

Finding Solutions (continued)

- Ministers could launch a comparative evaluation by independent experts of enforcement patterns related to occupational safety and health and other technical labour standards on matters that are trade-related. The report would be made public and would be used as part of the consultation process.
- If the Council is unable to resolve a trade-related labour dispute, concerning the enforcement of the occupational safety and health, child labour and minimum wage laws it may, by a two-thirds vote, convene an arbitral panel.
- The panel will investigate and make public its findings. The spotlight of public scrutiny will be focused on any country which does not live up to its obligations.

Enforcement

- A compliance mechanism has been established in the event that an arbitral panel finds a persistent pattern of failure by a country to effectively enforce its labour law.
- If a country fails to correct the problem, the panel may impose a fine of up to US\$20 million, for the first year. In the future, fines shall be no greater than .007 percent of total tri-national trade of goods.
- In the unlikely event a fine is imposed on Canada, the fine would be ultimately enforceable by domestic courts. In the case of the United States and Mexico, failure to pay the fine would result in suspension of NAFTA benefits, including the imposition of a duty, based on the amount of the fine.
- Under this arrangement, the United States and Mexico potentially face trade sanctions. Canada never does.

Co-operative work program

- The existing Canada-Mexico Memorandum of Understanding on Co-operative Labour Activities signed in May of 1992 and a similar U.S.-Mexico agreement signed in 1991 will be incorporated into the Agreement.
- A broad program of co-operation will enable the three NAFTA countries to undertake major new forms of mutual collaboration on labour issues and make possible a common focus on these issues in the context of the NAFTA. This will involve studies, comparable-data development, information-sharing and other forms of practical co-operation in areas ranging from occupational health and safety to equality in the workplace.