When Theodore Newton, in 1958, became Canada’s second ambassador to Indonesia, his reaction summed up his new station’s peripheral place in Canada’s foreign relations:

Indonesia? The other side of the world! Visions of watery islands, brown hordes struggling to assert themselves, equatorial jungles, smoking volcanoes, gorillas and other bizarre forms of life flashed through my mind. . . . The die was cast, but my ignorance of my future parish was colossal and what little knowledge I possessed of it was bookish and remote.¹

Indonesia mattered: it was the fifth most populous country in the world, the largest Muslim-majority country, and a trailblazer of non-alignment. Yet as Newton noted, even the capital city of Jakarta was a “confusing South Seas metropolis,” pioneer territory for Canadian diplomats.²

Canadian involvement with Indonesia began when Canada’s Security Council delegation played a significant role in the United Nations-brokered peace settlement that saw the Netherlands accept the independence of its Indonesian colonies in 1949. The two countries exchanged embassies in 1953, and Canadian development aid commenced in the 1950s. Cordial if low-key relations continued until 1963, when the remaining British colonies in the region joined the Federation of Malaya to form a new independent Malaysia. This angered President Sukarno, who embarked on a “confrontation” with the new Commonwealth member state.³ The Canadian government lent strong support, even including some military aid, to Malaysia, and suspended aid to Indonesia. It welcomed the military coup that toppled Sukarno in 1965–6 and began to seek closer trade and aid ties with the authoritarian “New Order” regime headed by General Suharto. Ottawa made Indonesia a “country of concentration” for development aid in 1970, and Indonesia rose as high as second among bilateral-aid recipients in the years that followed. While Canadian governments cultivated closer economic relations with Indonesia, human rights were not a major factor. Only after the fall of Suharto in 1998 did any Canadian government press very hard on rights issues, giving support to the 1999 decolonization of Timor-Leste (East Timor). Human rights were again subordinated to economic interests in Canadian policy towards the democratizing governments of Indonesia in the first decade of the twenty-first century.⁴

For most of this period, Indonesia was important globally, but peripheral to Canadian policy-makers’ perceptions of the national interest. Their mental maps, their ways of picturing the world, placed the North Atlantic at the centre of the zone of “civilization,” as Prime Minister Louis St Laurent called it, with most of the world as periphery.⁵ This was the natural result of their upbringing in a Canada that was very
much part of the British Empire. Lester Pearson considered that Canada could be most effective as “honest broker” in areas on the periphery of Cold War clashes. Examining a relationship peripheral to the imagined interests of Canadian governments permits a clearer look at the themes of Canadian foreign policy. The idea that Canada played the role of an idealistic “middle power” has been debunked thoroughly by historians who have identified the importance of alliance politics. If there was indeed a strain of idealistic mediation running through Canadian foreign policy, it might be expected to be more visible in areas at the edge of the Cold War, as Pearson suggested. In Indonesia—a land almost impossibly distant to many in Ottawa—it was not. Part of the reason was that Asia and the rest of the less-developed world were seen as peripheral. Racialized perceptions underpinned and reinforced mental maps.

Many Canadians have spelled out their own diplomatic self-image of Canada as benevolent peacemaker and humanitarian internationalist power with respect to relations with the global South. In a 1960 Dominion Day speech delivered on Radio Indonesia, Newton offered as clear a statement of the Canadian sense of mission as any: “We aim to be considered honest brokers in world affairs. We wish to help the less developed and the less fortunate nations of the world toward a fuller life.” A case study of Canadian policy towards Indonesia, however, shows that policy-makers made decisions about Indonesia in ways that would serve the interests of Canada’s alliances and multilateral associations—the Commonwealth and the North Atlantic Treaty Organization (NATO) above all. Over time, it increasingly meant serving the interests of Canadian capital by promoting trade and investment.

**Canada and Asia: The Bases of Trans-Pacific Relations**

Canadian interactions with Asia are long-standing, but Asia began to appear on the horizons of Canadian policy-makers only gradually. Pearson argued that Canada, in approaching Asia after the Second World War, had “not so much been opening a new chapter as opening a whole new volume; for, until recently, Asia to most Canadians was a closed book.” There had in fact been connections, including an embassy in Tokyo opened in the 1920s, but Canadian public and private interest in Asia was mostly concerned with Christian evangelization, commerce, and immigration. In 1950, 46 per cent of Canada’s diplomatic corps was stationed in Europe, with just 12 per cent in Asia. The image of Asia was still filtered through Orientalist preconceptions. Cabinet minister Paul Martin Sr, for instance, could speak of Asia as having for many years “fallen into lethargy. Their civilizations have been like sleeping giants, lying in caves, surrounded by the treasures which are the memorials of their past greatness.” But, he added, “[t]hese nations are now stirring from their long sleep.” Canada’s postwar engagement with Asia should be seen in the context of shifting styles of Orientalism. Canadians saw Asia as teeming millions who sprawled from the “martial races” of Afghanistan to the “stone age cannibals” of New Guinea—peoples more primitive than
themselves. For some, that meant Asia was benighted; for others, that Canada might have a mission to help Asians develop and perhaps even a model to offer.

