

IN THE MATTER OF THE COMMISSION OF INQUIRY INTO
CERTAIN ALLEGATIONS RESPECTING BUSINESS AND
FINANCIAL DEALINGS BETWEEN KARLHEINZ SCHREIBER AND
THE RIGHT HONOURABLE BRIAN MULRONEY

**AFFIDAVIT of
Mr. Fred Doucet
In Support of Application for Standing and Funding**

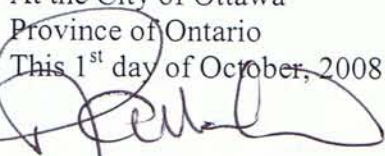
I, FRED DOUCET of the City of Ottawa make oath and say as follows:

1. I have read the application for standing and funding submitted on my behalf by my counsel Mr. Robert Houston, Q.C. I swear and affirm to the best of my knowledge, information and belief all of the statements contained in the said application are true. A copy of the said Application is annexed hereto and marked as exhibit "A" to this my Affidavit.
2. As set forth in the said Application it is my position that I am able to assist the Commissioner and Commission counsel in the Inquiry into the business relationship between Karlheinz Schreiber and the Right Honourable Brian Mulroney.
3. I have a personal interest in this inquiry given comments made by various members of Parliament both in and outside the Parliamentary Committee, by Karlheinz Schreiber, and by various news organizations about me and the role I played. As but one example of this, I was described in a recent article that appeared in the Globe and Mail on Monday the 29th of September, 2008 as "a central character in the controversy".


4. My relationship with the Right Honourable Brian Mulroney is summarized in the Application filed on my behalf.
5. My relationship with Karlheinz Schreiber is summarized in the Application filed on my behalf.
6. The Application summarizes the role I played in arranging two meetings held between Mr. Mulroney and Mr. Schreiber. As set forth in the said Application I was present during the meeting held between the two individuals in New York City in December 1994.
7. I had further meetings with Mr. Schreiber in late 1999 and in the year 2000 as noted in the Application. I retained the original of the mandate document prepared following discussions with Mr. Schreiber wherein I documented the arrangement between Mr. Mulroney and Mr. Schreiber based on statements made to me by Mr. Schreiber and by Mr. Mulroney.
8. I appeared as a witness before the Ethics Committee of the House of Commons on Tuesday the 12th day of February, 2008.
9. I retained counsel, namely Robert E. Houston, Q.C. in the fall of 2007, at the time I was contacted by a representative of the Clerk of the Committee advising me that the Ethics Committee required my attendance before the Committee to testify in their deliberations on the relationship between Mr. Mulroney and Mr. Schreiber. I was personally responsible for the legal expenses referable to my representation by Robert Houston in preparation for and attendance before the Parliamentary Committee.

10. My date of birth is January 30, 1939. I have a significant heart condition and I am under the care of a Cardiologist. I am on heavy medication to deal with my heart condition.
11. As set forth in the application, I am the sole Officer and Director of Fred Doucet Consulting Inc. I have carried on business as a government relations and business consultant for approximately 20 years. As set forth in the application, the corporate income I earn from F.D.C.I. has substantially dropped, and as indicated in the said application it is my current projection that it could fall further in 2009. My other sources of income are approximately \$50,000.00 in pension income from government service, university teaching and Canada Pension Plan, together with income from my investments intended for my retirement. There is a significant amount of uncertainty where I will stand with my investment portfolio given the recent financial crisis over the past days and weeks.
12. I am advised by my Robert E. Houston, Q.C. and verily believe that he was called to the bar of Ontario in March 1969. His curriculum vitae is annexed as Exhibit "B" to this my Affidavit.
13. I have discussed the terms and conditions with respect to Contribution Program for Participant Funding that had been fixed by this Commission with Robert E. Houston, Q.C. I am advised by Robert E. Houston, Q.C., and verily believe that he will fully comply with the said terms and conditions. He has advised me that if granted Standing and Funding he will participate on my behalf in preparations for and attendances at the Commission Hearings.

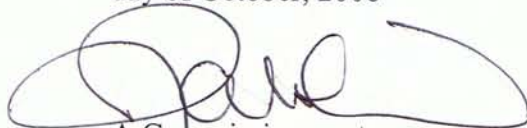
- 14. I am advised by Robert E. Houston, Q.C., and verily believe that he will be assisted from time to time by an Articling Student-at-law. The times expended by Robert E. Houston and the Student will be completely and accurately docketed.
- 15. I am further advised by Robert E. Houston, Q.C. and verily believe that with little information on the documentation to be produced, witnesses to be called, parties and/or interveners with Standing, or any firm information on the estimated duration of the hearing itself, it is virtually impossible to provide any reasonable estimate of time that will be expended by counsel.
- 16. The publicity that this matter has generated over the past number of months has had a profound and negative impact on myself and my family. I seek standing to participate to the fullest extent possible to assist this Commission in Part I of this Inquiry
- 17. Given all of my circumstances, I swear and Affirm that I do not have sufficient financial resources to participate in the Commission without financial assistance for legal counseling.
- 18. I make this Affidavit in support of an Application for Standing and Funding in this matter, and for no improper purpose.

