

Economic Plunder. The Comprehensive Economic And Trade Agreement (CETA), The Transatlantic Trade And Investment Partnership (TTIP): Don't Let Them Get Away With It

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Theme: [Global Economy](#), [Law and Justice](#)

As part of the Transatlantic Trade and Investment Partnership (TTIP), there are plans to enshrine massive powers for corporations that will allow them to challenge regulations both at home and abroad if they affect profits. EU member states could find domestic laws quite useless as they become challenged in secretive, offshore tribunals where national laws have no weight and politicians no powers to intervene [1].

It would enable US companies investing in Europe to bypass European courts and challenge EU governments at international tribunals whenever they find that public health, environmental or social protection laws interfere with their business. EU companies investing abroad would have the same privilege in the US.

This proposed agreement is essentially a charter for the systematic destruction and dismantling of legislation that exists to protect the hard won rights of workers and ordinary people.

The mere threat of a claim or its submission could be enough for legislation to be shelved or diluted. Across the world, tribunals consisting of ad hoc three-member panels hired from a small club of private lawyers riddled with conflicts of interest have already granted billions of Euros to companies, courtesy of taxpayers [2].

Economic plunder by any other name

Through bilateral investment treaties, US tobacco giant Philip Morris sued Uruguay and Australia over their anti-smoking laws. The company argued that warning labels on cigarette packs and plain packaging prevent it from effectively displaying its trademark, causing a substantial loss of market share.

Swedish energy giant Vattenfall launched an investor-state lawsuit against Germany and sought €3.7 billion in compensation for lost profits related to two of its nuclear power plants. The case followed the German government's decision to phase out nuclear energy after the Fukushima nuclear disaster.

When Argentina froze utility rates (energy, water, etc.) and devalued its currency in response to its 2001-2002 financial crisis, it was hit by over 40 lawsuits from companies like CMS Energy (US) and Suez and Vivendi (France). By the end of 2008, awards against the country had totalled US\$1.15 billion.

On the basis of the North American Free Trade Agreement (NAFTA) between the US, Canada and Mexico, US company Lone Pine Resources Inc. demanded US\$250 million in compensation from Canada. The 'crime': The Canadian province of Quebec had put a moratorium on 'fracking', addressing concerns about the environmental risks of this new technology to extract oil and gas from rocks.

At the end of 2012, Dutch insurer Achmea (formerly Eureko) was awarded €22 million in compensation from Slovakia. In 2006, the Slovak government had reversed the health privatisation policies of the previous administration and required health insurers to operate on a not-for-profit basis.

Chevron initiated arbitration to avoid paying US\$18 billion to clean up oil-drilling-related contamination in the Amazon, as ordered by Ecuadorian courts. The case has been lambasted as egregious misuse of investment arbitration to evade justice.

EU and US companies have used these lawsuits to destroy any competition or threats to their profits by challenging green energy and medicine policies, anti-smoking legislation, bans on harmful chemicals, environmental restrictions on mining, health insurance policies, measures to improve the economic situation of minorities and many more.

New Report on CETA

In late September, Canada and the EU announced the conclusion of the Comprehensive Economic and Trade Agreement (CETA), which includes an investor-state dispute settlement mechanism. Again, this gives foreign corporations the ability to directly sue countries at private international tribunals for compensation over health, environmental, financial and other domestic safeguards that they believe undermine their right to make profit.

These investor-state lawsuits are decided by private commercial arbitrators who are paid for each case they hear, with a clear tendency to interpret the law in favour of investors.

A new report 'Trading Away Democracy' has just been published by various NGOs, trade union organisations and campaign groups based in Canada and Europe [3]. The authors state that Canada's experience with NAFTA has opened the gateway to that country being sued 35 times. Canada has lost or settled six claims and has paid damages to foreign investors totalling over C\$171.5 million.

The report notes that ongoing investor claims have challenged a wide range of government measures that allegedly diminish the value of foreign investments, from a moratorium on fracking and a related revocation of drilling permits to a decision by Canadian courts to invalidate pharmaceutical patents, which were not sufficiently innovative or useful. Foreign investors are currently seeking several billions of dollars in damages from the Canadian government.

The authors argue that CETA's investor protections would grant even greater rights to foreign investors than NAFTA. A clause in the agreement risks creating the 'right' to a stable regulatory environment, which would effectively give investors a powerful weapon to fight regulatory changes, even if implemented in light of new knowledge or on the basis public demand. CETA would also give foreign investors more rights to challenge financial regulations than NAFTA by threatening to hamstring regulators charged with protecting consumers and the stability of the financial system in an emergency.

The report says that risks to Canada of being sued by banks, insurers and holding companies will increase significantly with CETA. These risks are evident as speculative investors, backed by investment lawyers, are increasingly using investment arbitration to scavenge for profits by suing governments experiencing financial crises. EU investment stocks in Canada are significant in the financial sector, which would gain far reaching litigation rights under CETA.

