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Colombia is Canada's new best friend

By Paul Christopher Webster

Trade and investment ambitions overcome a history of violence

It was just after daybreak on a hazy January morning in Bogota and the 300 bankers were bleary. Summoned at dawn to the auditorium at the foot of their 50-storey office tower, most of them had guessed that their employer-Eduardo Pacheco, owner of Banco Colpatria-was about to confirm the closing of a deal. And no small deal. Canada's Scotiabank, they understood, was taking a controlling stake in Colpatria. But how did this explain the monstrous transgression against bankers' hours? Was this really the right time and place for a lesson in Canadian banking history stretching all the way back to the 19th-century rum trade?

Rick Waugh, Scotiabank's CEO, seemed to think it was. After all, the acquisition of Colombia's fifth-largest bank would be a major step in his expansion strategy, and would rank close to being Scotia's largest-ever foreign acquisition. Waugh had come prepared with a well-rehearsed presentation and a feel-good video replete with romantic imagery. "We're getting married," cooed Waugh as he launched the talk. "And then we'll be on a honeymoon for a while."

With Scotia's total assets of $594 billion and a 2011 return on equity of 20.3%, Waugh was in a position to make any prospective father-in-law happy. "We are called the safest bank in the world," he boasted, "and we have the lowest loan loss of our peer group in Canada." And Canada-"probably the richest country in the G7"-is a good place to come from, added a subordinate flanking him. But the most pertinent fact of all came next, as Waugh described a $10-billion series of 22 acquisitions since the 2008 financial crisis-many of them in emerging markets like China, Thailand and Chile. The spree has transformed Scotia into a truly international banker, with operations in 55 nations and a heavyweight status in Latin America. While most of the banking community back in Canada continues to fight over a mature domestic market and obsess over halting progress in the United States, Scotia has been busily going global. "Our aim is to have half of our business in Canada and half internationally on a net income basis," Waugh explained. Indeed, more than half of the bank's 75,000 head count is already based outside Canada.

But isn't Colombia run by drug cartels?

That is an idea that both Scotia and Colpatria are keen to dispel. After 50 years of civil war driven by ideological clashes and cocaine profits, peace is spreading in Colombia, which is South America's oldest democracy. According to the World Bank, Colombia is the most secure country in Latin America in which to do business. In recent years, Colombia's economy, which is Latin America's fifth-largest, has grown four times as rapidly as Canada's; foreign investment quadrupled between 2002 and 2008. In Waugh's view, these trends are likely to continue as Colombia's huge and until-now largely untouched natural resources are developed with capital from the likes of, well, Scotiabank.

Waugh is not acting alone. In fact, there's a Canadian invasion under way in Colombia. If Waugh is the general in command today, his flanks are well covered by two others-the Toronto Stock Exchange, which provides capital for a raft of Colombian mining and energy companies that are ramping up exploration and production; and the government of Stephen Harper, for whom a new trade deal with Colombia is a key step-albeit a somewhat symbolic one-in the diversification of Canada's exports and investment into emerging markets.

"Colombia is very important to us," Waugh emphasized as he wrapped up his speech. "Sometimes on Wall Street they seem to think all the countries of the world are the same. But we know they are not."

And with that, Waugh buttoned up his jacket and headed off with Pacheco to meet the President.

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On a beautiful early September afternoon last year, Father José Reinel Restrepo shuttered the windows of his church in the central Colombian village of Marmato, walked out to the village square, mounted his small motorcycle and puttered down the tortuously steep mountain road. He was on his way to visit family in a nearby city-a welcome respite from the highly charged atmosphere in Marmato.

On his way down the mountain, the 36-year-old priest passed a series of small gold mines where many from the village gain their livelihoods. For better and worse, gold defines the 500-year-old community. Although it's tiny and remote, Marmato is emblematic of President Juan Manuel Santos's vision for economic renewal. Santos's government backs a plan by a Toronto-based company, Gran Colombia Gold Corp., to modernize gold extraction in Marmato-by moving the village to make way for an open-pit mine.

When word had circulated that Marmato faced government-backed displacement for a resource project, villagers formed a committee to defend the town. They quickly gathered 500 supportive signatures.

Late last August, several members of the committee travelled to Bogota to register their views with government officials. Father Restrepo went with the delegation. The priest bluntly denounced the notion of moving the town and his church to make way for a foreign corporation.