Sworn before me
 At the City of Ottawa
 Province of Ontario
 This 1st day of October, 2008

 A Commissioner etc.

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 Mr. Fred Doucet

This is Exhibit "A"
to the Affidavit of Fred Doucet
sworn before me this 1st
day of October, 2008



A Commissioner, etc.

IN THE MATTER OF THE COMMISSION OF INQUIRY INTO
CERTAIN ALLEGATIONS RESPECTING BUSINESS AND
FINANCIAL DEALINGS BETWEEN KARLHEINZ SCHREIBER AND
THE RIGHT HONOURABLE BRIAN MULRONEY

**APPLICATION FOR STANDING AND FUNDING BY:
Mr. Fred Doucet**

A. Name, Address, telephone and fax number, and email addresses of the applicant:

Mr. Fred Doucet
c/o 440 Laurier Avenue
Suite 372
Ottawa, ON. K1R 7X6
Tel: (613)782-2217
Fax: (613)782-2221
Email: fdoucet@rogers.com

B. Whether the applicant seeks standing as party or as an intervenor for all of a portion of the mandate of Part I of the Inquiry:

The Applicant seeks standing as a party for all of Part I.

C. Whether the applicant seeks funding for Part I – Factual Inquiry:

The Applicant seeks funding for all of Part I.

D. The names of the lawyers, if any, representing the person, together with address, telephone number, email and fax:

Robert E. Houston, Q.C.
BURKE-ROBERTSON
Barristers & Solicitors
70 Gloucester Street
Ottawa, ON. K2P 0A2
Tel: (613)566-2058
Fax: (613)235-4430
Email: rhouston@burkerobertson.com

E. **Submissions, supported by Affidavit evidence as necessary, explaining why standing or fund for Part I – Factual Inquiry should be granted:**

- Fred Doucet served as Chief of Staff to Brian Mulroney when he was leader of the Opposition (1983 – 1984). He served as a Senior Advisor to the Right Honourable Brian Mulroney from September 1984 until May of 1987. He was Chairman of the Organizing Committee for International Summits from May 1987 until August of 1988.
- Fred Doucet Consulting International Inc. (F.D.C.I.) was incorporated in 1988. Fred Doucet was and remains the sole Officer, Director and Shareholder of that company. He carries on business under that corporate name today.
- F.D.C.I. registered as Lobbyist for Bitucan Holdings Ltd. and Bear Head Industries Ltd. on October 10, 1989 pursuant to the provisions of the *Lobbyist Registration Act*, 1985 c. 44. Karlheinz Schreiber was the “representative” of Bitucan Holdings Limited. Karlheinz Schreiber was also to the best of the knowledge, information and belief of Mr. Doucet, an Officer and Director of Bear Head Industries Ltd.
- F.D.C.I. acted as Lobbyists for these two corporations.
- Brian Mulroney and Karlheinz Schreiber, met, (according to evidence given by both of them to the Parliamentary Ethics Committee) in June 1993, August 1993, December 1993 and December 1994. Mr. Doucet did have a role to play in arranging meetings that took place near Mirabel Airport in August of 1993 and in a hotel in New York City in December of 1994. Although it is alleged by Mr. Schreiber that he arranged the other two meetings, Mr. Doucet has no recollection that he had any role in the arrangements for those meetings.
- Mr. Fred Doucet was personally present at the meeting between Mr. Mulroney and Mr. Schreiber that took place in New York City in December of 1994. To the best of his knowledge he was the only witness to any of the meetings held between the two individuals. Mr. Doucet was present throughout the entire meeting when Mr. Mulroney and Mr. Schreiber discussed the ongoing work that had been carried out in the International Area by Mr. Mulroney on behalf of Mr. Schreiber. Mr. Doucet can testify as to his recollection of discussions between the two. He observed that at the end of the meeting, Mr. Schreiber handed Mr. Mulroney an envelope. Mr. Doucet did not know at that time, what was in the envelope.
- Mr. Doucet had little if any contact with Mr. Schreiber from 1995 to 1999.