The study of Canada-Asia interactions permits a broader understanding of the scope of Canadian foreign relations. It is useful to draw on Steven Hugh Lee’s typology, which considers Canada-Asia relations in four realms: diplomacy and foreign relations; trade and investment; migration; and missionary work. As Ruth Compton Brouwer points out, the space once occupied by missionaries increasingly passed to development workers (even while those workers denied direct connections). Like many missionaries, development workers preached a gospel of modernity and sought to transform Asian societies, making them more like Canada. An exclusive focus on “high politics” can miss important non-state aspects of foreign relations. As one Indonesian diplomat noted, a “Canada-Indonesia community” of businessmen, non-governmental organizations (NGOs), exchange students, and others became “the real driving force in the relations between our two countries.” Nor is this non-state community new. In 1958, for instance, 67 of the 150 Canadians in Indonesia were working for American oil companies; another 67 were missionaries, teachers, or development workers; and just 14 worked in other jobs, including at Canada’s embassy. This chapter therefore explores non-state relations alongside state-to-state relations, using Indonesia as a Canada-Asia case study in the four realms of diplomacy, trade, migration, and missions/development.

**Diplomacy and Foreign Relations**

Canadian involvement with Indonesia began with that country’s revolution to secure independence from Dutch rule. Canadian attitudes towards decolonization were entangled with Cold War concerns and mediated through the prism of relations with the Netherlands. Canada hosted a large Dutch-Canadian community; its government saw the Netherlands as a like-minded middle power and North Atlantic partner; and Canadian troops forged new, stronger ties in 1944–5 as they liberated the Netherlands from German control. When Ottawa sent postwar reconstruction aid to Europe, the East Indies were the only colonial territory to receive a loan, extended since they were considered vital to the recovery of the Dutch metropolitan economy.

Canadian policy-makers used their own country’s past as a model, preferring orderly evolution towards independence to revolutionary breaks. Commonwealth-style empire was no negative in Canada, where empire’s image was burnished by the tales of Rudyard Kipling and Somerset Maugham, by cartoons featuring the adventures of heroic colonialists in tropical jungles, and so on. Ottawa thus had considerable sympathy with the Dutch proposal that Indonesia be “linked to the Home Country as in our own Commonwealth by the Crown.” They had less for Indonesian nationalists who declared an independent republic with Sukarno as president in 1945. Canada’s entry onto the UN Security Council in 1948 forced Ottawa to take an interest in the situation, guided by a perceived need to restore Indies economic production for use in world trade.
Indonesia’s revolution was soon embroiled in Cold War politics. After Sukarno crushed a communist uprising in 1948, his government’s image was burnished in the United States, which joined India and Australia at the Security Council in criticizing Dutch intransigence. When the Dutch spat back stiff-necked defiance, Canadian diplomats stepped in with a compromise formula that led to the creation of a federal United States of Indonesia, locked into a Commonwealth-style Netherlands-Indonesian Union. Although later writers hailed this as an early example of Canadian mediation, a close reading of the archival record reveals that Canadian actions aimed at preventing a breach between the UN and the Netherlands, especially between Dutch and American governments during the years when NATO was being negotiated. Canadian mediation was not between Dutch and Indonesian positions, but rather between Canadian allies, in ways designed to ensure the survival of alliances important to Canada.

Jakarta was the first Southeast Asian city to host a Canadian embassy. It opened with staff housed in cramped offices borrowed from a Dutch bank, with additional work done on the verandah of the Hôtel des Indes, and with office stationery shelved in Ambassador George Heasman’s hotel room. Because this is such a populous, strategically located and potentially wealthy new state, the undersecretary of state for external affairs wrote, “there is a political interest in seeing that it maintains its contacts with the western world and does not fall under the Communist influence, whether Russian or Chinese.”

Hopes for post-independence Dutch-Indonesian friendship were doomed by another decolonization dispute, over West New Guinea (now known as West Papua or, sometimes, simply Papua). This territory had been part of the Indies, but the Dutch held on to it when they accepted Indonesia’s independence, arguing that the dark-skinned, curly-haired Papuans were ethnically distinct from Indonesians. The struggle to “regain” this territory became the central Indonesian nationalist struggle. When diplomatic efforts failed, Sukarno in 1957 expelled all Dutch citizens and nationalized the Dutch-owned businesses that dominated Indonesia’s economy. Three years later, responding to plans for Papuan independence, he broke relations and embarked on a military buildup fuelled by Soviet bloc aid and arms. The West Papua conflict threatened to drive Indonesia into the camp of communism; decolonization once again intertwined with the Cold War.

