

C A N A D A
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

N° : 500-05-012098-958

C O U R S U P É R I E U R E

(Hors de Cour)

LE TRÈS HONORABLE BRIAN
MULRONEY,

demandeur,

- VS -

LE PROCUREUR GÉNÉRAL DU
CANADA

- et -

KIMBERLY PROST,
J.P.R. MURRAY,
FRASER FIEGENWALD,

défendeurs.

Interrogatoire avant défense

COMPARUTIONS :

Me GÉRALD TREMBLAY, c.r. et
Me JACQUES JEANSONNE,
pour le demandeur.

Me CLAUDE-ARMAND SHEPPARD, c.r.,
Me RICHARD J. ROSENSWEIG,
Me CAROLINE BIRON et
Me BRIGITTE GARCEAU,
pour le Procureur Général du Canada et Kimberly Prost.

Me YVAN BOLDUC,
pour J.P.R. Murray et Fraser Fiegenwald.

ATR 4870 PV.

Le 17 avril 1996.

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LISTE DES ENGAGEMENTS

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- BM-1 : produce a list of the fellow members of
the various boards discussed 35
- BM-2 : produce a copy of the agreement, or
document or writings which govern
partnership with Ogilvie Renault 44
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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

L'an mil neuf cent quatre-vingt-seize (1996), le dix-septième (17^e) jour du mois d'avril,

A COMPARU:

BRIAN MULRONEY, âgé de 57 ans, domicilié au 47, Forden Crescent, Westmount,

5

LEQUEL, affirme solennellement ce qui suit :

INTERROGÉ PAR Me CLAUDE-ARMAND SHEPPARD,

10

pour le Procureur Général du Canada et Kimberly Prost :

1 Q- Monsieur Mulroney, est-ce que vous préférez que je vous interroge en français ou en anglais ?

R- Les deux (2).

2 Q- Bon, alors, si vous permettez, je vais vous interroger en anglais, mais vous pouvez répondre dans la langue de votre choix.

15

Mr. Mulroney, I will be questioning you on the amended declaration and the exhibits that you filed, and to facilitate reference and gain time, I've prepared a volume which contains... oh...

20

Me JACQUES JEANSONNE,

pour le demandeur:

We have it...

25

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AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

Oh, you have?

Me JACQUES JEANSONNE:

We have one.

Me CLAUDE-ARMAND SHEPPARD:

Fine. So...

Me JACQUES JEANSONNE :

No problem.

Me GÉRALD TREMBLAY,

pour le demandeur:

Je vais vérifier si... On va vérifier si...

Ça va.

Me CLAUDE-ARMAND SHEPPARD:

We have the same chapter and verse.

Me GÉRALD TREMBLAY:

Pardon?

Me CLAUDE-ARMAND SHEPPARD:

Same chapter and verse.

Me GÉRALD TREMBLAY:

I hope.

Me CLAUDE-ARMAND SHEPPARD:

3 Q- You filed as Exhibit P-1, subsequent to the...
brought up to date with your declaration, a
curriculum vitae, which is first item among the
exhibits. I direct your attention to the third 25

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AVANT DÉFENSE
INTERROGATOIRE

page, where you list directorships and other involvements in business or public affairs. You indicate that you joined the board of Barrick Gold Corporation on November eight (8), nineteen ninety-three (1993); is that correct? 5

A- Yes.

4 Q- And you're still a member of that board?

A- That's right.

5 Q- Are you a member of any committees of the board of Barrick Gold Corporation? 10

A- I don't believe so, no.

6 Q- Have you been asked since November nineteen ninety-five (1995) to withdraw, to resign from the board of Barrick Gold Corporation?

A- No. When the document... when I was apprised of the document that was sent to Switzerland, when I first learned of it, and the horrendous calomnies and falsehoods it contained, knowing of the enormous damage it could do to my family and myself, I immediately communicated with the chairman, the chief executive officer of Barrick Corporation and others, and offered to resign. 15 20

I did that with other important companies, and I did it with my law firm, because I did not want to subject them to the smear campaign that had been 25

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INTERROGATOIRE

initiated by such a false and odious document that had been transmitted to Switzerland.

7 Q- But if I can get back to my question...

A- But that was your question.

8 Q- No. Were you asked to resign from the board of Barrick Gold Corporation? 5

A- No, I volunteered to resign.

9 Q- And it... your offer was not accepted?

A- It was declined.

10 Q- For the record, and without going into unnecessary detail, what is Barrick Gold Corporation? 10

A- Barrick Gold Corporation is an international mining company, that specializes in the development of gold properties around the world. It is a Canadian company, a success story founded by Mr. Peter Monk, which in over a decade has grown to be the third largest gold mining company in the world, and the most prosperous gold mining company in the world. 15

It has assets in Canada and the United States, throughout Latin America, Asia, Africa, and we are seeking to develop some prospects in China. 20

11 Q- You list as the second board on which you sit Archer Daniels Midland Company, which you joined October twenty-first (21st), nineteen ninety-three (1993). Are you still a member of that board? 25

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AVANT DÉFENSE
INTERROGATOIRE

A- Yes, I am.

12 Q- Were you asked to resign from that board?

A- No, I volunteered to resign for it, for the same reasons; that I didn't want to visit upon anyone with whom I was associated, the *approprium*... the opprobrium being inflicted on me by the false statements being communicated to a foreign government by the Government of Canada.

13 Q- And your offer was declined?

A- My offer was declined.

14 Q- Are you a member of any committees...

A- Yes, I am.

15 Q- ... of the board... which committees?

A- I am... they are... the committees are presently being restructured at Archer Daniels Midland, but I have been chairing the special committee of the board of directors to deal with difficulties that the company has encountered in the United States.

I was elected chairman of the special committee, and in the restructuring of the company, among other responsibilities, I sit on the nominating committee and am chairman of the corporate governance committee.

16 Q- Do I take it that you have not been asked to resign from any of these committees?

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AVANT DÉFENSE
INTERROGATOIRE

- 17 A- No, I've volunteered to resign.
- Q- Yes, but again, your offer was not accepted?
- A- No. They said, "We know that... we know you to be a completely honest man and we are as astonished and dismayed as you are by these false accusations being conveyed by the Government of Canada".
- 18 Q- Okay. You're telling us that they basically told you they didn't believe these accusations and had full trust in you?
- A- They... they simply told me what I told you.
- 19 Q- What is Archer Daniels Midland Company, without going into too much detail?
- A- It is a company in the agribusiness sector which deals with agricultural products around the world, in the area of... from basic agriculture to milling to sales. It has annual sales in the neighbourhood of fifteen billion dollars (\$15,000,000,000.00) a year and it is present around the world, and it's generally conceded to be a significant presence in the agribusiness.
- 20 Q- It's a U.S. corporation?
- A- This one is a U.S. corporation, yes.
- 21 Q- The third directorship you list in P-1 is the Horsham Corporation, which you joined on November eighth (8th), nineteen ninety-three (1993). Are you

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still member of the board?

A- Yes, I am.

22 Q- And do I take it... the answer would be the same about your offered resignation and its refusal?

A- That is right. 5

23 Q- Are you a member of any committees of the board of Horsham Corporation?

A- They are presently restructuring committees, and because of the difficulties that this case has inflicted upon me, I have asked not to be considered at... for the moment in any... any further work for the company. 10

24 Q- Okay. Well, tell me what committees you belonged to before the restructuring was initiated?

A- I was a new member of the board, as you can see. 15

25 Q- Yeah.

A- And they were... the restructuring was planned, I think for December of this year... of last year, and the event occurred in November, and so whatever the company would have invited me to do I was unable to do. 20

26 Q- But do I take it that before November nineteen ninety-five (1995), you were not a member of any committee?

A- That is right. 25

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INTERROGATOIRE

27 Q- Okay. You were being considered for...

A- I had been asked if I would have the time to devote to further committee work. I was having difficulty finding further time, and that's the way it was left, given the fact of what transpired.

28 Q- But do I take it that the Horsham Corporation expressed the same confidence... continued confidence in you that the Barrick Gold Corporation, Archer Daniels Midland expressed?

A- Yes, they did.

29 Q- Again, in a brief fashion, what does Horsham Corporation do?

A- Horsham Corporation is a... essentially a holding corporation. Among its assets is a large chunk of Barrick stock. It owns Clark Oil, which is a Fortune 500 oil company in the United States. It has...

It owns Trizec and has developed that into a large real estate... a larger real estate company. It has real estate holdings in Europe, in Germany and there are some ancillary matters, but that's the fundamental vocation of the company.

30 Q- Is it a public company?

A- Yes.

31 Q- Can you give us an idea of its size?

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A- Well, it would depend on the... they were the most... it's... it's a company in the billion with... with... in the billions of dollars, as they... as are the others.

32 Q- It's a U.S. corporation? 5

A- It's a Canadian corporation. Although, in both the cases of Horsham and... and Barrick, the majority of the shareholders... I suppose because of the attractiveness of the stock and the product, the majority of the shareholders are American or foreign, but the control is vested in Canada. 10

33 Q- You list, as number 4 in your directorships, Petrofina, S.A., which you joined on May sixteenth (16th), nineteen ninety-four (1994). Are you still a member of the board of Petrofina? 15

A- Yes, I am.

34 Q- Do I take it that you offered to resign in the same circumstances and they refused your offer?

A- Yes, I did.

35 Q- Petrofina is not a Canadian company? 20

A- No, it's a company headquartered in Brussels. It's an international corporation headquartered in Brussels.

36 Q- And are you a member of any committees of Petrofina?

A- No, I am the most recent member of the board, the 25

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most... I suppose the most junior member of the board, and I am not a member of... of a committee beyond those to which members are normally appointed, principally because the... all of the meetings are held in Brussels or London and they require a great deal of travel.

5

I am not as accessible as the other members of the... of the board, most of whom live in Europe.

37 Q- There's a substantial Canadian interest in Petrofina?

10

A- There is a Canadian interest in Petrofina.

38 Q- Which is?

A- Which is through a series of European companies in which Canadians have interests.

39 Q- Is it basically Power Corporation?

15

A- They have some of the interest.

40 Q- And do I take it that the Petrofina board has expressed the same continued confidence in you as the other three (3) boards we discussed earlier?

A- Well, they expressed their horror at what had... had transpired. They could not believe that anything like this could have taken place in Canada. Having expressed their horror at what had taken place, they also conveyed to me their confidence in my integrity. They asked me to remain.

20

25

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41 Q- Okay. You list, then, as fifth item, Freedom Forum, which you joined December ninth (9th), nineteen ninety-three (1993). What is Freedom Forum?

A- The Freedom Forum is the successor to the Gannett Foundation, and the Gannett Foundation was established many years ago with a contribution of Gannett stock by Mr. Gannett, the founder of the Gannett company, to provide a foundation that would benefit the freedom of the press around the world and first amendment rights in the United States.

42 Q- So I take it that it does not have commercial activities, it's a public body?

A- What happened, which was slightly before my time, is that the Gannett Company, which is, as I understand it, the largest owner of media properties in the United States today, wanted to repurchase its stock that it had given to the Gannett Foundation over the years... to guard against any hostile takeovers, or what have you.

And so they offered a certain amount of money to repurchase the Gannett stock, plus the name, the Gannett Foundation. So, what was then the Gannett Foundation, a few years ago, shortly before I joined the... as a trustee, was transformed into the Freedom Forum and the sale of the proceeds of

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Gannett's stock delivered to the Foundation some eight hundred and sixty million dollars U.S. (\$860,000,000.00 US) in the Foundation.

And, as you know, under American law, the trustees of a foundation with assets that are now soon approximating a billion dollars (\$1,000,000,000.00), are obliged to disburse a percentage of that per year, in order to retain their charital status. So, the trustees have the job of... of doing that, which we do around the world.

43 Q- Are you a member of any committees of the Freedom Forum?

A- Yes, I am.

44 Q- Which committees?

A- They have a system of rotating committees. You are, for example, for a while a member of the executive committee, and so on. And in the last year, I was a member of the executive committee, I have now been rotated off and will be back on in the future.

They have also a system of... which would be the equivalent of committees, where, for example, the media studies... media relations studies centre at Columbia University is funded by the Freedom Forum. It used to be a committee of the board; it is now a separate corporate entity and I am on that

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board.

The first amendment instituted, Vanderbilt University, in Nashville, Tennessee, used to be a committee; it is now a separate corporate institute and so on. It's a different way of operating.

45 Q- Do I take it that you have not been asked to resign from any of these committees and you still have the full trust of everyone there?

A- Yes, essentially I called Mr. Newharth, who was the chairman of the foundation, when this matter broke, and conveyed to him what I've told you in regard to others. And his response was the same.

46 Q- Do you belong to any other boards of directors besides these five (5), and besides what you've listed in items Roman numerals II and III of the C.V.?

A- Yes, I do.

47 Q- Can you tell me which ones?

A- There is one to which I was appointed or elected at... or approached at the time that was beyond the purview of the *subpoena*, but it is a company in Venezuela called Pro-Agro.

48 Q- Which is in what line of business?

A- Is in the agricultural, agribusiness line.

49 Q- It's a Venezuela company?

A- It is a Venezuelan company.

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50 Q- And it is a public company?

A- Yes, it is.

51 Q- Any Canadian interest in it of any significance?

A- No.

52 Q- When did you...

A- I should tell you in regard to that, that I was instrumental... instrumental, I was one of the people who had been approached as a lawyer to assist the company in its restructuring, and we managed to do that over the last summer.

And together with interests that we brought together in Omaha, Nebraska, we managed to, through Ogilvy Renault and other groups, we managed to put together a plan that was deemed to be beneficial for the long term survival of this... of this company.

And one of the... as a result, both partners, both principal shareholders asked two (2) people from the outside if we would agree to serve as directors of the company during the restructuring period, and I agreed to do that.

53 Q- Okay. Can you give us an idea of the size of that corporation?

A- Its sales would be in the neighbourhood of... I was in Caracas for the first meeting of the board in January, its sales would be in the neighbourhood of

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five (5) or six hundred million U.S. (600,000,000).

54 Q- Now, what's the date on which you joined, insofar as you recall?

A- Oh, it was a verbal request, and I think it was in the last... last summer. 5

55 Q- Do I take it that you submitted your resignation to them and it was turned down like the others?

A- I indeed spoke to the principal shareholder, and he did the same thing.

56 Q- Who is the principal shareholder? 10

A- An investor by the name of Eugenio Mendoza.

57 Q- Do you belong to any committees of that corporation?

A- No.

58 Q- Now, I also understand that not so long ago in the last few weeks, you were appointed to the Advisory Council of the China International Trust and Investment Corporation; is that correct? 15

A- No, that's not correct. I was appointed... some time ago... I was appointed, as I look at the record, a year ago. I was approached and on May fifth (5th), I attended my first meeting of the board in Beijing, a few weeks ago... 20

59 Q- Okay.

A- ... a month or so ago.

60 Q- So... the appointment took place roughly a year ago, 25

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AVANT DÉFENSE
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May fifth (5th)...

A- Approximately, yes.

61 Q- ... nineteen ninety-five (1995)? Apart from the Venezuelan addition to your boards, are there any other boards that you belong to, apart from the ones listed in items 2 and 3? 5

A- I'm sorry? The question is... what was... the question was?

62 Q- The question is that in... apart from the six (6) boards you've just discussed... 10

A- Yes.

63 Q- ... plus the China International Council and apart from the boards listed in items Roman numeral II and III of your C.V., are there any other boards you're a member of? 15

A- Well, I am a member of six (6) international boards, and then five (5) international advisory boards, and then I have been a member of twelve (12) different public policy educational and charitable...

64 Q- The ones listed in your C.V.? 20

A- The ones listed there, yes.

65 Q- Well, let us look at the advisory boards...

A- Yes.

66 Q- ... five (5) advisory boards. You became chairman of the Barrick Gold International Advisory Board on 25

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September thirteenth (13th), nineteen ninety-four (1994). Are you still a member of that...

A- Yes, I am.

67 Q- ... advisory board?

A- And I'm still chairman.

68 Q- Fine. We know you're a member of the board of directors of Barrick Gold Corporation. What is the advisory board as compared to the board of directors?

A- The international Advisory Board was created as a decision of the shareholders of the corporation, given the extraordinary growth and international reach of the company, to provide the shareholders, the directors and officers with international guidance in terms of the political and geostrategic considerations that guide corporations in making major international investments.

And so I was asked to put together, on behalf of the corporation, an advisory board that would help do that.

69 Q- So you put it together?

A- Yes, I did.

70 Q- Who are the members of that board?

A- President George Bush is the senior advisor to the board; Senator Howard Baker, the former majority

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leader of the United States Senate, is a member; Vernon Jordan, the chairman of President Clinton's transition team is a member...

The Carlato Pohl, the former governor... *l'ancien gouverneur du Bundesbank en Allemagne*, the former governor of the Bundesbank in Germany; Peter Monk, chairman of Barrick; Bob Smith, the president of Barrick; Paul Desmarais, the chairman and chief executive officer of Power Corporation...

And Johnny Kolusic, the head of the Lusic Group in Santiago, Chili, and a leading investment banker from Buenos Aires. I believe that's the group.

71 Q- Now, when the events occurred, in November of nineteen ninety-five (1995), did you offer to resign from the Advisory Board of Barrick Gold International?

A- Yes, I did.

72 Q- To whom did you address your offer?

A- To the principal shareholder, Mr. Monk.

73 Q- Right. I take it it was refused in the same circumstances as you indicated earlier?

A- That's right.

74 Q- Would you say that you never lost the full confidence of Mr. Peter Monk and of your fellow advisory board members?

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A- Well, that's a good question, you know, because you never know. When you're accused of something like this in the middle of the night by people unknown to you, with accusations that have never been verified, I felt quite frankly -- and that somebody is judge, jury and executioner and declares you guilty without even speaking with you -- to me, quite frankly, it reeked of fascism. 5

This is what used to take place in the middle of the night and... 10

75 Q- Mr. Mulroney...

A- ... I...

76 Q- ... that's not my question.

A- ... I... I'm trying to answer your question.

77 Q- I'm not asking about your feelings. 15

A- Yeah.

78 Q- I'm asking you about the confidence that your fellow board members have or do not have in you.

A- I can't... I can only tell you that when they expressed their confidence in me, I... which they did, I also know that they felt overwhelmed as well by what was going... they... in Canada. Some of them said, "We can't believe this happened in Canada. This is fascism. 20

This is not supposed to take place in Canada. 25

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AVANT DÉFENSE
INTERROGATOIRE

These things happen in the middle of the night".
And all I can do is convey to you my feelings as a
human being when this happened and when I felt,
quite frankly, morally obligated, as soon as I
could, to take the phone and to call these people
and to say :

5

"Look, I can't tell you what I've been accused
of, they won't give me the documentation. I can't
tell you who the accuser is, the accuser is anony-
mous. I can't tell you what the... what the crime
is because the Canadian Government won't talk to me.

10

I can't give you any details beyond the fact
that in the middle of the night, unbeknownst to me
and no one ever speaking to me, you have read or
will read in newspapers that I have been called a
criminal by an agent of the Government of Canada...

15

And because of that, I feel honour bound to
tell you two (2) things: 'This is a grotesque lie,
there is no foundation for it whatsoever, but I also
feel honour bound to tell you that you have my
resignation.

20

I don't want to sully the good name of your
company or of your board with a presence that has
been attacked by the Government of Canada in a way
that in my judgment -- and I'm sure you'll talk

25

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AVANT DÉFENSE
INTERROGATOIRE

about it later -- violates everything that Canadian stood for.' "

79 Q- Mr. Mulroney, we'll have ample opportunity to...

A- I'm sure we will.

80 Q- ... to deal with these matters later on in this discovery. 5

A- I... Mr. Sheppard, if I can, I hope so, because I want you to explain to me, some day, and I... where this monstrous series of falsehoods came from, who conveyed these falsehoods to the Government of Canada, under what cover of anonymity and secrecy. 10

And I know, given the respect you have for the profession, and given the respect that you have for individual rights, you're going to encourage your client to be forthcoming and tell us as quickly as possible who did this. 15

81 Q- At the present time, unfortunately I'm not providing answers, I'm putting questions.

A- I understand.

82 Q- And will continue to do so. 20

A- I understand.

83 Q- But while we're on the subject of the reactions that your fellow board members, trustees, advisers had, would it be fair to say that, from your analysis and your perception, they both disbelieved the accusa- 25

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tions that you indicated, and confirmed to you that they hadn't lost their trust in you, the individual, Brian Mulroney?