- In the fall of 1999 Mr. Doucet watched a presentation by the Fifth Estate of CBC Television on the “Mulroney / Schreiber matter”.
- Mr. Doucet met with Mr. Schreiber at Doucet’s home in December of 1999. They discussed a number of matters and agreed that they would meet in the near future. Mr. Doucet met with Mr. Schreiber again in early January of 2000. At that time they continued the discussions that began on the 26th of December 1999.
- Mr. Doucet met again with Mr. Schreiber in early February 2000. Mr. Doucet had prior to that meeting prepared a written statement on the agreement or mandate between Messrs. Mulroney and Schreiber consistent with Doucet’s understanding based on discussions held in New York City in December of 1994 and discussions that Doucet had with Mr. Schreiber in December 1999 and January of 2000.
- Messrs. Doucet and Schreiber discussed the draft mandate statement. Mr. Schreiber in his own handwriting wrote the name of two corporations namely Bayerische Bitumen Chemie; Kautering and Bitucan Calgary. Mr. Doucet asked Mr. Schreiber what the fee for the services rendered by Mr. Mulroney to him was, and he recorded the amount given to him by Schreiber at that time, namely \$250,000.00.
- Mr. Doucet retained the original of this document. To the best of his knowledge this is the only written documentation of the agreement between Messrs. Mulroney and Schreiber.
- Mr. Doucet is able to discuss a number of the specific terms of reference, and in particular, 1, 3, 5, 6, 7 & 8.
- Mr. Doucet appeared as a witness before the Parliamentary Ethics Committee in February, 2008. A number of allegations concerning the role that he played in the arrangement between Mr. Mulroney and Mr. Schreiber have been made in and out of the House of Commons by Members of Parliament. Mr. Doucet has also been named in a number of newspaper articles and radio and television broadcasts.
- Mr. Karlheinz Schreiber has made a number of comments in his testimony before the Parliamentary Commission hearings and at various times outside of Parliament about Mr. Doucet.
- There has been significant reference in the media to the relationship between Messrs. Mulroney and Schreiber, particularly since the fall of 2006. As noted, Mr. Doucet has been named in a number of these

articles and broadcasts. Allegations made about him have had a profound effect upon Mr. Doucet and his entire family.

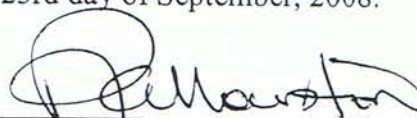
Application for Funding:

- In the past two years, Mr. Doucet has noted a substantial drop in his work as a Lobbyist. He estimates that there will be at a minimum a 25% decline in his corporate income in the year 2008. Based on his current projections for 2009 his business income may drop to zero.
- The Financial implications to Mr. Doucet have been profound. He is not in the position to retain counsel given his current financial circumstances. He has managed to save a modest amount for his retirement. His retirement savings would be significantly depleted if her personally retains counsel. In the circumstances, he seeks funding.

Conclusion:

- Fred Doucet has a role to play in providing evidence to this Commission. He has been personally attacked and his reputation damaged. In the circumstances, he seeks Standing to participate in the deliberations of the Commission with the assistance of counsel.

All of which is respectfully submitted this 23rd day of September, 2008.



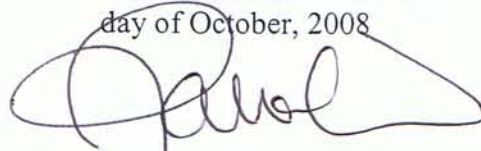
Robert E. Houston, Q.C.
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70 Gloucester Street
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Tel: (613)566-2058

Fax: (613)235-4430

Rhouston@burkerobertson.com

This is Exhibit "B"
to the Affidavit of Fred Doucet
sworn before me this 1st
day of October, 2008



A Commissioner, etc.

ROBERT EDWARD HOUSTON, Q.C.

BORN:

September 16, 1942
Aurpior, Ontario

UNIVERSITY:

University of Toronto - B.A. 1964
University of Ottawa - LL.B. 1967

CALLED TO BAR:

Ontario - March, 1969

**APPOINTED QUEEN'S
COUNSEL:**

1981

PRACTICE:

Soloway, Wright - 1969 - 1992;
Burke-Robertson - 1992 - present

AREAS OF PRACTICE:

Civil Litigation
Criminal Litigation
Supreme Court of Canada Agency

**PROFESSIONAL ASSOCIATIONS
AND COMMITTEES:**

Member of the County of Carleton Law Association
– Trustee from 1979 - 1987; President 1986 - 1987;

Member of the Canadian Bar Association - Member
of Council from 1982 - 1984; and 1986 - 1987;

Member of Advocates' Society - Director from 1977 -
1979;

Member of the Chief Justice's Committee of the Bench and Bar (Province of Ontario) from 1984 – 1990;

Member of the Ontario Court Management Advisory Committee (Province of Ontario) from September 1990 to 1996;

Member of Supreme Court of Canada Liaison Committee; (Canadian Bar Association from 1985 to 1990);

Member of the Registrar's Ottawa Agents Practice and Procedures Committee (Supreme Court of Canada) from 1991 - present

Lecturer - University of Ottawa Law School - Trial Advocacy from 1982 - 1989;

Lecturer - Bar Admission Course (Ottawa) – Criminal Procedure from 1979 to 1999.

Fellow American College of Trial Lawyers

IN THE MATTER OF THE COMMISSION OF INQUIRY INTO CERTAIN ALLEGATIONS RESPECTING BUSINESS AND FINANCIAL DEALINGS BETWEEN KARLHEINZ SCHREIBER AND THE RIGHT HONOURABLE BRIAN MULRONEY

**AFFIDAVIT OF FRED DOUCET, In Support
of an Application for Standing and Funding**

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Law Society Registration No.: 115641
Solicitors for the Applicant Fred Doucet
Our File: 36923-0003