A few days after returning to Marmato, Restrepo gave a television interview in which he denounced "Canadian imperialism" and said, "if they are going to drive me out of here, I would tell them they would have to expel me by way of bullets or machetes-but they can't oblige me to leave."

Four days later, Restrepo set out on his trip to visit family.

Neither his cash nor his motorcycle was stolen when Restrepo was ambushed on a lonely country road. But the priest was shot dead.

Nine months later, the police had not publicly revealed the results of their investigation. Villagers remain studiously neutral on the subject. But many say Restrepo may have died because of his political views. "I have no idea who killed our priest, and I've seen no evidence that incriminates anyone," says Mario Tangarife, a miner opposed to Gran Colombia's plans. "But it does seem a strange coincidence that he was killed just a week after our trip to Bogota, and just four days after his denunciation of the plan to move Marmato was filmed."

The authorities have not made any suggestion that there is a connection between Gran Colombia and Restrepo's death. But that does not prevent Father Javier Giraldo, a veteran analyst at the Centro de Investigación y Educación Popular, a Jesuit human rights centre in Bogota, from citing an old Colombian malady.

Giraldo points to a long-running and well-documented pattern in which Colombian business elites partner with armed groups to silence opponents and displace rural populations living atop natural resources. In a letter written shortly after Restrepo's murder to Peter McKinley, the U.S. ambassador to Colombia, Giraldo argued that the security effort of foreign resource companies in Colombia "is only effective with the protection of enormous contingents of paramilitaries secretly co-opted by the armed forces and by the government security agencies."

Officials at Gran Colombia describe Restrepo's murder as a tragedy, and they bluntly deny any association with armed groups of any sort.

At Gran Colombia's sprawling Marmato compound, centred on a renovated farmhouse protected by armed guards and dogs, company officials eagerly defend their project's environmental and economic merits and describe their social development efforts, including a $2-million (U.S.) contribution for a community fund. Luca Altamura, the local director of sustainability for Gran Colombia, notes that procedures for the security team on site "and some security staff" were recently changed, "in order to make the community feel better."

According to Gran Colombia's proposal, which is still subject to a feasibility study, Marmato would be obliterated in order to make way for a vast open-pit mine that would allow the company maximum access to what it calls a "world-class" ore body, worth an estimated $10 billion (U.S.). In return for giving up their charmingly rustic though badly polluted town, and control of subterranean treasure that the villagers and their forebears have subsisted on for five centuries, Gran Colombia says the local people will get "a planned, modern community" in a valley below the mine, "with proper streets, sewage, utilities and clean water." They will also be entitled to apply for jobs from Gran Colombia. But for all that, critics argue, an ore body that might sustain the village's artisanal mining for centuries will be exhausted in just a few decades.

Rural displacement is an acutely sensitive issue throughout Colombia, where at least four million people have been forced from their homes in recent decades by warfare driven in part by murderous competition for land between the Colombian army, guerrillas and shadowy paramilitary forces that have often been proven to be associated with local business interests. And this illustrates a larger challenge for all mining and energy companies aiming to exploit Colombia's riches. Despite burgeoning economic numbers, Colombia still has Latin America's most inequitable distribution of wealth and social goods such as health care. Will a project help the half of the 46-million-strong population that is desperately poor? Or will it fall into the chasm of conflict caused by the country's brutal disparities, which have become inseparable from the cocaine trade?

Over the past decade, the Colombian military, backed by billions from Washington, has pushed back the Revolutionary Armed Forces of Colombia (FARC) guerrillas, who, alongside several splinter groups, for decades controlled nearly half of the country. Now, with much of its leadership erased by government bullets, FARC and other guerrillas control as little as 10% of Colombian territory, a situation that is making conditions far more difficult for the country's infamous cocaine cartels.

But history has a way of sticking around. After almost 50 years of continuous violence driven by politics and drugs, historians describe Colombia as the world's most enduringly violent country. The Colombian government has documented a total of 51,000 forced disappearances as of November, 2010. Although the homicide rate has been halved over the past decade, it remains among the world's highest.

