

Commission of Inquiry into Certain Allegations
Respecting Business and Financial Dealings
Between Karlheinz Schreiber and
the Right Honourable Brian Mulroney



Commission d'enquête concernant les allégations
au sujet des transactions financières et
commerciales entre Karlheinz Schreiber et
le très honorable Brian Mulroney

Public Hearing

Audience publique

Commissioner

L'Honorable juge /
The Honourable Justice
Jeffrey James Oliphant

Commissaire

Held at:

Bytown Pavillion
Victoria Hall
111 Sussex Drive
Ottawa, Ontario

Tuesday, April 14, 2009

Tenue à :

pavillion Bytown
salle Victoria
111, promenade Sussex
Ottawa (Ontario)

le mardi 14 avril 2009

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EXHIBITS / PIÈCES JUSTIFICATIVES

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1 1990 Maître Wolson, êtes-vous prêt à
2 commencer maintenant?

3 1991 MR. WOLSON: I am, thank you.

4 1992 COMMISSIONER OLIPHANT: All right.

5 1993 Mr. Schreiber, could you come
6 forward, please, sir.

7 1994 Good morning, Mr. Schreiber.

8 1995 MR. SCHREIBER: Good morning,
9 Commissioner.

10 1996 COMMISSIONER OLIPHANT: Could I ask
11 you to go to the witness stand please, Mr. Schreiber.

12 1997 Mr. Schreiber, before you sit down
13 could I ask you, sir, to take the Bible in your right
14 hand to be sworn?

15 SWORN: KARLHEINZ SCHREIBER /
16 ASSERMENTÉ : KARLHEINZ SCHREIBER

17 1998 MR. WOLSON: Just before I start with
18 Mr. Schreiber, with Mr. Vickery this morning is counsel
19 Amy Joslin-Besner, who will be here assisting and I
20 wanted you to meet her.

21 1999 Then, before I file some evidence
22 books, I am advised that Mr. Auger has an application
23 to make.

24 2000 COMMISSIONER OLIPHANT: All right.

25 2001 Mr. Auger, good morning.

1 2002 MR. AUGER: Good morning, Mr.
2 Commissioner.

3 2003 Just very briefly, I don't want to
4 interrupt the flow of the testimony, but just as a
5 formality I wanted to record, with your permission,
6 that Mr. Schreiber invoked section 13 of the Charter
7 protection which of course, as you know, is automatic.

8 2004 But more importantly he also invokes
9 the protection of section 5 of the Canada Evidence Act.

10 2005 With those comments, Mr. Schreiber is
11 ready to proceed.

12 2006 COMMISSIONER OLIPHANT: In your view,
13 is the invoking of section 5 of the Canada Evidence Act
14 as you have done sufficient to provide the protection
15 Mr. Schreiber seeks?

16 2007 MR. AUGER: Well, as you well know,
17 Mr. Commissioner, there are cases that go both ways on
18 this. There are cases that talk about invoking any
19 such protections as the questions arise and, in my
20 submission, if I were to register this protection now,
21 having regard to the anticipated questions, in my
22 submission that is a sufficient protection.

23 2008 COMMISSIONER OLIPHANT: Thank you.

24 2009 Mr. Wolson...?

25 2010 MR. WOLSON: I will introduce as well

1 our interim clerk. It is Marjorie Vendrig.

2 2011 COMMISSIONER OLIPHANT: Yes. I wish
3 to thank Ms Vendrig for taking over the job of
4 registrar on very short notice as the result of an
5 accident that occurred this morning. The registrar is
6 in hospital as we speak being examined and that's why,
7 as Mr. Wolson said, we started a little bit late.

8 2012 That's not my practice, but we were
9 scrambling, to be quite honest with you, to find
10 somebody to fill in as registrar.

11 2013 MR. WOLSON: Then I would like to
12 begin by filing some evidence books. There are five in
13 number.

14 2014 I will just identify them for you and
15 for my friends.

16 2015 Book 1, Tabs 1 through 104, deal with
17 the background and history of Bear Head.

18 2016 Book 2, Tabs 105 to 147D, deal for
19 the most part with Bear Head and history and some
20 miscellaneous documents.

21 2017 Book 3 are assorted miscellaneous
22 documents.

23 2018 Book 4 are communications and
24 correspondence between the Rt. Hon. Brian Mulroney and
25 Karlheinz Schreiber.

1 2019 Book 5, correspondence between
2 Karlheinz Schreiber and the Rt. Hon. Prime Minister
3 Harper.

4 2020 So I would like to file those five
5 books. They can all be one exhibit and I can tell you,
6 sir, when I examine the witnesses I'm going to refer to
7 the books as opposed to the exhibit numbers.

8 2021 I believe they will be Exhibits P-7,
9 1 through 5.

10 2022 COMMISSIONER OLIPHANT: Yes. All
11 right. I take it, as was the case heretofore, that
12 these books are all going in by way of consent of all
13 counsel?

14 2023 Mr. Pratte...?

15 2024 MR. PRATTE: Yes.

16 2025 COMMISSIONER OLIPHANT: Mr. Auger...?

17 2026 MR. AUGER: Just as a technical
18 qualifier, Commissioner.

19 2027 Obviously the books can go in with
20 the exception that they cannot be admitted for the
21 truth of their content. They are documents that are
22 not generated by Mr. Schreiber.

