#TruthInTrade

Corporate Colonialism – NAFTA allows ExxonMobil to extract oil in Canada without having to play by the rules

Background

Today's trade deals agreed to behind closed doors keep the rights of foreign multinational companies above our domestic laws and courts. These trade agreements have allowed major oil companies to flout environmental laws and drain nations of natural resources without any reinvestment.

Free trade agreements allow companies to sue countries for a litany of obscure reasons, including oil extraction contracts. Allowing foreign companies to operate in a country, without having to play by the same rules puts domestic companies at a huge disadvantage and is tantamount to corporate colonialism.

Mobil Investments Canada Inc. & Murphy Oil Corporation v Canada

U.S. oil corporations Mobil (of ExxonMobil) and Murphy Oil used NAFTA to challenge the Canada-Newfoundland Offshore Petroleum Board's Guidelines for Research and Development Expenditures. The guidelines require oil extraction firms that obtain contracts in the province to contribute to renewable energy research and development fund. This is a condition for domestic and foreign firm obtaining oil and gas concessions.

The questionable trade court set up by the free trade agreement ruled in favor of Mobil and Murphy Oil, deeming the requirement to use larger-than-expected oil revenues to fund research and development as a NAFTA-barred performance requirement.