A- I think, to be perfectly accurate, that their... generally speaking, what you say is true. But I think their first reaction was horror that this kind of thing could happen in Canada. They never associated this kind of... of... of... of proceeding with... with... with Canada. They just never did.

84 Q- But once they overcame their horror, they expressed their confidence in you?

A- Immediately.

85 Q- Right.

A- Saying, however, that, you know, one... one of the great areas of sadness is that... that the reason they were concerned about Canada, is that if it could happen here, it could happen to anyone of us, anyone of you, me, and so on.

And that was the concern of many ordinary Canadian citizens, most of whom we're talking about now. And I want to tell you, Mr. Sheppard, only if you've been through it, as I have, will you realize how grave the violation is and how serious, how... how much we claim to our rights, and the defense of our rights, and our honour, and our reputation.

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

I was given a good name by my father; my father was an electrician on the North shore of the St-Lawrence River, and he gave me a good name, and that good name has been besmirched by agents of the Government of Canada and I want to clear my name. 5

And I have confidence that the courts will do that, in spite of the smirks and the smugness of colleagues on the other side.

86 Q- You indicated in your C.V. that you're a member of the International Advisory Board of the Chemical Bank of New York. 10

A- That's right.

87 Q- What is that board?

A- I'm sorry?

88 Q- What is that board? What does it do? 15

A- It provides advice to the Chemical banks, similar to that that I've described for Barrick Corporation...

89 Q- And...

A- ... on an international basis.

90 Q- You're still a member of it? 20

A- Yes, I am.

91 Q- Again, without need to go into the details each time, I take it that you offered your resignation at the time, and it was turned down?

A- Yes. 25

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

92 Q- With the same expressions of...

A- Same reasons.

93 Q- ... feelings and confidence in you? Can you tell us something about the size of the Chemical Bank? What is it?

A- The Chemical Bank has just merged with the Chase Manhattan, making it, I believe, the one of if not the largest bank in the United States. The Advisory Board provides international advice to that bank.

94 Q- Can you give us an idea of who sits on that Advisory Board?

A- Cyrus Vance, the former secretary of State... of the United States; Michael Blumenthal, former secretary of the Treasury of the United States; and on the... Claudio Gonzales, uh... there is... there would be about... I would say about twelve (12) members.

Peter Bentley is on that board. The merged board will bring in Henry Kissinger and others like that.

95 Q- Okay. Thirdly, you have been a member since October twenty-fourth (24th), nineteen ninety-four (1994) of the International Advisory Council of Power Corporation of Canada. You're still a member?

A- Yes.

96 Q- You offered to resign and your resignation was

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AUDIOTRANSSCRIPT, Division de Pierre Viteira & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

refused?

A- M'hm.

97 Q- Are you a member of any committee, other than the
Advisory Council of Power Corporation? That is Mr.
Desmarais's company you discussed earlier?

5

A- That's right.

98 Q- Who else sits on this International Advisory Council
of Power Corporation?

A- I haven't attended a meeting yet, because the meet-
ing was...

10

99 Q- Since October twenty-fourth (24th), nineteen ninety-
four (1994)?

A- Because the meeting was cancelled. They meet once
a year and the meeting was cancelled. But I do know
that people like Gustavo Ciceneros and... other...
Edouard Balladur, I think, and others like that are
on the board.

15

I'm not sure of the members in... inasmuch as
I haven't yet attended a meeting, but I think that's
it. Jim Slessinger, the former Treasury secretary
of the United States... Energy secretary, and so on.

20

100 Q- Is there a meeting scheduled in the near future?

A- The meetings take place, as I understand it, the
meetings take place in the autumn of each year.
And... and the... the meetings were cancelled by Mr.

25

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Desmarais.

101 Q- We discussed the four (4) advisory boards, the International China International Trust, so we won't belabour that. And then, fifthly, you say that since August of last year you are a member of the Bombardier Aerospace Group, North America, of Bombardier Inc.?

5

A- Yes.

102 Q- First of all, what is the Bombardier Aerospace Group?

10

A- It's an international advisory board that provides assistance to Bombardier, particularly in regard to possible sales of its new global express, and assists... provides counsel to this company on people who might be interested in purchasing or viewing this, and helps in the strategy of the company to be successful.

15

103 Q- M'hm. Can you tell us who sits on that board?

A- Yes. There is Alan Sheppard, Admiral Alan Sheppard, the American astronaut; there's the honourable Ed Lomley, former Minister of Industry in, I believe, Mr. Trudeau's government; there's Laurent Beaudoin, Bob Brown, the president and myself.

20

104 Q- Again, I suppose you offered to resign, and in the same circumstances your resignation was refused?

25

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AUDIOTRANSSCRIPT, Division de Pierre Vitale & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

A- M'hm.

105 Q- Do you have any other involvements with Bombardier?

A- No. My law firm has represented Bombardier for a long time. Ogilvy Renault has... and one of my partners sits on the board of Bombardier, Pierre Legrand. But I have, if you're asking me personally, if beyond this I have an involvement, no.

106 Q- You then list under the heading "Public policy, education and charitable involvement"...

A- M'hm.

107 Q- ... twelve (12) items. A number of these, I presume, are in the past?

A- Yes.

108 Q- Which ones are still effective?

A- I... the... the... I'm a trustee of the Bush presidential library, that's active. Membre du conseil consultatif des Hautes Études Commerciales de l'université de Montréal, c'est actif. Membre du conseil d'administration de l'Institut de cardiologie de Montréal...

Member of the Institute for International Studies at Stanford University. And member of the Centre for Strategic and International Studies in Washington, and member for the Media Studies Centre at Columbia University. I would say those are all

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AUDIOTRANSSCRIPT, Division de Pierre Vialre & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

active, but the rest were in the past.

109 Q- Did you offer to resign from these six (6)?

A- I don't know.

110 Q- When?

A- I don't think so. These are voluntary matters. I spoke, of course, with president Bush and... but I... I don't believe that in these cases that I communicated specifically with him, no. I may have spoken with them, but I don't believe I... in the case of the others, Mr. Sheppard, I communicated with them formally.

111 Q- But I take it that you have not been asked by any of these six (6) to resign or to withdraw or to cease being active?

A- No.

112 Q- I'm puzzled by one thing in your C.V., among others. Under "Professional memberships", you list the Canadian Bar Association and I wonder why you don't mention the Quebec Bar Association.

Me GÉRALD TREMBLAY:

Because it's part of his description in the style of cause.

A- I...

Me CLAUDE-ARMAND SHEPPARD:

113 Q- You're a member of the...

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AUDIOTRANSCRIPT, Division de Pierre Vileire & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

A- ... I'm...

114 Q- ... Quebec Bar?

A- ... I'm as... I share your puzzlement.

115 Q- Who prepared your C.V., incidentally?

A- It was prepared by my senior assistant, madame Francine Colin, and it would have come back to me for verification. So I suppose I'm ultimately responsible for not putting in the Quebec Bar Association.

116 Q- Are you a member of any committee of the Canadian Bar Association? 10

A- No.

117 Q- Are you a member of any committee of the Quebec Bar Association?

A- No. I'm a brand new member of the Bar Association. I'm just getting started again, or I was trying to. 15

118 Q- I'm sure you'll succeed in the practice of law, Mr. Mulroney.

Me GÉRALD TREMBLAY:

It's a good start. 20

A- It's a good start.

Me CLAUDE-ARMAND SHEPPARD:

119 Q- Would you be kind enough, through counsel, to produce as Undertaking BM-1, within... I would suggest fifteen (15) days, a list of the fellow 25

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

members of the various boards that we have been discussing?

A- You mean members of all of the boards of directors that we've been talking about?

120 Q- Yes.

A- I'd be happy to.

121 Q- Thank you. All these offers to resign that we've discussing and all the refusals, were they oral or in writing?

A- I called... my recollection is that I called people as quickly as I could. I... when it happened, as you know, simply by way of explanation, I did not have an English or a French copy of what was said. What I received was deeply disturbing to me and my wife and my children and my family.

And upon... my immediate reaction was, as I've told you, one of deep sorrow and sadness that this had happened or could happen to anybody.

But that said, I recognize that I have... apart from the difficulties that I would have to go through -- and this has been an extraordinarily difficult time for my family and myself -- but apart from that, I had an obligation, I felt, to communicate as quickly as I could with those people who had been kind enough to want to associate with me.

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

And my recollection is I called them up. I remember calling Yves Fortier, the chairman of Ogilvy Renault. I remember calling Al Newharth, the chairman of the Freedom Forum, on a Sunday morning. I remember calling Paul Desmarais. I remember calling Peter Monk.

5

I had been invited to give the commencement address at a university convocation and take an honorary degree in Miami, in December. And I called and I asked them if they wanted me to decline and stand down from this, because I didn't want to tarnish them in any way with the... the difficulties inherent in my defending my reputation against these allegations that I believe to be poisonous and, as I say, really fraught with fascism.

10

15

And I did not want to involve them in this fight and I offered... I called them and offered to step aside, and they... the answers were the ones I gave you.

122 Q- My question, Mr. Mulroney, was whether any of these offers to resign or refusals to accept your resignation were in writing?

20

A- I... I said that I believed that I had made all of them by phone.

123 Q- Okay. And all the refusals were either by phone

25

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AUDIOTRANSSCRIPT, Division de Pierre Vélisle & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

or... or orally, and not in writing?

A- That is right, and everyone of those individuals would happily come here, if you so requested, Mr. Sheppard, and testify confirming exactly what I've just said.

124 Q- Now, you also indicated that you offered to resign from your law firm?

A- Yes, I did.

125 Q- And I think you just mentioned that you telephoned the chairman of your firm...

A- Yes.

126 Q- ... Yves Fortier?

A- Yes.

127 Q- And do you remember when that was?

A- It happened... I would have to go back and look. This thing occurred on the second (2nd) of November, I was apprised of it -- we will talk about that, I'm sure, later on -- within days, when the enormity of this thing sunk in.

I started at Ogilvy Renault over thirty (30) years ago, as a young lawyer, and I know the outstanding reputation of that firm. I can speak very freely of it, because I have little to do with building that... a great firm and its great reputation for integrity and honesty.

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

And I know that all a lawyer has is his reputation. It's all you've got in life. When that is sullied or smeared, then everybody suffers.

And because I had been asked to join the firm as a senior partner when I resigned as Prime Minister, I did not want, even by ricochet, to have their, if I may say, quite impressive international reputation that they've built up over a hundred and twenty (120) years tarnished by these false accusations.

And so I spoke to Yves, who is also an old friend, and I told him what I... what I thought this... this thing was about. I told him that I... I thought that the fight would be a long and a difficult one, and that I felt, in the circumstances, that he and his partners should consider the appropriateness of accepting my resignation.

And he said, "I can tell you, as chairman, that the response will be absolutely no", and I said, "No, I want you to take it. I want you, Yves... *je veux absolument que tu en parles à Raymond Crevier puis aux membres du comité exécutif*", et c'est effectivement ce qu'il a fait.

Et il m'a rappelé quelques heures ou une journée après, pour me dire que la réaction était una-

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AUDIOTRANSSCRIPT, Division de Pierre Vilare & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

nime, "Defend yourself and we're going to defend... we'll be there with you all the way".

But I was afraid, quite frankly, for reasons that I think you'll quite understand, that because a lawyer's principal asset is his... his only asset really is his reputation and his skill, that any undermining of that is unhelpful to his partners. And I did not want to drag them into this.

128 Q- Who are the members of the executive committee that he consulted?

A- I don't... I don't know.

129 Q- Do you know who the members are of the executive committee?

A- That too changed at Christmas, but the members would have been Yves, Raymond Crevier qui est le président et chef de la direction du bureau, Yves Brunet, John O'Connor, Pierre Legrand, Tom Golespi. Je pense que c'est... ça se limite à ça, ou à peu près.

130 Q- What Maître Fortier conveyed to you was that they were unanimous and refusing your offered resignation, and in expressing their confidence in you?

A- Yes.

131 Q- In an actual fact, you're still a member of that firm?

A- Yes, I am.

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AUDIOTRANSSCRIPT, Division de Pierre Villare & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

132 Q- Are you a member of any committees in that firm?

A- No, I'm not, of my own... that's of my own volition.

133 Q- You describe yourself in French as *associé principal* in... I think your C.V. as senior partner, of Ogilvy Renault. What are you exactly? What is your position in that firm?

A- Un des associés principaux.

134 Q- But is this a qualitative description, or is it a... is it a special category?

A- It's a special category but it's not a very exclusive one. There are a number of... of senior partners or *associés principaux* in the firm.

135 Q- Um.

A- It's not... it's not a small group.

136 Q- It... is it a description of the relative importance a partner occupies in the firm?

A- It's descriptive to the extent that it distinguishes one as a senior partner from a junior partner.

137 Q- Again, without going into details, roughly how many senior partners are there?

A- You'd have to ask Mr. Fortier. I haven't been back long enough to really... to really know. I'll take a guess for you if you'd like, it's only...

Me GÉRALD TREMBLAY:

138 Q- Don't.

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

A- ... it's only...

139 Q- Je pense qu'à ce stade-ci, là, on devrait s'objecter...

R- Je le sais vraiment pas.

140 Q- On est allés assez loin, maître Sheppard, dans le fonctionnement interne d'Ogilvy Renault. Je pense que vous avez, pour les fins de l'interrogatoire au préalable et de... et de l'allégation au paragraphe 2, vous avez assez de détails pour qu'on puisse changer de sujet.

Me CLAUDE-ARMAND SHEPPARD:

I regret, I'm not going to accept Maître Tremblay's invitation to switch subjects.

Me GÉRALD TREMBLAY:

You should.

Me CLAUDE-ARMAND SHEPPARD:

141 Q- When did you become partner of Ogilvy Renault?

A- Some time in the...

Me GÉRALD TREMBLAY:

Récemment, là?

Me CLAUDE-ARMAND SHEPPARD:

Yeah.

142 Q- When you... rejoined your firm?

A- I rejoined the firm in... I was to rejoin the firm... I left office on the twenty-fifth (25th) of

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

June, nineteen ninety-three (1993), and I was to rejoin Ogilvy Renault after Labour Day.

Contrary to the view that I have considerable wealth, I don't and I asked if I could begin working on the third (3rd) of August, nineteen ninety-three (1993). And I did, I began work immediately on the third (3rd) of August, nineteen ninety-three (1993), a month or six (6) weeks in advance of my anticipated date of return.

I remained an employee of the firm until, I believe, the second (2nd) or third (3rd) of January, when their fiscal year began. At that point in time, I became a senior partner of the firm. I had indicated when I returned that my preference would be to simply be an employee of the firm.

They asked to... to reconsider, and if I would accept to be a principle... an *associé principal* ou un senior partner, et au mois de janvier, j'ai dit oui.

And that, I think, is... I think it would be the third (3rd) of January, nineteen ninety-four (1994), when I became a senior partner at Ogilvy Renault.

143 Q- (Addressing Me Tremblay)

Can I continue?

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me GÉRALD TREMBLAY:

Oui, oui.

Me CLAUDE-ARMAND SHEPPARD:

144 Q- Is your position as a senior partner at Ogilvy
Renault governed by a written agreement? 5

A- Yes.

Me GÉRALD TREMBLAY:

Là, je m'objecte. J'en fais une objection for-
melle. Il n'est pas question d'entrer dans les dé-
tails de la structure d'un bureau d'avocat, Ogilvy 10
Renault. Ce n'est pas pertinent au dossier, et il
n'y a pas d'allégation qui vous permette de fouiller
dans les entrailles d'Ogilvy Renault.

Me CLAUDE-ARMAND SHEPPARD:

Bon. 15

Me GÉRALD TREMBLAY:

Il est temps que je vous rappelle, Maître
Sheppard, les gens ici doivent également le savoir,
que les objections doivent être notées, et le juge
a fixé la date du trente (30) pour qu'on les plaide 20
si vous insistez sur vos questions.

Me CLAUDE-ARMAND SHEPPARD:

I generally insist none of my questions, but
I'm getting an answer to them, Maître Tremblay. I
note the objection. 25

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

145 Q- And... and I'll put the next question to you, Mr. Mulroney, don't rush to answer before you've heard what Maître Tremblay has...

Would you file as... or undertake to file through your counsel within fifteen (15) days, as Undertaking BM-2, a copy of the agreement or document, or writings which govern your partnership with Ogilvy Renault?

Me GÉRALD TREMBLAY:

Objection. Un préalable n'est pas un exercice de voyeurisme.

Me CLAUDE-ARMAND SHEPPARD:

Well, Maître Tremblay, if you consider that asking someone who claims to be a partner of the agreement, besides of which he's a partner is voyeurism, we'll have an interesting discussion.

Me GÉRALD TREMBLAY:

Before the judge.

Me CLAUDE-ARMAND SHEPPARD:

146 Q- Mr. Mulroney, which social sporting or leisure clubs did you belong to on November first (1st), nineteen ninety-five (1995)?

Me GÉRALD TREMBLAY:

Où est-ce que c'est allégué, ça, maître Sheppard ?

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

The Plaintiff claims serious damage to his reputation. I can verify to what extent that reputation has been damaged. He alleges a number of memberships; I can verify whether it's a complete allegation, whether he belongs to... as we've already established, there was one (1) sport to which he belonged that was not alleged.

5

Me GÉRALD TREMBLAY:

Alors, maître Sheppard, honnêtement, là, je pense que vous essayez... je dois m'objecter. Il n'y a aucune espèce d'allégation. Vous avez insisté pour avoir un interrogatoire au préalable. Avant défense, le code est clair, l'interrogatoire au préalable avant défense, vous êtes limité aux allégations de la déclaration, et...

10

15

Je ne vois par comment, en étirant tant que vous voulez l'élastique, les activités sportives de maître Mulroney peuvent faire partie d'une ou l'autre des allégations qui sont là.

20

Me CLAUDE-ARMAND SHEPPARD:

Oh...

Me GÉRALD TREMBLAY:

Alors, maître Sheppard, je pense qu'il est... qu'il doit être important, à un moment ou l'autre,

25

FV/cc

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AUDIOTRANSSCRIPT, Division de Pierre Vileire & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

là, que vous arriviez au noeud du problème. Je pense que les questions de ce genre-là ne font qu'é-tirer le... le débat; elles sont inutiles et ne sont pas reliées à la déclaration, et je m'objecte.

Me CLAUDE-ARMAND SHEPPARD:

147 Q- Mr. Mulroney, in order for the judge to have ques-tions to deal with when Maître Tremblay will have the pleasure of arguing his objection, I will put a series of questions to you, which you are free not to answer until the judge will have ruled on the objection.

I would like to know which clubs, associations, circles you belonged to, or your family belonged to on November first (1st), nineteen ninety-five (1995).

I would like to know whether you have been asked to resign, or to leave any of them, or your family has been asked to resign, or whether you have actually withdrawn from any of these, or your family.

But we'll wait for the judge's decision.

Me GÉRALD TREMBLAY:

Well, I will... I will formulate my objection, because the question is even broader than the original one.

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

I object on the basis that it is not relevant, it's not linked to any of the allegations. It's not part of a discovery before defense, it cannot be part of a discovery before defense. And also you had the memberships of members of the family which are not a party to the proceeding.

So they... they have a right to their private lives, and I object to that question, and we'll argue before the judge.

Me CLAUDE-ARMAND SHEPPARD:

148 Q- Well, I'll curb my curiosity until that date, Mr. Mulroney.

Me GÉRALD TREMBLAY:

A court case is not an exercise of curiosity.

Me CLAUDE-ARMAND SHEPPARD:

But it obviously seems to be an exercise in sermons.

A- No, it's an exercise in justice. Seeking justice. At least that's what it was, and that's what I hope it will be.

149 Q- Certainly it will be.

Have you had any social engagement or social events in which you would participate... cancelled on you, or your invitation to such events withdrawn since November first (1st), nineteen ninety-five

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

(1995)?

Me GÉRALD TREMBLAY:

Same objection. It's not part of the allegations.

Me CLAUDE-ARMAND SHEPPARD:

150 Q- I put to you, Mr. Mulroney, that you have not had a single invitation cancelled... invitation to a social event or invitation to make a speech or to attend a function cancelled since November first (1st), nineteen ninety-five (1995), as a result of what happened?

