

meet certain conditions. The labour condition requires that countries must be "taking steps" to afford "internationally recognized worker rights."⁶¹ The law defines such worker rights as follows: the right of association; the rights to organize and bargain collectively; a prohibition on the use of any form of forced or compulsory labour; a minimum age for the employment of children; and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health. Under this law, the U.S. Government is obliged to remove GSP benefits if the aforementioned "steps" are not taken. Since 1984, a number of countries have lost their GSP status, at least temporarily, as a result of this provision (e.g., Romania, Nicaragua and Paraguay).

The Overseas Private Investment Corporation (OPIC), established in 1969, is a government agency which insures U.S. investors against political risks in developing countries. In 1985, when OPIC's mandate came up for renewal, an amendment was adopted that authorized OPIC to "...insure, reinsure, guarantee or finance a project only if the country in which the project is undertaken is taking steps to adopt and implement laws that extend internationally recognized worker rights to workers in the country."⁶² Countries which have had OPIC insurance suspended at some time include Chile, Liberia, Nicaragua, Romania, South Korea and Sudan.

The Omnibus Trade and Competitiveness Act of 1988 has potentially far reaching implications for trade and labour. The U.S. Trade Act's Section 301 authorizes the President to treat as an "unfair" trade practice the competitive advantage of any country derived from the denial of internationally recognized labour rights. The Act also sets out the principle negotiating objectives of the U.S. regarding workers' rights. These are: to promote respect for worker rights; to secure a review of the relationship of workers' rights and the GATT; and to adopt as a principle of the GATT that the denial of workers' rights should not be a means for a country or its industries to gain competitive advantage in international trade.⁶³

The U.S. debate on labour in respect to NAFTA also reflects a growing political and public interest in the linkages between trade and labour. While a candidate, Clinton announced that a labour side agreement was a condition necessary for NAFTA. In part due to this conditionality, U.S. labour supported Clinton's presidential election campaign. Organized labour, however, was dissatisfied with the NAALC and

⁶¹ Cited in van Liemt. Section 502 (b) (8) of the 1984 Trade and Tariff Act.

⁶² *Ibid.*

⁶³ Public Law 100-418, 100th USA Congress.