

MR. ROGERS, EXAM. BY MR. MERRICK

1 Matheson. Are you able to identify those people?

2 A. Tom Wright was a director in my Department and Ian
3 Matheson worked for him and he had some background in
4 this project and in matters relating to mining.

5 Q. What seems to have happened, as I read the
6 documents, is in this period of time, and this would
7 approximately November of '91, the proposal by Curragh to
8 possibly issue debentures that might have affected the
9 security position of the Federal Government at least
10 prompted people to start to look at the production
11 difficulties that the Company was having and to question
12 whether that should be assessed. Because I see over on
13 the second page of Mr. Matheson's memo, his last
14 paragraph, he says, "As I have mentioned before, I do
15 feel it wise and prudent for those in the Department who
16 are responsible for the administration of this file to
17 pursue these current production difficulties, perhaps
18 with expert advice of their own in order to provide an
19 independent assessment." And previously he had talked
20 about the fact that they were experiencing faults,
21 hitting high-ash coal, that sort of thing.

22 Do you know if anything was done on the part of the
23 Department to have an independent assessment of the
24 problems the Company was facing?

25 A. The answer is, no. The oversight on this is being