Me GÉRALD TREMBLAY:

Mr. Sheppard, the question is objected to, it's unfair the way you put it, because you want to put words in the... in the mouth of the witness. You want to state things as if they were facts so that they would be reported as such. It should not be part of the record.

I object to the question. It's not relevant. It's not part of our proceedings and I... and I strongly ask you... urge you to conduct the examination in a way that will not oblige me to object at every moment. Stick to the allegations and we'll have a... we'll have a productive day.

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AUDIOTRANSSCRIPT, Division de Pierre Visière & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

151 Q- As a result of the events which occurred in November
nineteen ninety-five (1995), has any client asked
you to cease representing him?

Me GÉRALD TREMBLAY:

Objection. It's not mentioned anywhere in the
allegations.

Me CLAUDE-ARMAND SHEPPARD:

So Mr. Mulroney can claim damages but you can't
verify what damages he suffered, if any?

Me GÉRALD TREMBLAY:

I... it has to be made very, very clear that...
despite the message conveyed through the media, it
has to be made clear that Mr. Mulroney does not
claim loss of revenues. He is claiming damage to
his reputation, which is two (2) different things.

Mr. Mulroney does not claim a single cent with
respect to economic losses or to loss of revenues.
He is claiming damages, one, for attack on his repu-
tation, second, punitive damages because of the way
this matter was handled by the Government of Canada.

And I would draw Mr. Sheppard's attention to
paragraph 40.1 following the particulars that you
requested, and I quote:

"Aucune portion de cette réclamation

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AUDIOTRANSSCRIPT, Division de Pierre Vileire & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

ne comprenant l'indemnisation d'un
préjudice matériel."

"Il..."

- and I quote from the beginning -

"Il s'agit d'une estimation néces-
sairement subjective du préjudice
moral subi par le demandeur pour
humiliation, souffrance, mépris,
embarras, ridicule auquel il fut
exposé suite à la diffamation."

Il y a aucune perte monétaire qui est réclamée.
Il y a... il y a pas de perte de revenus qui est ré-
clamée. Donc, il n'y a pas lieu de procéder à un
interrogatoire sur les revenus de monsieur Mulroney
ou sur les pertes de mandats ou sur les pertes de...
monétaires de ce genre-là.

Me CLAUDE-ARMAND SHEPPARD:

152 Q- Mr. Mulroney, I didn't ask you the question that my
learned friend thinks he heard. I'm asking you
whether, as a result of the events in question, any
client asked you to cease representing him?

Me GÉRALD TREMBLAY:

Alors, c'est la même question, la même objec-
tion.

PV/cc

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AUDIOTRANSSCRIPT, Division de Pierre Vitale & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

153 Q- On November first (1st), nineteen ninety-five (1995), were you being considered or in line for any honorary degree, apart from the one you mentioned, I think, in Miami? 5

A- I have no idea. These things usually come, in the course of a year, at different points in time. I don't know.

154 Q- Well...

Me GÉRALD TREMBLAY: 10

The question is "Was he considered by third parties". How... how can he...

Me CLAUDE-ARMAND SHEPPARD:

No, no, to his knowledge.

Me GÉRALD TREMBLAY: 15

... know?

A- Pardon?

Me CLAUDE-ARMAND SHEPPARD:

155 Q- To your knowledge, when these events occurred, were you being considered by anyone for an honorary degree? 20

A- They... they don't alert you that you are being considered for an honorary degree. They advise you that you are being awarded an honorary degree.

156 Q- Had you been advised that you were going to get an 25

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honorary degree in the period following November first (1st), nineteen ninety-five (1995)?

A- I received an honorary degree, a doctorate of laws in December of nineteen ninety-five (1995).

157 Q- Is that the one in Miami? 5

A- That's the one in Miami.

158 Q- That you discussed earlier. Did you receive an invitation to have an honorary degree bestowed on you since that time?

A- No. When I was Prime Minister, I had a policy of not accepting honorary degrees while I was Prime Minister. I felt that... I spoke at many convocations around the world, but I felt that honorary degrees really should... that attached to the responsibility of Prime Minister, should come later, if indeed they do. 10 15

And I adopted a policy of accepting perhaps one (1) honorary degree a year, after I left off. That's one (1) or two (2), and that's what I've been doing. 20

And so what happens, as you know, convocations come at different times and you are informed in writing that the committee of the university has voted... the senate of the university has voted to award you an honorary degree and you indicate to... 25

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to them whether you're able to accept it or not.

159 Q- So the only one that you have received in between the events we're interested in and today is the one in Miami?

A- That's right.

160 Q- Which university was that?

A- Barry University in Miami.

161 Q- Now, in the area of charitable involvements, other than the... educational or charitable involvements, other than the six (6) institutions or participations we discussed earlier under Roman numeral III of your C.V., do you have any other involvements?

A- In... in charitable?

162 Q- Or educational or public policy institutions.

A- Yes, yes, I... as you may know, my wife has been chairman of the National Cystic Fibrosis Foundation for ten (10) years. We spend a great deal of time at that, raising money for research into cystic fibrosis.

163 Q- But are you involved in any board or...

A- Yeah, well, I... I...

164 Q- ... executive capacity?

A- ... I'm involved...

Me GÉRALD TREMBLAY:

In the board...

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A- ... in the cystic fibrosis, I was there two (2) weeks ago, two (2) Saturday nights ago. Avec l'association des parents d'enfants atteints de la fibrose kystique du Québec qui étaient réunis au congrès à Ville Laval, alors ma femme et moi, nous avons passé le samedi soir avec les parents. 5

Nous avons ramassé de l'argent. Mon épouse a ramassé des millions de dollars pour cette recherche; c'est une maladie qui atteint les enfants. It's the second killer of children in Canada, so we've spent a great deal of time on that. 10

There is a fundraising dinner coming up... I worked with my wife... my wife recently on... she cochaired with Brian Levitt le dîner qui a ramassé deux cent vingt-cinq mille dollars (225 000 \$) pour le grand... les Grands Ballets Canadiens, il y a deux (2) semaines, et... 15

Nous allons ramasser trois cent mille dollars (300 000 \$) pour... pour la fibrose kystique avec André Bérard dans deux (2) semaines. 20

165 Q- C'est le président de la Banque Nationale?

R- Oui, le président de la Banque Nationale, qui est également co-président avec... avec mon épouse. Alors, je travaille activement avec elle là-dessus. Je suis sur le conseil d'administration de 25

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l'Institut de cardiologie où je ramasse de l'argent,
et j'en.. et j'en passe.

166 Q- Mais ça, c'est du volontariat...

R- Oui.

167 Q- ... ma question -- switch back to English -- my
question was more focused perhaps on whether you're
a member of the boards of any other educational,
charitable institutions besides the ones we dis-
cussed.

A- No, but I... I... I participate, for example, there
are only so many things that you can formally take
on. I... if I take on a responsibility, I try and
do... I try and fulfill it. I don't want a list of
things that I can't do, or somebody asks you to ful-
fill and you... and you don't... you don't do it.

For example, I'm not involved in the... in
the... I'm not formally involved, as an officer of
the campaign, for the Royal Victoria Hospital, to
raise twenty-five million dollars (\$25,000,000.00).

But one of my partners is co-chair, and he has
asked me to do things, ranging from visit with large
contributors who contribute between two hundred and
fifty thousand (250,000) and a half a million dol-
lars (\$500,000.00) to the Hospital, which I have
done, to asking me if I would call senator Teddy

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INTERROGATOIRE

Kennedy and ask him to come to Montreal -- which he did a few weeks ago -- to launch a special lecture series at the university... at the Hospital, the Royal Victoria Hospital, to draw attention to the fundraising campaign of the Hospital in Montreal. 5

So, I call senator Kennedy, I made arrangements for his transportation up here and back, and... and I also do fundraising for various... je le fais pour l'université Laval, je... j'accepte des responsabilités pour l'université Laval, pour l'université de Montréal, pour l'Institut de cardiologie. 10

168 Q- Without formal commitment?

A- Without for... no, without.

169 Q- Yeah, you... you do it as a volunteer, you help raise funds. 15

A- I try and help raise funds. St-Mary's Hospital for example right now, Mr. Galery, who is the co-chairman of the fundraising event for St-Mary's, what I... what we have decided to do with his co-chair is to have a cocktail party at my home, of large contributors, where he and the others will be able to speak to them about St-Mary's and the importance of making contributions. 20

And so we try and help out as best we can.

170 Q- All these... I don't want to go into more detail 25

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

than necessary, but all these commitments you've just described...

A- Yeah.

171 Q- ... are current? These are things you... you've been doing in the last few months? 5

A- That's right.

172 Q- And that you still do?

A- That I... that I still do, yes.

173 Q- So, I... you respond to the solicitations of friends and you help out? 10

A- Yes. When something like this happens... this was a devastating personal experience. There were... this was the worst thing that's ever happened to me in my life.

I have four (4) young children, my mother is 15
eighty-five (85) years of age, my... my father-in-law is very ill, to have to explain to them what happened and what is going to happen is an extremely painful thing for any father, or any individual to have to go through. 20

For... I didn't sleep for... literally for weeks. It was a truly overwhelming and devastating... human situation. I had to take my ten (10) year old aside... il fréquente le lycée à Montréal, pour lui dire : "Nicolas, dans peu de temps, ça va 25

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INTERROGATOIRE

être dans les journaux, on va dire que... le gouvernement canadien va affirmer que votre père a commis des crimes, et vous allez être harcelés à cause de ça".

J'ai été obligé de faire ça, monsieur Sheppard, avec mes enfants, puis avec mes amis, et après une période de temps, j'ai décidé que je ne permettrais pas à un geste aussi... aussi gros, aussi énorme de me terrasser davantage.

But I was going to fight back and I'm going to fight for my honour and my reputation. And the only place that I can do it is in this court.

So, I... in spite of the great difficulty of having to go to continue your life, with this cloud over you, we try to make a life as normal as we could for our children and to keep going. And it was extraordinarily difficult. Extraordinarily difficult.

I've had ups and downs in life, I've been successful and unsuccessful. I've had good times, and some that were less good. And so I couldn't say that I was a novice at controversy. I have never had anything more devastating ever happen to me in my life than the release of that information.

I just tell you, en passant, I know we will

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AVANT DÉFENSE
INTERROGATOIRE

talk about it later. No one would give us a copy of this, Mr. Sheppard. So there was also the uncertainty... I didn't know what in the hell they were talking about. I had no... I didn't have a clue as to what these accusations were about.

5

And when I finally got a copy of this document, this eleven (11) page document, the first sentence says that Brian Mulroney was elected Prime Minister of Canada on the seventeenth (17th) of September, nineteen eighty-four (1984), and as far as it concerns me, it... it does concern... every other single reference to me in this document is false. Is false.

10

And I hope that you and I will have an opportunity, in the interest of justice, I will... to talk about this. We're talking about... about other things now and... and I have no quarrel with that, but I do hope to have an opportunity soon to talk about this.

15

Me CLAUDE-ARMAND SHEPPARD:

20

Well, we're at the stage of discovery for the Defendants to make their position known. I'd like to get back to my question, if I may.

Me GÉRALD TREMBLAY:

It was answered.

25

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AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

I doubt very much it was answered. Mr. Vilaire, could you repeat the question, please?

(SHORT RECESS)

Me CLAUDE-ARMAND SHEPPARD:

174 Q- When we adjourned, Mr. Mulroney, we were discussing your voluntary work to assist a number of prominent charities, and you had mentioned a variety of hospitals, and naturally the cystic fibrosis organization that your wife heads.

Without going into unnecessary detail, your assistance to these organizations is essentially helping them raise funds for their objectives?

A- In some cases it's helping them raise funds, in other cases it's contributing to them. I saw in the paper a few days ago... or a few weeks ago, L'Association québécoise contre le SIDA.

Il y avait une grande initiative, justement, pour combattre ce fléau. Alors, j'ai... appelé des gens pour qu'ils contribuent et j'ai contribué... moi aussi. J'ai... ma fille, Caroline, a toujours été intéressée à ce qu'on appelle les... les hospices. There's a hospice thing for AIDS victims.

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

So we raise money and contribute privately to... to that, in Ottawa, and in Montreal. La Fondation Jean Lapointe, c'est une fondation que je supporte depuis, je dirais, vingt (20) ans... de toutes sortes de façons... quand j'étais premier ministre, avant et après.

5

Alors c'est un peu, Monsieur Sheppard, la réponse que je peux vous donner. Des fois, c'est des contributions financières directes. Des fois, je ramasse des fonds. Des fois, je siége sur des comités qui ramassent des fonds. Des fois, je préside une campagne de financement. Ça varie.

10

175 Q- At... at the present time, early April, nineteen ninety-six (1996), you're raising... helping raise funds for a number of hospitals, you said?

15

A- That is right.

176 Q- One is Royal Victoria in Montreal?

A- One is the Royal Victoria.

177 Q- For general funds, a specific project?

A- It's a twenty-five million dollar (\$25,000,000.00) campaign.

20

178 Q- And, again, without going into details, you work, and assist, and try to convince people to donate?

A- What they do is they have a list of contributors, and they ask certain people if they will take

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

various kinds of contributors. In Montreal there are a number of people, and it's widely known -- I see a chancellor of the university there, and he knows all about it -- who contribute, say, five hundred thousand (500,000) or a million dollars (\$1,000,000.00) to large initiatives. People are asked to visit with them to get those contributions.

Those contributions are called the "leaders". Once those contributions are in, you can then turn to other people and say, "Mr. So and So contributed a million dollars (\$1,000,000.00), would you consider contributing perhaps a little less" kind of thing.

Because the question always comes to you in fund-raising campaigns, "I'll give to you, but what about Mr. So and So? Or what about Company X, how much is he giving?" And that's why a... we... some of us, on a fairly regular basis, are asked for different initiatives, to do this.

179 Q- So, that's the Royal Victoria. Which other hospitals at the present time?

A- St. Mary's.

180 Q- Yes. The same thing, roughly?

A- Same kind of thing. L'Institut de Cardiologie. Le... l'argent que l'on ramasse pour la... pour la

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AVANT DÉFENSE
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fibrose kystique, c'était pour l'hôpital Ste-Justine, c'est le docteur Claude Roy de Ste-Justine qui... qui a commencé cette recherche au Québec et qui a impliqué mon épouse là-dedans.

181 Q- Now, earlier you said that you had helped bring U.S. Senator Ed Kennedy to Montreal recently.

Me GÉRALD TREMBLAY:

Monsieur Mulroney... maître Mulroney... là, je vais m'objecter parce que... at one point we'll have to come to the... to the case at hand.

In all those questions I thought your point was to... you know, to have the picture of the man who was in front of the Court, and they were, I thought, preliminary, but now we're going into details of... of his activities which have very little to do, if at all, with the case.

And Mr. Sheppard, I would... I would object that you continue on those details. We have the general picture, we have the gist of the St. Mary's activities, the cystic fibrosis, whatever. We have a lot of that, I think we have enough now, we're not going to start all over again, and going into more details on the same subject.

So, Mr. Sheppard, I would object to your continuing that line of questioning; I think the

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subject has been amply covered. I could have objected earlier, but I let it... I let you go, but I would... I would ask you to come back to the case at hand and to the statement of claim that we have in front of us.

5

Me CLAUDE-ARMAND SHEPPARD:

Well, Maître Tremblay, I... I'm always impressed by your enormous generosity, letting me get away with supposedly illegal questions. But would you let me finish my question before you object?

10

Me GÉRALD TREMBLAY:

For the question, "How... how did you raise funds for..."

Me CLAUDE-ARMAND SHEPPARD:

No, that's not the...

15

Me GÉRALD TREMBLAY:

"... for St. Mary's"?

Me CLAUDE-ARMAND SHEPPARD:

... I didn't finish my question, Maître Tremblay.

20

Me GÉRALD TREMBLAY:

Yeah.

Me CLAUDE-ARMAND SHEPPARD:

182 Q- So, I'll put my question to you, and Maître Tremblay will then...

25

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me GÉRALD TREMBLAY:

... decide.

Me CLAUDE-ARMAND SHEPPARD:

183

Q- ... decide.

You mentioned recently that you were instrumental in bringing Senator Kennedy to a function in Montreal. Is it not a fact that in the course of his visit to Montreal, he said some very positive things about you publicly?

5

Me GÉRALD TREMBLAY:

Je m'objecte et je vous laisse répondre sous réserve, maître Sheppard.

10

Me CLAUDE-ARMAND SHEPPARD:

I thought you might have object.

A- I was asked by the Fund-raising Committee of the Hospital. It's co-chaired by Matthew Barrett, the chairman and chief executive officer of the Bank of Montreal, and Maître Bernard Roy, associé principal chez Ogilvy Renault, if I would approach Senator Kennedy, because they were looking for someone to launch their campaign in Montreal, because they had a special series of new lectures...

15

20

And they wanted someone of international prominence to come and perhaps draw attention to what they were trying to do. Because they came to see me

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INTERROGATOIRE

and asked me if I would do this - I was already involved, as was my wife, in raising money for this campaign - I could see the logic of what they were trying to do, it made sense, so I called Senator Kennedy and asked him if he would come to Montreal and do this for the Hospital. 5

He said, "I'd be happy to do it, Brian". He came up, he spoke, he made a terrific speech, it was well reported, it did a lot for the Hospital, and he went home. 10

In the course of his remarks he did indeed make very favourable comments about me and my family, and... and I remember them very well, because this is not something to which I... I am accustomed in the English language media in Montreal. And I noted that he had said that. 15

To be more specific, this happened at the end of March...

A- That's right.

184 Q- ... of this year? 20

A- That's right.

185 Q- (Addressing Maître Tremblay)

You see, Maître Tremblay, had I caved in to your objection, these fine words about the witness would never have gotten into the record. 25

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Me GÉRALD TREMBLAY:

But... but accept that we've not advanced very much in the case. That's my point.

Me CLAUDE-ARMAND SHEPPARD:

It's my discovery, Maître Tremblay.

186 Q- Is it not a fact that, after these events, in November, the then chief of the Bloc Québécois and now Prime Minister of Québec, Lucien Bouchard, publicly expressed great confidence in your integrity?

A- Yes, that's true.

187 Q- Publicly?

A- Publicly.

188 Q- In fact, he said that he had known you and that he believed that you were incapable of anything dishonest, is that correct?

A- That is right. (...) And my family and I were very grateful for his thoughtful remark.

189 Q- I refer you, Mr. Mulroney, to Exhibit P-2 which is... which consists of two (2) documents, the... a German language document and a purported translation which bears the title "Summary of the letters derogatory against Mr. Brian Mulroney". Have you got the documents in front of you?

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AVANT DÉFENSE
INTERROGATOIRE

Me GÉRALD TREMBLAY:

He's got the documents, Mr. Sheppard.

A- Yes.

Me CLAUDE-ARMAND SHEPPARD:

Okay.

190 Q- And... it is a fact, is it not, that this is a translation that you caused to be made of the German document? It is not the official English version of that document?

A- No. When this... I was apprised of this, we asked... at or about that time, we asked the Canadian Government if they'd be good enough to give us the document that they had already sent to what appeared to be half of Switzerland, including the full board of directors of the Swiss Bank Corporation.

This thing was floating around Switzerland and I asked if we could have a copy. *Nous sommes un pays bilingue, j'ai sollicité une copie en français ou en anglais. On me l'a refusé carrément. Alors, monsieur Tassé est allé à la GRC, la GRC l'a renvoyé au ministère de la Justice.*

Il est allé au ministère de la Justice, on l'a renvoyé à la GRC. Pas capables d'avoir un document du tout. Alors, j'ai demandé à ce qu'une traduction

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AVANT DÉFENSE
INTERROGATOIRE

soit faite en... et... et de ce document-là.

191 Q- Je peux vous interrompre... may I interrupt you.
When you say, "A translation of this document", you
refer to the German document that's at the front of
P-2?

Me GÉRALD TREMBLAY :

We're out of sequence.

A- We may be out... we may be out of sequence. If
you'd like me to go back, and then take it in... in
perhaps better sequence and I can tell you what...
what occurred to me.

Me CLAUDE-ARMAND SHEPPARD:

192 Q- Well, have it your way, because we'll be covering
that territory in some detail, but if it... I'm
trying to understand how this English version got to
be made.

A- Ah well, on the... I was advised, on the second
(2nd) of November, that Mr. Karl-Heinz Shreiber
wanted to speak with me. I was in Toronto at a
meeting. I was unable to reach him until I returned
home. The evening of the second (2nd) of November,
with my wife present, I called Mr. Shreiber at the
number I was given.

