

MR. CAMERON, EXAM. BY MR. MERRICK

1 commence..." et cetera. There may be only one
2 opportunity to sell coal to Point Tupper if we go along
3 with our Federal funding. I got the impression from that
4 that Phillips was developing the negotiating tactic that
5 they would perhaps hold back or delay the payment of the
6 \$8 million in hopes of getting a commitment for Point
7 Tupper.

8 A. And that's -- I don't get that. I don't read that
9 into that. I mean, there's no way they could get the \$12
10 million until the \$8 million was paid back with interest.

11 Q. Well, he says in the next paragraph: "I'd like to
12 suggest that we make two commitments."

13 A. Yeah, well, they're not commitments. The 400,000
14 tonnes would automatically eliminate the 275, so he
15 wasn't giving me anything at all. And having the cheque
16 by the end of the month, I mean, would have been nice,
17 but there was really no embarrassment. Everyone knew we
18 gave them \$8 million, so there was no embarrassment about
19 it.

20 Q. Did you ever detect that Phillips was going to try
21 to now negotiate an additional 400,000 tonnes of coal
22 merely in order to expedite the repayment of the interim
23 loan?

24 A. Absolutely not. There's no connection. They would
25 be required -- as soon as the Federal deal went through,