

9. Prevention of occupational injuries and illnesses.
10. Compensation in cases of occupational injuries and illnesses.
11. Protection of migrant workers.

The North American Agreement on Labour Co-operation contains an enforcement mechanism without creating new trade barriers for Canada. The agreement is based on the domestic enforcement of domestic law, and respects each country's sovereignty as well as provincial jurisdiction. The agreement aims to settle disputes through co-operation, but where countries fail to enforce their own domestic labour standards and do not correct the problem, they may be subject to a fine paid into a special labour fund.

If a country fails to pay the fine, it is liable to ongoing enforcement action. In Canada's case, fines will be enforced by domestic courts. This reflects the view of the provinces, the federal government and business, who believed that trade sanctions are not needed to ensure the enforcement of labour standards in Canada. In the case of Mexico and the United States, the country or countries raising the dispute may suspend NAFTA benefits equivalent to the amount of the fine.

4.5 External Pressures for Labour Adjustment in Canada

Globalization and trade liberalization are changing the international economic environment. Canadian labour and firms will need to adjust to the changing environment if Canada is to prosper.³¹ External pressures on Canadian firms and labour include:

- Trade liberalization commitments under the Canada-US Free-Trade Agreement and the North American Free Trade Agreement.
- The decline in tariffs and greater openness of markets that will result from the successful conclusion of the Uruguay Round.

³¹ This section is based on the Economic Council of Canada, Adjustment Policies for Trade-Sensitive Industries, Economic Council of Canada, 1988.