

Biennial Report
1999-2000



Commission for Labor Cooperation

1 *Biennial Report 1999-2000*



Contents

Foreword • 6

I. Council of Ministers • 9

A. Ministerial Council Meeting • 9

B. Meetings of the Council Designees and Executive Director • 9

II. Cooperative Consultations and Evaluations • 11

A. Public Communications • 11

B. Ministerial Consultations • 12

III. Secretariat Activities • 14

A. Research Projects • 14

B. Library and Archives • 16

C. North American Seminar on Incomes and Productivity 2000 • 17

IV. Cooperative Activities • 17

V. Audited Financial Statements • 21

VI. The Commission for Labor Cooperation • 29

A. Directory • 29

B. Publications • 31

Foreword

The years 1999 and 2000 have been years of great change for the Commission for Labor Cooperation. While the Commission has been used to changes in the Council, the kind of changes that have taken place during this period have gone beyond that. And while they have affected several areas of vital importance for the work of the Commission, two of them clearly stand out: the first is the change in leadership; the second, the change of location.

In mid-1999, the founding Executive Director of the Secretariat, John S. McKennirey, left us to accept an important position in the Canadian government. He was replaced, on an interim basis, by Michael McDermott of Canada, who served until the end of that year. It was my privilege to take over from them in January 2000. During the period covered by this report, presidential elections took place in two of the countries that are Parties to the North American Agreement for Labor Cooperation, Mexico and the United States. In both cases the result was a change of administration. These events occurred when the Secretariat had just moved to its new quarters in Washington, D.C.

Needless to say, all these events have been a tough test for the Secretariat and for the Commission. But we prefer to see them as a golden opportunity for new ideas and people to revitalize the institution and as a challenge to take the work of the Commission to its next stage. In light of the experience gained during the first few years of our existence, it has become clearer to all of us what the focus of our

work should be: to assist the Council of Ministers in exercising its functions; to coordinate the Secretariat's activities with the NAOs' program of cooperative activities; to continue and enhance the Commission's research program and outreach efforts.

During the year 2000 two action plans were put together through ministerial consultations. They are related, respectively, to public communications U.S. NAO 9702 and 9703 (freedom of association and prevention of occupational injuries and illnesses) and to public communications Mexican NAO 9801, 9802 and 9803 (freedom of association, prevention of occupational injuries and illnesses, minimum employment standards, employment discrimination and protection of migrant workers). Both action plans call for a combination of public awareness events, cooperative activities and increased informational efforts, including research to be carried out by the Secretariat. We firmly believe that it is by addressing the concerns of the workers in the three countries through this kind of coordinated and creative approach that the Commission for Labor Cooperation will fulfill its mandate both as it is expressed in the Agreement itself and also, more important still, in the expectations of the general public.

In the times that lie ahead, the focus of the Secretariat will be set on renewing its staff, on finalizing previous commitments, and on putting together a viable work plan for the years to come. We are confident that our new host city, Washington, D.C., is ideally suited to help us to



fulfill all of our goals and to honor the Commission's expectations.

I would like to add a final word of gratitude to the authorities and the people of Dallas, Texas, who for almost five years made it easy for all of us, coming from a wide variety of places, to call their city our home.

With the relocation of the Secretariat, the first chapter in the history of the NAALC has come to an end. We shall put our best efforts into trying to build a new stage in the life of the

Commission for Labor Cooperation, one that matches and gives continuity to that first period, where the solid foundations of the Agreement were set. We are committed to starting a new chapter and we do hope it will be closer to what the North American region expects from the NAALC.

Alfonso Oñate
Executive Director





I. Council of Ministers

On April 6, 1999, Mariano Palacios Alcocer was appointed Mexican Secretary of Labor and Social Welfare to replace José Antonio González Fernández. Secretary Palacios was replaced, in turn, by Carlos María Abascal Carranza, who was appointed on December 1, 2000.

A. Ministerial Council Meeting

October 15, 1999, Manzanillo, Colima, Mexico

Mariano Palacios Alcocer, Mexican Secretary of Labor and Social Welfare at the time, hosted the 6th Ministerial Council meeting in the port of Manzanillo, Colima, Mexico. The meeting was attended by Claudette Bradshaw, Canadian Minister of Labour, and Alexis M. Herman, U.S. Secretary of Labor, who were joined by Michael McDermott, Interim Executive Director of the Secretariat of the Commission for Labor Cooperation.

During the meeting, the Council decided the relocation of the Secretariat of the Commission from Dallas, Texas, to Washington, D.C., and authorized the Interim Executive Director to seek the new space for the Secretariat's offices. Another relevant point in the meeting was the nomination of Alfonso Oñate Laborde as the new Executive Director of the Secretariat. Mr. Oñate was appointed for a three-year term effective January 1, 2000.

All three ministers expressed deep appreciation for the outstanding work of John S. McKennirey as the founding Executive Director

of the Secretariat. Reference was made to his leadership in building a new organization, his dedication to its work, and his ability to recognize and reconcile the views of three governments.

The ministers analyzed the current status of public communications and ministerial consultations. Particular mention was made of the follow-up to the public communication on the labor rights of women in the workplace (U.S. NAO 9701), including the Mérida conference held in March 1999 and the outreach sessions in McAllen and Reynosa in August of the same year.

