

# Canadian military sales to Indonesia

Canadian companies profit from military trade with Indonesia. The Canadian government endorses this by authorizing military exports, to the tune of over \$362 million worth in 1995 alone. One of ETAN's demands of the Canadian government is an official ban on all military-related sales, and support for an international arms embargo against Indonesia.

## Indonesia's Military Regime

Indonesia has been military-dominated since General Suharto officially took over from the country's first President, Sukarno, on March 11, 1966. His military created an authoritarian, corporatist state, purging and then strictly controlling political parties and trade unions.

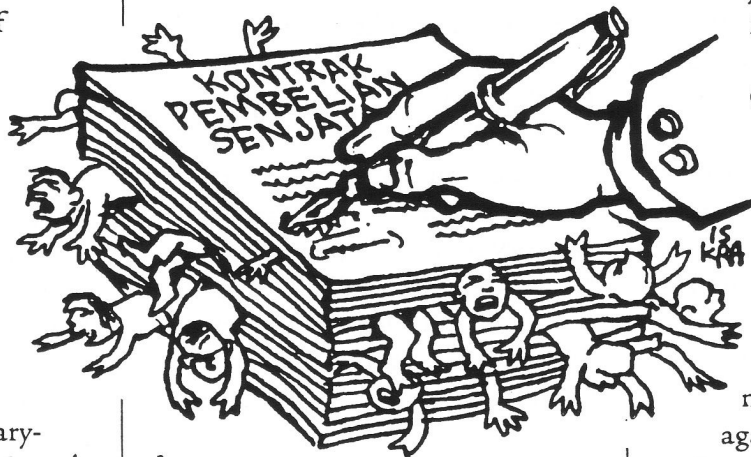
In the months following the 1965 military coup, the army killed at least 600,000 people who they called 'communists'. The "Orde Baru" (New Order) that emerged from the bloodbath saw military influence in all spheres of economic and social life, and political rule by a Javanese military elite. Indonesia's military still wields enormous power. The constitution guarantees the military a strong role in government.

## The world arms Indonesia

With the end of the Cold War, Asia's arms race escalated. Indonesia is now the largest naval

power in Southeast Asia, thanks to Germany's March 1993 sale of 39 warships to Indonesia (the bulk of the former East German navy).

*"Arms sales contract"*



Without Western governments' support, Indonesia could not pursue its brutal policies in places like East Timor, West Papua, Aceh and elsewhere.

When Indonesian generals consulted the American Ambassador before invading East Timor, the ambassador said the United States would prefer Indonesia intervene quickly and "without using our weapons."

But American weapons made the invasion possible, and many Indonesian generals were trained in the U.S. Growing opposition in the U.S. has brought some change. Congress voted in 1993 to ban the sale of small arms to Indonesia, but only after voting down a complete arms embargo. Now pressure is mounting on the U.S. government to cancel the planned sale of F-16 jets to Indonesia.

Other countries — eager to befriend Indonesia — including Britain, France and Germany, are also supplying Indonesia's military. Australia has also been stepping up military cooperation and training for Indonesian officers.

## Canada's role

The Canadian government claims its military export controls are the most restrictive of all Western countries, and that it will only allow exports of military equipment which won't be used against civilians.

But for Canadian companies wanting to supply the Indonesian military, applying for military export permits has meant little more than administrative delay, especially in 1995 under the Liberal government.

Before the Liberals were elected, public opposition following the November 12, 1991 Dili Massacre had forced Conservative Foreign Affairs Minister Barbara McDougall to end military sales to Indonesia.

At the time, opposition leader Jean Chrétien and Liberal MP Lloyd Axworthy were writing letters in support of East Timor.

But Canadian military suppliers found a friend in the newly elected Liberal government. Liberal Foreign Minister André Ouellet resumed military exports to Indonesia in 1994, giving Canadian Marconi permission to sell communications technology

to the Indonesian armed forces.

In 1995, the Liberal government authorized a whopping \$362,380,101 worth of military export permits for companies wishing to export to Indonesia.

These permits were approved for equipment falling in the category of military helicopters and aircraft; specialized military training equipment including flight simulators; military vessels and specially designed parts for engines, navigation systems and sonar equipment; range-finding sensors; and fire control radars, ballistic computers and early-warning systems.

Apparently no sales have been made against these permits yet, but the Canadian government has given the go-ahead none-the-less.

### A history of military support

The history of Canadian military sales to Indonesia is difficult to trace. Officials claim records for military exports to Indonesia before 1988 were destroyed. But Project Ploughshares reports that Canada military sales to Indonesia in the 1980s totalled about \$5 million, and some other incomplete information is available.

In 1986, seven Canadian companies and the Department of External Affairs were part of an Indonesia-hosted air show. One company signed a \$2 million contract during the show. In 1985 Pratt & Whitney Canada signed a long-term contract with Indonesian aircraft manufacturer PT Nurtanio to 'co-produce' one hundred Bell 412 helicopters. Pratt & Whitney supplies PT6T-3B "Twin Pac" turbo-shaft engines for



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the helicopters. The Canadian Government's Export Development Cooperation provided financing for the deal, which has meant millions for the company. One recent sale saw Pratt & Whitney send 13 engines to PT Nurtanio for \$10 million.

In 1990, the Department of Foreign Affairs issued five export permits for "non-offensive" military equipment to Indonesia. The permits cover about \$3.7 million worth of parachutes, aircraft engines and airborne radar, and electronic equipment.

In 1991, Canadian companies exported \$28,000 worth of military electronic equipment to Indonesia, and in 1992, no military sales were authorized because of public pressure. The unofficial ban imposed by the Conservative government in 1992 remained in place until the Liberal government was elected.

### Arms sales hidden

Canadian military equipment is also routed through other countries to Indonesia. Canada has a special military production relationship with the United States under the Defence Production Sharing Agreements, which guarantee Canadian arms merchants a fixed share of the U.S. market. Canadian military commodities sold to the United States become

part of the total U.S. military production, at least 10 per cent of which goes to the "third world" each year.

Other indirect sales occur through export of Canadian engines and components to aircraft industries in countries such as Brazil, Israel, Italy and Switzerland which then re-export them. Many

engines leave Canada classified as "civilian", due to size and weight, but are ultimately used in military aircraft.

### Demanding an arms embargo

Canada could play a leadership role and call for an international arms embargo against Indonesia, like it has in the cases of Burma, Sri Lanka, Yugoslavia, Nigeria, and South Africa. But Foreign Affairs Minister Lloyd Axworthy has ignored repeated demands from churches, trade unions, women's organizations and human rights activists to impose an official arms embargo on military sales to Indonesia. NDP MP Svend Robinson has formally proposed an arms embargo on Indonesia in the House of Commons, and the demand has been supported by other MPs, including Liberals.

For more information, contact ETAN at PO Box 562, Station P, Toronto Ont., M5S 2T1, Tel: (416) 531-5850, Fax: (416) 588-5556, E-mail: [etantor@web.net](mailto:etantor@web.net), or contact your local ETAN chapter:

ETAN/Vancouver  
P.O. Box 33733, Stn. D  
Vancouver, British Columbia  
V6J 4L6  
tel: (604) 261-7930  
e-mail: [etanvan@web.net](mailto:etanvan@web.net)