

MR. ROGERS, EXAM. BY MR. MERRICK

1 few years before, you would find just the reverse. The  
2 coal -- world coal prices were above and the contractor  
3 prices were below. That's point one.

4 Point two is that the 30-year contract was the basis  
5 upon which the Federal Government invested probably close  
6 to \$2 billion, including all the losses as well as the  
7 mine development costs over a 25-year period. I mean,  
8 the front end of that was the saving of DEVCO by the  
9 Federal Government's decision to invest substantial sums  
10 of money in both its preservation and expansion, going  
11 away back to many years before. And the quid pro quo was  
12 that if those investments were going to be made and  
13 employment created, that the Nova Scotia Power  
14 Corporation was going to commit to take the coal. So  
15 that's omitted.

16 Q. Does this letter give you what you were looking for  
17 on that first point, that being the -- to firm up the  
18 DEVCO contractual arrangements?

19 A. It made me more concerned than ever. I thought that  
20 it was a further attempt to obfuscate the issue and skate  
21 on it.

22 Q. All right. Over on the next page he then addresses  
23 the second issue of the take-or-pay agreement, and he  
24 talks about -- down toward the middle of the paragraph,  
25 he talks about Westray proceeding to sell this coal to