The Ministerial Council approved the report presented by the Interim Executive Director of the Secretariat and the budget for the year 2000. It also instructed the National Administrative Offices of the three countries to develop a three-year work program of cooperative activities.

B. Meetings of the Council Designees and Executive Director

May 14, 1999, Dallas, Texas, USA

The meeting was chaired by Andrew Samet of the United States. During the meeting, the Council Designees agreed to recommend to the appropriate authorities an increase in the annual contribution made by each Party to the Commission budget beginning in the year 2000 and extending for three years. It was also agreed that the adequacy of the budget of the Secretariat would be made a standing item on





the agenda of the Ministerial Council meeting every year.

In other administrative matters, the Council Designees met with representatives of KPMG LLP, the Commission's external auditors, who presented the Financial Statement for 1998, which was found to be in order. It was also agreed to propose the relocation of the Secretariat in the next Ministerial Council meeting. Exploration of the Washington-Baltimore area for that purpose was recommended.

The adoption of the Rosters of Experts for the Evaluation Committees of Experts was discussed, as well as the nature of the Secretariat report regarding public communication U.S. NAO 9701 (labor rights of women in the workplace).

Due to the fact that John S. McKennirey, the first Executive Director of the Secretariat, would be leaving his post the following June to accept a high-ranking position in the Canadian government, it was agreed that the next Executive Director would be from Mexico and that Canada would appoint an interim Executive Director, in consultation with the other Parties, to cover the remaining term of Mr. McKennirey's appointment. The Council Designees, on behalf of their respective ministers and governments, acknowledged the contri-

bution of John S. McKennirey as head of the Secretariat.

October 6, 1999, Washington, D.C., USA

Carlos Tirado of Mexico chaired this meeting, at which it was agreed to propose to the Council that the new location of the Secretariat's offices be Washington, D.C., or the surrounding area. It was also decided that the move would take place at the time found most convenient during the first half of the year 2000.

The Council Designees also explored and discussed the appointment of the next Executive Director of the Secretariat and agreed to discuss it further during the Ministerial Council meeting in Manzanillo.

The conference on migrant workers issues, scheduled to be held in Los Angeles in November 1999, was postponed to either January or February of 2000. Location and agenda would remain the same.

A draft agenda for the Manzanillo Ministerial Council meeting was agreed upon. It contained three main issues: the appointment of a new Executive Director, the relocation of the Secretariat, and an increase in the annual contributions made by the Parties to the Commission's budget.



II. Cooperative Consultations and Evaluations

A. Public Communications

1999

Canadian National Administrative Office (NAO)

Canadian NAO 99-1

On April 14, 1999, the Canadian NAO received a public communication alleging that the U.S. National Labor Relations Board had interpreted and applied laws prohibiting employer domination of, or interference with, trade unions in such a way as to prevent effective “employee involvement” programs. The public communication stated that this constituted a failure to provide for high labor standards and to apply effectively and enforce laws relating to freedom of association and the right to organize unions. The submission also alleged unwarranted delays in National Labor Relations Board proceedings to resolve disputes over the legality of employee involvement plans. The U.S.-based Labor Policy Association (LPA.) and the EFCO Corporation, a U.S.-based manufacturer, filed the public communication.

On June 15, 1999, the NAO wrote to the submitters and informed them that it had decided not to accept the public communication for review. The NAO’s letter stated that information provided by the U.S. NAO, the AFL-CIO and the public communication did not indicate a failure to comply with the obligations of the NAALC,

including enforcement of labor law. On June 15, 1999, the submitters wrote to the Canadian NAO to ask that it reconsider its decision but did not submit any additional information.

United States National Administrative Office (NAO)

U.S. NAO 9901

On November 10, 1999, the U.S. NAO received a public communication alleging failure by Mexican authorities to effectively enforce freedom of association and protection of the right to organize, the right to bargain collectively, minimum labor standards (hours of work, overtime premium pay, and payroll deductions for social programs), and prevention of occupational injuries and illnesses (safety training, maximum hours of work, and conditions on board aircraft). Finally, the public communication alleged partiality on the part of a Mexican labor tribunal and failure on its part to ensure that labor law proceedings did not entail unwarranted delays. The public communication relates to events that allegedly took place before, during and following an attempt by the Asociación Sindical de Sobrecargos de Aviación (Association of Flight Attendants of Mexico - ASSA) to obtain the right to represent the flight attendants at a privately owned Mexico-based airline, TAESA (Executive Air Transport Inc.), in collective contract negotiations. The Association of Flight Attendants, AFL-CIO, and ASSA submitted this public communication.



On January 7, 2000, the U.S. NAO accepted the public communication for review. On March 23, 2000, the U.S. NAO held a public hearing in Washington, D.C. On July 7, 2000, the U.S. NAO issued its Public Report of Review recommending that U.S. Labor Secretary Alexis M. Herman seek consultations with her Mexican counterpart.