Indonesian diplomats turned to the Canadian government in search of mediation. But for all the efforts of Ambassador L.N. Palar, Indonesia’s image in Canada had plummeted. “The West cannot afford to lose the democratic leaders of Asia, because if you lose them, you are lost too,” Palar told audiences on a 1958 tour of Canada. The West had to “let us finish our fight against the old colonialism and you will see how we treat this new [Communist] danger.” His efforts had little impact, and the Diefenbaker government rebuffed mediation requests. That job went instead to US president John F. Kennedy, who forced the Dutch to accept Indonesian rule starting in 1963, with a few
forms of window dressing to preserve the forms of self-determination. Papuans remain independence-minded today.\textsuperscript{21}

The settlement offered hope that Indonesia would return to a pro-Western path, but the rapprochement careened off track later that year when Malaysia was formed. Sukarno and others saw the new country as a front for a continued British informal empire. Indonesia was back on a path of opposition to a Western power—except now it was Britain rather than the Netherlands, and there was little chance of American intervention. Both the US government (under Lyndon Johnson) and the Canadian government (under Lester Pearson) distanced themselves from Sukarno but resisted breaking all links. Canadian Conservatives joined American Republicans in demanding the termination of all aid. Conservative external affairs critic Wallace Nesbitt denounced Pearson for “a two-faced, fence-sitting, wishy-washy foreign policy in southeast Asia” and compared Sukarno to Hitler. Why, an internal Conservative memorandum asked, was Canada “giving free flour to [Indonesia] . . . while she is waging war on one of our youngest and most vulnerable Commonwealth brothers”?\textsuperscript{22} Only after Indonesia left the United Nations and tried to form a rival UN called the Conference of the New Emerging Forces did Pearson’s government suspend aid to Indonesia and start giving military training and supplies to Malaysia. This earned Canada a place on Sukarno’s list of “imperialists with white skins” and an invitation from one Indonesian newspaper to “go to hell,” marking a low point in bilateral relations.\textsuperscript{23}

In 1965, a group of plotters assassinated some of Indonesia’s top generals. Suharto, the highest-ranking general not targeted for assassination, blamed the Indonesian Communist Party. Encouraged by American diplomats, the army launched a campaign of violence in which hundreds of thousands—some estimates say a million or more—were killed and many others imprisoned.\textsuperscript{24} Canadian policy-makers showed few signs of being disturbed by the mass violence. Canada’s ambassador praised Suharto, who moved to replace Sukarno as president, as “a moderate, sensible and pragmatic leader.”\textsuperscript{25} So he remained, in diplomatic reports, for more than three decades. Indonesian and Canadian diplomats collaborated effectively on the 1970s Indochina truce commission. Ottawa welcomed Suharto’s low-key pro-Western policies, although each country remained largely peripheral to the other in the diplomatic realm.

A decolonization issue once again came to the fore when Portuguese Timor (now Timor-Leste, or East Timor) declared independence in 1975. Indonesian policy-makers told Western counterparts that they feared “a second major danger” alongside communist Vietnam, “another Cuba” in their backyard.\textsuperscript{26} Most Western governments, including Canada’s, offered broad sympathy, easing Suharto’s decision to invade. From 1975 to 1999, East Timor was under Indonesian military control. No accurate death count is possible, but estimates range from somewhat over 100,000 to 250,000, in a country with a population of fewer than one million people.\textsuperscript{27} Canadian governments occasionally
mentioned the Indonesian army’s human rights violations in private, but steadfastly opposed Timorese independence until the late 1990s.

By the 1990s, Indonesia no longer seemed peripheral to Canada. It was “un partenaire de plus en plus important en Asie,” the Department of Foreign Affairs briefed Jean Chrétien’s first foreign minister.28 Although the record shows some concern over human rights violations in East Timor, it does not show that human rights were allowed to interfere much with good relations. It was only in 1996, as East Timor became a more troublesome aspect of Indonesia’s overall foreign relations, that Foreign Minister Lloyd Axworthy offered to mediate. Indonesia said no: its foreign minister believed that “Canadian NGOs are the most ferociously anti-Indonesian in the world and he is sceptical, therefore, of the Canadian government’s ability to resist domestic political pressure and maintain its neutrality.”29 Canada instead opened a “bilateral human rights dialogue” with Indonesia in 1997, which aimed to defuse domestic criticism by creating a closed-door forum for exchange of views. Axworthy was even willing to apologize to Suharto for the protests mounted by Canadians against Suharto’s human rights record.30

Axworthy and his department, however, did act effectively to support Timorese self-determination after the fall of Suharto in 1998. Ottawa backed a UN-sponsored referendum and pressed (unsuccessfully) for an international peacekeeping presence. The lack of such a presence allowed Indonesian generals to spur violence after 78.5 per cent of voters opted for independence in the 1999 referendum.31 UN and other multilateral pressure, with useful Canadian involvement, forced the Indonesian government to accept Timorese independence. After this brief window of advocacy, however, Canadian support for human rights again faded. It is in non-diplomatic realms that the relationship continues to develop.

