financial power of Canadian resource companies in Latin America for this purpose (i.e., one percent of US$10 billion).

Canada has its greatest impact on Latin America, and the region's indigenous peoples, through direct investment in activities involving land and natural resources. It is simple logic to focus policy where the power is, and give top priority to assuring that Canadian FDI has a positive net impact on host communities, respects their rights, and contributes to their self-determination through economic participation and management partnerships. Canadian companies have already learned, slowly and sometimes reluctantly--how to build profitable partnerships with Canada's Aboriginal peoples. Noranda's Falconbridge subsidiary, for example, operates a mine in northern Quebec which could serve as a community-relations model for its projects in Chile, Mexico and Peru. Extending Canadian firms' domestic experience to developing countries should not prove insurmountable.

A CCFPD policy roundtable on APEC, Pacific Rim trade integration, and the intellectual property rights of indigenous peoples concluded that "[r]espect for indigenous people is a large variable in managing the risk of investments in many [economic] sectors," adding that this "seems better appreciated and more often taken seriously at home than abroad." The participants recommended that Canada ratify ILO Convention No. 169 and strike a permanent national Aboriginal advisory committee. A second policy roundtable on indigenous peoples and APEC recommended that Canada promote the adoption of codes of conduct by major industry associations, legislate minimum legally-binding standards for Canadian companies' activities abroad, and establish effective legal mechanisms for monitoring and enforcement.

Patterns of overseas investment

Canadian mining and forest products companies began moving their investments South in the 1980s in response to more stringent Canadian environmental standards as well as Aboriginal claims.

Canadian mining companies have focused upon Latin America, taking advantage of IMF-sponsored financial market reforms and the efforts of many Latin American governments to earn membership in NAFTA. By 1997, 495 Canadian mining companies had acquired stakes in Latin America, and Canadians were spending twice as much on Latin exploration as they had five years earlier. According to one recent estimate, Canadians account for 37% of all mineral exploration in Latin America.

Canadian mining companies reportedly have US$6 billion invested in Chile alone, second only to the US$10 billion investment in Chile by firms based in the United States. Canadians are major partners in three mines in northern Chile that account for 5% of world copper production. Developed at a cost of some $2 billion, the Collahuasi pit controlled by Quebec-based Noranda is the world's fourth largest copper mine. The Spence mine, developed by Rio Algom at a cost of $1.5 billion, begins production this year and is expected to dwarf the others.

Canadian corporations also represent the majority of lessees, and largest block of mining