2000

United States National Administrative Office (NAO)

U.S. NAO 2000-01

On July 3, 2000, the U.S. NAO received a public communication alleging persistent failure by Mexican labor, social security and health authorities to effectively enforce and comply with laws governing occupational safety and health and compensation for work-related injuries. The public communication relates to alleged ongoing unsafe and hazardous working conditions in Auto Trim and Custom Trim/Breed Mexicana, two automotive parts factories located in the state of Tamaulipas, Mexico. This public communication was submitted by current and former employees of Auto Trim and Custom Trim/Breed Mexicana, Coalition for Justice in the Maquiladoras, and 22 other nongovernmental organizations.

The U.S. NAO accepted the public communication for review on September 1, 2000. A public hearing was held in San Antonio, Texas, on December 12, 2000.

B. Ministerial Consultations

As a result of ministerial consultations, on May 18, 2000, Secretary Alexis Herman of the United States and Secretary Mariano Palacios of Mexico

agreed to and signed two action plans, the first in order to address matters raised in public communications 9702 and 9703 submitted to the U.S. NAO, and the second in order to address concerns raised in public communications 9801, 9802 and 9803 submitted to the Mexican NAO. The plan addressing U.S. NAO public communications 9702 and 9703 includes the following actions.

The Mexican Secretariat of Labor and Social Welfare will continue promoting the registry of collective bargaining contracts in conformity with established labor legislation. At the same time, efforts will be made to promote that workers be provided information pertaining to collective bargaining agreements existing in their place of employment and to promote the use of eligible voter lists and secret ballot elections in disputes over the right to hold a collective bargaining contract.

A public seminar was convened on such themes as freedom of association, the registration of trade unions, mechanisms for gaining and challenging title to the collective bargaining contract, and related procedures, including worker protections during organizing, under the laws and regulations of Mexico. This seminar was held in Tijuana, Baja California, on June 23, 2000. Representatives from federal and local labor authorities conducted the seminar, designed to encourage participation from the public, including labor organizations, workers and business.

A trilateral public seminar will be held in Mexico to discuss law and practice governing labor boards and their members and officials, their structure and responsibilities, the rules and procedures to assure their impartiality, as well as their role in the processes for gaining the right to a collective bargaining contract. This public seminar will include the participation of officials from relevant federal and state labor boards and authorities, including the Mexican Federal Conciliation and Arbitration Board and the U.S. National Labor Relations Board.



A government-to-government session will be held for experts from the two countries to exchange information on techniques and policies to promote compliance with safety and health laws and regulations; the processes by which workplace inspections are conducted and financial penalties for violations are imposed, escalated, and collected; the use, handling, and marking of hazardous materials; the use of personal protective equipment; and the role of employee-employer safety and health committees.

The U.S. Department of Labor and the Mexican Department of Labor and Social Welfare will collaborate on the contents of a program to disseminate information on procedures and general information on safety and health inspections, which will include the use of the Internet.

The action plan addressing Mexican NAO public communications 9801, 9802 and 9803 includes the following steps.

A conference on agricultural migrant labor in North America was held February 7-9, 2000 (see Cooperative Activities below). The conference examined the legal, social and economic issues facing agricultural migrant workers and their families. Participants included representatives of government, labor organizations, business, and nongovernmental organizations.

As a follow-up to that conference, officials of the governments of the United States and Mexico are to meet to further exchange information with respect to the role of federal and state agencies in the protection and promotion of the rights of migrant workers in the United States and to explore potential avenues of cooperation regarding the protection of migrant workers. This information exchange will include the participation of labor department officials, Mexican consular officials who have responsibility in aiding Mexican migrant workers abroad, and representatives of the Mexican Office for the Legal Defense of Workers (Procuraduría Federal de la Defensa del Trabajo-PROFEDET).

The U.S. Department of Labor will host a government-to-government session in

Washington, D.C., to provide Mexican government officials with information about the application of U.S. law focusing on the issues raised in the public communications. Topics of discussion will include union organizing and bargaining rights, elimination of employment discrimination, minimum conditions of employment (including inspection programs and systems for determining violations of employment conditions for migrant workers), occupational safety and health (including inspection of migrant worker camps and overall working conditions in the agricultural sector), and protection of migrant workers' rights. Participants will include officials from the U.S. Occupational Safety and Health Administration, the U.S. Employment Standards Administration's Wage and Hour Division, the Office of the Solicitor of the Department of Labor, the Equal Employment Opportunity Commission, the National Labor Relations Board, and officials from the Mexican Department of Labor and Social Welfare, as well as Mexican consular officials in the United States.

The U.S. Department of Labor will conduct public outreach sessions at various sites within the United States to educate migrant agricultural workers about their rights in the workplace. Topics to be discussed at the outreach sessions would include elimination of employment discrimination (gender and ethnic discrimination, sexual harassment, maternity benefits, and processes available to women to challenge discrimination, including how to file a formal complaint), minimum conditions of employment, occupational safety and health, union organizing, and other related issues. Representatives from the Department of Labor's Women's Bureau, the Employment Standards Administration's Wage and Hour Division, the Employment Training Administration, and the Equal Employment Opportunity Commission, as well as other local and federal agencies and organizations are to brief participants on state and federal laws that protect migrant workers' employment rights.



