Issue Two: Human-rights policies need not operate by an on-off switch. Just as there may be degrees of bad performance by human-rights abusers, there are degrees of possible Canadian responses. In some cases a Canadian government might do nothing. (In diplomacy, inaction sometimes counts as action.) Then there is a roughly escalating range of options: confidential criticism and praise; diplomatic support or the lack of it in negotiations valued by the other government; technical aid (as in China and Indonesia) to local human-rights institutions; open condemnation, as in the United Nations; visa restrictions, particularly against members of the regime and its beneficiaries; opposition to financing from international institutions; cuts to development aid; outright trade embargoes; and any number of variations in between. Nor are the options exhausted with government measures; corporate codes of conduct, industry-wide or country-specific, might also suit the circumstances.

Corporate codes of conduct are appealing in several ways: Free from the laborious procedures of political/diplomatic negotiation, they can be drafted and adapted to the peculiarities of specific cases. They can be directed precisely at the wrong that needs righting--at racism in one country, at child labour in another, at unconscionable forestry or toxic mining operations in still another. They can predictably seize the attention of éélites by threatening the loss of what is valued most, the gains of trade and investment. And from time to time they seem to have worked; the so-called Sullivan rules that ultimately guided many international companies in South Africa may have had some effect in ending apartheid.

Still, codes of conduct raise problems both for company managers and for society. Executives sometimes admit to a quandary: On one hand, they resist government-imposed codes that tie their hands in international business (especially if it means a competitive disadvantage); on the other hand, they hesitate to invent all-purpose codes of their own that might fail in specific cases or conflict with government policies. Corruption represents a particular problem for code-drafters; the stronger the code, experience suggests, the more ingeniously disguised will be a new arrangement for bribes. And there is always the "when-in-Rome" argument: A transaction that would be prosecuted as bribery in Canada might be regarded, with approval or not, as a customary commission in another country. Should companies operating abroad obey rules made in Ottawa (or Washington?), or in the place where the deal is done? As one answer, OECD governments for years have been negotiating an international code restraining corruption and bribery; the results so far are incomplete.

Another model, sometimes recommended for APEC and Asia-Pacific: NAFTA-like sidebars to agreements on trade and investment, which would lay down agreed rules for compliance with labor, environmental or other standards.

A further word (but not the last, no doubt) on corporate codes of conduct. It may be that company managers are well placed to see the need for a rule--to correct labor abuses, say, or to remedy some environmental harm--and strategically positioned to take efficient action. Even so, it is fair to ask if it is always enough to leave these decisions to people who might be well-meaning but who are also unelected. What responsibilities remain with the Canadian people, and