

What the heck is the MAI?

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From March 19th to the 22nd, a 500 group coalition staged a nation-wide demonstration against a certain piece of international discussion known as the Multilateral Agreement on Investment (MAI). From St. John's to Victoria, concerned citizens in 25 picketed outside their local MP offices, hoping to raise awareness of this massive investment treaty which they say would crush Canada.

The large-scale action was timed to coincide with Liberal Policy Convention in Ottawa. Organizers of the event say the MAI could dam-

age many vital Canadian programs, and for that reason they were demanding the Liberals immediately walk away from negotiations on the 29-nation treaty.

But what exactly is the MAI? Why were people so concerned about the treaty that they staged a nation-wide protest? One truth about this issue is that relatively few Canadians -- students included -- are even aware of what the initials M.A.I. stand for, let alone it involves.

This article, the first of a two-part series, will examine the MAI -- a current and controversial issue that is of great relevance to us all.

Supporters of the agreement say 20-year duration treaty will help promote trade by allowing investors and corporations to move around the globe, free of government restrictions. Critics, on the other hand, say the effect of the MAI will be nothing short of catastrophic. They say the treaty will open up Canada's natural resources, culture, health care, and education system to unlimited foreign ownership, while giving large corporations a host of new rights and powers.

In this, the first installment, we will examine in an unbiased manner the major provisions of MAI, the facts about the treaty, and the arguments for and against it. Students are urged to read this article carefully, check out the web sites listed below and form their own opinion on the MAI.

Where did the MAI come from?

When MAI negotiations began in 1995 and the beginning those involved had no illu-

sions about how massive an agreement they were about to write. Negotiators were quick to boast that they were writing nothing less than "the constitution of a single, global economy."

Originally, those pushing the MAI had wanted to negotiate the agreement through the World Trade Organization (WTO) -- a body comprised of approximately 180 nations -- but they quickly ran into trouble. Fearing that the treaty would allow big business to further exploit the Third World, many developing nations involved in the WTO took one look at the treaty and decided that they were not going to have anything to do with it.

With the treaty running into stiff opposition at the WTO, the MAI was quickly shuffled to the OECD -- an organization comprised of the world's richest 29 nations, of which Canada is a part. Negotiations began in Paris in 1995 and are continuing to this day, with a final agreement expected in anywhere from a month to a year.

From the beginning, negotiations were shrouded in absolute secrecy. Despite the fact that, if signed, the MAI would be binding for 20 years, neither the public nor the media were allowed to know what was going on at the OECD. Then, in early 1997, the situation change significantly, when a draft copy of the nearly 200 page agreement was leaked and distributed via the Internet.

Ever since then, concerned citizens along with labour, environmental, education and health groups have been mounting opposition to the MAI. Meanwhile, negotiators continue to put the finishing touches on the agreement, say-

ing that the opponents of the treaty making a mountain out of a mole hill.

Opponents Arguments

Opponents of the MAI say the goal of the treaty is to give multinational corporations new rights and powers, to the detriment of average citizens. They point to the "dispute settlement" section of the MAI as the clearest example of how the treaty will entrench the rights of the few over the many. This section of the MAI would give corporations the right to sue government if it made laws that hurt the profits of that corporation. Under the MAI, for example, a corporation could sue the government if it passed a new environmental regulation that hurt a corporation's business -- even if that regulation was meant to protect citizens from pollution or other environmental damage.

Opponents of the MAI also say that the treaty will prevent governments from protecting Canadian institutions and resources. As presently drafted, the MAI has no protection written into it for health, education or cultural systems. This means, under the MAI, private, foreign corporations would be given access to the Canadian market and be buy up many essential public services. Likewise, because the MAI lacks natural resource protection, the treaty would allow foreign corporations freer access to Canadian lumber, fish stocks, water and petroleum.

Finally, critics of the MAI say the treaty is fundamentally undemocratic. The duration of the MAI is 20 years, so it would tie the hands of the next five federal governments.

The "standstill" provision of the MAI would prevent the government from introducing any new laws or policies if they violated the MAI, while the "rollback" provision would ensure that all existing laws not in accordance with the MAI be phased out, or rolled back, as quickly as possible. Lastly, the "national treatment" section would ensure that government treats foreign investors at least as favourably as domestic investors. This could be economically damaging for many nations because it would prevent gov-

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