The U.S. Department of Labor will conduct a public forum in the state of Washington regarding agricultural workers issues to allow interested persons to convey directly to public officials their views and recommendations on freedom of association and protection of the right to organize, the right to bargain collectively, minimum employment standards, elimination of employment discrimination, prevention of occupational injuries and illnesses, compensation in cases of occupational injuries and illnesses, and protection of migrant workers. Federal and state officials will address the concerns and encourage the participation of members of the public, including workers, labor organizations, community-based organizations, growers, and grower organizations. The U.S. Department of Labor will conduct a public forum in the state of Maine where government officials will address migrant agricultural occupational issues and respond to questions

of workers, employers and their representatives. Such a forum will address freedom of association and protection of the right to organize, the right to bargain collectively, minimum employment standards, elimination of employment discrimination, prevention of occupational injuries and illnesses, compensation in cases of occupational injuries and illnesses, and protection of migrant workers, including presentation of compliance information, discussion of employment practices to ensure compliance with applicable U.S. laws, explanation of workers' rights, and information on how to file complaints. The Secretariat of the Commission for Labor Cooperation will produce a trilingual guide describing law and procedures covering labor rights and protections granted to migrant workers in the United States, Mexico and Canada. The guide will be made available to workers, individuals, businesses, and organizations.

III. Secretariat Activities

A. Research Projects

The Secretariat's research program is gradually building a substantial base of comparative knowledge on labor markets and labor laws in North America for use by the public, the Commission and the governments of the Parties. This research seeks to promote greater understanding of key aspects of North American integration by providing an accurate picture of labor market developments and of how national labor law systems work. In the course of its research work, the Secretariat has developed methods and frameworks for comparing labor laws and labor statistics that enable a degree of comparative precision not available from other sources. During 1999 and 2000 the Secretariat continued

its ongoing systematic comparative projects and also produced a number of shorter, more focused and in-depth studies. All studies are published by the Secretariat both in hard copy format and electronically on the Secretariat's Web site (see Publications below).

Comparative Labor Law

The Secretariat has been preparing a series of comparative guides to the labor and employment laws of the three countries. This series is organized around the 11 Labor Principles of the North American Agreement on Labor Cooperation. It describes how each member country addresses the six Obligations of the NAALC with respect to each of the 11 Principles.





The comparative guides are intended to serve both the specialized interests of labor law practitioners and the general interests of nonpractitioners concerned with the social dimension of expanding trade relations under the North American Free Trade Agreement.

The first volume in this series, covering labor relations laws, was published in July 2000. It provides a concise description, for each member country, of the particular laws, practices and administrative procedures protecting freedom of association and the right to organize, the right to bargain collectively, and the right to strike. It not only presents a systematic treatment of those subjects, but also enables readers to quickly identify how analogous legal issues are dealt with in each country.

Subsequent volumes will address laws and regimes covering minimum employment standards, employment discrimination, treatment of migrant workers, occupational injuries and illnesses, workers' compensation, labor protec-

tions for children, and prohibitions of forced labor.

Comparative Labor Markets

The Secretariat is nearing completion of the second edition of its main labor market series, *North American Labor Markets: A Comparative Profile*. The aim of this report is to describe the main trends of the most relevant labor market indicators covering the period 1980 to 1999. The book is divided into four chapters. The first presents trends in economic performance and international trade in Canada, Mexico and the United States; the second covers trends in employment, including a special section on informal employment in Mexico; the third includes trends in unemployment and nonstandard work; and the final chapter describes trends in wages, labor productivity and income distribution in all three countries. The report is complemented by three appendices. Appendix A



summarizes the labor, employment and income security protections for nonstandard workers. Appendix B contains a selection of the principal economic and labor market statistical indicators. Appendix C includes information on the sources of information and conceptual distinctions between different sets of data used in the report.

Standard and Advanced Practices in the Garment Industry

This is the first industry-specific study undertaken by the Secretariat. It examines the measures taken by governments, industry associations, firms, labor unions and other actors to respond creatively to the changing conditions in the garment industry in North America during recent years. It also describes the conditions created by trade liberalization and increased competition as well as changes in consumer demand and the restructuring of the industry from retail to production. It was published in May 2000.

Income Security Programs

Presented in a question-and-answer format, this manual summarizes the basic features of the main income security programs provided by each member country of the NAALC. Released in early 2000, it provides an extremely user-friendly reference source for the North American labor community as it describes the general nature of each benefit, eligibility conditions, the length of time workers can continue receiving the benefit and who pays for it.

Legal Background Paper on the Protection of Migrant Agricultural Workers

In addition to empirical information on the composition of the migrant agricultural workforce, this document provides a concise description, for each NAALC member country, of the laws, practices and administrative procedures which relate to the protection of migrant workers in

agriculture, giving special attention to the extent to which those laws provide international migrant workers with the same legal protection as a member state's nationals in respect to working conditions. This report was released in draft form in February 2000 in conjunction with a trilateral cooperative activity on migrant agricultural work in North America. A final report will be released at a later date.

Legal Background Paper on the Rights of Contingent, Nonstandard and Informal Sector Workers

In the course of research for its comparative labor markets study, the Secretariat put together a legal background document providing an in-depth trilateral comparative description and analysis of the coverage of contingent, nonstandard and informal sector workers by labor, employment, social insurance and income support laws. The document is being prepared for publication.