193 Q- Where was that?

A- It appeared to be a number in Switzerland. He told

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me that he had received, because he has the holder of an account, that a document had been served upon him that included documentation prepared by the Government of Canada, and he said, "There are things in here that involve you".

I said, "What are you talking about?", and he proceeded... he had the German copy of whatever document...

194 Q- When he spoke to you on the phone?

A- When he spoke to me on the phone.

195 Q- Right.

A- The night of the second (2nd) of November. He began... I asked him if he could translate roughly what he had...

196 Q- Right.

A- ... in front of him. He...

197 Q- Do I take it he's German? He... he...

A- He is...

198 Q- ... understands?

A- ... a German citizen who has Canadian citizenship.

199 Q- But he understands German also...?

A- Yes, he does. His... his... I would guess his mother language is German, and so he translated roughly some of this document that he had...

200 Q- Right.

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A- ... in his hands. And with each passing adjective, my horror and disbelief grew. I was thunderstruck. I said, "What in the name of God are you talking about?" He said, "This thing has been served by the Canadian Government and here is what it is".

201 Q- He told you that this thing had been served on him by the Canadian Government?

A- That it was a document prepared by the Canadian Government that had been served on him because he was the holder of an account. I then asked him, because this thing was... I had no idea what... this was out of Kafka, this was something straight out of Kafka.

And I said, "My God, somebody has got to get a translation of this. I have to try and understand", because, remember, Mr. Sheppard, this was a document that I didn't know at the time. This thing was a document prepared by the Government of Canada, in English, that had been sent to Switzerland.

I had never been interrogated. Nobody ever spoke to me. This was a document transmitted by stealth, in the middle of the night, with no reference to... to me in this thing at all. I had no idea what they were talking about.

And so to get a better idea, I asked him if he

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AVANT DÉFENSE
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could give me some kind of a translation. He said that he would speak to his lawyers, and others, in Switzerland, and see if a translation could be arranged.

The next day, I was advised that... by Mr. Shreiber that he had instructed that a translation *embryonnaire et rapide*, that a translation be made for his legal... legal and other advisers around the world, and that when it was made he would send me a copy of it.

In the course of the next day, which was the third (3rd), I was asked to sign a proxy.

202 Q- By whom?

A- By Mr. Shreiber's law firm.

203 Q- Which is?

A- Which is...

204 Q- In Switzerland or in Canada?

A- In Switzerland...

205 Q- Is it Blum...

A- ... which is Blum... Blum...

206 Q- ... and Partners...

A- ... Blum and Company.

207 Q- In Zug?

A- In Zug. I signed, on the advice of my coun... because I would... without this I wouldn't get the

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INTERROGATOIRE

translation, so on the advice of my counsel, I signed the document, the proxy, I sent it to them and within hours I received a translated copy that Mr. Shreiber had indicated would be sent to me, once copies had been made for him and his legal and financial advisers whom he uses around the world.

208 Q- May I ask you what you mean by a proxy?

Me GÉRALD TREMBLAY:

Power of attorneys.

A- It was a power of attorney.

Me CLAUDE-ARMAND SHEPPARD:

209 Q- Do you have a copy of that document?

A- I think I do. It was a power of attorney in which they said...

210 Q- Would you be kind enough to show it to me?

A- Yeah, they sent me a... a...

211 Q- One second, let me...

(RECESS)

Me CLAUDE-ARMAND SHEPPARD:

212 Q- So, to the kindness of your counsel, I have in front of me copies of a fax of Blum & Partner to you, signed by Andreas... I won't proprot to pronounce that name, H-U-W-Y-L-E-R...

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Me GÉRALD TREMBLAY:

Huwyler.

Me CLAUDE-ARMAND SHEPPARD:

213 Q- And a copy of a document entitled "Power of attorney" which has your signature at the bottom, I presume? 5

A- Yes.

214 Q- And you also have given me a document headed "Memorandum", signed by Roger Tassé, addressed to Blum & Partners and dated November eight (8), terminating the power of attorney. I would ask you to file these three (3) documents en liasse as M-1, because the undertakings were identified as BM, and call that... 10

Me GÉRALD TREMBLAY: 15

Maybe it should be your... CAS-1, and Mr. Bolduc...

Me CLAUDE-ARMAND SHEPPARD:

Sorry, I'm... You know what? What is... do you mind if we number it consecutively, the undertakings and the exhibits, so we'll have just one set of numbers for Mr. Mulroney? 20

Me GÉRALD TREMBLAY:

Uh... 25

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

In other words, we have two (2) undertakings,
let's call it BM-3. And...

Me GÉRALD TREMBLAY:

Okay, fine.

Me CLAUDE-ARMAND SHEPPARD:

4, okay. So, en liasse, as BM-4 as "*Communi-
cations between Mr. Mulroney and Blum & Partners in
November nineteen ninety-five (1995)*".

215 Q- So, again, these documents speak for themselves but
in essence, they constitute the authorization you
sent to Blum & Partner as a result of which you re-
ceived a translation, and then the termination of
that authorization by your counsel, Canadian counsel
Roger Tassé?

A- Yes. I... the summary is I asked if somebody could
get me a translation. Mr. Shreiber said he would
have a translation, he would seek to have a trans-
lation made, I didn't know by whom. He would seek
to have a translation made for his lawyers and his
advisers, and when a copy of that was available, he
would send it to me.

When I hadn't received anything, I then re-
ceived this letter which was self-explanatory, which
sent... said to me, from a lawyer at Blum & Partner:

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

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"After receipt of the power of attorney, I will send you the English summary".

So, I then obviously signed the power of attorney, sent it to him and some time that day, about eight P.M. (8:00), on the third (3rd) of November nineteen ninety-five (1995), I was faxed a summary.

Some time later, a few days later, after we got turnaround, on the advice of counsel, this power of attorney that we had granted simply to obtain a copy of the summary, was... power of attorney was terminated and I retained separate counsel, a different counsel in Switzerland.

216 Q- When you say, "on the advice of counsel", you refer to Roger Tassé...

A- Yes.

217 Q- ... the counsel who signed your...

A- And others.

218 Q- And others ?

A- Yes.

(DISCUSSION OFF RECORD)

Me GÉRALD TREMBLAY:

On peut marquer BM-4-1, 2, 3, si vous voulez.

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

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AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

BM-4-1, 2, 3, oui.

Me GÉRALD TREMBLAY :

Ou A, B, C.

THE STENOGRAPHER :

BM-4-2, étant le "Power of Attorney"...

Me GÉRALD TREMBLAY :

Et BM-4-3...

THE STENOGRAPHER :

... et BM-4-3 étant le "Memorandum".

Me GÉRALD TREMBLAY :

C'est ça.

Me CLAUDE-ARMAND SHEPPARD:

219 Q- Now, the translation that this BM-4 led to being received by you, is that the document which is appended to P-2, and bears the title "Summary of the Letters Rogatory"?

A- Yes.

220 Q- Yeah, okay. This was sent to you by Blum, or by Mr. Shreiber, the translation?

Me JACQUES JEANSONNE:

What do you mean "this"? "This", P-...

Me CLAUDE-ARMAND SHEPPARD:

"This" being the English transaction, Maître Jeansonne.

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltés

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me GÉRALD TREMBLAY:

The summary.

A- I don't know who sent it to me, I received it, I believe, from... I believe from that law firm. I believe from the law firm, I'm not sure. I believe from the... yeah... yes, from Blum... Blum and Partner. I don't know who translated it, but it... but it came from... from that law firm.

Me CLAUDE-ARMAND SHEPPARD:

221 Q- Did it come with a covering letter?

A- It... yes, it did. Yes, it did. From the same... from the same gentleman we... we talked about, same lawyer.

222 Q- Thank you. Fine. Again, through the kind assistance of your counsel, and being shown a copy of a fax sent to you on November third (3rd) by Blum and Partner, signed by the same gentleman, Andreas Huwyler...

(Addressing Me Tremblay)

But I have a problem, Maître Tremblay, it's not identical. It's not identical to... there's something missing. La première page. Votre page 1.

(DISCUSSION OFF RECORD)

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

223 Q- That represents what you received from Blum and Partner, and I would ask you to file this as BM-5. Est-ce que vous pouvez le marquer ?

It's a letter dated November third (3rd), nineteen ninety-five (1995) from Blum and Partner to the witness, forwarding to him copies of the translation of a German document, both of which are attached to the letter.

Me GÉRALD TREMBLAY:

For the record, Mr. Sheppard, the handwriting... the underlining is the witness'.

Me CLAUDE-ARMAND SHEPPARD:

Okay.

224 Q- And so far as you are concerned, then, the November eight (8) letter to Blum from Roger Tassé terminated the relationship between you and that?

A- That's right.

225 Q- In BM-4-3, Maître Tassé refers to Dr. Martin Carrer of Barr & Carrer. Are they involved in this matter?

A- They were the new attorneys chosen by my... my legal team here in Montreal to represent my interests in Switzerland.

226 Q- Okay.

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AUDIOTRANSSCRIPT, Division de Pierre Villars & Associés Ltée

(DISCUSSION OFF RECORD)

Me CLAUDE-ARMAND SHEPPARD:

227 Q- You told me that you were apprised of this, I believe on November second (2nd), nineteen ninety-five (1995) by a call that you received from Karl-Heinz Shreiber. Did you receive it at your home, or at your office? 5

A- No, I was attending a board meeting in Toronto.

228 Q- But did you take... you took the call in front of your wife in Montreal? 10

A- No, the... the... when I returned to Montreal. I recieved the notice that he wished to speak with me in Toronto.

229 Q- Right. 15

A- I was left a telephone number. I was able to place one (1) telephone call after the board meeting, unsuccessfully. I then returned to Montreal, and when I came in at home, I said to... before we could have dinner, I said to Mila, "Mr. Shreiber has been calling me and asking me if I would call him at this number, I'll... let me try and get a hold of him before we have dinner, because it's already quite late there". And I called him. 20

And that's when I heard for the first time the 25

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AUDIOTRANSSCRIPT, Division de Pierre Vileire & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

horror of what had been inflicted on me.

230 Q- So, I take it you knew who Mr. Karl-Heinz Shreiber was when you received the message?

A- Yes, I did.

231 Q- You know him?

A- I know him, yes.

232 Q- Can you describe your relationship with him?

A- He... it was a businessman from Germany who moved, apparently to Alberta, where he was involved in business, and I was introduced to him, I... I believe, although I have no specific recollection of this, that it must have been in the beginning of the early eighties (80's).

He was a successful business person in Alberta, and I was president of the Iron Ore Company of Canada, and I would have been introduced to him in... in, I believe, a business context. Although I did know that he was a very strong supporter of the Government, of Premier Peter Lougheed, whom I admired a great deal. That was my knowledge of him at the time.

233 Q- You were introduced to him in Alberta or in Quebec?

A- I... I don't remember.

234 Q- Okay. And you don't remember in what connection?

A- I don't remember in what connection because three

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AUDIOTRANSSCRIPT, Division de Pierre Vileira & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

(3) years later or... three (3) years later at about that time, I ran for the leadership of the Conservative Party. I then became leader of the opposition and Prime Minister, all in rapid succession.

And, as you know, you encounter all kinds of people in those activities. I cannot be more specific than that, although I certainly am sure that I met him in the years prior to nineteen eighty-four (1984).

235 Q- Okay. Can you describe your relationship with him after?

A- Mr. Shreiber was a businessman who seemed to be interested in... in economic development in Canada, and in one project in particular. I... I tended to associate him with one project in particular, and it's the one that's become known as the "Tissen Project".

He had a project which dealt with Canadian Exports. He believed - and he was quite knowledgeable about the capacity and the need for Canada to export.

He had a project which called for the building of vehicles that would be either sold to the NATO armies or eventually, as time went on, a new vehicle

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

that would be sold to the United Nations Peacekeepers.

This project, when it first came to my attention, was to have been built in Cape Breton. When I was first elected to the House of Commons, I was elected from Central Nova in Nova Scotia, and I had been educated in... in that area as well. I'd gone to college there. I was well familiar with the area and unemployment rates that ranged as high as fifty percent (50%).

And so a project that would create say a thousand (1,000) jobs and bring new technology, it's always attractive to the Government of Canada. And so I tended to associate him with that specific project on which...

236 Q- That's what you call the "Tissen Project"?

A- That's what I call the "Tissen Project".

237 Q- Why? What... what does the name mean?

A- Because the... the name *Tissen*, in Canada, was a... a German employer that had already purchased... as I understood it, *Tissen* had made investments in Canada and at that time had approximately three thousand (3,000) employees in other areas of endeavour.

Mr. Shreiber's principal interest, to the ex-

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AVANT DÉFENSE
INTERROGATOIRE

tent that I was aware of one, was the idea of per-
suading the Government of Canada and Provincial
Government to locate in an area of high unemployment
an industry that would create high technology
vehicles for sale initially to NATO military
forces...

5

But eventually, in the ninety... in the early
nineteen nineties (1990's), when we dispatched our
troops to Yugoslavia - because Canada was one of the
first countries to do so and you'll remember there
were great difficulties about the safety of our...
of our troops - and the idea was then that perhaps
this new vehicle that had been devised by Tissen
could be built at that time in the east end of
Montreal.

10

15

So the concept throughout was a vehicle which
was... which had a high job creation component, a
high technology that required infrastructure funds
by either Provincial or Federal Governments, and
that's what he was interested in.

20

238 Q- He was promoting it on behalf of Tissen or...?

A- I believe so.

239 Q- And can you go on to describe your relationship over
the years?

A- Well, it was a... he lived... he lived in Germany

25

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AUDIOTRANSSCRIPT, Division de Pierre Vliete & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

and he visited Canada... as I could see, he visited Canada infrequently. He went to Alberta, I think, from time to time to Ottawa, to... as I say, work on this particular project.

He was... I came to know him as a... and the people in Alberta who had been his partners described him as a... a hard working, diligent, successful business person who was very interested in this particular project and worked very hard to try and secure its realization.

I can tell you that I... I suppose it's the same thing today, any serious multinational company comes to see the Prime Minister or the Minister of Industry and says, "I can create a thousand (1,000) jobs in the east end of Montreal or in Cape Breton", you can bet your bottom dollar that there's going to be interest in that.

And so Mr. Shreiber was also, as a German-Canadian, he was extremely well informed... extremely well informed on questions such as German reunification which was beginning in the... after nineteen eighty-nine (1989) to acquire a degree of importance.

And on the infrequent occasions when I would see him on business, when he was promoting the

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AUDIOTRANSSCRIPT, Division de Pierre Vitale & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Tissen Project, he would raise this German reunification issue and speak very knowledgeably about it.

It was something that interested me a great deal, as a question of Canadian foreign policy, and as you may remember, ultimately, when Chancellor Kohl reported to the... to the Commission of the Bundestag on the... the achievements of the... of the realization... the unification, he particularly thanked the United States, Russia and Canada for our contributions to that objective.

So I was... I was of course impressed by anyone with good knowledge... a good knowledge base and the capacity to articulate it. My association... he was interested in that, he was interested in Canadian exports, and the project that I associated with him was this one that I've described to you.

240 Q- Did you visit with him at any of his homes in Europe and Canada?

A- No.

241 Q- When you met him, where would the meetings take place?

A- In my office in Ottawa. There may have been... he may have been at a fund-raising dinner or he may have shown up in other circumstances. I... I mean

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

I can't swear to that, but I have vivid recollections of a few meetings on this project in...

242 Q- The Tissen Project?

A- Yes, sir. In my office in Ottawa with senior public servants.

243 Q- Was he a political contributor?

A- I have no idea.

244 Q- You say that you were impressed by his great knowledge of the German reunification question, to use a euphemism, was he known to you as someone who had a good knowledge of German politics and German politicians?

A- Not really. I just knew him... I knew him quite frankly as a... a well-informed, determined, competent businessman who had immigrated to Canada. And I always believe that this country was enormously strengthened by such immigration.

This was the kind of person... I'm not speaking of him as an individual, but the immigrants who came to Canada with this kind of determination strengthened our country. And I was always interested by people with that kind of ambition and that kind of drive because they brought so much to our economy and to our country.

245 Q- And was he known to you as a friend of Franz Josef

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Strauss?

A- He was not known to me as that, but I subsequently read that he was known to Mr. Strauss. I did not know Mr. Strauss myself, nor did I know any of his family.

246 Q- You talk about Shreiber's family?

A- Strauss' family... This is Strauss like in the waltz.

Me CLAUDE-ARMAND SHEPPARD:

247 Q- The Tissen Project came to not a number of years ago. Is that correct?

A- Well, the... I... I indicated to you that it tended to graduate, but the original project in Cape Breton was unsuccessful. This document, even the R.C.M.P. acknowledge in their document that when the costs were reported to me in excess of a hundred million dollars (\$100,000,000.00) in infrastructure, I cancelled the project.

248 Q- M'hm.

A- The Cape Breton project of Tissen that Mr. Shreiber was promoting failed because I cancelled it. My Government cancelled it.

249 Q- Yes.

A- Put it that way. That's more accurate. My Government cancelled it. This is according to... this

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BRIAN MULRONEY
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INTERROGATOIRE

same document. Subsequently, Mr... Mr. Shreiber, a determined, resolved guy, I can remember a meeting with him. By this time, it is now, say, nineteen ninety-one (1991) or nineteen ninety-two (1992).

And at this point in time, the Tissen Project had evolved into one where vehicles would be made for the United Nations Peacekeeping Forces around the world to protect our Peacekeepers.

The United Nations had issued a report saying the vehicles were no longer safe to protect Canadians and others from snipers. And he had what appeared to be a perfect vehicle that could do this.

And so I met with him, and Mr. Paul Tellier, who was the clerk of the Privy Council and the Secretary of the Cabinet, I met with him in his presence. We listened to him. I asked Mr. Tellier to refer this matter to the Defence Department.

There was a subsequent meeting with the Department of National Defence in the presence of the Deputy Minister. I believe Mr. Fowler, who is now our ambassador to the United Nations, Mr. Tellier and I and Mr. Shreiber, he made his case and... and left.

Some time later, the Department of National Defence decided in favour of another company in

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Ontario to supply that project. I believe it was in London, Ontario, and he was turned down again, and he kept working at the project. He didn't quit. He kept working at it in nineteen ninety-two (1992), nineteen ninety-three (1993) and so on.

250 Q- All these meetings were... that you described were with him, were representatives of Tissen in attendance?

A- No. He was there.

251 Q- He was...

A- There may have been somebody else, but he was... I can't... you know, there was Mr. Tellier and I and Mr. Shreiber and perhaps a secretary in his company or something.

252 Q- Did you maintain contact with Mr. Shreiber after you ceased being Prime Minister?

A- Well, from time to time, not very often. When he was going through Montreal, he would give me a call. We would have a cup of coffee, I think, once or twice. And he told me that he continued to work on his project, that he was pushing a new government.

And he told me that the idea of the project at that point was the same project, but the desirability at the time was to work with the Provincial Government of Quebec and the Federal Government, the

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AUDIOTRANSSCRIPT, Division de Pierre Villaire & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

new Federal Government, to establish this new project in the east end of Montreal where the jobs were badly required. And he told me that he had hired Marc Lalonde to represent his interests before the new Liberal government. And the Honourable Lalonde... I wasn't...

253 Q- Of Stikeman Elliot.

A- Pardon me?

254 Q- Of Stikeman Elliot.

A- Of Stikeman Elliot. I wasn't really surprised because the word in Ottawa is that Mr. Shreiber and Mr. Lalonde had had a... had had a long relationship in the past. And so he also expressed the dismay with me that my Government had not agreed or could not include the contract that he liked.

So he... he said that he had hired Mr. Lalonde and he hoped that this would give rise to... to an agreement.

255 Q- When he passes through Montreal and visits you, is it at your office or at your home?

A- Well, he doesn't pass through Montreal and visit me. He comes... when he's on his way to Montreal, he called me and asked me and I say perhaps once or twice, if I could come to a cup... have a cup of coffee with him at a hotel. I think I had one in

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

the Queen Elizabeth Hotel with him.

256 Q- Oh. So it's at his...

A- I had one in the...

257 Q- Yeah.

A- ... in the... in the... the coffee bar of the Queen Elizabeth Hotel. 5

258 Q- Did you know during those years of any other business interests that Mr. Shreiber might have had in Canada besides the Tissen project?