**Trade and Investment**

The Sukarno years spelled disappointment for Canadian hopes that Indonesia would be a valuable market and trade partner. In the Suharto years, those hopes were realized, and the drive to promote Canadian trade and investments in Indonesia came to dominate the relationship. In Canada as elsewhere, there are long-standing images of the “oriental riches” and vast potential markets of Asia. The revolutionary Indonesian Republic played to trade hopes, pledging to welcome investment and even claiming a “right to export” Indonesian raw materials to fuel the world economy.32

Ottawa’s chief Asia specialist, Arthur Menzies, was far from alone in his hopes for “the development of considerable trade between Canada and Indonesia.”33 The post of Canada’s first ambassador fell to George Heasman, head of the trade commissioner service, who had been assistant trade commissioner to the East Indies in the 1920s. Officials hoped that high wheat sales (by 1953 in excess of $6 million, 27 per cent of total Canadian exports to Indonesia) could lead an expansion of trade.34 Disappointment soon set in. Trade reached $1 million each way in the mid-1950s, but this was well
behind the prewar levels (in 1941, Canadian exports to the East Indies exceeded $3.6 million and imports were almost $4.6 million). By the end of the decade, prospects seemed so poor that the position of Jakarta trade commissioner was abolished. Even the wheat market was lost to Australian competition. Canadian wheat exports to Indonesia continued, but Ottawa paid for them under the “food aid” label. Faltering trade hopes contributed to a downgrading of bilateral relations. “In the realm of economics,” one Canadian ambassador sniffed, “many Indonesians still live in a socialistic dream world of their own creation.”

Although trade would increase, it is in foreign direct investment that the Canadian presence in Indonesia became most significant. Investment ties were long-standing: for instance, Bata Shoes has operated continuously in Indonesia since the 1950s. By 1999, a total of 46 Canadian companies had Indonesian offices, operating in financial services, fast food, engineering, consultancy, transport, communications, and electronics. Canada loomed especially large in the mining and oil and gas sectors. The forerunner to Royal Dutch/Shell was formed to funnel Indonesian oil to European markets. Indonesia doubled its oil production in the 1950s, pushing it to just shy of a third of total exports, and ranked as the world’s twelfth-largest producer. Production was in the hands of three big oil companies, Shell plus two American conglomerates. To counter this dominance, Jakarta opened the doors to smaller oil independents, including several based in Canada. For instance, Refinery Associates of Canada, a subsidiary of a California company based in Toronto for tax purposes, entered Indonesia in 1957 in partnership with the Indonesian army.

Another key independent was Calgary-based Asamera Oil, formed in 1957. The company insisted it was a Canadian enterprise, but the Department of Trade and Commerce disagreed, arguing that just 7 per cent of stock was Canadian owned. Its owners, the embassy in Jakarta reported, were “a very mixed bag indeed and certainly not noticeably Canadian.” They included a shady majority stockholder who was “some sort of Greek-Swiss combination,” an American retired general, and “a British naturalized White Russian.” Denied embassy support, the company bribed its way to a contract and found its own army patrons. Asamera then won a contract to explore for oil in the northern half of the island of Sumatra. It found natural gas in rebellious Aceh province in 1962 and parlayed this into corporate respectability. In the process, it fuelled tensions in Aceh by creating a wealthy enclave economy that delivered little profit to local people. Conflict over resources combined with conflict over politics and religion to create a regional rebellion that raged from the 1970s to 2005. Once Asamera struck oil, Canadian embassy staff embraced the company as a true national standard-bearer. “I was most favourably impressed with this Canadian company’s operations in Indonesia,” one ambassador enthused in 1969. Asamera was eventually absorbed into Gulf Canada, then into the ConocoPhilipps empire, but many other Canadian oil companies remained present.
Mining was also important. Canadian investors expressed interest in nickel deposits on the Indonesian island of Sulawesi in the 1950s, but their “bustling Bay Street approach” won few friends and they opted for other opportunities. In 1968, Toronto-based Inco won a contract from the Suharto government to any minerals found in a vast area covering an entire province and parts of two others on Sulawesi. When the company found nickel, it was able to open Indonesia’s second-largest mine and vault Canada to the number-four spot among Indonesia’s foreign investors. It was assisted with a $57-million credit from the Canadian government, even while trimming staff at its mine in Sudbury, Ontario. “Our only trouble here is that there is just too damned much nickel lying around,” one Inco official said.

Canada today is one of the superpowers of global mining, home to over three-quarters of the mining and exploration companies on the planet. Indonesia is no exception. In the last days of the Suharto era, Canadian companies continued to explore and seek the close ties with the regime necessary to do business in Indonesia. One firm, Bre-X, made headlines when it claimed to have struck gold in Borneo. Those present in 2010 were led by controversial Barrick Gold. Canadian mining companies, supported by Prime Minister Stephen Harper’s government, successfully resisted a move that year to legislate their human rights and environmental conduct overseas and deny them the sort of government financing that helped Inco become a mining giant in Indonesia.