B. Library and Archives

During 1999 and 2000, special attention was given to reviewing the cataloguing of the documentation in the main Secretariat library databases: 1) the archives of the institution; 2) the general book and document collection; and 3) the periodical maintenance collection. The archives collection is indexed using the International Labor Organization Thesaurus. Library of Congress classification and subject headings are used in the general and periodicals collection databases.

Following the move of the library from Dallas to Washington, D.C., the archives and general collection databases were published on the Intranet. Work was started in the summer of 2000 to revamp the Intranet in order to streamline resources and adapt to the evolving research needs of the institution.



C. North American Seminar on Incomes and Productivity 2000

The third North American Seminar on Incomes and Productivity, held this time in Mexico City, focused on one of the most important topics generated by the previous two seminars: the ambiguous relationship between productivity and incomes in the NAFTA member countries in recent years.

The 2000 Seminar brought together prominent academic economists and high-level labor and business representatives to exchange their ideas and experiences in an attempt to find answers to the following questions.

Under which theoretical circumstances do incomes and productivity have a direct relationship, and in which cases does this relationship fail to arise?

Is there still a long-term relationship between pro-

ductivity growth and improved standards of living?

What is the impact created by diverse remuneration systems on company productivity levels?

How are productivity increases transformed into improved worker incomes?

The 2000 Seminar was held in the format of a roundtable discussion panel. For the first time, a transcript of the complete panel discussions that took place after the presentation of each paper has been included in the proceedings, to be published under the title *Incomes and Productivity in North America: Papers from the 2000 Seminar*.

The Seminar was sponsored by the Commission for Labor Cooperation and organized by the Secretariat of the Commission in conjunction with the Instituto Tecnológico Autónomo de México (ITAM), Laval University in Canada, the University of Texas at Austin and Texas A&M University in the United States.

IV. Cooperative Activities

1999

Trinational Conference on Protecting the Labor Rights of Working Women

March 1-2 – Mérida, Yucatán

The purpose of this activity was to inform women of their labor rights and how to protect them and to introduce the governmental agencies that guarantee the protection of women workers' rights and implement programs to combat gender discrimination, including during pregnancy, in the three NAFTA member countries. A report was also presented on state and federal jurisdictions applied in the three countries to regulate general labor conditions, maternity protection and social security, as well as the roles played by

trade unions, employers and tripartite agencies in the promotion of women's rights.

This conference was organized as part of the activities agreed upon pursuant to the Ministerial Consultations on U.S. NAO public communication 9701.

North American Occupational Safety and Health Week

May 17-23 – Held simultaneously in Canada, Mexico and the U.S.

For the third consecutive year, Canada, Mexico and the U.S. held a joint North American Occupational Safety and Health (NAOSH) Week. The purpose of this event was to promote occu-



ational health and safety in North America. This year's theme was "Occupational Safety & Health: It's Everybody's Business!"

International Conference on Safety and Health on the Job

May 27-28 – Monterrey, Nuevo León

The purpose of this conference, organized by Mexico as part of the North American Occupational Safety and Health Week, was to examine the structure of the legal framework for workplace safety and health in each country. The conference featured speakers from Canada, Costa Rica, Mexico and the U.S. Discussions centered on topics such as mechanisms for issuing standards and the relationship with provinces/states; areas of application of normative provisions and the specificity of these provisions, including international requirements affecting each country; procedures for selecting and inspecting companies; accident inspections; technical assistance mechanisms for companies; information systems; human resource training options; and mechanisms for compensating workers injured in the workplace or suffering from occupational illnesses.

International Conference on Safety and Health in the Bottling Industry

June 21-23 – Mexico City

The purpose of this conference was to study the risks associated with the bottling industry and examine ways to prevent and offset them. Various topics were analyzed during the event, including: preventive safety and health programs; verification guidelines; training; safe warehouse and distribution practices; noise control; the safe handling of chemical products; and ergonomics in the bottling industry.

This event stressed the need for management and workers to participate in safety and health programs, as well as the contribution made by research performed in Canada, the United States and Mexico regarding ergonomics in the bottling industry.

Outreach Session: Women in the Workplace: Know Your Rights!

August 17-18 – McAllen, Texas, and Reynosa, Tamaulipas

These outreach sessions were held for the purpose of promoting the exchange of information among workers, employers, government representatives and NGOs concerning the rights and protections afforded women workers in the United States and Mexico. These events were organized pursuant to the Ministerial Consultations Implementation Agreement on U.S. NAO public communication 9701.

During the events emphasis was placed on the need to build more solid bases for the full incorporation of women into economic life. Likewise, both governments reaffirmed their commitment to defend workers' rights, above all, those of women workers.

International Conference on the Future Culture of Mining Safety and Health in North America

September 22-24 – Winnipeg, Manitoba

Manitoba's Workplace Safety and Health Division cohosted this international conference with the Labour Program of Canada. The Labour Department welcomed participants from the three countries to Winnipeg for the conference, which featured speakers on topics related to technologies for workplace protection, prevention of adverse human consequences and part-



nerships for managing safety and health. Likewise, various evening events were also hosted. The Workers Compensation Board of Manitoba sponsored the conference and contributed to its success.

