

CAL CORPORATION

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Via Fax: 613-996-8924

December 6, 1991

The Honourable Michael Wilson
P.C., M.P.
Minister of International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON
K1A 0G2

Ref.: Trade Relations with Indonesia

Dear Minister,

I am writing to you to express CAL Corporation's concern over the potential impact on our business relationship with the Indonesian Government resulting from the Canadian Government's reaction to the events in East Timor.

We feel it is extremely important that Canada continue to aid Indonesia and continue to help finance Trade Relations. Sanctions at this time will do irreparable damage to CAL's relationship with the Indonesian Government - a relationship which we have spent ten years and hundreds of thousands of dollars creating.

At present, Indonesia represents a potential of greater than \$500 million in business to CAL over the next 5 years. In 1992, we expect orders of \$20 to \$40 million for Communications and Search and Rescue products. All these sales are High Technology sales, with high Canadian Added Value. If the Canadian government applies sanctions against Indonesia, resulting in the loss of these orders in 1992, the immediate impact on CAL would be a massive layoff of CAL employees. The possible actions of the government put the high tech jobs of 350 Canadians in jeopardy.

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Although we share the feelings of all Canadians that human rights must not be violated, we feel that Aid and Trade sanctions are not the right way to go. These sanctions only hurt Canadians, due to loss of trade, not the violators of human rights.

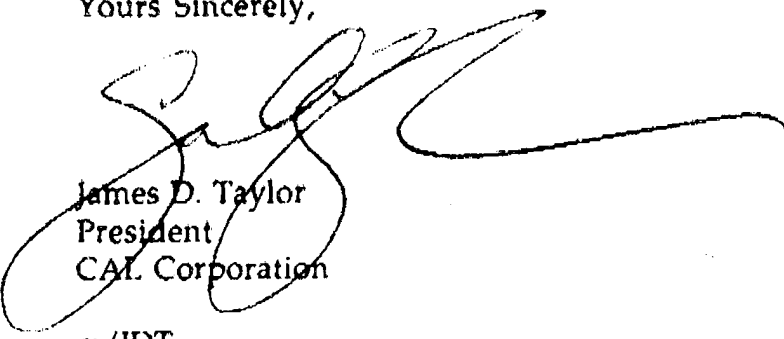
Additionally, other neighbouring countries will be watching to see how Canada reacts. If Malaysia, Thailand, etc. see Canada withdrawing aid, they will assume that they would be treated similarly, and therefore would be extremely reluctant to deal with Canada in the future.

We strongly urge the Government not to take quick action at this time ... a time when Canada desperately needs international trade to bolster our economy. Instead, we ask that you form a Round Table and invite all interested parties to present their views before taking action. I, for one, would be pleased to take part in such a meeting.

I would be grateful if you would contact my office for additional information which will result in no loss in Trade with Indonesia.

Thank you,

Yours Sincerely,



James D. Taylor
President
CAL Corporation

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