

MR. CAMERON, EXAM. BY MR. MERRICK

1 And then she goes on, "To sum it up, there's no
2 legal reason to amend this agreement. It puts the
3 Province and Novaco in a less than optimal position so
4 that the company can be put in a better position. I
5 recommend the Province does not agree to such an
6 amendment."

7 A. Well, they couldn't be paid twice in the same year
8 so I don't know where she's getting that. So --

9 Q. Well, it looks as if Department officials were
10 operating on the premise that this agreement might well
11 be enforceable, and being concerned about whether it
12 should be amended.

13 A. Well, they said they maybe -- even have a chance to
14 look at the -- reach production. You know, you look at
15 this, and December of 1991 we knew they weren't even
16 anywhere close to production.

17 Q. Well, let me just take you two more steps on, the
18 next page is page 16.

19 A. Um-hmm.

20 Q. This is a memorandum from Phalen to Mullally, his
21 Deputy Minister. He recites the fact that Curragh has
22 requested the amendment. He recites the fact that the
23 Novaco Board is in agreement with it provided the
24 solicitors concur. He notes that, "Nancy Ripley-Hood and
25 Elizabeth Cuddihy jointly review the matter at Novaco's