2000

International Conference on Agricultural Migrant Labor in North America

February 7-9 – Los Angeles, California

This conference focused attention on specific concerns faced by governments, employers, NGOs and migrant workers and highlighted the best practices related to migrant labor in the NAFTA countries. Panel discussions provided a comprehensive overview of this situation by examining current trends, policies and programs directed at solving many of the social and economic difficulties encountered by migrant workers in the three countries. Specific issues analyzed included economic impact, legal practices, common problems, current programs and future measures.

North American Occupational Safety and Health Week

May 15-19 – Held simultaneously in Canada, Mexico and the U.S.

For the fourth consecutive year, Canada, Mexico and the U.S. participated in a joint North American Occupational Safety and Health (NAOSH) Week. The purpose of this week was to promote occupational health and safety throughout North America. The theme for the year 2000 was "Work Safely for a Healthy Future," advancing youth safety in the workplace.

In Canada, this initiative was undertaken in conjunction with the Canadian Society of Safety

Engineering and the Canadian Centre for Occupational Health and Safety. Various activities were organized in each province. Canadian speakers from the Institut de Recherche en Santé et Sécurité du Travail and the Industrial Accident Prevention Association also participated in an OSH conference in Mexico City.

From May 17 to 19, Mexico organized an international conference that emphasized the importance of varying elements of safety and health in company administration; it also included an exchange of experiences in specific areas to promote an enhanced culture of prevention. Experts from the academic, business and government spheres of the three countries participated in this event and discussed the following topics: the globalization of workplace safety and health; methodologies for company risk analysis; investment and administration in the application of company safety and health measures; updated personal protection equipment; safety and health training in Mexico's construction companies; the safety program for the manufacture, use and handling of fire extinguishers; the design of industrial safety and health programs; verification units and the fulfillment of standards; and preventive medicine services in the workplace.

Outreach Session on the Protection of the Labor Rights of Women in North America

May 30 – Puebla, Puebla

The purpose of this outreach session was to promote the exchange of information among workers, employers, government representatives and NGOs on the rights and protections afforded women workers in Mexico. The event was organized pursuant to the Ministerial Consultations Implementation Agreement on U.S. NAO public communication 9701.

The topics covered at this session included: inequality and discrimination; maternity protec-



tion; legal action against dismissal due to pregnancy; the pregnancy certificate as a hiring requirement; the benefits and social security mechanisms existing within Mexican legislation to support women workers at different stages of their labor lives: maternity, lactation, child care, etc.; the defense of pregnant workers' rights during the pre-hiring stage; inspection mechanisms; consultation services and the defense of pregnant workers' rights; the labor panorama of women workers in the state of Puebla, with specific emphasis on the participation of women workers in the state's economic development; and the goals of existing public policies with regard to women workers in Mexico.

International Seminar on Freedom of Association in Mexico

June 23 – Tijuana, Baja California

The purpose of this seminar was to promote information on topics such as freedom of association, trade union registration, mechanisms for obtaining and challenging representation rights during the collective bargaining process, and other related procedures like workers' protection during the organizational period, in line with

Mexico's laws and regulations. The seminar was conducted with the participation of officials from Mexico's Secretaría del Trabajo y Previsión Social (Secretariat of Labor and Social Welfare – STPS), the Federal Conciliation and Arbitration Boards (CABs) and the state government of Baja California. The seminar was organized pursuant to the Ministerial Consultations Implementation Agreement on U.S. NAO public communications 9702 and 9703.

Outreach Session: Women Farm Workers, Know Your Rights!

July 1 – Yakima, Washington

The purpose of this outreach session was to educate migrant agricultural women workers as to their rights in the workplace. Topics discussed included the legal protection afforded to women against gender and ethnic discrimination, how to file a formal complaint, how to report the improper payment of wages, and occupational health and safety. This workshop was held pursuant to the Ministerial Consultations Implementation Agreement on Mexican NAO public communications Nos. 9801, 9802 and 9803.



V. Audited Financial Statements

Independent Auditors' Report - 1999*

*The Honorable Members of the Ministerial Council,
Commission for Labor Cooperation:*

We have audited the accompanying statements of financial position of the Commission for Labor Cooperation (the Commission), as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Secretariat of the Commission. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Commission, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Expenses - Budget and Actual for the year ended December 31, 1999, is presented for purposes of additional analysis and is not a required part of the basic 1999 financial statements of the Commission. Such information has been subjected to the auditing procedures applied in the audit of the 1999 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

March 15, 2000

KPMG LLP

** All figures are in U.S. dollars.*



Statements of Financial Position

	December 31,	
Assets:	1999	1998
Cash and cash equivalents	1,537,941	819,799
Accounts receivable	–	700
Prepaid expenses	33,293	–
Fixed assets, net of accumulated depreciation	<u>183,263</u>	<u>214,459</u>
Total assets	<u>1,754,497</u>	<u>1,034,958</u>
Liabilities and Unrestricted Net Assets:		
Liabilities:		
Accounts payable	13,070	25,833
Accrued liabilities	48,950	59,631
Deferred contributions	<u>1,506,817</u>	<u>732,638</u>
Total liabilities	<u>1,568,837</u>	<u>818,102</u>
Unrestricted net assets	185,660	216,856
Commitments	—	—
Total liabilities and unrestricted net assets	<u>1,754,497</u>	<u>1,034,958</u>



