

MR. CAMERON, EXAM. BY MR. MERRICK

1 discussed previously. These terms and conditions are: A  
2 guarantee for the additional 400,000 tonnes of coal to  
3 Point Tupper at a price of 28 cents per tonne higher than  
4 our present price; a higher price will offset out  
5 transportation costs; a guarantee for the \$12 million  
6 loan; a loan guarantee of 85 percent on the 100 million;  
7 and a \$10 million dollar interest-free loan."

8 So he seems to be setting out the strategy here that  
9 they would overcome Mr. Merriam's concern that this loan  
10 guarantee was too risky by talking about sharing the  
11 risks. And once they had satisfied you on that, they  
12 were then going to go on and structure, negotiate this  
13 deal that would have included 400,000 tonnes to Point  
14 Tupper and an additional \$10 million interest-free loan.  
15 Now either Mr. Phillips was --

16 A. Well, read number seven now.

17 Q. Yes, okay. "I would like to point out that Don  
18 feels an additional loan, interest free, would be out of  
19 the question. I did not provide my comments in this  
20 regard. I did tell him that we would have to discuss  
21 this."

22 Now either Phillips is dreaming or it seems that he  
23 has gathered the impression that he can overcome the  
24 departmental resistance to the 85-percent loan guarantee  
25 and may now be able to negotiate additional packages. Do