other infractions committed by private companies abroad. Sanctions are directed against states, not private individuals. Meanwhile, criminal law is not extraterritorial. Obligations of private companies are to be addressed by individual states in which they operate: "we can not tell Canadian companies how to act abroad just as we do not want foreign states to meddle in the operations of their companies in Canada," said Douglas Forsythe, Deputy Director, Economic Law Section, DFAIT.

States are bound by international laws, including provisions directed against slave labour, for instance. However, here the problem of an enforcement mechanism comes into play. As Joe Stern pointed out, while states may sign an abiding international convention, they are ultimately left with the choice to apply/enforce it. (We have seen the enforcement of international law in grave cases, such as war crimes or crimes against humanity through the International Criminal Court. However, precedent has not been set in regard to the unethical behaviour of private companies.)

*Participants agreed to varying degrees that non-legal enforcement of codes of conduct is as important as existing legal enforcement mechanisms (i.e., sanctions, international law).* The media, share values, image, greatly influence corporate behaviour, said Errol Mendes. Ian Smilie drew attention to the significance of public pressure. However, he added that non-legal enforcement tactics (i.e., public outcry) must go hand in hand with a legitimising legal framework.

Others, like David Melvill, Eastern and Southern Africa Division, DFAIT, emphasised the role share-holders play in driving corporate values. Share value depends on customer satisfaction. If a company is managed well and invests responsibly, share values increase. (The Talisman case made this apparent as share value declined following the release of information linking Talisman`s operation to human rights abuses in Sudan). The key is to facilitate more investor thinking around social responsibility. If share holders care about human rights, then corporations must care as well, he concluded. Gerry Barr, suggested that share holders are not always effective in holding companies accountable. In the Talisman case, for instance, share holders were denied voice because they held shares through Mutual Funds. Another problem is that consumer pressure is lower in extractive industries since the link between the final consumer and the producer is indirect and often rather abstract. Moreover, share holders express their disapproval through the sale of shares. To mitigate losses, it is in their interest to keep problems secret, posing obvious challenges to their ability to act as effective watch dogs.

*Other tools that may be used to set a normative framework for companies include risk assessment and due diligence.* A public relations audit is a possible tool since the image of a company bears greatly on risk assessment. Investor analysts and the media could be involved in these processes. However, some participants pointed to the Talisman example and reiterated that without some tangible framework and a monitoring and enforcement mechanism, companies will not be likely to co-operate closely with the media, NGOs, and other interest groups. Voluntary codes of conduct may end up diluted and largely ineffective. Moreover, as in the case of