A- No, I did not. 10

259 Q- Did you ever hear before these documents of a... a holding company called Kensington Anstalt?

A- I never did.

260 Q- International Aircraft Leasing?

A- Never. 15

261 Q- Ticinella Anstalt?

A- Never.

262 Q- Did you know before the documents that you obtained in November, nineteen ninety-five (1995) of any relationship between Mr. Shreiber and/or one of his companies, and Airbus? 20

A- Not at all.

263 Q- Before these documents came to your attention, had you heard, or did you know of any suggestion that either Mr. Shreiber or one of his companies might 25

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

have been paid a remuneration or a commission for the sale of Airbus aircraft in Canada?

A- Never. What we heard was that in nineteen eighty-eight (1988) the... at the request of the Minister of Transport, Mr. Crosbie, my Government asked the R.C.M.P. to conduct an investigation into the transaction, because there were rumours flying around, generally acknowledged to be from the losing party, namely Boeing, that there had been some allegations of perhaps impropriety.

So Mr. Crosbie had the R.C.M.P. scour the thing from head to toe, and was given a complete clean bill of health.

264 Q- Who was given a complete bill of health?

A- Mr. Crosbie. From the R.C.M.P. Mr. Crosbie gave it to the Cabinet. We had no knowledge whatsoever of... of that.

265 Q- But in nineteen eighty-eight (1988), do I take it, from what you're telling me, that the name of Shreiber did not come up?

A- Not at all.

266 Q- Or any of his companies?

A- Or any of his companies. And the preposterous nature of it, Mr... is this. Is that if the Government of Canada, in nineteen eighty-eight

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

(1988)... you may remember that the major thing on our... on our agenda, which was going to carry us into a general election in the autumn of that year, was the Free Trade Agreement with the United States. And the Ameri... we wanted that Free Trade Agreement.

5

And the Americans, Boeing was pressing, and... and all of the Americans were pressing the Government to buy Boeing. Had we wanted to favour anyone, the logical one the Government would have favoured would be Boeing.

10

Because our... the partner with which we were negotiating the most important commercial transaction in the history of Canada, namely the Free Trade Agreement, this was a major topic for them. And the response that they got was the response everybody got.

15

"We have nothing to do with this. Air Canada, and Air Canada alone, internally, will make a decision. Whatever that decision is, is okay with the government". There was never the suggestion of anything else.

20

267 Q- What was the R.C.M.P. asked to investigate in nineteen eighty-eight (1988) by Mr. Crosbie?

A- Subsequent to nineteen eighty-eight (1988) rumours

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

began to spread in Ottawa - not to my personal knowledge of them - that... that apparently emerged from Boeing that there had been some... Boeing didn't get the contract. And like any time you're in a public policy, the guy that doesn't get the contract usually complains.

Boeing laud... Boeing complained. And they started some... some things that Mr. Crosbie, who was the Minister of Transport at the... at the appropriate period, thought should be looked at. And my recollection is that they had it looked at, the R.C.M.P. investigated it, and it was as clean as a hound's tooth.

268 Q- It's twelve fifteen (12:15), I think it's an appropriate time...

A- We can keep going, if you like, till twelve thirty (12:30).

Me GÉRALD TREMBLAY:

If you want to go on to twelve thirty (12:30), that's fine with us.

A- That's fine with us.

Me CLAUDE-ARMAND SHEPPARD:

I have another commitment, so... as agreed...

Me GÉRALD TREMBLAY:

Okay.

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AUDIOTRANSSCRIPT, Division de Pierre Viaire & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

(LUNCH ADJOURNMENT)

Me GÉRALD TREMBLAY:

Pour le dossier, je remets, à maître Sheppard et à maître Bolduc, la page 2 qui manquait au document... vous me rappelez le numéro, M... BM-5.

Me CLAUDE-ARMAND SHEPPARD:

269 Q- At the adjournment, Mr. Mulroney, we were discussing some aspects of your communications with Karl-Heinz Shreiber, and you had told us about a telephone call you made to Mr. Shreiber on November second (2nd), nineteen ninety-five (1995) in response to his call to you, that... and you said you made this call from your home. You remember about what time it was, local time?

A- About seven p.m. (7:00).

270 Q- The message you had received from Mr. Shreiber was to what effect?

A- I believe it was to call him as soon as I could, that he had some important information to convey to me. I believe that was it.

271 Q- But it was three o'clock (3:00) in the morning at that time for him, in Europe?

A- Whatever time it was, I got the message in... in

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Toronto, I tried to place a call to him in... from Toronto, unsuccessfully. I returned home and the first occasion that I had to call was when I got home. It would have been about midnight (12:00) in Switzerland, not three o'clock (3:00) in the morning.

272 Q- And you reached him and you described the full conversation you had with him. Subsequent to receiving the document that was filed this morning, the translation, did you communicate again with Mr. Shreiber during that period?

A- Oh, I'm sure I did.

273 Q- And you discussed the subject matter of this Canadian request, I suppose?

A- Yes.

274 Q- How many conversations would you have had with Mr. Shreiber in the month of November?

A- Oh, I couldn't say. We had a number of conversations. He... as I indicated to you, the extraordinary realization of what had transpired in secret was... hit me like a ton of bricks.

I, in asking Mr. Tassé in the subsequent days to... to visit with the Canadian Government, because this matter had not been made public on the second (2nd) and third (3rd) of November... to try and

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

point out to them how false these statements were, how damaging they would be to me and my family if they were made public. The damage would be irreversible.

And that to seek to persuade them to interrogate me if necessary, to ask me any questions they wanted, no one had never spoken to me about this in my life.

I hadn't the foggiest idea of what they were talking about...

275 Q- I don't want to interrupt you...

A- No, but I...

276 Q- ... but that was not my question.

A- I want to answer your question fairly. And because of that, when we sought from the Canadian Government, when I sought from the Canadian Government some assistance as a Canadian citizen, "What in the name of God is going on? Who accuse... who are these secret, anonymous sources in the middle of the night, accusing me of a crime? Would you like to ask me? No one has spoken to me about this, would you like to interrogate me? Would you like to examine my documents? Would you like to examine my bank accounts?". They mentioned a bank account in Switzerland. I haven't got a bank

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

account anywhere in the world, except Montreal, and never have.

I would have given them complete answers. We were... every time we sought to the Cana... to the Canadian Government for assistance, in terms of at least providing us with the opportunity to be interrogated, the door was slammed right in our faces. 5

So, the only source that I had who would help me trying to understand what was going on, was Mr. Schreiber. He was in Switzerland, and he had a copy of this execrable document, that we subsequently found out was not drafted by... by some low functionary in the R.C.M.P., which I initially suspected, but which went to... to Switzerland on behalf of the Minister of Justice and the Attorney General of Canada, signed by Kimberly Prost, senior counsel, director of the international assistance group for the Minister of Justice. 10 15

Well, we sought an opportunity to clarify this, we were turned down at every occasion, so obviously I had conversations with Mr. Schreiber to see if... exactly what was being said, what was meant, what the implications of this might be in Switzerland, and so on. I looked for help wherever I could, and the Canadian Government slammed the door in my face 20 25

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every opportunity.

277 Q- Well, you gave me a... a long and informative answer, Mr. Mulroney, which forces me perhaps to anticipate some of my questions.

Is it not a fact that Maître Tassé reported to you that the R.C.M.P. had advised him that they were prepared to modify the Swiss' request if you would give access to your bank accounts to the R.C.M.P.?

A- No, you... you'll want to go through the... the correspondence, this is all on the public record. And we have filed it, I believe, with our documentation.

278 Q- I'm asking you: is it not true that Maître Tassé reported to you that the R.C.M.P., in exchange... or as a result of his representations, indicated that, if you weren't prepared to let them look at your bank accounts, they would modify the request, insofar as you are concerned, to the Swiss authorities?

A- I was prepared to let the R.C.M.P. look at my bank accounts any time they came to see me.

279 Q- Did he report that to you, and did he also report that he refused, on your behalf, to give access to your bank accounts?

A- No, he did not.

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280 Q- Well, we'll have occasion to get back to that.

A- I'm sure we will. We offered many times, and the documents will clearly establish it, we wa... you talk about bank accounts, all we wanted was a piece of information, we couldn't get it. We couldn't get a piece of information from the R.C.M.P., or from... from the Department of Justice. They sent us on... on a... on a chase around town. Mr. Tassé, the former Deputy Minister of Justice, will testify to the... to the treatment that he was subjected to by your clients.

Mr. Sheppard, just to clarify, and to... to... the answer given, just to make certain that it's complete, I have a letter from... to Mr. Tassé from Sergeant F.E. Fiegenwald on the... November seventeenth (17th), and... which says:

"For these reasons, I believe that the request has adequately communicated our position to the Swiss. And there is no misunderstanding, and therefore no basis for amending the request."

And, meanwhile, I should... I should tell you that the crescendo of leaks which had begun in Switzerland... as a result of the fact that this

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information had been conveyed, not to the Swiss Government, but to the Swiss Government, and many... many other people, that the crescendo of leaks which had begun on the tenth (10th) in German television in Switzerland, and then throughout the week in... in Agence France-Presse, and then La Presse, and then with the faxes we received from Der Spiegel on the fif... fourteenth (14th), and the fifteenth (15th), and sixteenth (16th), clearly indicated... a reading of the faxes clearly indicated that the document submitted by the Government of Canada to Switzerland was already in the hands of people in Switzerland, the German version of that, MacLean's, or Der Spiegel, or others.

And, therefore, when we received Mr. Fiegenwald's letter on, I believe, the sixteenth (16th), it was our expectation, as you know, that this matter would... would blow sky high, and these assurances from the R.C.M.P. that the matter would be remained... would remain confidential, were, of course, unacceptable.

- 281 Q- Mr. Mulroney, did...
- A- But I... but there may have been conversations between other people at different times that... that I am unaware of, or, alternatively, that would have

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been obviated in an... in terms of effectiveness, by the fact that this matter was becoming public.

282 Q- Mr. Mulroney, you had retained Maître Roger Tassé to deal with the Canadian authorities on this matter in November, right?

A- Yes. M'hm.

283 Q- Without going into confidential communications between you and him, he was acting under your instructions?

A- That is right.

284 Q- He was reporting to you on what he was doing on your behalf?

A- I assume so.

285 Q- I put it to you that, on November fifteenth (15th), he met with Inspectors Fiegenwald and Bouchard...

A- M'hm.

286 Q- ... Sergeant Fiegenwald and Inspector Bouchard...

A- M'hm.

287 Q- ... and at that meeting it was suggested to him that the inquiry in Switzerland, concerning you, could be withdrawn provided you gave access to your bank accounts. Did he report that to you, or not?

A- I will have to refer you to the correspondence in our own... in our own declaration.

288 Q- Yes, but I would like you to reply to my question.

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And did he report... I'll complete my question to you, that, on your behalf, he refused.

A- "Le mercredi quinze (15) novembre, maître Tassé rencontrait le défendeur Fiegenwald et l'inspecteur Bouchard au bureau de la GRC entre quinze heures (15 h 00) et seize heures quarante (16 h 40).

À cette occasion, l'offre de pleine collaboration de monsieur Mulroney fut réitérée et elle reçut la même réponse qu'à la rencontre du six (6) novembre.

Durant cette rencontre, maître Tassé informa le défendeur Fiegenwald et l'inspecteur Bouchard d'une demande télécopiée de Der Spiegel nommant le demandeur en relation avec la demande d'aide et demandant des commentaires avant leur date de tombée du lendemain.

À la fin de la... cette rencontre, le défendeur Fiegenwald demanda à maître Tassé de lui mettre par écrit sa suggestion quant à un texte

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*pouvant possiblement être envoyé aux
autorités suisses".*

Et voilà.

289 Q- It may be "Et voilà" for you, Mr. Mulroney, but I'm asking you whether it is true or not that Maître Tassé, on the fifteenth (15th) of November, on your behalf, refused an RCMP suggestion that you allow them to examine your bank accounts? 5

A- Oh no, just a second, that's not what you said earlier. You said that the RCMP made an offer to withdraw... are you saying the RCMP made an offer to withdraw any allegations against me of any kind, if... if they were given access to my bank accounts? 10

290 Q- I'm asking you whether Maître Tassé reported to you that the RCMP would remove the portion of the Swiss request concerning you if the bank accounts that you controlled would be made accessible to the RCMP? 15

A- If the RCMP had asked me, not on the fifteenth (15th) or the sixteenth (16th), on the fourth (4th) or the fifth (5th) when we went to see them, I would have given them access to everything I had, let me... let me tell you. I have lived, at that point in time, intimately with the RCMP for ten (10) years. 20

The RC... special detail was affected to my 25

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family for our security. They were like members of our family. The RCMP were in our homes. They listened to our telephone calls on our... on our phones. There were no secrets with the... with the... as far as I was concerned, with the RCMP. 5

When we went to the RCMP... when Roger Tassé went to the RCMP when this thing first happened, what we were seeking to do was precisely that, and we received a series of refusals all the way up until the fifteenth (15th) or the sixteenth (16th). 10

At that point in time, Mr. Sheppard, there was another train coming down the track, and that was coming with the leaks from Switzerland or from wherever which, in writing, we were advised we're going to break within hours. So, all I can do is tell you that we offered our full collaboration to... to the RCMP. 15

I'd have been delighted to sit... I asked that the RCMP come and investigate, sit down with me and ask me for anything, and we were rejected. We were turned down. 20

Now, if there is something beyond that that you're aware of, you may want to ask Mr. Tassé about it when you... when you talk to him about it... 25

291 Q- Well, I...

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BRIAN MULRONEY
AVANT DÉFENSE
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A- ... but I can tell you this...

292 Q- ... I've been denied that opportunity, as you know.

A- Pardon me ?

293 Q- I've been denied that opportunity so far, as you know.

A- But your persistence will...

294 Q- Oh, my...

A- ... will prevail, I'm sure.

295 Q- I hope.

A- I'm sure it will.

296 Q- But my question, Mr. Mulroney, is: whether he reported to you, on the fifteenth (15th) or shortly thereafter, that on your behalf, he had refused that RCMP request, whatever the reason?

A- What... what was the request?

297 Q- To examine your bank accounts.

A- I had offered... -- let me repeat for you -- ... I had offered and instructed my attorneys to meet with the RCMP at the earliest possible opportunity and invite them to interrogate me in any which way to ask me for any documents, any of which I would have been... I would have willingly supplied. They stonewalled for ten (10) or fifteen (15) days, and I'm reading from 17.12:

"Dans l'après-midi du six (6)

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novembre, l'inspecteur Bouchard rappela maître Roger Tassé pour lui demander que l'offre de collaboration formulée par le demandeur lui avait été bien transmise, mais qu'elle... qu'il la jugeait prématurée, et il déclara envisager la reconsidérer éventuellement dans deux (2) ou trois (3) mois, si nécessaire."

- 298 Q- That's not my question.
- A- We made an offer to the RCMP for full and effective cooperation. I wanted... I was more than willing to have them investigate me in any... any which way. It never happened. If you have any evidence or any... any conversations about Mr. Tassé, talk to him about it. I'm sure he'll be happy to answer your questions.
- 299 Q- My question simply is this: did he report to you that that offer was made to him and that he, on your behalf, refused it?
- A- What was the offer?
- 300 Q- To withdraw the portion of the Swiss request concerning Brian M. Mulroney if you would allow them to examine your bank accounts?

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A- No.

301 Q- He did not report that to you?

A- No.

302 Q- Okay. Now, this...

Me JACQUES JEANSONNE:

Now... now... before it goes on, I'd like it to be noted on the record that those questions, especially the... the last series of questions, is completely outside the purview of this examination before plea. You have not been examining Mr. Mulroney, for the last fifteen (15) minutes, on allegations of the demand. We have let you go on, but in fact you're pursuing and trying to elaborate a plea or a possible defense on your part. We are letting you do it, but in fact you're proceeding and doing now what is in effect an examination after plea, and you know that, Mr. Sheppard.

Me CLAUDE-ARMAND SHEPPARD:

Maître Jeansonne, we have different visions of the law of evidence. Let the judge decide.

303 Q- This morning, you described that the... the evolution of the Tissen Project and told us that eventually, it did not materialize because the contract went to a company in London, Ontario. You remember that?

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AVANT DÉFENSE
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A- I believe it went to a company...

304 Q- That's what I'm quoting, what you said this morning.

A- Yes.

305 Q- You know what that company is? Who that company is?

A- I don't know but there was a major government supplier in London... 5

306 Q- General Motors?

A- Gen... General Electric or General Motors, I'm not sure.

307 Q- Is it not a fact that the Tissen Project which was cancelled because of excessive cost would have caused the Canadian taxpayers not a hundred million dollars (\$100,000,000.00) but close to seven hundred million dollars (\$700,000,000.00)? 10

Me GÉRALD TREMBLAY: 15

Objection, là. Écoutez, là... ce matin, on vous a laissé entrer... we let you go into the Tissen thing because you... you started going into that. It's alleged in the request, in the... in the final... the version that we finally got a hold of quite recently, but it was... and the figure of a hundred million (100,000,000) appears in that request, but the Tissen Project is not part of any of Mr. Mulroney's allegations. 20

And the purpose of the examination on discovery 25

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AVANT DÉFENSE
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is not to ask a series of questions in the morning,
and then cross-examine again on the answers given in
the morning. So, I object to that line of
questioning.

Me CLAUDE-ARMAND SHEPPARD:

We'll get back to that in due time.

308 Q- You...

A- You say, if I just... you say in your statement...

309 Q- My question.

A- No, you say in your statement that the amount was a
hundred million dollars (\$100,000,000.00).

Me GÉRALD TREMBLAY:

That's right.

A- Not seven hundred million (700,000,000). The
document prepared by the Mounties, truffé d'erreurs
incidemment, says a hundred million dollars
(\$100,000,000.00).

Me CLAUDE-ARMAND SHEPPARD:

310 Q- Well, I'm asking you to correct that additional
error, if it is one. Is it not seven hundred (700)
instead of a hundred million (100,000,000)?

A- No, you... you... it's your document. Why are you
saying seven hundred million (700,000,000)? You say
in your document it's a hundred million

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AVANT DÉFENSE
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(100,000,000), and I cancelled the contract on the basis of a hundred million (100,000,000).

On the basis of seven hundred million (700,000,000), I'd have cancelled it seven (7) times as fast.

311 Q- You say you can... you cancelled it on the basis of the R.C.M.P. figure or on the basis of your own...

A- No, no...

312 Q- ... information that you obtained?

A- ... no, you... no, I cancelled on the basis of what is reported that my chief of staff, Mr. Spector, reported to me that it would cost in excess of a hundred million dollars (\$100,000,000.00).%

Believe me, there are very few things I would accept on R.C.M.P. figures, and I would advise you to be equally prudent.

313 Q- Now, I want to go back to your conversations with Mr. Shreiber in the course of November. You explained to us that you had several conversations with Mr. Shreiber because of your difficulty in obtaining information you needed from the Canadian Government. Is that correct?

A- No.

314 Q- Or do I misunderstand your answer earlier?

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AVANT DÉFENSE
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Me GÉRALD TREMBLAY:

There's a question of timing, Mr. Sheppard.
Are we talking about the second (2nd), the third
(3rd), or when... when are you talking about?

Me CLAUDE-ARMAND SHEPPARD:

I asked Mr. Mulroney whether he had conver-
sations with Mr. Shreiber after November second
(2nd), and he said he had several and he
explained...

A- Of what... of what year?

315 Q- Nineteen ninety-five (1995).

Me GÉRALD TREMBLAY:

The present thing.

A- Oh, yes, yes, indeed, yeah.

Me CLAUDE-ARMAND SHEPPARD:

316 Q- And you explained that your recollection of the need
for these conversations was, to some extent, your
difficulty in obtaining from the Canadian Government
the information needed.

A- That's the greatest understatement I've ever heard.
We implored the Canadian Government to please
provide us with the information that they had given
to a foreign government, and they refused
categorically.

And so, obviously, Mr. Sheppard, you'll under-

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AVANT DÉFENSE
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stand if the roles were reversed and you were placed in that situation, you would be glad of an opportunity to converse with someone who could provide you with the document.

317 Q- But the... the conversations you had with Shreiber were the result of your need for information, is that a fair assumption? 5

A- Yes.

