns, Costa Ricans came out to the polls with faith in the process. The energy of the people moved me to tears as I entered my first center as an international observer," said Jessica Walker Beaumont of the Alliance for Responsible Trade. "Not only were people empowered by the opportunity to have a voice in the process, but it was also clear that for Costa Ricans, CAFTA and global trade have become household issues."

The Costa Rican movement against CAFTA joins the struggles of its neighbors and of the trade justice movement in the U.S. and challenges people's movements around the world to continue building on its lessons. "We have only been here for a short time, but we've received an intensive course in Costa Rican history, politics, and grassroots mobilization," said Tara Carr-Lemke, of the Stop CAFTA Coalition. "It is clear that we in the U.S. have much to learn."

"There is consensus that we will not allow the implementation agenda and will continue to fight against the deliverance of our fundamental institutions to multinational corporations," said Jorge of ANNTEC. "Tomorrow begins the fight against the 13 laws that will facilitate the implementation of the agreement."

"We have learned that there are two United States, just like in many countries there are various ways of thought and not all support the executive decisions," Says Mr. Arguedas. "This knowledge will strengthen us across borders as we continue this struggle in different countries," he shared.