

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

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COMMUNICATION FROM THE UNITED STATES CONCERNING
THE RELATIONSHIP OF INTERNATIONALLY-RECOGNIZED
LABOUR STANDARDS TO INTERNATIONAL TRADE

The following communication, dated 20 September, has been received from the Office of the United States Trade Representative.

In November 1987 the United States requested that the GATT Council establish a working party "To examine the possible relationship of internationally-recognized labour standards to international trade" (L/6243). Despite numerous consultations since that time, the Council has not been able to reach a consensus on this proposal.

The United States continues to believe that the GATT should establish a working party to carry out an objective examination of this issue, without prejudice to the views of any contracting party. One of the most important traditions of the GATT is the granting of requests by contracting parties for the establishment of working parties on substantive issues of interest to them. We have supported this tradition on previous occasions by being flexible in responding to the requests of other contracting parties for the establishment of working parties.

The United States has taken note of concerns expressed by other delegations in Council discussions of our proposal, including the concern that the proposed working party might be used as a venue to question legitimate comparative advantage. We believe these concerns to be unfounded. Nevertheless, in order to address the sensitivities expressed by other delegations, the United States has decided to amend the proposed terms of reference for the working party.

Specifically, the amendment narrows the definition of internationally-recognized labour standards to focus on three basic rights -- freedom of association, the right to organize and bargain collectively and freedom from forced or compulsory labour. These rights are broadly recognized as fundamental rights.

The complete proposed amended terms of reference would be as follows:

"To examine the possible relationship of internationally-recognized labour standards (*) to international trade and to the attainment of the objectives of the General Agreement.

In the light of this examination, to consider any proposals and suggestions that may be put forward with respect to issues relating to trade and the observance of internationally-recognized labour standards; and,

To report its findings and conclusions to the Council."

*The international labour standards to be addressed in this examination are those relating to:

- freedom of association;
- freedom to organize and bargain collectively; and
- freedom from forced or compulsory labour.