The precedence of business over human rights advocacy is a trend that goes back to the Trudeau government’s “third option,” a move to diversify trade away from dependence on the United States. The third option concentrated on Europe and Japan, but also included cultivation of the countries of the global South, including Indonesia. This accelerated in the Chrétien years, with “Team Canada” trade missions as the tool of choice. The trade drive performed ritual contract-signing ceremonies and tried to link Canada with Asian “miracle” economies. By 1994, Canadian investment in Indonesia stood at $3 billion, with Canadian exports above $50 million. “Indonesia offers the best fit for Canadian economic interests I have seen,” one Canadian ambassador declared. In 1996, Team Canada broke all previous records to become the largest trade delegation ever to visit Indonesia. Investment soon doubled again, to $6 billion. Canada also scrambled to sell wheat, regaining the number-two spot among Indonesian suppliers. The frenzy slowed only when financial crisis swept through Asia in 1998. Nevertheless, trade and investment remain central to bilateral relations.

**Missions and Development**

Canadians first approached Asia as merchants and missionaries—groups who wished to change Asian societies. Many diplomats were “mishkids,” the children of missionaries. Missionary reports and visits home shaped Canadian images of Asia. Missionaries suffered the loss of the China mission field in the 1950s as the People’s Republic cast off Western influences. But the missionary stress on schools, hospitals, and literacy could
easily spill into a new mission: to “lift up” less-developed societies through a renewed gospel of progress. It makes sense, then, to consider development as the postwar inheritor of the missionary strand in Canada-Asia interactions.

Indonesia had not been a significant mission field for Canadians, although a few evangelists were part of American-run missions to Muslim-majority Indonesia. Canadian development work in Indonesia also began slowly, as part of the Colombo Plan for economic development in South and Southeast Asia. This plan was conceived at a 1950 Commonwealth meeting as a means to channel Western funds into India and other former British colonies in Asia in ways that would reduce the temptations of communism and keep them integrated into the Western-dominated global economy.\textsuperscript{47} Canadian diplomats did not, contrary to some accounts, play a prominent role in launching the plan, but they increasingly embraced it as public support grew. Canadian participation was informed by Canada’s own recent experience in economic development, which Ottawa perceived as relying not on aid, but on foreign investment and Canadian ingenuity. Canadians did not go forth to proclaim the virtues of their country as a model for others to follow, but the pattern of the Canadian past and Canadian development experiences nevertheless influenced policy-makers.

In Colombo, Canadian diplomats began a habit of approaching South and Southeast Asia through the prism of India, its leading Commonwealth member. Indonesia appeared as a smaller and more exotic version of India and accordingly received smaller and slower aid. Canada began with technical assistance, sending advisers with specialized skills and providing fellowships for Indonesians to study in Canada. Capital aid began later in the 1950s, in the form of aircraft and (as commercial prospects dwindled) wheat flour. But total Canadian aid to Indonesia from 1950 to the fall of Sukarno in 1965 was little more than $5 million, less than 1 per cent of total Canadian bilateral aid for Asia, and came overwhelmingly in the form of wheat and technical training.\textsuperscript{48}

Yet there was much more to development work in Indonesia than bilateral aid. As with the missionaries, Canada’s engagement with Indonesia came primarily in the non-state realm. Two projects began in the 1950s and grew strong during the Suharto regime: one in development planning and one in Islamic education.

McGill University economist Benjamin Higgins became the first key figure in Indonesia’s State Planning Bureau, a joint project between the Indonesian government and the United Nations Technical Assistance Administration (TAA). Other Canadians also influenced the bureau. TAA operations chief George Cadbury, for instance, brought the model of social-democratic development from his previous post as top economic adviser to the Co-operative Commonwealth Federation government of Saskatchewan. The bureau mapped out a path towards a developmentalist state seeking foreign direct investment. Although not adopted in the Sukarno years, this precisely anticipated the direction of the Suharto regime’s National Development Planning Agency (Bappenas). So did many of
Bappenas chief Widjojo Nitisastro, for instance, started his career as an assistant to another Canadian posted to the Planning Bureau, statistician Nathan Keyfitz.

The technocratic project begun in the Planning Bureau became one key prop to Suharto’s military government, as economists lacking public support teamed up with generals who had the ability to enforce their will. After the army crushed the Indonesian Communist Party, the sole remaining threat to its rule appeared to lie in political Islam. A second major prop, therefore, came from religious scholars who worked to depoliticize Islam. This support, too, was rooted in Canadian assistance going back to the 1950s. McGill University opened an Institute of Islamic Studies in 1951, directed by Wilfred Cantwell Smith, a former Presbyterian missionary in what is now Pakistan. The institute aimed to modernize Middle Eastern understandings of Islam, but turned out to be most influential in Indonesia. Islam, Smith was convinced, “is living through in our day a transformation comparable in scope and profundity, though not in form, to the Protestant Reformation in the history of Christianity.” He hoped to see his institute “make a notable contribution to that Islamic renascence and reformation” and even “conceivably [act] as a kind of midwife for the Islamic Reformation which is struggling to be born.”