Against these backdrops, mining development-and the role of the scores of Canadian companies now active in this sector-is an increasingly sore issue. While the Santos government has identified mining development as a strategically crucial economic engine, it seldom acknowledges that thousands of small-scale mines employing hundreds of thousands of workers have long been mining the very same deposits that foreign corporations such as Gran Colombia now hope to exploit. "Marmato is a kind of prototype and should not be developed in this fashion," says Jorge Robledo, an opposition senator who is fiercely critical of Santos's strategy to attract Canadian mining companies and Canadian financing. "This is a situation of a sort that is triggering intense conflict and violence throughout the country."

More conflict and violence is exactly what Colombia does not need if the ambitions of the government and Canadian companies are to be realized. This is as true in energy as it is in mining. With the fastest oil and gas production growth in the world, Colombia is now the sixth-largest producer in the Americas and the 24th-ranked producer in the world. The plethora of Canadian companies involved accounts for more than half of the production. They include such well-known names as Nexen and Talisman, as well as numerous Colombian companies that have TSX listings.

As oil has become more important to the country's economy, it has become more important to FARC too. Attacks on oil infrastructure have increased in recent years even as the overall level of economic violence has diminished.

Talisman had 23 of its subcontractors kidnapped by FARC last summer. They were released the next day, as the army closed in on the guerrillas.

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Between 2002 and 2010, mining claims in Colombia boomed from 2.8 million acres to 21 million acres; about 40% of the country is now under consideration for mining projects. At least 20 Canadian-based names, including giant Barrick Gold and upstarts such as Batero Gold, are active in the country. Many of the companies that have won titles are structured like Gran Colombia Gold, which is part of a corporate group that also includes TSX-listed Pacific Rubiales Energy Corp., Colombia's largest independent oil and gas producer. While the firms rely on access to capital from the Toronto stock market, management is firmly in the hands of impeccably connected local executives. Maria Consuelo Araujo, Gran Colombia's president and CEO, served recently as Colombia's foreign minister. The company's board of directors includes Hernan Martinez, who was minister of mines and energy from 2006 to 2010. Mario Pacheco, whose family established Banco Colpatria in 1955, and who was until recently the bank's investment director, is also on the Gran Colombia board. But the family is already big in gold: Pacheco interests include Mineros SA, Colombia's largest gold producer.

At Gran Colombia's modish offices in a corporate block in Bogota, CEO Araujo, a model of poise who asks visitors to call her "Consi," says she views the Restrepo affair as a matter for the police to handle. Miguel de la Campa, who serves as executive co-chairman for both Gran Colombia and Pacific Rubiales, says the Marmato project will be a breakthrough both for the people of the village and the government of Colombia. "It's a great deposit and it's a great opportunity to create jobs and sustainable development," he suggests as he reclines in jeans and plaid shirt on a leather couch beneath a wall checkered with gilt-framed antique maps of Colombia. "This is a town where mines have been operated dangerously for hundreds of years. It is totally contaminated and it is also geologically unstable. The town needs to be moved whether there is an open-pit development or not." The opponents of the project, he suggests, harbour socialist, possibly even communist, convictions (as a Cuban, de la Campa would know, one supposes). "These NGO types are starting to make it very hard to get things done," he fumes.

And Marmato is just the start. Pointing to a 17th-century Spanish map alongside a contemporary equivalent, de la Campa notes that vast swaths of Colombia are almost as sparsely populated and under-explored now as when the conquistadores arrived in the 16th century, instructed by King Ferdinand to "get gold humanely if possible, but at all costs, get gold."

The impediment to that goal for much of the recent era has been armed opposition. But then came the military's pushback. "That's opened up many areas that were previously insecure," he explains, jabbing at a modern map. He's particularly excited about the Pacific coastal region. "This enormous territory is totally rich in resources and it is virgin territory. Over here, this area was all guerrilla territory; now it's opening up for agriculture. But we need significant infrastructure and we need investment." And that, says de la Campa, is why Colombia needs Scotiabank: "Our financial sector is extremely conservative and has been very reluctant to take risks. As for private equity players here, they're still in kindergarten. There just hasn't been a tradition for Colombian entrepreneurs to invest in project finance."

Those local capital limitations have forced energy and mining developers in Colombia to look abroad for investment, especially to the Toronto Stock Exchange, as with Gran Colombia and Pacific Rubiales. The latter almost doubled crude oil production in 2010, and it posted total oil and gas sales of $3.4 billion and $554 million of profit in 2011. Other Canadian-based Colombian success stories listed on the TSX include Gran Tierra Energy, which more than tripled Colombian production in 2009, and Parex Resources, which invested in four Colombian oil blocks in 2010 in a deal partly underwritten by Scotia. As for Gran Colombia, which has a market capitalization of $205 million and took in $138 million in 2011, it is now Colombia's largest underground gold and silver producer, with six mines in operation and plans to expand gold production fivefold by 2016 if the Marmato project is built.

