

MR. ROGERS, EXAM. BY MR. MERRICK

1       enterprise, doing a commercial project, and we do not  
2       intervene unless you breach some of the specific  
3       covenants that are in your contractual agreements with  
4       the Government of Canada."

5       Q.     So the Westray --

6       A.     The Westray project was of that third type.

7       Q.     Let me bounce this off you though.  One of the  
8       troubling aspects of this has been the fact that by a  
9       closer regulatory supervision, some of the problems that  
10      may have been factors in this explosion might well have  
11      been caught or identified or at least remedial action  
12      could have been initiated sooner than it was had a more  
13      comprehensive and competent regulatory review been  
14      carried out.

15            Now we'll leave aside the regulatory review by the  
16      departments responsible to enforce safety legislation.  
17      That speaks for itself.  But I'm wondering if, when you  
18      have a government guarantee, that doesn't lessen what a  
19      bank would normally do.  In other words, the back-up  
20      check to a competent or incompetent Provincial regulator  
21      may well be your financial institution.  But if the  
22      Federal Government has basically written it off because  
23      it's a loan guarantee and therefore you're not going to  
24      be involved in it, the bank is sitting there with an 85-  
25      percent government guarantee and may lose its enthusiasm.