It proclaimed itself to be a modern, rational alternative to traditional centres of religious learning in the Middle East. McGill graduate Abdul Mukti Ali became Suharto’s most influential minister of religion; fellow alumnus Harun Nasution redesigned Indonesia’s Islamic universities system according to the model of McGill’s religion curriculum; and other members of the “McGill mafia” also worked to redirect Indonesian Islam into “modern” channels that fit the Suharto regime’s emphasis on “apolitical” economic development.

Foreign aid, in the form of financial and/or technical assistance to help developing or impoverished countries or their citizens, has increased significantly since 1945, both as an instrument of foreign policy used by governments and through the efforts of private organizations driven by humanitarian motives.

As an instrument of foreign policy, foreign aid has been used by countries such as Canada to promote international security and build alliances or positive relations with receiving countries by stabilizing them or encouraging greater economic and social interactions. Canada’s foreign aid has increased due to its participation in multilateral organizations such as the United Nations and the World Bank, which has encouraged a greater sense of obligation to aid the impoverished and dispossessed throughout the world. Development aid has also increased owing to the growth of non-governmental organizations (NGOs), non-profit volunteer organizations dedicated to a range of concerns, including the provision of assistance to the impoverished in many areas of the world or to emergency relief in times of humanitarian crisis—such as displacement or famine.

Government foreign aid is distributed either directly to the receiving country or through funding to multilateral organizations, such as the UN High Commission for
Refugees. In 1968, the federal government created the Canadian International Development Agency (CIDA) to coordinate its foreign aid policy. Prior to its demise in 2013, CIDA often turned to—and funded—NGOs, both Canadian and in the receiving country, which have provided the service and personnel to fulfil Canada’s aid goals.

NGOs proliferated in Canada in the postwar years as a part of the general growth of social movement politics, of groups or organizations dedicated to addressing social and economic problems and to encouraging greater equity and opportunity in Canada and throughout the world. NGOs dedicated to development aid in impoverished countries were often motivated by a determination to provide both aid to their fellow human beings and by a desire to redress the poverty and oppression often viewed as a product of colonialism and imperialism, in both the past and the present. A significant component of the work of NGOs has been in the form of emergency relief and during humanitarian crises. Longer-term aid work involves the provision of personnel and goods in such areas as education and medical or health services/programs, as well as assistance in developing infrastructure for purposes such as improved water quality or economic development.

Pioneered without government funds, the Canadian International Development Agency would pick up the McGill connection for subsequent major funding. Western development aid was crucial in bolstering the Suharto regime in its early days, both through the funds provided and the symbolism of international support for Suharto. CIDA picked Indonesia as the first “country of concentration” for Canadian aid outside the Commonwealth and la francophonie. Owing to Indonesia’s clear need for assistance, its ability to absorb aid (albeit with much siphoned off by corruption), and the government’s reliability in Western eyes, Canadian aid soared. By the end of the Trudeau years, Indonesia ranked second only to Bangladesh among bilateral Canadian aid recipients. It remained a top recipient in the Mulroney and Chrétien years. This was not altruistic. Canadian aid, rather, was designed to “facilitate Indonesia’s transformation from aid recipient to trading partner.”

At only one point did Canadian willingness to send substantial aid to Indonesia falter, and then only in part. At the Cold War’s end, the Mulroney government promised to link aid with human rights. The first test case came in East Timor, where, weeks after Mulroney’s declaration, Indonesian troops opened fire on pro-independence protesters, killing 263 people. There had been many previous massacres, but none in the presence of Western journalists. As the killings grabbed world headlines, Ottawa froze future aid for Indonesia while leaving existing projects untouched. The effort to use aid suspensions to leverage human rights improvements did not go far—perhaps because it was never permitted to cross into the trade realm. On taking office in 1993, Jean Chrétien’s Liberal government approved new aid. Canadian support for the Suharto regime’s developmentalist project would not waver again. Even as CIDA moved to focus Canadian aid on fewer countries, Indonesia remained on the list of priority aid recipients, while poorer Timor-Leste was dropped.
An unintended consequence of Canadian aid to Indonesia brings the story back to the non-state side. Canadian aid has involved a focus on boosting civil society, which includes sectors that lie outside government and the marketplace. While the largest aid projects continued to be institutional partnerships with Indonesian state agencies, a significant chunk went to support Indonesian NGOs. The Suharto regime aimed to transform the highly mobilized civil society of the Sukarno years into a passive “floating mass” of people concentrated on developing the country. Suharto, dubbed the “Father of Development,” hoped to become a hero to his people for delivering economic progress. He certainly became a hero to Western donors, who proved willing to make Indonesia the largest single aid recipient in the world. Canadian aid to Indonesian civil society supported new action on issues ranging from environmental law to the treatment of political prisoners. Suharto’s fall in 1998 came partly amidst financial crisis, but it was also spurred by pro-democracy protests. Indonesian civil society organizations were vital in these protests. Although CIDA priorities shifted, the legacies are there to be seen in organizations that survive without ongoing CIDA support.