One recent estimate fleshed out de la Campa's declaration about infrastructure: Colombia urgently needs at least $20 billion in infrastructure investment-roads, railroads, pipelines and ports are all inadequate, and Bogota desperately needs a subway to move its population of nine million. "There's a need for infrastructure investment right across the board as Colombia modernizes and moves past its security issues," says John Stinebaugh, chief financial officer for Brookfield Infrastructure Partners, a descendant of Brascan, the Bronfman company whose name (a portmanteau of Brazil and Canada) denoted Canadian capitalism's first major Latin foray. Last year, Brookfield completed a $400-million deal in partnership with several Colombian pension funds to buy Empresa de Energia de Boyacá (EBSA), an electrical distribution network privatized by the Colombian government. (Brookfield will not disclose whether the funds include one managed by the Pacheco family's Mercantil Colpatria group.)

Compared with equivalent investments in Brazil and Chile, Stinebaugh says, assets like EBSA are selling at a discount due, in part, to continuing security worries. These may be overstated, he believes. "The country is still associated with the drug cartels, the guerrillas and very high crime, but it now offers very solid protections for foreign capital and, fiscally, it is being run very responsibly," he asserts. Like de la Campa, Stinebaugh believes the prospects for major resource discoveries in under-explored areas are exciting. After assessing the risks, Brookfield opted to work with local co-investors and start with modest investments such as EBSA, which Brookfield hopes will open the door for more investments in electrical generation and transmission.

"The Canadian investment houses know how to measure risks," de la Campa acknowledges. But locals are learning. For a recent deal that Pacific Rubiales participated in, "one of the Colombian banks put up the whole thing," he explains. "Until recently, it wouldn't have even occurred to us to ask them." All of which, he summarizes, makes Scotia's move on Colpatria, with its networks of contacts interlaced throughout the Colombian economy, seem especially shrewd. "I've never asked them for a loan," he says with a smile, "but I do think they've made a brilliant decision."

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Juan Manuel Santos, Colombia's president, could easily have left it to someone else to rubber-stamp Scotiabank's Colpatria purchase. But on the morning when the deal was to be signed in Bogota last January, the President seemed more than happy to officiate. So Rick Waugh, Eduardo Pacheco and a small group of dignitaries and executives, having already gone though Waugh's history lesson, were treated to an extended speech aimed straight over their heads toward a phalanx of television cameras stacked at the back of the gilt-drenched main reception room at the national palace.

According to Santos, Scotia's arrival in Colombia could be directly traced to a series of decisions the President himself engineered starting in 2003. That was the year, he recalled, when, as finance minister, he was obliged to bail out many of the then-bankrupt Colombian banks at a total cost of at least 5% of GDP. "We rescued the banking sector," he explained, "and now we're harvesting what we planted. What we did 10 years ago is being realized in investments like the one being made today."

Then there was the matter of security. The containment of guerrilla groups has spurred remarkable economic growth and foreign investment, the President narrated. This, he explained, has become especially important in fostering the mining boom that Santos describes as the "economic locomotive" that will drive Colombia's growth. "Last year we broke all the records," Santos said with a grin.

Getting Canada's most international bank into Colombia was also part of the plan, according to Santos. The deal with Colpatria, he explained, represented the fullest flourishing of Colombia's 2011 free trade agreement with Canada, a project in which he'd invested substantial time and effort, including a trip to Canada in 2010, and a reciprocal stint hosting Prime Minister Stephen Harper last year. "What is the meaning of Scotiabank coming here?" Santos asked in full rhetorical flight at the culmination of his speech: "More efficiency in the financial sector. The economy will work better. More productivity and more investment. The race is on for jobs. We've finally broken the negative historical trends."