Me GÉRALD TREMBLAY:

Mr. Sheppard, I think that you... you're a bit misleading here. You... on the second (2nd), when he hears about it for the first time, the call in Toronto is not a call where Mr. Mulroney needed information from the Federal Government; he had never heard of the thing before. 10 15

Me CLAUDE-ARMAND SHEPPARD:

Mr. Tremblay, if you listened to me, you wouldn't object unnecessarily.

Me GÉRALD TREMBLAY:

That's what you said. 20

Me CLAUDE-ARMAND SHEPPARD:

I'm not referring to November second (2nd), I'm referring to the subsequent calls which Mr. Mulroney described to us this morning.

318 Q- Did you, in the course of these conversations in 25

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AVANT DÉFENSE
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November, discuss with Mr. Shreiber whether or not he had been paid, he or his companies had been paid commissions by Airbus?

A- I never knew... first, prior to this, I had never heard, I never knew and I do not know to this day what arrangements, if any, had been made by Mr. Shreiber or anyone else in respect of any commercial transaction. 5

319 Q- No, but when you speak to Mr. Shreiber after November third (3rd)...

A- Yes. 10

320 Q- ... you have the translation prepared by Blum & Partner...

A- Yes.

321 Q- ... of a good part of the Canadian request. 15

A- As best we could.

322 Q- Yeah. And you have an idea, at that stage, of what the Canadian Government is alleging?

A- Yes.

323 Q- And it concerns you, but it also concerns some other individuals, one of whom is Shreiber? 20

A- M'hm. M'hm.

324 Q- And the Canadian Government alleges that very substantial sums were paid to Mr. Shreiber by Airbus Industries, and you didn't discuss with Mr. Shreiber 25

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AVANT DÉFENSE
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whether it was true or not?

A- Mr. Sheppard, the document said, among other things, this, "This investigation is of serious concern to the Government of Canada, as it involves criminal activity on the part of a former Prime Minister". This is not an allegation, this is a statement of fact where the Government of Canada is judge, jury and executioner.

And what preoccupied me, inasmuch as I had never heard of the Airbus matter in my life, what preoccupied me were the extraordinary falsehoods and injustices as they involve me. And I wondered with my family and my friends, quite frankly, how in the name of God could this come about? How could this happen in Canada? How can something like this actually take place?

And the fact that Mr. Shreiber may or may not have had any business dealings was not my principal... my principal preoccupation. I had never had any dealings with him. The...

325 Q- But...

A- ... the... I knew when I read the document, I knew when I went over what was given me, when I took a look at it, statement after statement was false.

326 Q- About you?

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BRIAN MULRONEY
AVANT DÉFENSE
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A- All I can do is tell you about myself. I'm not in a position to talk about anybody else. When the document said that I had a bank account in Switzerland, false. When the document said that I received twenty percent (20%) of twenty million dollars (\$20,000,000.00), false. When the document said I received money from Frank Moores, false. When the document said that... that I had an account elsewhere, false. When the document said that I had received whatever... there are twenty-nine (29) affirmations of fact here... alleged fact. Every single one of them, false as they apply to me.

My concern, Mr. Sheppard, was -- as I have tried to tell you -- my conversations with Mr... with Mr. Shreiber were to get some background and to say... to share with him my own profound dismay, and he said... he said "I have no idea why or how you were involved in this... in this thing in any way".

327 Q- But your search for the background did not include whether... you had or had not received the commissions alleged in that document?

A- Well, look I... perhaps I can explain why this... I've tried to tell you why this was not a... a main preoccupation of mine. The Prime... I was Prime Minister of Canada for nine (9) years. Among the

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companies that we owned a hundred percent (100%) of was the Atomic Energy Commission of Canada, A.E.C.L.

Last year, A.E.C.L. paid nine point three million dollars (\$9,300,000.00) in commissions to people like this to sell the CANDU reactor. It's right in the annual report of A.E.C.L. The Canadian Government pays commissions every day to brokers, to advisers, to lawyers, to bankers, to people who sell CANDU reactors and people, I suppose, who sell airplanes. I don't know.

I was not what... what... as you can imagine, what stuck with me were the allegations... -- I'm sorry -- ... the statements, not allegations... the affirmations that drew me into a criminal conspiracy. That criminal conspiracy, Mr. Sheppard, never existed because I never participated in it, directly or indirectly.

And so my family and I were both overwhelmed by the enormity of these accusations and concerned with finding out what we could do as to how I could clear my name, which takes me back to the point that we discussed earlier. I thought the Canadian Government would help me in this. When it did not, I was obliged to take this action, which is why I'm sitting in Court today confronting two (2), four

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(4), six (6), seven (7) lawyers paid by the Government of Canada in this matter, as a Canadian citizen to defend my rights.

Now, if the Canadian Government had said "Look, we have this document, Mr. Mulroney, we'll... we'll share it with you", I wouldn't have had to speak to Mr. Sheppard... Mr. Shreiber, but he was the only one helping me, at least with a little bit of information.

328 Q- As part of that information, did he confirm to you that he had, indeed, received commissions? 18

A- Not at all.

329 Q- So, what is the information that you sought to obtain from him that you had sought to obtain from the Canadian Government in vain? 15

A- Well, as much information as I could. You see...

330 Q- You said he had nothing to do with this?

A- I'm sorry?

331 Q- You said he had nothing to do with the matter?

A- I had nothing to do with it. 20

332 Q- Exactly.

A- That's right.

333 Q- So, why would someone who had nothing to do with something you had nothing to do with be in a position to give you information? 25

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AVANT DÉFENSE
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A- But that's the question we're going to ask Sergeant Fiegenwald. We want to have your clients here to answer those questions under oath.

334 Q- Yeah, but in the meantime I'm asking you...

A- No, no, not in the...

335 Q- ... the question.

A- ... meantime. That's the... these are the people who put together this document and we're going to ask them that. I don't know... Mr. Sheppard, if I knew the answer, I'd give it to you, but the only people who know the answer for this monstrosity, as it applies to me, are your clients.

And you... I think you'll agree that the only way that I can properly find out is... is to put them under oath, the way I'm under oath for you, and we're going to ask them a lot of questions.

336 Q- I have no doubt you will...

A- You... you...

337 Q- ... but in the meantime...

A- ... you can be sure of it.

338 Q- ... I'm asking questions and I'm having a bit of difficulty getting an answer to my last question, which is: what information did you obtain from Mr. Shreiber when you say you had nothing to do with any of the matters stated or alleged in that document?

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

You're telling us this whole thing is a false suit,
so far as you're concerned?

A- That is right.

339 Q- So, what information can you possibly expect Mr.
Shreiber to give you about something he had nothing
to do with? 5

A- That I had nothing to do with.

340 Q- You, that's it.

A- I had nothing to do with it.

341 Q- Exactly. 10

A- I asked Mr. Shreiber, as we got this, if he would...
if there was any information that he could give me,
for example, about the... the... on the Tissen deal.
When we got this document, the document from
Switzerland, your clients had conveniently blanked 15
things out with their friends in Switzerland.

342 Q- What do you...

A- The...

343 Q- ... what do you mean by "*their friends in
Switzerland*"? 20

A- Well, I suppose the people that... that you sent
this document to.

344 Q- The Swiss authorities?

A- I don't know. It was sent to the Swiss authorities
and it was sent to the twenty-four (24) members of 25

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AVANT DÉFENSE
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the bank... the board of directors of the bank, as I understand it. Many other people got this document in Switzerland.

Now, somebody blanked out parts of it and for... by way of illustration, there was a blank where it got to the question of Tissen and the cancellation of the Bear Head contract. We finally... -- no thanks to your clients -- ... we finally, on the twentieth (20th) of March... when this matter was deposited in Court in Edmonton, we finally got a contract... a copy of this... of this document with the blanks filled in. Here is one of the blanks. It says:

"Norman Spector, the chief of staff to Mr. Mulroney, from nineteen ninety (1990) to nineteen ninety-two (1992), informed the R.C.M.P. that he was instructed by Mr. Mulroney to meet with the senior government officials involved in the approval of the Bear Head Project to determine why the project was being delayed... -- that's true -- ... and to ensure that it was approved expeditiously. -- That's false --

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AVANT DÉFENSE
INTERROGATOIRE

After meeting with these officials,
in nineteen ninety (1990) or
nineteen ninety-one (1991), Mr.
Spector learned that the Bear Head
Project would cost the Canadian
Government in excess of a hundred
million dollars (\$100,000,000.00)
Canadian... -- that's true --

... and recommended to Mr. Mulroney
that the project not proceed.

-- That's false --

Mr. Mulroney instructed that the
project be cancelled."

That's true. All of this and many other things
were eliminated. So, we had a series of blanks and
I was asking him if, based on his knowledge, he
could reconstruct a narrative that might make some
sense, because in almost every page the Canadian
Government and/or its agents in Switzerland had
deleted significant paragraphs, which made it almost
impossible for an... for an ordinary reasonable
person to try and understand this.

So, he... he... in point of fact, I should tell
you that the document that we ultimately received
was... we got from the Courts in Alberta that Mr.

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Shreiber's lawyer deposited when he initiated some action against the Canadian Government, on the twentieth (20th) of March. That's the kind of conversation we had.

345 Q- Are you suggesting that the deletions in the document that you obtained in November were made by the Canadian Government? 5

A- I don't know.

346 Q- Is it not a fact that the Canadian Government sent a complete document to the Swiss? 10

A- I have no idea.

347 Q- Is it not a fact that the document that was issued to the bank was issued in a deleted form by the Swiss authorities? 15

A- I have no idea.

Me GÉRALD TREMBLAY:

Mr. Sheppard, only your clients would know that.

A- All I know, Mr. Sheppard, just to conclude, is that with regard to all of those things, while you were busy sending the do... -- not you, your clients -- sending that document to the Swiss, and the banks, and the ambassador, and the R.C.M.P. liaison agent in Berne, and what appears to be half of Switzerland, while you were doing that you wouldn't 20 25

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give it to me.

We couldn't get a copy of this document, which is why I was talking to Mr. Shreiber, trying to find out bits and pieces, if he could shed any light on how this calamity had befallen my family.

Me CLAUDE-ARMAND SHEPPARD:

348 Q- When did Mr. Tassé enter the picture?

A- Almost immediately, Mr. Sheppard. This happened on the night of the second (2nd), I immediately called mon associé Yves Fortier. J'ai appelé Gérald Tremblay, puis j'ai appelé Harvey Yarovski, et j'ai appelé Roger Tassé, dans les heures qui ont suivi.

Alors, maître Tassé est entré dans le portrait le ou vers le... le deux (2) ou le... je m'excuse, le ou vers le trois (3) novembre, mil neuf cent quatre-vingt-quinze (1995).

349 Q- According to your narrative...

A- I'm sorry?

350 Q- According to your narrative in paragraphs 17 and following, Maître Tassé phoned the Minister of Justice on November fourth (4th). What you say in paragraph 17.1 is based on what Maître Tassé told you?

A- He either told me or he told other members of my legal team.

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351 Q- Yeah. Let's say it's information that was made available to you by Maître Tassé, directly or indirectly.

A- Yes.

352 Q- But you don't know that as a fact, personally? 5

A- No, I don't.

353 Q- Still according to your narrative, 17.2...

A- I'm sorry?

354 Q- Still according to your narrative, 17.2, the same day... we talk about Saturday, November fourth (4th)... 10

A- M'hm

355 Q- ... he called Mary Dawson, Interim Deputy Minister, and left a message. The same applies to this paragraph, it's something you know either because you were told or... 15

A- No, he called me and told me.

356 Q- He told you?

A- Yes.

357 Q- In any case, he didn't reach her that day? 20

A- He did not, no.

358 Q- Then, in 17.3, you say that the next day, Maître Tassé received a call from Ms. Dawson, and that he indicated to her that if the minister of Justice did not call back, he would want to meet her. Is that 25

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something he told you or that you found out?

A- He told me that the... that the Deputy Minister of Justice, Mr... the New Deputy Minister of Justice was on holiday, and that Mary Dawson, who was the Associate Deputy, was acting as... was the acting Deputy Minister. And that Mary Dawson, with whom I had worked for many years, and indeed had appointed her to this position, would... would meet him. 5

Me CLAUDE-ARMAND SHEPPARD:

359 Q- Then you say that, at five p.m. (5:00) approximately on November fifth (5th), the Minister advised Maître Tassé that he would not meet him? Is that something Maître Tassé told you? 10

A- Yes.

360 Q- He then, according to 17.5, called back Ms. Dawson for a meeting... 15

A- Yes.

361 Q- ... and a conversation took place, and finally a meeting was set for the next morning, November sixth (6th); is that something he told you or that you found out? 20

A- He told me.

362 Q- You also allege that, on the same evening, Sunday, November fifth (5th), Maître Tassé phoned the Commissioner of the R.C.M.P., for a meeting which 25

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was set for the next morning at nine thirty (9:30), which was subsequently postponed to eleven thirty (11:30); is that something Maître Tassé told you?

A- Yes, he... he called to say that the... that the Prime Minister had been... that there had been a break-in at 24 Sussex, and the R.C.M.P. was on the carpet, and... because of the... Prime Minister was very concerned about the negligence, and that the meeting would take place not at the time but later, because the Commissioner had to try and deal with the almost tragic effects of that break-in, but that the meeting would take place.

363 Q- Now, according to paragraph 17.9, when Maître Tassé met Commissioner Murray, he offered you a full cooperation to assist in the Government's inquiry; did he report that to you?

A- Yes... All of this, Mr. Sheppard, just to perhaps expedite matters is... is confirmed in a letter that Mr. Tassé sent to Minister Rock on November eighth (8th).

364 Q- Now, when you retained the services of Maître Tassé, you were aware of the fact that he had been Deputy Minister of Justice?

A- Yes.

365 Q- Were you aware of the fact or did you inquire, at

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that time, whether Maître Tassé had currently mandates of the Government of Canada?

Me GÉRALD TREMBLAY:

Objection. Ça n'a aucune espèce de rapport. Maître Tassé a reçu un mandat puis, professionnellement, il l'a accepté. C'est un mandat qu'il n'a pas caché. Il y a des lettres qui ont été déposées au dossier. Il l'a... c'était of... of public record.

Il est pas question ici de faire des innuendo quant à... aux mandats que pourrait avoir d'autres sources ce Sous-ministre de la justice, qui a été un grand Sous-ministre de la justice sous plusieurs gouvernements, comme vous le savez aussi.

Me JACQUES JEANSONNE:

In fact, your question implies that Maître Tassé was asking under a conflict of interest.

Me CLAUDE-ARMAND SHEPPARD:

Maître Jeanson, I can deal with one...

Me JACQUES JEANSONNE:

Jeansonne.

Me CLAUDE-ARMAND SHEPPARD:

... I deal with one objection at a time, and what my question imply is...

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Me JACQUES JEANSONNE:

Is very clear.

Me CLAUDE-ARMAND SHEPPARD:

Perhaps very clear to you and no one else.

366 Q- Did you inquire, when you retained the services of Maître Tassé, whether, at that time, he also represented the Government of Canada? 5

Me GÉRALD TREMBLAY:

Objection. It's absolutely... it's not relevant to any of the issues. It's an innuendo. It's... it's dirty tactics. That does not belong to this case. It's objectionable and it... and, Mr. Sheppard, you should not be proud of that type of question. 10

Me JACQUES JEANSONNE:

It is libellous, Maître Tassé. 15

Me CLAUDE-ARMAND SHEPPARD:

Perhaps you can continue threatening and I'll continue my questions when you are through with your... 20

A- Mr. Sheppard, maybe I could enlighten a little bit here. It is the prerogative of the Prime Minister to name all the Deputy Ministers. They work for Ministers, but they are chosen by the Prime Minister. Roger Tassé, who had been Mr. Chrétien's 25

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Deputy Minister of Justice and had been Mr. Trudeau's legal adviser on the... la Charte des droits et libertés, recognized as a truly extraordinary public servant.

When I came to office, he had served, by the way, five (5) years as Deputy... in the... Deputy Minister in the office of the Solicitor General responsible for the police, and he served for ten (10) years as a Deputy Minister of Justice.

Widely acclaimed as one of the most thoughtful and effective public servants in modern Canadian history, when I came in, a new political party, I was honored to retain him. And when he left office, when he left public service to join Mr. Chrétien's law firm, Mr. Chrétien had resigned from the House of Commons and they were practising law together with Eddie Goldenberg, I instructed Mr. Tellier to retain Mr. Tassé as one of my advisers on constitutional matters involved in the Meech Lake Accord where he performed brilliantly. And so... and which I consider one of the major achievements of my government and I... I'm always grateful to him for the tremendous role that he did.

My point is simple. With public servants of this high quality, you can accept as an article of

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faith that if he accepts a mandate, there are no conflicts and there is no grey areas and there is no doubt, there's only honest service.

367 Q- You filed as Exhibit P-8.1 a letter dated November seventeenth (17th) from Sergeant Fiegenwald to Maître Tassé. You have it in front of you? 5

A- Yes.

368 Q- You will notice, in the second paragraph, that Sergeant Fiegenwald advises Maître Tassé that, on November fourteenth (14th), the Government had written the Swiss authorities to emphasize or reemphasize that the Swiss request outlines allegations and that the information provided must be read in that context and insisting on confidentiality. 10 15

Is it not a fact that Maître Tassé reported to you that he had seen a copy of that letter sent by the Canadian Government to the Swiss authorities on November fourteenth (14th)?

A- He may have. But could I just draw your attention on that letter to the fact that where Mr. Fiegenwald says that... the second paragraph: 20

"On November fourteenth (14th), Miss Prost of the Department of Justice wrote to the Swiss authorities as a 25

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result of your letter dated November eighth (8th), reemphasizing... re-emphasizing that the request outlines allegations of criminal activity, and that the information providing in the request must be read in that context."

5

Could you tell me, Mr. Sheppard, and given your experience, if you think the following statement is an allegation?

10

"This investigation is of serious concern to the Government of Canada, as it involves criminal activity on the part of a former Prime Minister."

15

Would you say that's an allegation? Or would you say that that's a conclusive statement of fact?

369 Q- When you make, Mr. Mulroney...

A- And... and therein... and therein, if I may say, lies the dilemma. We were... we were seeking to have that kind of information removed from the document. The Government continued to say that these are only allegations.

20

And if I... if I can just give you a further... further indication, and ask for your consideration

25

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of this, another statement:

"The above three (3) cases demonstrate an ongoing scheme by Mr. Mulroney, Mr. Moores, and Mr. Schreiber to defraud the Canadian Government of millions of dollars of public funds from the time Mr. Mulroney took office in September of nineteen eighty-four (1984) until he resigned in June of nineteen ninety-three (1993)."

This is an allegation? You're much too sophisticated a lawyer and a philologist to try that. This is a fascist condemnation, without... without the accused being present. This is a statement of fact where the Government of Canada erects itself into the position of judge, jury, and executioner.

And our point... -- I hope you understand it -- ... our point at that... at that moment in time was to have these very damaging declarations withdrawn, sub... we never contested the right of the R.C.M.P. to investigate whomever they wanted, in whatever circumstances. But this was not an investigation, this was a statement by the R.C.M.P. that crimes had

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been committed.

And what we were saying, and... was, "Please withdraw these and substitute whatever appropriate words", and Mr. Fiegenwald keeps saying, "But, no, these are only allegations". And... and any... you know, a judge will have to decide whether... it won't be up to you or me, Mr. Sheppard, it'll be up to a judge of the Superior Court to decide whether this is an allegation, or this is a statement of fact.

So, that was the debate at that particular time, that's why we found it so very damaging. And that's why we found it so sad that the Government of Canada would not amend its declaration, thereby causing, and continuing to this day, as we speak, to aggravate the damages to which I am entitled, because of their refusal to withdraw statements that are palpably and demonstrably false, and for which there is neither evidence or justification.

Me JACQUES JEANSONNE:

Now, Mr. Sheppard, your question related to whether or not Maître Tassé had relayed to Mr. Mulroney the fact that he would have been shown a letter dated November fourteenth (14th), nineteen ninety-five (1995) by the Government of Canada to

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the Swiss Government, we're still playing hide and seek here, you have not, obviously, filed a copy of that letter, a copy of that letter was never given to anybody, and if you wish to pursue that line of questioning, I would invite you, if you still want to... to provide us with a copy of that letter, so therefore we will have an enlightened discussion on the content of that letter.

5

Me CLAUDE-ARMAND SHEPPARD:

Maitre Jeansonne, this is an examination on discovery of...