Statements of Activities

	December 31,	
	1999	1998
Revenues:		
Contributions	1,619,814	1,868,575
Interest earned	50,296	56,023
Other income	<u>705</u>	<u>5,692</u>
Total revenues	<u>1,670,815</u>	<u>1,930,290</u>
Expenses:		
Salaries and benefits	996,876	1,184,933
Relocation	65,008	42,855
Travel	53,447	58,375
Professional services	81,455	80,426
Research contracts	93,727	81,381
Office	265,311	397,988
Translation and publications	<u>146,187</u>	<u>177,688</u>
Total expenses	<u>1,702,011</u>	<u>2,023,646</u>
Change in net assets	(31,196)	(93,356)
Unrestricted net assets at beginning of year	<u>216,856</u>	<u>310,212</u>
Unrestricted net assets at end of year	<u>185,660</u>	<u>216,856</u>



Statements of Cash Flows

	December 31,	
	1999	1998
Cash flows from operating activities:		
Change in net assets	(31,196)	(93,356)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	43,334	95,871
Increase in prepaid expenses	(33,293)	-
Decrease (increase) in accounts receivable	700	(700)
Decrease in accounts payable and accrued liabilities	(23,444)	(23,920)
Increase (decrease) in deferred contributions	<u>774,179</u>	<u>(68,576)</u>
Net cash provided by (used in) operating activities	<u>730,280</u>	<u>(90,681)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(12,138)	(2,514)
Proceeds from maturity of investments	<u>-</u>	<u>503,233</u>
Net cash provided by (used in) investing activities	<u>(12,138)</u>	<u>500,719</u>
Cash flows from financing activities - payments on capital leases	-	(32,587)
Net increase in cash and cash equivalents	718,142	377,451
Cash and cash equivalents at beginning of year	<u>819,799</u>	<u>442,348</u>
Cash and cash equivalents at end of year	<u><u>1,537,941</u></u>	<u><u>819,799</u></u>
Supplemental disclosure - cash paid for interest	<u>-</u>	<u>11,423</u>



Independent Auditors' Report - 2000*

*The Honorable Members of the Ministerial Council,
Commission for Labor Cooperation:*

We have audited the accompanying statements of financial position of the Commission for Labor Cooperation (the Commission), as of December 31, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Commission, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Expenditures - Budget and Actual for the year ended December 31, 2000, is presented for purposes of additional analysis and is not a required part of the basic 2000 financial statements of the Commission. Such information has been subjected to the auditing procedures applied in the audit of the 2000 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

April 27, 2001

KPMG LLP

* All figures are in U.S. dollars.



Statements of Financial Position

	December 31,	
Assets	2000	1999
Cash and cash equivalents	1,936,587	1,537,941
Accrued investment income	5,984	—
Prepaid expenses and deposits	23,323	33,293
Fixed assets, net	<u>142,023</u>	<u>183,263</u>
Total assets	<u>2,107,917</u>	<u>1,754,497</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	74,973	13,070
Accrued expenses	81,606	48,950
Capital lease obligations	42,949	—
Deferred assessments	<u>1,764,911</u>	<u>1,506,817</u>
Total liabilities	<u>1,964,439</u>	<u>1,568,837</u>
Unrestricted net assets	143,478	185,660
Commitments		
Total liabilities and net assets	<u>2,107,917</u>	<u>1,754,497</u>



Statements of Activities

	December 31,	
	2000	1999
Revenues:		
Member assessments	1,741,907	1,619,814
Interest earned	64,807	50,296
Other income	<u>5,854</u>	<u>705</u>
Total revenues	<u>1,812,568</u>	<u>1,670,815</u>
Expenses:		
Salaries and benefits	827,989	996,876
Staff relocation	15,738	65,008
Office relocation	166,966	-
Travel	39,892	53,447
Professional services	90,738	81,455
Research contracts and Council initiatives	114,547	93,727
Depreciation, rent and other office expense	466,487	265,311
Translation and publications	130,675	146,187
Loss on disposal of fixed assets	<u>1,718</u>	<u>-</u>
Total expenses	<u>1,854,750</u>	<u>1,702,011</u>
Change in net assets	(42,182)	(31,196)
Unrestricted net assets at beginning of year	<u>185,660</u>	<u>216,856</u>
Unrestricted net assets at end of year	<u>143,478</u>	<u>185,660</u>



Statements of Cash Flows

	December 31,	
	2000	1999
Cash flows from operating activities:		
Change in net assets	(42,182)	(31,196)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	176,419	43,334
Loss on disposal of fixed assets	1,718	-
Decrease (increase) in prepaid expenses and deposits	9,970	(33,293)
Decrease (increase) in accrued interest	(5,984)	700
Decrease (increase) in accounts payable and accrued expenses	94,559	(23,444)
Increase in deferred assessments	<u>258,094</u>	<u>774,179</u>
Net cash provided by operating activities	<u>492,594</u>	<u>730,280</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(84,466)</u>	<u>(12,138)</u>
Net cash used in investing activities	(84,466)	(12,138)
Cash flows from financing activities:		
Payment of capital leases	<u>(9,482)</u>	<u>-</u>
Net cash used in financing activities	<u>(9,482)</u>	<u>-</u>
Net increase in cash and cash equivalents	398,646	718,142
Cash and cash equivalents at beginning of year	<u>1,537,941</u>	<u>819,799</u>
Cash and cash equivalents at end of year	<u>1,936,587</u>	<u>1,537,941</u>
Supplemental disclosures:		
Cash paid for interest	<u>5,321</u>	<u>-</u>

Capital lease obligations of \$52,431 were incurred when the Commission entered into leases for new equipment.



