financial results. So this reference to productivity is the fact that it would take more labour and probably take longer to extract a given quantity of coal.

Q. Was he -- do you recall at all whether they were anticipating that they would have the difficulties that they seemed to have actually encountered, where they would be very strapped for cash flow within the first year, year and a half of their operation? And if so, what they would do to accommodate that?

A. Yes, that same -- those same analyses pointed out that there were risks of cost overruns related to a variety of circumstances, technical problems being one of them. And they were measuring that risk as a increase in costs of the 127 million as between, if I recall, 12.7 and 25.4 million. And I think that is really 10 to 20 percent of a cost overrun. And committed, as they did in the contract, that they would cover that from resources from within the corporation, Curragh, or would find other sources of financing.

Now a 10 to 20 cost overrun is not extraordinary. They seemed, at the time, to have the financial resources to cope with that. I think they had $55 million cash in the bank at the time all of this was happening. So there wasn't an <u>in extremis</u> position, if you will, as regards to their capability to finance or to finance internally