It was 10 in the morning and the speechifying had started at dawn. But the President was now signing the deal. Waugh finally had what he'd been waiting for: Today, for just over $1 billion in cash and stock, Scotia was taking a 51% stake in Colpatria, which is Colombia's second-largest credit-card provider and a major retail bank with 4,000 employees and 175 branches. With a 20% return on equity, Colpatria was Colombia's second-most profitable bank in

2010. Given Scotia's deep experience in oil and gas and mining, sectors now booming in Colombia in large part thanks to Canadian investments, Colpatria's resource-sector connections via Gran Colombia and Mineros will likely be useful; wealth management and insurance also seemed promising to Waugh.

But the real attraction, Waugh believes, is Colpatria's capacity to expand retail banking among working people spending their way up the consumer chain, starting with purchases as small as toasters and leading to car loans and home mortgages-banking the unbanked, in other words. In Colombia, where only about 30% of people have bank accounts, and total loans across the banking system grew 16.4% in 2010, there is plenty of room to grow. "That's going to be our main thrust," Waugh asserts. The explosive popularity of cellular and now smartphones in Colombia, where RIM's BlackBerry products hold an impressive market lead, confirms that as poverty lifts for millions of people, they embrace consumer contracts, says Santiago Perdomo, Colpatria's president. For proof, he points to a partnership between his bank and a Bogota electrical utility in which consumers repay bank loans (many of which are made in bank locations strategically placed inside giant retail outlets) through their electrical bills. In a country where only 40% of jobs are formally registered, this program helps the bank develop relationships with huge numbers of self-employed and unofficially employed people. "This is how you reach out to people in the informal sector," Perdomo explains.

For Scotia, the push into Colombia is just the latest step in a series of gambits that have given the bank a high-profile presence on the Latin American financial industry's increasingly complex and competitive chessboard. Starting in the 1990s, Scotia has been massaging its disparate collection of pawns and minor pieces-the legacy of its 19th-century roots servicing maritime traffic between Nova Scotia, the Caribbean and Central America-into an increasingly coherent set of major pieces in major nations. In Mexico, Scotia operates 711 branches and has been among the national leaders in auto financing and mortgages since the 1990s. That distinction, alongside Scotia's Canadian and stateside business, allows the bank to describe itself as the leading provider of business banking and investment services across the NAFTA region, and "unmatched in terms of our North American banking platform."

Not all of Scotia's manoeuvres have succeeded: After the Argentinian government defaulted on $95 billion worth of debt in 2002, Scotia pulled out of the country and booked a $540-million after-tax loss. But Latin America's resurgent economies soon began to beckon again: Lately, the bank has been buying beachheads across South America, including a $400-million acquisition in Peru in 2006 and a $1-billion bet in Chile in 2008. Since then, Scotia has added to its positions in Latin America with various smaller deals and by purchasing loan portfolios from the Royal Bank of Scotland, including its Colombian business.

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If Scotiabank's arrival in Colombia represents the culmination of a major policy initiative for the Santos government, the same is also true for the Canadian government. Ottawa has pushed hard to open trade in Latin America since 2007, when Prime Minister Stephen Harper visited Chile and, after opening a Scotiabank branch in Santiago, announced his support for a series of free trade deals.

Whereas Latin America received about 12% of global investment in mining in the 1990s, these days its share is close to one-third. Harper has been back to Latin America three more times; in 2010 his efforts paid off with the signing of the free-trade deal with Colombia.

Even before the deal took effect last year, trade between the countries was growing: It climbed by 32% between 2005 and 2010.

But the advance is from a modest base. The entire South American continent accounted for just 1.5% of Canada's exports in 2011, and 3.4% of its imports. A 2011 report by the federal government says Colombia ranked as Canada's 32nd-largest export destination (agricultural products being by far most important) and 42nd-largest source of imports. Those imports-primarily coffee, crude oil, bananas, coal and flowers, totalling $717 million in 2010-are dwarfed by estimated cocaine imports from the country. As for investment, it is a one-sided picture: In 2010, Canadian companies invested $824 million in Colombia, while Colombian investment in Canada amounted to $1 million.

Harper insisted the trade deal would help promote peace in Colombia. Indeed, before consenting to Harper's push to make Colombia Canada's new best friend, Parliament insisted the government produce annual human rights reports that monitor violent conflict. After all, Colombian officials acknowledge that every year at least 100,000 people continue to be displaced from their homes by violence-many of them in regions where Canadian companies are pursuing resource opportunities.

