

Australia Dossier by Robert Barwick

OECD fronts for multinationals

The new Multilateral Agreement on Investments will strip national sovereignty, and is causing consternation.

Secret negotiations are currently under way in Paris, among the 22 member nations of the Organization for Economic Cooperation and Development (OECD), on a new treaty to govern foreign investment, called the Multilateral Agreement on Investments. The little that is known about the MAI is ominous: It demands that nations sign away their rights to make rules or regulations regarding multinational corporations, and that nations open all aspects of their economies, including broadcasting and natural resources, to foreign ownership.

In addition, according to Melbourne attorney Matthew Townsend, in the Feb. 19 *Australian* newspaper, the treaty overrides national judicial systems. Corporate challenges to national laws under the MAI would go before an international panel of “experts”—not even judges—who would “interpret the treaty and issue binding rulings.” Those proceedings would be shrouded in secrecy, and the corporations would be allowed to demand compensation for lost business.

In the words of Renato Ruggiero, the director-general of the World Trade Organization, the OECD is “writing the constitution of a single global economy.”

The MAI has caused an uproar in the British Commonwealth countries of Canada, New Zealand, and Australia; in Canada, it is being called “NAFTA on steroids”—referring to the North American Free Trade Agreement.

Naturally, support for the MAI comes from multinational companies—many of them British—and

assets of the British Crown, such as the Mont Pelerin Society. For instance, Australia’s Assistant Treasurer Rod Kemp, a member of several Mont Pelerin fronts, is leading the charge. His Treasury Department is conducting the MAI negotiations in Paris, and he himself has downplayed the MAI’s clandestine nature, while arguing that the treaty will “provide investors with greater certainty as to the rules of the game, when investing in foreign countries” (*The Australian*, Feb. 19).

One of the MAI’s most powerful proponents is the U.S. Council for International Business, a Who’s Who of multinationals. Many of this nominally “U.S.” organization’s trustees are British, or British-tied, such as BP, BHP, AMP, Shell, Unilever, Philip Morris, and Turner International. Such giants are more powerful than many nations: Of the 100 largest economic players in the world today, 51 are multinational companies, and 49 are nations.

In Australia, the most vocal opposition to the MAI has come from trade unions and from populist Independent MPPauline Hanson—strange political bedfellows, who are otherwise at loggerheads with each other. In a call to arms on Jan. 21, Hanson charged: “The purpose of this agreement is to transfer power and control away from citizens and their democratically elected representatives to the world’s largest multinationals with no strings attached.” According to Hanson, under the MAI: “Australian governments . . . will not be able to favor local businesses over foreigners; any performance requirements for multinationals, such as creat-

ing jobs for Australians, using local components, or loyalty to Australia, will not be allowed; and Australia will not be able to stop multinationals from importing foreign workers and their families into our country.” She concluded, “It is important to understand this is not about trade, it is all about power and control.”

Even mild-mannered academics have expressed concern about the anti-sovereignty and secrecy aspects of the MAI. Sherif Seid, from the Australian National University’s Research School of Social Studies, charged in an ABC Radio “Background Briefing” late last year, that the reason why the negotiations in Paris were secret, was because “they know that they might face strong opposition, because the whole purpose of this MAI is to give greater privilege and power to the big multinational companies.”

Reportedly, the Australian government intends to join with New Zealand, Mexico, and South Korea, to oppose any safeguards for labor under the MAI. Australian unions are convinced that the Liberal government is planning to use the MAI as another weapon in its year-long campaign to smash Australian unions. Even without the MAI, London-based multinational mining giant Rio Tinto, the ring-leader of the anti-union campaign, is already writing Australian federal legislation; Rio Tinto executive Mike Angwin wrote the 1996 Workplace Relations Act, which has stripped trade union rights. Thus, Doug Cameron, the vice president of the Australian Council of Trade Unions (ACTU), blasted the MAI at the national conference of the Australian Labor Party on Jan. 21, as more of the same. “Labor must take a hard stand,” Cameron said. “We cannot give the ugly face of big business, such as Rio Tinto, any more advantage over working people in this country.”