



CANADIAN EXPORTERS' ASSOCIATION

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December 6, 1991

The Honourable Barbara McDougall
Secretary of State for External Affairs
External Affairs and International Trade Canada
Lester B. Pearson Building A-10
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

Dear Minister:

I want to thank you for meeting with my CEA colleagues and myself on Thursday. As a follow up to our meeting, I want to put forward some thoughts on Indonesia on behalf of our members, who share with all Canadians the strong sense of moral outrage for the recent tragic events in East Timor.

During the course of our discussion, I put forward some points to reflect the views of the Association and the CEA position, points which we advanced when we were invited by your predecessor to a National Round Table on China in June 1989.

In considering the Indonesia/Timor situation and what might constitute an appropriate response, I would like to suggest five criteria (which were accepted in the China situation) upon which could be based a rational, effective and results oriented policy for the Canada-Indonesia relationship over the long term.

- (1) **Humanitarian Actions.** A humanitarian aid assistance initiative in East Timor would signal Canada's concern and produce results that directly and visibly benefit those at risk from the current situation.
- (2) **Support for the "Innocent" in the Indonesian/Canadian partnership** by maintaining the aid, trade, commercial, economic, development assistance and joint venture relationships which Canadian companies, institutions and individuals have developed in Indonesia by staying with our long term Indonesian partners (Business and NGO's), those who need our support more than ever at this time.
- (3) **Economic.** Any constructive economic steps which would continue to help bring about positive economic change in Indonesia through support of the previous criterion.
- (4) **Political.** Using positive political steps to bring about political change in Indonesia without damaging these other objectives.
- (5) **Canada's national interest.** Any steps should be consistent with our long term national interests in Indonesia and indeed ASEAN, in which both Canadian government and business have been working on for decades in the context of the primordial importance of the Asia Pacific area for Canadian political, commercial and economic linkages.

PSR + PST to note

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cc: PSD
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Against all these criteria, in arriving at a rational, effective and results oriented policy which can be sustained over the long haul, very careful consideration would of course have to be given to the **likely responses of Indonesia** to anything Canada might do, and what impact these responses could have on Canadian policy objectives and our vital and very important commercial interests which have been built up over the last 25 years. In this context we believe that any unilateral decision for aid cutbacks (and the attendant media coverage) would irreparably harm Canada's long term dedicated and committed efforts to penetrate the Indonesian-ASEAN markets.

In light of these considerations, the members of the Canadian Exporters' Association most definitely would not favour any unilateral action to cut back aid flows to Indonesia. Any such negative measures, notwithstanding whatever influence they might have to positively influence Indonesian policy on East Timor, would almost certainly damage significantly the long term political, economic and commercial relations Canada has worked so hard to achieve in Indonesia and ASEAN. We would urge that Canada's efforts should be directed towards positive steps such as those which would appear to have been suggested by some in the EC, ie. an outside committee of inquiry, perhaps under a UN umbrella.

Yours sincerely,



L. James Taylor
President