VI. *The Commission for Labor Cooperation*

A. Directory

Council of Ministers

The Honourable Claudette Bradshaw

Minister of Labour
165 Hotel de Ville
Phase II, Place du Portage
Hull, Quebec K1A 0J2
Canada

The Honorable Carlos María Abascal Carranza

Secretario del Trabajo y Previsión Social
Periférico Sur 4271 - Edif. A, Piso 9
Col. Fuentes del Pedregal
Del. Tlalpan
14149 México, D.F.
Mexico

The Honorable Alexis M. Herman

Secretary of Labor
200 Constitution Ave. NW
Washington, D.C. 20210
U.S.A.

Council Designees

Mr. Warren Edmondson

Assistant Deputy Minister, Labour Branch
Human Resources Development Canada
165 Hotel de Ville
Phase II, Place du Portage
Hull, Quebec K1A 0J2
Canada
Tel: (819) 997-1493
Fax: (819) 953-5685

Coordinación General de Asuntos Internacionales

Secretaría del Trabajo y Previsión Social
Periférico Sur 4271 - Edif. A, Planta Baja
Col. Fuentes del Pedregal
Del. Tlalpan
14149 México, D.F.
Mexico
Tel: (525) 645-2841
Fax: (525) 645-4218

Mr. Andrew Samet

Deputy Under Secretary for International
Labor Affairs
U.S. Department of Labor
200 Constitution Ave. NW, Room S-2235
Washington, DC 20210
U.S.A.
Tel: (202) 693-4770
Fax: (202) 693-4780

National Administrative Offices

Canadian NAO

Inter-American Labour Cooperation
Labour Branch
Human Resources Development Canada
165 Hotel de Ville
Phase II, Place du Portage
Hull, Quebec K1A 0J2, Canada
Tel: (819) 953-8860
Fax: (819) 953-8494
E-mail: Roula.Barakeh-diab@hrdc-drhc.gc.ca



Mexican NAO

Lic. Rafael Aranda Vollmer, Secretario
Oficina Administrativa Nacional del ACLAN
Secretaría del Trabajo y Previsión Social
Periférico Sur 4271, Edif. A, Planta Baja
Col. Fuentes del Pedregal. Del. Tlalpan
14149 México, D.F., Mexico
Tel: (525) 645-2218
Fax: (525) 645-4218
E-mail: oanmex@stps.gob.mx

U.S. NAO

Mr. Lewis Karesh, Acting Secretary
U.S. National Administrative Office
U.S. Department of Labor
200 Constitution Ave. NW, Room C-4327 FPB
Washington, DC 20210, U.S.A.
Tel: (202) 501-6653
Fax: (202) 501-6615
E-mail: usnao@dol.gov

Roxane DeLaurell (USA)

Cooperative Activities Coordinator

Melisa Gutiérrez (USA)

Administrative Assistant

Dolores Ozuna (USA)

Executive Assistant

Andy Ramirez (USA)

Financial Officer

Marcelle Saint-Arnaud (Canada)

Research Documentation Coordinator

Héctor Toledano (Mexico)

Publications Coordinator

María Elena Vicario (Mexico)

Senior Economist

Secretariat

1211 Connecticut Ave. NW
Suite 200
Washington D.C. 20036
U.S.A.
Tel: (202) 464-1100
Fax: (202) 464-9487
E-mail: info@naalc.org

Secretariat Staff

2000

Alfonso Oñate Laborde (Mexico)

Executive Director

Patricia W. Lattimore (USA)

Director for Administration and Cooperative
Consultations

Kevin Banks (Canada)

Senior Legal Advisor

Tequila Brooks (USA)

Labor Law Advisor

María Dolores Cox (USA)

Publications and Research Assistant

Rosario Monroy (Mexico)

Executive Assistant

Marcelle Saint-Arnaud (Canada)

Research Documentation Coordinator

1999

Michael McDermott (Canada)

Interim Executive Director

Kevin Banks (Canada)

Senior Legal Advisor

Tequila Brooks (USA)

Labor Law Advisor



María Eva Salvetti (USA)
Administrative and Research Assistant

María Elena Vicario (Mexico)
Senior Economist

Héctor Toledano (Mexico)
Publications Coordinator

María Cristina Yelicie (USA)
Financial Officer

B. Publications



Labor Relations Law In North America



1998 Annual Report



Income Security Programs for Workers in North America



Standard and Advanced Practices in the North American Garment Industry