Shortly after Harper reached agreement with his then-counterpart, former president Alvaro Uribe, more than 30 members of the Colombian Congress, including one of Uribe's cousins, were imprisoned over links with paramilitary forces. The head of the armed forces resigned over cases in which people were lured away and slain, then dressed to make them appear as if they were rebels or criminals killed by the armed forces. Uribe's foreign minister, current Gran Colombia CEO Maria Consuelo Araujo, had earlier resigned after her brother and her father were jailed for their links to paramilitaries.

Even as the Colombian government claims to be quelling ideological and narcotics-related violence, conflict-ridden situations such as the one in Marmato continue to escalate in many areas, according to Colombian critics such as Senator Robledo. In part this is thanks to newly introduced resource development laws that were crafted with extensive support from Canadian consultants paid with millions of dollars in grants from the Canadian International Development Agency (CIDA), which is increasingly involved in mining promotion. "Human rights violations are linked to efforts by those behind Colombia's murderous paramilitaries to create conditions for investment from which they are positioned to benefit," noted the public-interest group MiningWatch in a 2009 report that was produced in collaboration with Inter Pares, an Ottawa development body that receives funding from CIDA. "The continued presence of paramilitaries in areas of high investment raises serious concerns that Canadian investment risks contributing to or exacerbating the violence, and risks benefiting from or being complicit with the human rights abuses and massive displacement that continue to occur."

The Canadian embassy in Colombia must perform a delicate balancing act between political sensitivities and the task of marshalling a growing stampede of resource-based companies into Colombia. When a delegation of Canadian and American human rights activists arrived for a recent briefing on the situation in Marmato at the Canadian embassy in Bogota, which is housed in the new Scotiabank Tower, they encountered a security check involving no less than 17 separate stages under the supervision of eight guards at two separate barriers. Once all the checks were done, the visitors-who included a retired Catholic bishop from Detroit and a clutch of labour, human rights and development workers-were asked to don plastic security badges identifying them as visitors to the Embassy of Canada in small lettering beneath a much more prominent Scotiabank label.

Inside the embassy, the senior official who met them on a "background only" basis said that although Canadian officials are watching the Restrepo affair with concern, the embassy strongly supports Gran Colombia's project in Marmato, which Canadian diplomats have viewed from aboard a helicopter chartered by Gran Colombia. In Marmato, he said, embassy staff observed the use of child labour in artisanal mines, as well as environmentally dangerous practices of a sort Gran Colombia's project would abolish. Regarding the murder of Father Restrepo, the official said both the Canadian government and Gran Colombia have urged Colombian officials to closely investigate the matter.

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Standing beside a plate-glass window looking out onto the slums running along the mountain ridge that flanks Bogota's eastern edge, Eduardo Pacheco was about to sit down to lunch in Bogota's exclusive Club Nogales, the Colombian elite's massively fortified mid-city playpen. Joining him to celebrate the billion-dollar deal he'd signed earlier that morning was Rick Waugh and several hundred other friends and associates, including Alvaro Uribe, the former president who started Colombia on the current less-crime/more-investment path that his successor Santos is so proud of.

If Pacheco had the I-can't-believe-my-luck-look of an oligarch who'd just sold the same bank twice, perhaps it was because that's exactly what he'd done: In 2007, on the eve of the U.S. bank crash, the Pacheco family sold GE Capital a major stake in Banco Colpatria. And, early last year, they paid a reported $550 million (U.S.) to repurchase it from cash-strapped GE. Today they were reselling almost exactly the same stake to Scotia for a billion dollars. "Eduardo and his family are great entrepreneurs," acknowledged Dieter Jensch, Scotia's executive vice-president for Latin America, with a slightly wry smile, before insisting that the deal was as good as any Scotia has ever done. "Colombia is a country that has never defaulted or even rescheduled its debt," stressed Jensch, who was on hand for the party as Colpatria's newest board member. "This country is highly bankable."

For his part, Pacheco wanted to talk about his bank's contract with Scotia as a nation-building moment. "When you look at the totality of the Colombian banking sector, it is simply too small to finance some of our major resource projects-but Scotiabank can help us do that," he mused. "That's one of the new areas the bank will explore. We don't do project finance but Scotia does. What they call wholesale banking-servicing the multinationals."

Seen from this perspective, Canada, too, seemed to be looking pretty bankable. "Canada is going to be crucial in helping this country move beyond poverty," Pacheco reflected with his freshly minted billion-dollar smile. "Why do you think we got invited to the palace?"