

adequate funding for the NAALC Secretariat should also be discussed.

The Government of Canada has sought, since the NAALC came into effect on January 1, 1994, to promote the effective enforcement of labour laws and standards in North America. It has also consistently sought consensus among the Parties to increase the funding of the Secretariat of the Commission for Labour Cooperation so that it may, among other objectives, carry out its mandate to report on trends and administrative strategies related to implementation and enforcement of labour laws.

Canada supports a meaningful program of cooperative action under the Agreement, for example, by actively participating in the Tri-National Occupational Safety and Health Working Group. Canada will continue to seek consensus support for activities related to the effective enforcement of labour laws and standards. The next Four-Year Review of the Agreement (due to begin in 2003) will provide a new opportunity to raise issues related to the effective implementation and other improvements to the Agreement with the United States and Mexico.

Recommendation 24

The Government of Canada should initiate discussions with Mexico and the United States on the feasibility of developing a permanent North American court on trade and investment that would consolidate the existing NAFTA dispute settlement processes under a single trinationnal juridical body.

The Government takes note of this recommendation. The feasibility of a permanent North American court on trade and investment that would consolidate all existing dispute settlement processes under a single tri-national juridical body, however, requires careful examination in the light of the different dispute processes in the NAFTA and attendant expertise required of panellists. For example, the NAFTA Chapter 19 bi-national panel process, which is a replacement for judicial review by the domestic courts of a NAFTA Partner in countervailing and anti-dumping cases, reviews against a domestic law standard measures taken by a NAFTA Partner to remedy subsidies and dumping. In contrast, the State-to-State dispute settlement processes in Chapter 14 and Chapter 20 and the investor-State dispute settlement process in Chapter 11 interpret the rights and obligations of the parties to the dispute in accordance with the terms of the Agreement and applicable rules of international law. However, the Government agrees that the current dispute settlement mechanisms in the NAFTA could benefit from improvements and agrees to engage Mexico and the United States in discussions on this matter.

