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CANADIAN BUSINESS ASSOCIATION

MAILING ADDRESS : P.O. BOX 3192 JAKARTA 10002

December 6, 1991

Right Honourable Brian Mulroney,
Prime Minister of Canada

Honourable Barbara J. McDougall
Secretary of State for External Affairs

Honourable Michael H. Wilson
Minister for International Trade

Honourable Monique Landry
Minister for External Relations

Honourable Rev. Walter F. McLean
Chairman, Sub-Committee on Development and Human Rights

cc: Honourable Joe Clark
Minister for Constitutional Affairs

I am writing on behalf of the Board of Directors of the Canadian Business Association in Jakarta to express our concerns over the possible actions of the Canadian Government with respect to the tragic incident in Dili, East Timor in November 1991. After a confidential briefing given by Canada's Ambassador to Indonesia earlier today, it is our understanding the Government of Canada, as a result of these incidents, is reviewing its aid program for Indonesia. The Canadian Business Association is deeply concerned regarding the timing of this review and the effects it will have on Canadians and Canadian business in Indonesia.

We are supportive of the directive to relate Canada's foreign aid to the recipient country's human rights record. The rights to life, liberty and security of the person are fundamentally entrenched in our Charter of Rights and Freedoms, and Canadians, whether at home or abroad, have cause for concern when these rights are being violated by countries which are supported through our aid. These human rights abuses are not new to Indonesia, yet the Government of Canada is only now reviewing its aid program for Indonesia and this review has been prompted largely, if not entirely, by one, widely publicized incident.

In response to pressures, from both domestic and international sources, the Government of Indonesia has established an independent commission to investigate the incident. While no one can take away the events of last November, this commission is a significant effort to follow due process and establish responsibility

6-DEC-91 FRI 18:39

62 21 5712251

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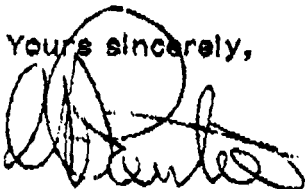
for the tragedy. The legitimacy of this commission may be debated, however, that legitimacy can only be determined after the commission has concluded its proceedings. Clearly, if the Government of Canada is to take action with respect to its aid program for Indonesia at this stage, without consideration to the commission's findings, then Canada is guilty of meddling with the internal affairs of this country, prejudging the events of last November, and prejudging the future actions of the Government of Indonesia.

It is our belief that such prejudging of events is not in the best interest of Canadians, either those at home or those in Indonesia. Canadians have enjoyed notable success with their business dealings in Indonesia, as have several Canadian Government agencies and corporations. It is also our belief that Canadian - Indonesian business relations have had a positive impact on Indonesia's human rights record.

Relations based on mutual trust are a fundamental prerequisite to business in Indonesia, whether on a commercial basis or for aid and development. These relations take significant time, effort and investment to mature. Changes to the Canadian aid program for Indonesia, at this time, will be most counter-productive. We believe new relations will be difficult to establish and existing relations may well be damaged. Seemingly premature actions on the part of the Canadian Government can easily be perceived as an indication of distrust, given that the Government of Indonesia is currently making efforts to investigate the incident. Once established, these perceptions will be difficult to overcome and will put Canadians at an unnecessary disadvantage for some time.

It is our strong recommendation you withhold any decision or recommendation on Canada's aid program for Indonesia pending the outcome of the Indonesian commission investigating the November tragedy. On behalf of the Board of Directors of the Canadian Business Association, I trust you will give your earnest consideration to our views on this most serious issue.

Yours sincerely,



C. A. Prentice, Ph.D.
President

cc: Mr. Jack Wittleton
Ex-Ambassador to Indonesia

cc: Mr. Don Olafson
ASEAN-Canada Business Council
Canadian Chamber of Commerce

cc: Ambassador Ingrid Hall
Canadian Embassy
Jakarta

cc: Mr. David Hutton
Canadian Embassy
Jakarta