Migration
The Indonesian-Canadian community is much smaller and more recent than the large and long-present communities of Chinese, Japanese, Filipino, and South Asian descent. Indonesian migrants are therefore less of a factor in Canadian foreign relations. Nevertheless, the fourth realm of Canada-Asia interactions—migration—has influenced relations.

The factor of race has not received much attention in Canadian foreign relations history. However, it has done much to shape Canadian perceptions of Asia and thus Canadian relations with Asia. Racist politics at home led to severe restrictions and, for many years, outright bans on immigration from China and India, as well as to a “gentleman’s agreement” to restrict immigration from Japan. Anti-Asian laws culminated in the forcible relocation of Canadians of Japanese descent during the Second World War. Important work by recent historians elaborates on the centrality of racialized perceptions and policy-making in Canadian foreign relations as well as in immigration policy, suggesting that foreign relations and immigration cannot be rigidly separated.

The documentary record contains repeated references to Indonesians’ alleged excitability, indolence, and lack of maturity. On the other hand, Canadian mental maps have given privileged space to the Netherlands, a country whose positive image was renewed each year as the tulips bloomed in Ottawa. A typical External Affairs memorandum pointed out: “Often Canada and the Netherlands have had very much the same point of view on NATO matters, and to a lesser extent on United Nations matters and their delegates, consequently, have kept in close touch.” From 1946 to 1955, 114,777 Dutch nationals moved to Canada. Many of these migrants came directly from the Netherlands, especially as many Dutch women married Canadian soldiers, but others
were Dutch citizens leaving Indonesia. When Sukarno expelled 47,000 Dutch residents in 1957, potential Dutch migration to Canada became an issue and an opportunity. The people in question were not the European colonial administrators of the previous wave of Dutch migration out of Indonesia; many were “Indos,” the mixed-race descendants of Dutch fathers and Indonesian mothers. They often held elite positions in the East Indies, but they also included many lower-income people.

The chance to attract skilled Dutch citizens appealed to officials in the Ontario town of Newmarket. Robert Bullock, Newmarket’s industrial commissioner, suggested that “another opportunity is presenting itself to the Canadian Government to achieve a trade success” by scooping up “the entire managerial force of a country.” Offering this group a haven, Bullock argued, would boost Newmarket’s development and promote trade with Indonesia “under the Canadian flag . . . before Red China can draw Indonesia into its orbit.” There was some sympathy in External Affairs and Cabinet for the notion, but the Department of Immigration blocked it. In the end, the vast majority of the Dutch in Indonesia went to the Netherlands.

Canada did admit some Indonesians of ethnic Chinese descent after waves of anti-Chinese violence in 1965–6 and 1998. In the 1950s and early 1960s, Chinese-Indonesian political parties and associations thrived. Sukarno welcomed this and cultivated close relations with the People’s Republic of China. In 1965–6, the situation reversed itself, with the army blaming China for supporting the Indonesian Communist Party. The Suharto regime brought in a series of measures restricting expressions of Chinese culture and identity. More mobile than other Indonesians and tending more towards Christianity than Islam, ethnic Chinese were better able to migrate, and some landed in Canada. Thanks to this group, Indonesian became one the languages of Catholic masses in Toronto and Vancouver.

The 1998 protests that toppled Suharto also included a welling-up of anti-Chinese violence. This inspired investigations and advocacy by Indonesian human rights groups, as well as the mobilization of the Chinese-Indonesian community in several cities in Canada. Toronto community members formed a group called “Canadians Concerned about Ethnic Violence in Indonesia” (CCEVI), then broadened their critique beyond the treatment of Chinese-Indonesians to include all aspects of ethnic discrimination and human rights. CCEVI was able to influence immigration decisions and make human rights more of a concern.

Timorese migration to Canada was miniscule—just three students accepted as refugees in the 1990s—but still had an impact. The Portuguese-Canadian community included a handful of Portuguese who had served in colonial government or military capacity in East Timor. A community with a growing presence and a stable of Portuguese-language newspapers filled the role of a diaspora concerned with policy towards East Timor, even while there were few Timorese in Canada. Meanwhile, the three Timorese refugees became representatives of East Timor’s independence.
movement, creating links to the worldwide Timorese diaspora and adding strong, “authentic” voices to the East Timor lobby in Canada. One of them, Bella Galhos, made national headlines and was able to best the Indonesian ambassador in a press battle after he tried to silence her by pressuring her family at home. Galhos and her supporters managed to get the story into Canadian newspapers, and Foreign Minister Axworthy called the ambassador in for a severe scolding. The episode showed that even a tiny Timorese presence in Canada could affect policy. Migration, no matter how small, affected bilateral relations.

Conclusion
Canadian policy towards Indonesia was grounded in what the government saw as Canadian national interests, dominated by Cold War allegiances and trade imperatives. This would be a bland and unsurprising conclusion if not for the common belief that Canadian foreign policy has been driven by idealism, peacemaking, and rights promotion. This belief in a benevolent Canada is central to Canadians’ diplomatic self-image, yet it has rarely been an actual factor in government policy.