10

Me JACQUES JEANSONNE:

Before plea.

Me CLAUDE-ARMAND SHEPPARD:

... of... of...

15

Me JACQUES JEANSONNE:

Therefore you are limited to the allegations in the demand.

Me CLAUDE-ARMAND SHEPPARD:

20

... of the Plaintiff. The witness has answered my question, and then added comments with which I will not deal, because it's not for counsel to answer the witness' questions, and if you are interested in documents, there's a time and place,

25

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you very well know, to obtain them. And, in fact, you may obtain them faster than you even imagine in your wildest dreams.

Me JACQUES JEANSONNE:

Well, we're pleased... we're pleased...

A- We're pleased. We're pleased. We've been asking... we've been asking since the second (2nd) of November, please don't keep us waiting any longer, Mr. Sheppard. Why don't you produce today the evidence of who these... who these people are that gave you this evidence?

370 Q- I'd like to remin...

Me CLAUDE-ARMAND SHEPPARD:

Maître Jean... well, first of all...

A- Please... please give us the ans...

371 Q- First of all, I think that, while I consider the three (3) of you formidable...

Me GÉRALD TREMBLAY:

Let's get...

Me CLAUDE-ARMAND SHEPPARD:

... members of the Bar, it's easier if I can deal with one (1) objection at a time.

Me GÉRALD TREMBLAY:

Let's carry on, please.

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Me CLAUDE-ARMAND SHEPPARD:

And that's exactly what I'm suggesting.

372 Q- The letter that you're referring to is not a letter
that deals with the evidence on which the
allegations are based, but, Mr. Mulroney, what I
would like to ask you is, still in Exhibit 8.1, in
the very same paragraph that you read from, you are
also advised, aren't you, or your counsel is
advised, and I quote:

"The Swiss authorities have
confirmed to the R.C.M.P. liaison
and an officer in Berne, that they
are well aware that a request
contains only allegations, and that
no conclusions concerning the guilt
or innocence of the persons named in
the request has been made."

A- That's what...

373 Q- That was conveyed to you?

A- Yes, what you've just... this is precisely the
point. Mr. Fiegenwald is saying that the following
statement is only an allegation.

374 Q- No, that the Swiss recognize that it's an
allegation.

A- Well, you bring the Swiss here and we'll interrogate

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the Swiss in respect of their understanding of the English language. But I can bet you a dollar to a donut right now that you won't find anyone in Switzerland who thinks this is an allegation. This is an indictment. This is a conviction. This is a statement that the Government of Canada has found me guilty of a crime. Not only of a crime, Mr. Sheppard, I have been found guilty of a crime in the nine (9) years that I have held office.

There's a statement right here that says that I've been guilty of a crime for the nine (9) years that I've held office. I've never committed a crime in my life. This statement is completely false.

"The above three (3) cases demonstrate an ongoing scheme by Mr. Mulroney, Mr. Moores and Mr. Shreiber to defraud the Canadian Government of millions of dollars of public funds from the time Mr. Mulroney took office in September of nineteen eighty-four (1984) until he resigned in June of nineteen ninety-three (1993)".

Mr. Sheppard, all I ask is this, is that if you have a witness, or an... or a piece of evidence, or

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an expert who will come before this Court and state that this is an opinion or an allegation as opposed to a deep seated conviction, I'd very much like to hear him.

To conclude, Mr. Sheppard, may I? In regard to what Sergeant Fiegenwald here says:

"The Swiss authorities have confirmed to the R.C.M.P. liaison and an officer in Berne... -- he's another guy who got the document, there's one more on the list -- ... that they are well aware that the request contains only allegations, and that no conclusion concern the guilt or innocence of the person's name on the request has been made. This occurs... we are prepared to make a statement to the media to the effect that the request contains only allegations, and that no conclusions have been reached by the R.C.M.P."

If you look at the final point of the document sent by Ms. Prost, it says, "This... the request is confidential". This is what Fiegenwald says,

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"subject only to the disclosure that its execution might entail". Well, its execution, in Switzerland, entails its promulgation to many people.

And the libel is transmitted into the hands of literally dozens of people. Now, did Sergeant Fiegenwald know that when he wrote that? I don't know. That's a question, I suppose, the judge will have to answer. 5

But this thing, you know, was about as confidential as a caucus secret. Except when I was Prime Minister, when secrecy was total. 10

375 Q- You have alleged in paragraph 11.1 and following, and particularly 11.1.5, that the order was... the Swiss order was sent to the board of the Swiss Bank Corporation, and you then list two... two (2) pages of names; do you, as a fact, know whether any of these individuals got the order, or are you just saying that the board is made up of these individuals? 15

A- Uh... all I know... all I know is... -- c'est P-7? 20

Me GÉRALD TREMBLAY:

M'hm.

A- All I know is that in the exhibit that you have in P-7, that this document from the Swiss Federal Public Prosecutor's office once received by them in 25

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Switzerland, having been transmitted by the Canadian Government, a registered letter, this document, an order, which is essentially what is contained in the Canadian Government's document. It says right on the top, "To the board of directors of the Swiss Bank Corporation, Paradeplatz 6, 8000 Zurich".

5

My assumption is that this was sent because it's addressed to all the members. Now, our experts in Switzerland checked, and I don't... I do not know this for a fact, Mr. Sheppard, but I can just tell you that first the Swiss Prosecutor's office directed under the law that it be sent to all members of the board of directors of the bank, and here is a member... here is a list of the board of directors of the bank.

10

15

Twenty-four (24) of the leading European business people, in finance and industry, who were seized of this information, presumably seized of this information along with many other people.

To say that this was handled with discretion is, I think, a bit of a misleading statement.

20

376 Q- Do you know as a fact that the order was sent to each individual member of that board?

A- No, I... I've already told you, I do not know. All I know is what I see, and what I see is a letter

25

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instruct... a letter addressing this document to all the members of the board of directors of the Swiss Bank Corporation.

And the law in Switzerland, as you know, requires that such documents go to members of the board of directors. Now, this would be like a seizure against... a document like this against Mr. Chrétien being sent to the Bank of Montreal, with its forty (40) members, leading business people, and this thing not finding its way into a Canadian newspaper within hours.

Sergeant Fiegenwald's statement about prudence and caution is, of course, extremely misleading, because he ought to have known what was going to happen to this document.

377 Q- Can you draw my attention to which part of P-7 you are referring to?

Me GÉRALD TREMBLAY:

Yeah.

A- Yes. After the third page, it says, "Swiss Federal Prosecutor's office", registered letter to the board of directors of *Schweizerischer Bankverein, Paradeplatz 6, 8000 Zurich.*

Now, I don... as I say, I have no personal knowledge that this was delivered, but that's what

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the law requires, and that's what appears to have transpired.

To complete, if I may, on the question you asked me, within hours, we received, on the fifteenth (15th) of November, a fax from Der Spiegel, addressed to me, which says:

"Spiegel Magazine has learned that a request sent by the R.C.M.P. investigators to the Swiss authorities contains allegations against your person. The allegations are based on the information that an account was opened between nineteen eighty-six (1986) and nineteen eighty-seven (1987) at the Swiss Bank in Zurich. This account was dedicated to transfer parts of Airbus commissions to you. We would like you to answer the following questions. Do you know about the existence of this account? For which purpose was the money transferred? What comments would you make to the R.C.M.P. allegations?"

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Where do you think that came from?

Then the next day we hear from MacLean's Magazine, on the sixteenth (16th):

"We have information that your name is on the request sent to the Swiss authorities on October third (3rd), nineteen ninety-five (1995) by the Canadian Government. As you are aware, there is wide discussion that the account number 34117..."

They even have the account number.

"... 34..."

I didn't know about it. I didn't know about it.

"... 34117, code name Devon, which was set up for you by Mr. Moores and/or Mr. Schreiber, in Zurich, in nineteen eighty-six (1986). The significance of the code name..."

And so on. So...

"Please comment... please comment by..."

I'm told, "Please comment by..." such and such a time.

Well, you know, you have to apply the test, Mr.

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Sheppard, of the... of the reasonable man. What...
how do you think McLean's Magazine, and how do you
think Spiegel got their... got their information
from the Swiss authorities? They were given it.
And they were given it presumably because it was
being widely circulated, I assume. Because they are
conveying to me information that I had no knowledge
of, and which was conveyed to them by your clients.

378 Q- By then you had received the translation prepared by
Blum & Partner?

A- By then I had received... no.

379 Q- November fifteenth (15th).

A- I had received the transla...

380 Q- Yeah.

A- ... which contained only part of the document sent
by the Government of Canada. Significant parts were
omitted. Indeed, one (1) Canadian journalist took
pride in going on television and pointing out the...
the holes in this, and suggesting that there were
incriminating evidence coming... forthcoming against
me as a result of it, adding further to the damages
to me and my family.

381 Q- Who was that? Which...

A- Pardon?

382 Q- Which Canadian journalist?

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A- I don't know. Et je termine là-dessus. Maître Tremblay a attiré mon attention... le douze (12), maître... le douze (12), maître Sheppard, dans le journal La Presse...

"La demande d'entraide judiciaire présentée par le Canada a été jugée recevable, a précisé le porte-parole, qui n'était pas autorisé à donner d'autres détails. Il a indiqué à Berne..."

Un porte-parole du Gouvernement fédéral de justice... au Canada, ça ? Ça, c'est tombé directement in a straight line.

383 Q- You refer to 7.1?

A- Yes.

384 Q- P-7.1.

A- Oui. Et la veille, maître Sheppard, la veille, selon la télévision suisse alémanique DSR, des responsables de politique canadienne qui n'ont pas été nommés auraient touché de fortes commissions. Vous envoyez un document en allemand. Ça se ramasse en Suisse en allemand. Et la première fuite, c'est au réseau allemand de la télévision suisse, repris le lendemain par l'Agence France-Presse et en première page de La Presse. Et le crescendo à

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partir du douze (12) jusqu'au dix-huit (18) avec des menaces de publication de mon nom. Moi, entre-temps, je cogne à toutes les portes à Ottawa pour essayer d'éviter cette catastrophe pour ma famille et moi-même, et on me dit que non.

385 Q- Is it not a fact that the first public mention of your name was in the Financial Post article?

A- That is right.

386 Q- And I think you filed this as Exhibit P-7.5.

A- That's right.

387 Q- That's the article which appeared on the eighteenth (18th), I believe, eh?

A- That's right, Saturday the eighteenth (18th).

388 Q- Now, it has been acknowledged, has it not, by your spokesman, that the English text to which that article refers is the Blum & Partner translation?

A- I... I don't know, you'd have to show me the acknowledgement.

389 Q- I refer you, Mr. Mulroney, to a story which appeared in the Montreal Gazette of Friday, March twenty-second (22nd), under the byline Ralph MacDonald.

A- That would be really reliable.

390 Q- Well, what might not be reliable, then, is what your spokesman is quoted as saying.

A- I have no... I...

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AUDIOTRANSSCRIPT, Division de Pierre Vilain & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me GÉRALD TREMBLAY:

Maître... maître Sheppard, je...

Me CLAUDE-ARMAND SHEPPARD:

391 Q- I will show you...

Me GÉRALD TREMBLAY:

... Maître Sheppard, I will object. I don't think that it is appropriate to cross-examine the present witness on a press clipping that he has not alleged on a statement which is reported by a... the newspaper, not a statement attributed to Mr. Mulroney, but a... a statement attributed to a third person.

I don't think that Mr. Mulroney should be cross-examined on that. I think that you have to stick to the allegations you had asked Mr. Mulroney and it's P-7E... you had asked Mr. Mulroney questions on the article of the Financial Post. Then, you switched to something else.

It's your privilege that you have not pursued the Financial Post article further, and I don't think that you should examine on hundreds of articles which have been published ever since then.

If you want to allege those documents in your defense, then you will do it, and then you knew what you were doing when you wanted to examine before

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
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plea. It's not the same as after plea.

After plea, we'll see, you know, but now none of that documentation is alleged and I don't think that you should pursue that... that line of questioning.

The statement of claim has been on the record since November, we're in April and we still don't have your position and your plea. You've made your bed in that way, so you examine Mr. Mulroney on his allegations and nothing else.

Me CLAUDE-ARMAND SHEPPARD:

392 Q- Mr. Mulroney, you allege the article which you filed as Exhibit 7.5, which is the Philip Matthauss' story in the Financial Post. Is it not a fact that you are aware that that story is based on... in part on the translation that you obtained from Blum & Partner?

A- I have no idea where he... Mr. Matthauss obtained his information. Good journalists have many sources. You are aware, however, Mr. Sheppard, of Mr. Matthauss' repeated public statements to the following effect:

"That I, Philip Matthauss, did not receive the document from Brian Mulroney or any of his associates or partners at any time" is clearly on the

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

record. I have no idea where he got his information.

393 Q- So you say he is on the record as saying that the document that he used was not obtained from you or from your entourage?

A- That is right.

394 Q- Where did he say that?

A- He said it on television... he said it last night on television. You missed a good program.

395 Q- I was otherwise occupied.

A- Well, he... he said it again last night. But he has said it many times publicly in print. We have copies we'd be happy to share with you.

396 Q- But do I then take it that somewhere or other, he was able to... as a good journalist, to put his hands on the document that you had obtained from your... let's call him "Swiss translator", but that neither you nor your entourage supplied it?

Me GÉRALD TREMBLAY:

Monsieur... monsieur Sheppard... Mr. Mulroney did not say - and he's in no position to say - that what Mr. Matthaus had was what Mr. Mulroney had. The only thing Mr... and you've got his answer. Mr. Mulroney does not know the document he had and where he got it from.

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INTERROGATOIRE

A- I...

Me GÉRALD TREMBLAY:

One thing, he certainly didn't get it from us.

A- I indicated to you earlier, Mr. Sheppard, that when I first spoke with Mr. Shreiber, he indicated to me that he would cause a translation to be made for his advisers... legal and financial advisers that he has around the world, and that when that was done he would send me a copy.

A copy was sent to me, and Philip Matthauss simply confirms the truth, that is the document that was used for the publication in the Financial Post, on the morning of the eighteenth (18th) of November nineteen ninety-five (1995), did not come from me, directly or indirectly, or any of my people.

Me CLAUDE-ARMAND SHEPPARD:

397 Q- Are you aware of statements which were made on your behalf by Mr. Luc Lavoie in connection with those documents?

A- You'd... I would have to examine the statements.

398 Q- Well...

A- Mr... Mr. Lavoie has been good enough to act as a spokesman for me, a very able one, and... and he... he has made a number of statements and I'd have to examine the one in particular.

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INTERROGATOIRE

Me GÉRALD TREMBLAY:

Again, Mr. Sheppard, if you have a... a defense to make... to present one in which you would put in some statements made by third parties, then we will deal with them. For the time being, you're limited to the allegations here, and you have the answers of the witness on the... on what he did with the document that he got from Switzerland.

(DISCUSSION OFF RECORD)

Me CLAUDE-ARMAND SHEPPARD:

399 Q- We are on the subject of Mr. Lavoie; you retained the services of Mr. Lavoie to act as your spokesman in connection with this matter? With the Airbus matter?

A- Yes.

400 Q- He and his firm, National Public Relations?

Me GÉRALD TREMBLAY:

It's not relevant. Objection, it's not relevant.

Me CLAUDE-ARMAND SHEPPARD:

Maître Tremblay.

Me GÉRALD TREMBLAY:

Yes.

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AUDIOTRANSSCRIPT, Division de Pierre Vialre & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

Me CLAUDE-ARMAND SHEPPARD:

I refer you to paragraphs 30.9 of Mr. Mulroney's statement of claim...

Me GÉRALD TREMBLAY:

That's right, ask a question on that.

Me CLAUDE-ARMAND SHEPPARD:

Well, if you didn't interrupt me, I might be able to ask my question.

Me GÉRALD TREMBLAY:

But the allegation is... anyway, go ahead, Mr. Sheppard.

Me CLAUDE-ARMAND SHEPPARD:

401 Q- In paragraph 30.8 you refer to a spokesman of yourself, Mr. Luc Lavoie, who returned a call from Der Spiegel. In the next paragraph, you refer to a communication between a journalist called Steve E. Cameron to the office of Luc Lavoie. So, is it correct to say that you had retained Mr. Lavoie to speak on your behalf in this matter?

A- At that point in time, I had retained Mr. Lavoie to provide me with help. Mr. Lavoie is an old friend of mine, he worked with me as Deputy Chief of staff, in Ottawa, and I... he was helping me deal with what was a growing nightmare for me and my family. And,

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

yes, he was there to help me.

402 Q- Okay.

A- And... and in the course of doing this, he... he assumed the role of spokesman.

403 Q- And he made... he communicated with the media on your behalf? 5

A- Well, when the media called him, I suppose he did, yes.

404 Q- Are you familiar with a statement attributed to your spokesman in the Globe and Mail of December fifth (5th), nineteen ninety-five (1995), which I will read to you, and before you rush to answer, I want to know whether Maître Tremblay has anything to say. Quote: 10

"Referring to Mr. Mulroney's copy, Mr. Lavoie says that we know where it came from, it came from Blum & Partner". 15

And are you familiar with a second statement on the subject made by your spokesman in the Montreal Gazette of March twenty-second (22nd), nineteen ninety-six (1996), I quote: 20

"Mulroney spokesman, Luc Lavoie, said yesterday that a document Matthaus has used for his story 25

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AVANT DÉFENSE
INTERROGATOIRE

seemed to be copies of Mulroney's documents".

You want me to show you...

Me JACQUES JEANSONNE:

No.

405 Q- Don't answer that.

Me GÉRALD TREMBLAY:

Objection. It's... the... the... the ambiguity here, a document which comes from Blum and... whatever, is a document coming from there, but it doesn't mean that it's a document coming from Mr. Mulroney.

That's where... that's where you create an ambiguity which is... which is not appropriate, which is bad and which... which continues a... a fable which has been... which has been going around for... for a few weeks, and which has been repeated yesterday.

Wherever that document came from, whether or not it's a Blum document, it does not come from Mr. Mulroney and his entourage. And furthermore, your question is not in relation to any allegation of the demand.

Me CLAUDE-ARMAND SHEPPARD:

Well, Maître Jeansonne, the rule is that one

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BRIAN MULRONEY
AVANT DÉFENSE
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lawyer speaks to an objection at the same time.

Me JACQUES JEANSONNE:

Show me this rule.

Me GÉRALD TREMBLAY:

So, it's objected and objected again. 5

Me CLAUDE-ARMAND SHEPPARD:

I thought you could stand on your own two feet.
I did not need you and your assistance, Maître
Tremblay.

Me GÉRALD TREMBLAY: 10

Well, you're not... you're not in a position to
speak too much.

Me CLAUDE-ARMAND SHEPPARD:

Except they don't...

Me GÉRALD TREMBLAY: 15

Except they don't speak. Well, mine speaks.

Me CLAUDE-ARMAND SHEPPARD:

They know their place, that's the difference.

406 Q- I refer you to Exhibit P-5, which is Maître Tassé's
letter of November eighth (8th) to the Minister of 20
Justice. I draw your attention to the third para-
graph where you... where Maître Tassé says:

*"Mr. Mulroney obviously accepts that
both the R.C.M.P. and your
Department..."* 25

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

The Department of Justice, I presume...

"... have the responsibility, indeed the obligation, to investigate alleged breaches of our laws, and, where required to seek the assistance of foreign countries. That is not the point, what is not acceptable are the statements made on your behalf and the request addressed to the Swiss authorities."

Would it be fair to say that that position conveyed by Maître Tassé is one you agree with?

A- Yes, indeed. Attenuated, of course, by what is also in the... the... in the same letter...

407 Q- Yeah.

A- ... where it's prefaced with the words:

"The request has come to the attention of Mr. Mulroney only late last week and has caused him great consternation."

And then:

"For example, Mr. Mulroney vehemently objects to the statement on page 9 that 'The three (3) above mentioned cases are proof of an ongoing

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BRIAN MULRONEY
AVANT DÉFENSE
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conspiracy between Mr. Mulroney, Mr. Moores, and Mr. Shreiber to defraud the Canadian Government', and so on. He vehemently objects to the statement on page 12 that 'This investigation is of great importance to the Canadian Government because it concerns criminal activities on the farther part of a former Prime Minister'."