Corporations and lawyers are already scavenging profits from Europe's cash-strapped economies, not least Spain, Greece and Cyprus [2]. Speculative investors have been backed by international law firms that are actively encouraging these investor-state lawsuits. Corporate investors have claimed in arbitration disputes more than 700 million euros from Spain, more than one billion euros from Cyprus and undisclosed amounts from Greece. This bill, plus the exorbitant lawyers' fees for processing the cases, will be paid for out of the public purse at a time when austerity measures have led to severe cuts in social spending and increasing deprivation.

If Canada is vulnerable to European speculative investors in the financial sector, CETA would increase the risk to the EU and its member states of challenges by Canadian investors in the mining and oil and gas extraction sectors. The new report notes that Canadian investment stocks in the EU are significant in these sectors, and Canadian mining companies are already engaged in a number of controversial natural resource projects across the EU. Little surprise then that mining specialists are celebrating CETA as a 'landmark agreement'.

CETA could also open the floodgates for Canadian subsidiaries of US-headquartered multinationals to sue European governments, regardless of the outcome of the TTIP. US corporations dominate the Canadian economy.

The report argues that EU, Canadian and US companies are already among the most frequent users of investment arbitration, so there is every reason to expect that they will use CETA to rein in government measures in Canada and Europe. Some 53 percent (or 299) of all known investor-state disputes globally were brought by investors from the EU. US investors have filed 22 percent (or 127) of all known investor-state cases. Canadian investors are the fifth most frequent users of investment arbitration.

The European Commission and the Canadian government have begun a misleading propaganda effort aimed at downplaying the risks of investment arbitration, the report's authors conclude. They add that CETA will significantly expand the scope of investment arbitration, exposing the EU, its member states and Canada to unpredictable and unprecedented liability risks.

Take action

Through bilateral 'free trade' agreements, powerful corporations seek to devastate public services, workers and consumers' rights, welfare and economies in the quest for ever-greater profit and control. Before long, countries across the globe could see the opening of the floodgates for GMOs and shale gas, the threatening of digital and labour rights and the empowering of corporations to legally challenge a wide range of necessary and decent regulations which they dislike and label as 'barriers to trade'. That such deals are being pushed through is a damning indictment of the cosy nature of relationships between corporate officials/lobbyists and compliant bureaucrats/government officials [4].

Despite sections of the mainstream corporate media and politicians like British PM David Cameron glibly presenting the deals like the TTIP as well thought out recipes for free trade, job creation and economic growth, such claims do not stack up. Jobs will be lost and the mantra of 'growth' is bogus [5]. These deals are mandates for corporate plunder drawn up by those who are to carry out the plunder. They represent a pro-privatisation agenda that enshrines the privileges of the world's most powerful corporations at the expense of ordinary people.

Ordinary people want powerful corporations to be held to account. They want business practices to be adequately regulated. However, the EU is a captive but willing servant of a corporate agenda [6].

In the UK, if you want to see the NHS totally privatised [7], do nothing.

In Europe as a whole, if you want your food poisoned even further with like likes of chlorinated chicken, hormone-treated beef, GMOs and lower thresholds for pesticides, do nothing.

If you want Monsanto or Syngenta determining policies in secretive meetings in Brussels, do nothing . If you want Unilever, Kraft or Nestle determining what is allowed in your food, do nothing [8].

If you want governments to be made even more spineless and compelled to further bend to the threats, demands and power of corporations and unscrupulous speculators, do nothing.

The TTIP and other similar 'free trade' agreements are part of a broader geopolitical game plan. They are concerned with cementing US global dominance. More specifically, the TTIP is part of the broader US agenda aimed at subjugating Europe and driving a wedge between it and Russia.

History shows that ordinary people had to struggle for change and improvements to their lives. Any benefits gained were never been handed out freely by the rich and powerful. The historian AL Morton showed that when conscious of their collective interests and source(s) of oppression, ordinary folk acting together can and do make a difference [9].

Be informed and take action:

<http://corporateeurope.org/>

<http://www.foeeurope.org/>

<http://www.s2bnetwork.org/>

<https://www.lobbycontrol.de/schwerpunkt/ttip/>

<http://www.alter-eu.org/>

<http://www.tradejustice.ca/take-action/>

<https://stop-ttip.org/>

Notes

1] <http://corporateeurope.org/tags/investor-state-dispute-settlement>

- 2] <http://www.globalresearch.ca/corrupt-secret-global-trade-and-investor-agreements-eu--facilitating-corporate-plunder/5372796>
- 3] <http://corporateeurope.org/international-trade/2014/11/ceta-trading-away-democracy>
- 4] <http://www.alter-eu.org/fr/revolving-doors>
- 5] http://www.ase.tufts.edu/gdae/Pubs/wp/14-03CapaldoTTIP_ES.pdf
- 6] http://corporateeurope.org/sites/default/files/record_captive_commission.pdf
- 7] http://www.huffingtonpost.co.uk/2014/09/01/ttip-eu-us-trade-deal_n_5747088.html
- 8] <http://www.globalresearch.ca/the-us-eu-transatlantic-free-trade-agreement-tafta-big--business-corporate-power-grab/5352885>
- 9] <http://www.peopleinhistory.co.uk/book-chapters/97-a-peoples-history-of-england/10426-a--peoples-history-of-england-foreward-by-colin-todhunter>

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