Diplomatic relations between Canada and Indonesia do not reveal the Canada of fond imagination, a helpful and friendly mediator and friend to the global South. Instead, Canada was a loyal (if independent-minded) member of the Western alliance system. It promoted decolonization, but in ways that mirrored Canada’s own evolutionary path to independence, with ties to the former colonial power and to global trading networks. Canada also offered itself as a model for economic development, its doors open to foreign investment and full integration into the global capitalist economy. Development work drew on a missionary legacy that aimed to make other countries more like Canada. It also aimed, as did diplomacy during the Suharto years, to promote trade and investment. The Canadian government worked in the interests of Canadian business. A backlash from Canadian civil society demanded that human rights be added to the agenda. The influence of migration from Indonesia and East Timor, albeit small in numbers, added to this pressure and to the emergence of a counter-policy that insisted that human rights stand at the centre of the relationship.

An examination of policy in the four realms of diplomacy, development, trade, and migration makes non-state factors more visible. Development groups, migrants, and corporations have all exerted important influences. Each of these sectors must be considered for one to gain a full picture of the Canada-Indonesia relationship. The same is likely to be true in other cases of Canadian foreign relations: the complete story has both state and non-state aspects.

It is important, too, to see the role of images, of racialized perceptions, and of the mental maps that underpin policy decisions. No minister or diplomat made foreign policy decisions based solely on an image of Indonesians as lazy and excitable, or of Afghans as warlike, or of Chinese as wily and inscrutable. Yet this sort of perception formed the
background to policy debates. Understanding the role of images and perceptions is important if we are to understand policy. The images have shifted from Theodore Newton’s sketches of a watery parish of volcanoes and gorillas to images of a distant land of terrorism and mining opportunities. But those earlier images are still there, informing policy and reinforcing themselves.

**Endnotes**

* I am grateful to Steven Hugh Lee and Robert Bothwell for comments.

2 Newton to High Commissioner in Pakistan, 22 October 1958, LAC, MG 31 E74/3/1.
3 Like many Indonesians, Sukarno has only one name; frequent references to his name being Ahmed are incorrect.
4 David Webster, *Fire and the Full Moon: Canada and Indonesia in a Decolonizing World* (Vancouver: UBC Press, 2009).
8 Newton radio speech, 1 July 1960, LAC, MG 31 E74/3/5.
16 Memorandum to the minister, 23 July 1958, LAC, RG 25/6148/50409-40 [3.1].
19 Arnold Heeney to deputy minister of trade and commerce, 31 December 1949, LAC, RG25/6218/5495-G-40 [1.1]; and Secretary of State for External Affairs to Jakarta, 19 August 1953, LAC, RG 25/6613/11129-40 [3.1].
20 “Democracy and Rebellion,” notes for speeches by L.N. Palar, McGill University Archives (henceforth MUA), RG 84/72/866; Palar address to Lake Couchiching conference, 11 August 1959, in “Recent Developments in Indonesia,” *External Affairs* 11, no. 9 (September 1959), 283–7; Harold


28 Information Memorandum for the Minister, 15 July 1994, Foreign Affairs file 20-TIMOR.

29 Action Memorandum for the Minister, 25 October 1996; Canadian Embassy Jakarta e-mail, 3 November 1998, 20-TIMOR.

30 Memorandum on Axworthy meeting with Indonesian Foreign Minister, 30 July 1997, University of British Columbia Archives, BC Civil Liberties Association (BCCLA) Papers, APEC Inquiry exhibits, box 1.


33 Menzies to USSEA, 31 December 1949, LAC, RG 25/6218/5495-G-40 [1.1].

34 Department of Trade and Commerce memorandum, “Canadian-Indonesian Trade Relations,” [1956], LAC, RG 25/6465/5495-G-40 [2.2].


37 List of Canadian companies in Indonesia, 1999, ETAN Papers.


40 Canadian Embassy Jakarta to External Affairs, 5 and 8 September 1958, LAC, RG 25/6985/5495-G-1-40; and US Embassy Jakarta to State Department, 25 August 1960, United States National Archives, RG 59, 898.2553.


Wilfred Cantwell Smith, “Interim Note on Scope and Objective,” and Smith’s proposal to James, 7 May 1951, both at MUA, RG 2/208/5586.


European Division memorandum, December 1957, LAC, RG 25/6148/50409-40 [2.2].

Memorandum to the Minister, 27 August 1957, LAC, RG 25/6148/50409-40 [1.1].

Bullock to Secretary of State for External Affairs, 14 January 1958, LAC, RG 25/6985/5495-G-40 [3.1].

Indonesian Embassy to Department of Foreign Affairs, 30 January 1996, and Canadian Embassy Jakarta e-mails, 31 January 1996 and 8 February 1996, both at DFAIT file 20-TIMOR.