

setting minimum standards in respect of conditions of work.⁵⁸ The U.S. request received support from most of the developed countries, including Canada, but was opposed by many developing countries who were concerned that the proposed working party might be used to question legitimate comparative advantage.

At the October 1990 meeting of the GATT Council, the U.S. decided to amend its terms of reference for the proposed working party. The amendment narrowed the international labour standards proposed for examination to the freedom of association, the freedom to organize and bargain collectively, and freedom from compulsory labour.⁵⁹ The U.S. believed that the amendment would address the sensitivities expressed by the developing countries. However, the GATT Contracting Parties have not reached a consensus on the establishment of such a working party.

6.2 The U.S. Policy Approach to Trade and Labour

The potential of U.S. trade actions based on unilateral decisions may be the best argument in support of establishing an international dialogue on trade-labour issues. In the past decade, the U.S. appears to be the only country that has included labour standards or workers' rights provisions in its trade law. Since 1983, the U.S. has linked labour-related standards to four major trade-related laws. The effects of these trade-related measures on foreign countries labour conditions, however, are a matter of subjective interpretation and debate.⁶⁰

The Caribbean Basin Economic Recovery Act (CBERA) provides for additional trade preferences to selected Caribbean and Central American countries under certain conditions. One of these conditions is related to labour standards and indicates that the President must take into account the degree to which workers are afforded reasonable workplace conditions and enjoy the right to organize and bargain collectively.

The U.S. Generalized System of Preferences (GSP) allows duty free access for a number of products imported from the developing countries. GSP benefits are granted unilaterally and are not bound in the GATT. The GSP was amended in 1984 to require that developing countries wishing to retain eligibility for duty free access

⁵⁸ GATT, L/6243, 28 October 1987.

⁵⁹ GATT, L/6729, 21 September 1990.

⁶⁰ Gijsbert van Liemt, "Minimum Labour Standards and International Trade: Would a Social Clause work?", in International Labour Review, Vol. 128, No. 4, 1989.