5

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And then he says:

"In our view, these are truly extraordinary statements that go much beyond a recital of facts which would justify the assistance of the Swiss authorities in an investigation conducted in Canada by the R.C.M.P. These statements clearly affirm that the Canadian authorities, in particular your department, have reached the conclusion..."

15

20

Not "investigating"...

"... have reached the conclusion that Mr. Mulroney has breached the criminal law. In the circumstances,

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

you will understand Mr. Mulroney's disbelief and distress when he discovered that the Canadian authorities had, in their request to a foreign government for assistance in their investigation, effectively labelled him a criminal. We... we reiterate these denials. Furthermore, the R.C.M.P. has been informed that Mr. Mulroney is prepared to cooperate with them in their investigation. Indeed, he is astonished that the R.C.M.P. has not even chosen to meet with him before making such grave accusations. In light of the most improper, unjustified and highly damaging statements contained in the request to the Swiss authorities, we urge you to personally review the matter, and direct your department to withdraw the request already made, and to present, if that is the wish of the R.C.M.P., a new request that is more respectful of basic rules of fair-

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ness and decency."

I accept the principle very well that... that was articulated by Maître Tassé, but it is enveloped in a series of judicial principles, all of which were violated by the R.C.M.P. and the Justice Department in their treatment of me. 5

408 Q- I know, that's your position, made very clear in the action.

A- Yeah.

409 Q- In fact, when you launched your lawsuit, a press conference was held on your behalf, in which your various counsel, including Maître Tassé, participated. Do you remember that? 10

A- Yes, I do.

410 Q- I gather you were not present, but you must have seen it on television, or on videocassettes? 15

A- Oh, it's a best-seller.

411 Q- I'm sure it is.

A- Yeah, I've seen it.

412 Q- It was a very good show. 20

A- Yeah, it was a...

413 Q- Great acting.

A- Yeah, not up to your standards, but pretty good.

414 Q- Now, Maître Tassé made the following statement in the course of that press conference, and I have a 25

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

copy of the transcript if you want to follow it. At page 5...

A- Oui.

415

Q- "Mr. Mulroney..."

- I quote -

"... has no objection to the R.C.M.P. investigating the allegations made in respect of the purchase by Air Canada of Airbus aircraft. Indeed, it is the R.C.M.P.'s responsibility to determine when it must 'investigation'..."

There must be an error there... it's "investigate", I presume.

"Mr. Mulroney, number two (2), has no objection, had no objection, still has no objection to the Department of Justice making a request of the Swiss authorities, a request for their assistance in investigation, as alleged by the R.C.M.P."

Was he reflecting your position then?

A- Yes, indeed.

416

Q- Is that still your position?

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

A- Yes.

417 Q- Do I take it that your complaint is about what is contained in the Swiss request about you, and...?

A- My... my complaint, sir, is that this document is a travesty of justice, and it contains countless falsehoods about me, gravely damages my reputation, and causes serious harm to my wife, and my children, and my family. And it is false and libellous. 5

And that is precisely what we wanted the Canadian Government to withdraw... we have no objection to... to... to the... because if I... if I could just... you... you asked me to read page 5 of Mr. Tassé's statement. Here is page 6: 10

"But the problem was not there. The problem was Mr. Mulroney's profound disagreement, profound objection to the Canadian authorities' statement in the request they sent to the Swiss authorities. Statements which are unjust, inappropriate, unjustified, and extremely damaging to his person, his reputation, and his family. 15

What did I ask the R.C.M.P. to do?
I did not ask the R.C.M.P. to end 20

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée 25

BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

the investigation. I did not request the R.C.M.P. to refrain from making a request to the Swiss authorities. I asked them to make the necessary corrections to respect Mr. Mulroney's rights. I requested them to make the appropriate corrections to the request they had sent to the Swiss authorities. They could either have withdrawn the original request and substituted a new one, a new request that might have been more respectful of Mr. Mulroney's rights, or they could have amended the original request, or they could have sent a letter to the Swiss authorities and make the necessary corrections. And also... also, by apologizing to Mr. Mulroney and his family. The R.C.M.P., the Canadian authorities, refused the request I made to them on behalf of Mr. Mulroney. Their reply was that the request must be read as a whole, in its entirety."

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

As I say, if I... the object of the exercise, clearly, between both sides, will be to persuade a judge... if there is a judge in the Superior Court that thinks that this is fair, that this is honest, and that this can be sustained by evidence, we will be there to... to present our case.

5

Because you're ab... you're quite right, your statement that you read, I have no problem with, Mr. Sheppard. I wasn't asking for anything beyond the withdrawal of a massive libel that damaged my family, and my children, and myself. That's all I wanted.

10

I didn't want any money, I didn't want anything. The last thing I wanted was this document to be made public. The document that came out on the eighteenth (18th), that's the last thing that I wanted, was this document to... to ever be made public.

15

Because once it's public... you know, sure, we talked this morning about people who said, "We have confidence in you", but you and I are grown men, and we know that once this kind of... of libel, or this kind of statement is out, the damage is there forever. The damage lasts forever.

20

We'd like to withdraw, we'd like to say every-

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

thing is forgotten, mais il y a des soupçons partout, et jusqu'à la fin de mes jours, je vais être obligé de supporter ce que la GRC, le gouvernement canadien a fait à mon sujet.

418 Q- This morning, I had asked you whether you were familiar with the relationship between Karl-Heinz Shreiber and Franz Josef Strauss, and I remember that you... responded and made some reference to the composer as well. I... I'm not sure I understood your answer correctly this morning.

You found out at a later date that there was a... a relationship between Mr. Shreiber and Franz Josef Strauss, is that what you indicated this morning?

A- Yes, I was advised in some circumstances that Mr. Shreiber, in Alberta, when he was in Alberta, very successful business apparently in Alberta, was... had been either a representative of, or associated with, in some way, in some of the Strauss interests. I can't tell you beyond that.

419 Q- Is it not a fact that Franz Josef Strauss was the chairman of Airbus?

A- I have no idea.

420 Q- You have no idea of who Franz Josef Strauss is?

A- Oh, yes, I do.

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AVANT DÉFENSE
INTERROGATOIRE

Me GÉRALD TREMBLAY:

The question is: "Is it not a fact that he was chairman of Airbus?"

A- I... I knew of Franz Josef Strauss; I didn't know him personally, I never met him, but I knew of him as the Premier of Bavaria and as a Minister of Finance in the Federal Republic. I had no idea what his other occupations may be.

Me CLAUDE-ARMAND SHEPPARD:

421 Q- Now, let's say you've managed to intrigue me this morning with your description of Mr. Shreiber's particular knowledge of the German reunification problem or question.

Was it a practical familiarity, an academic familiarity, what... what was there in his knowledge that you, as Prime Minister of Canada, found significant enough to be struck by it?

A- The kind of reactions that you discern in Canadian federalists in Quebec, when they talk about the possibility of separation; there was an emotional commitment. There was almost a visceral hope for unification.

There was the prospects of a united Germany to do, under Chancellor Kohl in regard to building a better Europe, that was the kind of... He never

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AVANT DÉFENSE
INTERROGATOIRE

passed himself off as a philosopher, or as an historian, he was speaking more... much the same way as a Canadian would about his own country.

422 Q- So it wasn't an expertise, it was a commitment that impressed you?

A- It was his interest... his interest and his... his sincerity as a citizen. It may... it may help you to... to understand why... if you remember that German unification was not a popular issue. Mrs. Thatcher was firmly opposed to it.

You remember the Dutch were very hostile to it. You remember President Mitterand's comment, when he quoted François Mauriac saying, "I love Germany so much, I think there should be two of them".

This was a big issue in NATO. We took a different position, as did the Americans, and as did the Russians. We had different reasons. I thought that German unification, a strong Germany in NATO, in the heart of Europe, under the... under the new tremendous strains of democracy could... could produce, in alliance with France, the Franco-German alliance could produce a brand-new Europe.

Probably a Europe that would move towards... towards a federation, towards federalism. I was deeply interested in the question of German unifi-

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BRIAN MULRONEY
AVANT DÉFENSE
INTERROGATOIRE

cation, and so obviously we didn't have too many friends.

A lot of people were opposed to it, so obviously I was intrigued when, from time to time, people would write to me, or call me, or speak to me about the question of unification. I was very gratified when Chancellor Kohl made his famous speech to the Bundestag and referred to us as one of the free countries in the world, to whom he felt a debt of gratitude for the unification.

423 Q- I can understand that. I merely wanted to explore the answer you gave about Shreiber's contribution to your thinking on the subject.

Am I not correct in saying that Shreiber's business background was that he started off as a road painter?

A- I have no idea.

424 Q- You have no idea about his business history then?

A- None.

425 Q- Okay.

A- Beyond when I first came in contact with him, as I indicated to you in the early eighties (80's), when he appeared to be a successful businessman in... in Alberta. Although... although, you know, I wouldn't have been as a son of an electrician, I wouldn't

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AVANT DÉFENSE
INTERROGATOIRE

have been if he had been a road painter.

426 Q- I'm sure.

A- C'est tout à fait normal.

427 Q- Apart from the communications that took place by telephone between Shreiber and yourself in November of nineteen ninety-five (1995), have you had further contacts with him in the last few months?

A- Sure.

Me GÉRALD TREMBLAY:

You asked that question this morning.

A- Yes, I...

428 Q- And you got the answer.

A- I said, "Yes".

Me CLAUDE-ARMAND SHEPPARD:

I don't remember asking that but you may be right.

Me GÉRALD TREMBLAY:

Of course, and the... the Queen Elizabeth meeting...

A- But also I got.. I told you, I got the document, the only... the document from... from Mr. Shreiber, that the Canadian Government refused to give me; I got it on the twentieth (20th) of March, nineteen ninety-five (1995).

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AVANT DÉFENSE
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Me CLAUDE-ARMAND SHEPPARD:

429 Q- I understood you got that from the lawsuit, as all
of us did...

A- Yes, yes.

430 Q- ... which was filed in Federal Court. 5

A- That is right.

431 Q- Yeah. Oh, so the copy that you obtained was sent to
you by Mr. Shreiber?

A- No, it was not. It was sent... I asked his lawyer,
or my lawyers asked his lawyers, "Could we get... 10
could we get a copy?"

432 Q- But the... so I... perhaps I misunderstood. When
you talked about having coffee with Mr. Shreiber at
the Queen Elizabeth, it was in the period subsequent
to November nineteen ninety-five (1995)? 15

A- No. No, it was after I left office in nineteen
ninety-three (1993), and that's when he told me, as
I indicated to you, that... that he was dismayed
that my Government had not allowed him to proceed
with his desire to build this Tissen Project. 20

And that's when he told me that he had hired
Marc Lalonde to represent him, because he figured
that Mr. Lalonde could prevail upon Mr. Chrétien and
the Government to have this done in the East end of
Montreal. Which, by the way, had they been able to 25

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AVANT DÉFENSE
INTERROGATOIRE

do it, I... I... I thought it was a good project,
and so I wouldn't have been critical of anything.

He told me he hired Mr. Lalonde to do that, he
told me he was contemplating legal action against my
Government, that he had hired a prominent law firm
in Ottawa, I think Ian Scott's law firm, very dis-
tinguished lawyer, to take action against the... the
bureaucrats in my Government who, he alleged, had
frustrated the fact that he was never able to get a
deal through. This deal.

That was the kind of conversation we had.

433 Q- M'hm.

A- He expressed the hope that Mr. Lalonde would be suc-
cessful in persuading the new Liberal Government to
agree to conditions that would enable him to proceed
with the project. That was it. But... so I under-
stood you well, this morning. Have you had meetings
with him, since November...

A- No.

434 Q- ... of ninety-five ('95)?

I'm moving on to another subject.

AND FURTHER DEPONENT SAITH NOT.

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AUDIOTRANSSCRIPT, Division de Pierre Vileire & Associés Ltée

L'an mil neuf cent quatre-vingt-seize (1996), le dix-septième (17^e) jour du mois d'avril,

Me YVAN BOLDUC:

Avant qu'on recommence, maître Tremblay, est-ce que... c'est peut-être un temps propice pour ajourner... à moins que maître Sheppard me dise que son nouveau sujet est pour quelques minutes seulement.

Me JACQUES JEANSONNE:

On...

Me CLAUDE-ARMAND SHEPPARD:

Ah ! ça, je peux pas promettre.

Me JACQUES JEANSONNE:

... on pensait continuer jusqu'à cinq heures (5 h 00).

Me CLAUDE-ARMAND SHEPPARD:

Alors, là...

Me YVAN BOLDUC:

Non, non, on s'est entendus, là, sur...

Me JACQUES JEANSONNE:

Non. Non, ce qu'on... ce qu'on a dit, c'est que...

Me YVAN BOLDUC:

Non, mais... écoutez, maître Jeansonne, ce... c'est notre interrogatoire, n'est-ce pas ?

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

REPRÉSENTATIONS

Me JACQUES JEANSONNE:

Oui... oui, je sais, mais...

Me YVAN BOLDUC:

Alors, je comprends qu'on veut coopérer...

Me JACQUES JEANSONNE:

... maître Sheppard nous a demandé - vous avez dit qu'on s'était entendus sur les heures - maître Sheppard nous a demandé de fixer certaines heures. Nous lui avons dit que nous n'avons pas d'objection en autant qu'il... qu'il puisse nous représenter que son horaire lui permettra de terminer l'interrogatoire dans les trois (3) jours alloués.

Me YVAN BOLDUC:

Ça, c'est...

Me JACQUES JEANSONNE:

Et sous cette condition, nous sommes bien disposés à suivre vos heures, mais... mais sous cette condition. Nous... s'il le faut, avons-nous dit dans les lettres que cet interrogatoire se termine dans les trois (3) jours, pour ce faire que nous siégeons jusqu'à dix heures (10 h 00) le soir, nous avons offert de le faire et nous réitérons notre offre.

Me YVAN BOLDUC:

Parfait.

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AUDIOTRANSCRIPT, Division de Pierre Vitaire & Associés Ltée

REPRÉSENTATIONS

Me GÉRALD TREMBLAY:

On peut demander à maître Sheppard. Est-ce que vous... pensez-vous en avoir encore pour longtemps ?

Me CLAUDE-ARMAND SHEPPARD:

Aujourd'hui ou...?

Me GÉRALD TREMBLAY:

Non, je veux dire dans... dans le...

Me CLAUDE-ARMAND SHEPPARD:

Maître Tremblay, quand j'ai dit : "Trois jours", j'ai dit "Trois (3) jours"... En général, je suis plus court que... que plus long. Je ne vois pas de... de raison de craindre que...

Me GÉRALD TREMBLAY:

On déborde.

Me CLAUDE-ARMAND SHEPPARD:

... on ne finira pas. Maintenant, je ne sais pas quelle va être la longueur de maître Bolduc.

Me YVAN BOLDUC:

J'imagine, maître Tremblay, que pour la... la plupart des questions posées par maître Sheppard pour... pour ses clients, vous allez être d'accord pour que ça... ça compte, si vous voulez, conjointement dans...

Me GÉRALD TREMBLAY:

Oui.

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AUDIOTRANSSCRIPT, Division de Pierre Vilière & Associés Ltée

REPRÉSENTATIONS

Me YVAN BOLDUC:

... mon...

Me GÉRALD TREMBLAY:

Oui.

Me YVAN BOLDUC:

... interrogatoire...

Me GÉRALD TREMBLAY:

Oui.

Me YVAN BOLDUC:

... et de cette façon-là, on fera pas de dédou-
blements...

Me GÉRALD TREMBLAY:

Oui.

Me YVAN BOLDUC:

... sauf sous réserve de mon droit, évidemment,
de poser des questions additionnelles ou les ques-
tions que... que j'estime pourraient être posées,
même si le sujet a déjà été... et je pense, de cette
façon-là, on va éviter deux (2) jours additionnels
d'interrogatoire.

Me JACQUES JEANSONNE:

Non, non, les... les trois (3) jours qui ont
été alloués ont été alloués globalement...

Me GÉRALD TREMBLAY:

Aux...

PV/cc

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AUDIOTRANSSCRIPT, Division de Pierre Vliere & Associés Ltée

REPRÉSENTATIONS

Me JACQUES JEANSONNE:

... à la défense, aux... aux deux (2) parties.

Me YVAN BOLDUC:

Oui, mais je...

Me JACQUES JEANSONNE:

C'est très clair.

Me YVAN BOLDUC:

... je suis pas ici pour arguer avec vous, maître Jeansonne. Vous n'êtes pas juge encore, et ce que...

(S'adressant à Me Tremblay)

Ce que je... je vous dis, tout simplement, maître Tremblay, c'est que je crois que si maître Sheppard peut terminer le sien dans les deux jours et demi (2½), dans la demi-journée additionnelle, je... je verrai bien à faire l'impossible pour terminer le nôtre.

Me GÉRALD TREMBLAY:

Puis, s'il termine dans une demi-journée, vous enchaînez tout de suite... En d'autres termes...

Me YVAN BOLDUC:

C'est ça.

Me GÉRALD TREMBLAY:

... c'est un continuum ?

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AUDIOTRANSSCRIPT, Division de Pierre Vézina & Associés Ltée

REPRÉSENTATIONS

Me YVAN BOLDUC:

C'est pour ça que je me suis pas objecté ou fait de commentaires lors de vos objections, malgré qu'en fait, c'est un peu mon interrogatoire également, sous réserve, bien sûr, de notre droit de choisir ce qu'on veut. Voilà. Alors, ceci...

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Me GÉRALD TREMBLAY:

Bien, là, c'est... c'est... maître Sheppard est... vous êtes...

Me CLAUDE-ARMAND SHEPPARD:

Neuf heures...

10

Me GÉRALD TREMBLAY:

... disposé...

Me CLAUDE-ARMAND SHEPPARD:

... et demie (9 h 30) vendredi matin.

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Me GÉRALD TREMBLAY:

Alors, c'est quoi votre... voulez-vous continuer encore un peu ou bien si vous voulez...?

Me CLAUDE-ARMAND SHEPPARD:

Non, parce que j'aborde un sujet que je voudrais terminer et je commencerai vendredi matin à neuf heures et demie (9 h 30).

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Me GÉRALD TREMBLAY:

Très bien.

(AJOURNEMENT DE LA SÉANCE)

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AUDIOTRANSSCRIPT, Division de Pierre Villeire & Associés Ltée

CANADA

PROVINCE DE QUEBEC

DISTRICT DE MM

500 05 012098 958

COUR Supérieure

Le T.H. Brian MULRONEY

Dem

-vs-

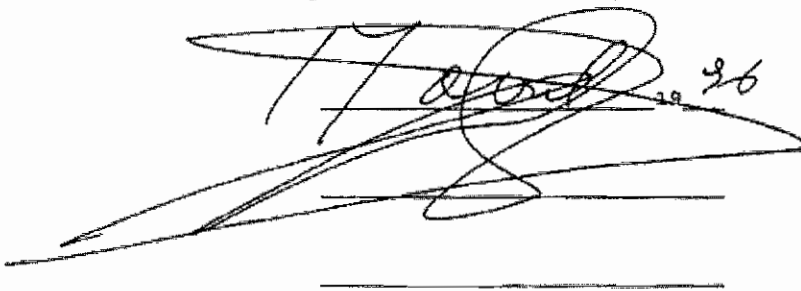
Le P. @ du Canada

et

Mme Kimberly Prost & AL

CONSENTEMENT RELATIF A
 L'ENREGISTREMENT DES DEPOSITIONS
 C.c.p., article 324
 Règlement C-25 R-10
 A.C. 187-73 (1973) 105 G.O. II 222
 D 1433-83, 28 Juin 1983, article 1

Les parties, par leurs procureurs soussignés, consentent à ce que les appareils d'enregistrement du son fournis par AUDIOTRANSSCRIPT ENRG., division de Pierre Vilaire & Associés Ltée soient utilisés dans la présente cause pour avoir la même valeur et le même effet que s'il s'agissait d'appareils d'enregistrement du son fournis par le Ministère de la justice.

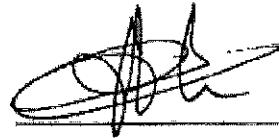
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enregistré

Je, soussigné, PIERRE VILAIRE, certifie sous mon serment d'office que les pages qui précèdent sont et contiennent la transcription exacte et fidèle de l'enregistrement effectué par moi-même.

Et j'ai signé,



PIERRE VILAIRE

AUDIOTRANSCRIPT, Division de Pierre Vilaire & Associés Ltée