23 2028 So on that basis they can be marked
24 as an exhibit as proposed.

25 2029 MR. WOLSON: That's not what we have

1 done, quite frankly, with the other books that we
2 filed. We will file them as exhibits in the cause for
3 you to consider at the end of the day.

4 2030 I can tell you, sir, that I don't
5 plan on going through every document. If I were to do
6 that, we would be here for a month. I am going through
7 a selection of documents, but the documents are
8 exhibits in the cause. That is the route we have taken
9 and I expect these documents to be before you in the
10 same fashion.

11 2031 COMMISSIONER OLIPHANT: The five
12 books will be received and marked in evidence as
13 Exhibit P-7.

14 EXHIBIT NO. P-7: Five books:
15 Book 1, Tabs 1 through 104; Book
16 2, Tabs 105 to 147D; Book 3,
17 assorted miscellaneous
18 documents; Book 4,
19 communications and
20 correspondence between the Rt.
21 Hon. Brian Mulroney and
22 Karlheinz Schreiber; Book 5,
23 correspondence between Karlheinz
24 Schreiber and the Rt. Hon. Prime
25 Minister Harper

1 2032 MR. WOLSON: And then there are three
2 further sets of materials that I would like to have as
3 exhibits for identification: the Eurocopter
4 transcripts; Mr. Mulroney's discovery; and Mr.
5 Schreiber's statement that he gave to the Commission,
6 at least the summary of the interview, to be marked as
7 exhibits for identification not in the cause.

8 2033 COMMISSIONER OLIPHANT: All right.
9 The transcript of evidence -- I take it from a
10 preliminary inquiry?

11 2034 MR. WOLSON: That is so.

12 2035 COMMISSIONER OLIPHANT: -- on
13 Eurocopter will be received and marked as Exhibit "A"
14 for identification.

15 EXHIBIT "A" (for
16 identification): Eurocopter
17 transcripts from a Preliminary
18 Inquiry

19 2036 COMMISSIONER OLIPHANT: Exhibit "B"
20 for identification will be the transcript of the
21 examination for discovery of Mr. Mulroney.

22 EXHIBIT "B" (for
23 identification): Examination
24 for discovery transcript of Mr.
25 Mulroney

1 2037 COMMISSIONER OLIPHANT: And Exhibit
2 "C" for identification will be the summary of a
3 statement made by Mr. Schreiber to Commission counsel.
4 EXHIBIT "C" (for
5 identification): Summary of a
6 statement made by Mr. Schreiber
7 to Commission counsel
8 EXAMINATION: KARLHEINZ SCHREIBER BY MR. WOLSON /
9 INTERROGATOIRE : KARLHEINZ SCHREIBER PAR Me WOLSON
10 2038 MR. WOLSON: Good morning, Mr.
11 Schreiber. I'm going to need you to put your
12 microphone on and speak up if you will, please.
13 2039 MR. SCHREIBER: Is this the point
14 down here?
15 2040 MR. WOLSON: Yes. It's on now, Mr.
16 Schreiber.
17 2041 MR. SCHREIBER: Okay. Fine.
18 2042 MR. WOLSON: Maybe you could just
19 pull your seat a little closer to the microphone.
20 2043 MR. SCHREIBER: Better? Is it better
21 now?
22 2044 MR. WOLSON: Thank you, sir.
23 2045 You have just celebrated a pretty
24 significant birthday, have you not?
25 2046 MR. SCHREIBER: Yes.

1 2047 MR. WOLSON: How old are you now,
2 sir?

3 2048 MR. SCHREIBER: Seventy-five.

4 2049 MR. WOLSON: You were born in 1934 in
5 Petersdorf, Germany?

6 2050 MR. SCHREIBER: Yes.

7 2051 MR. WOLSON: And you were educated in
8 Germany?

9 2052 MR. SCHREIBER: Yes.

10 2053 MR. WOLSON: You graduated from a
11 school in Germany taking a business course?

12 2054 MR. SCHREIBER: Yes.

13 2055 MR. WOLSON: And you then went to
14 work to study and learn your profession, which was
15 interior design?

16 2056 MR. SCHREIBER: Yes, sir.

17 2057 MR. WOLSON: You worked for a company
18 called A.F. Whiting?

19 2058 MR. SCHREIBER: Yes.

20 2059 MR. WOLSON: And you received a
21 certificate to allow you to work as an interior
22 designer?

23 2060 MR. SCHREIBER: Yes.

24 2061 MR. WOLSON: And you started working
25 in that profession?

1 2062 MR. SCHREIBER: Yes.

2 2063 MR. WOLSON: You later, I understand,
3 moved to Munich, Germany and you were learning about
4 Persian rugs.

5 2064 MR. SCHREIBER: Yes. sir.

6 2065 MR. WOLSON: And you eventually
7 started your own business?

8 2066 MR. SCHREIBER: Yes.

9 2067 MR. WOLSON: You ran your own
10 business until about 1967 when tragically a friend of
11 yours and business partner passed away and you took
12 over that business?

13 2068 MR. SCHREIBER: Correct, sir.

14 2069 MR. WOLSON: And that business was
15 Bavarian Bitumen Chemicals?

16 2070 MR. SCHREIBER: Correct, sir.

17 2071 MR. WOLSON: Otherwise known as BBC?

18 2072 MR. SCHREIBER: Yes, sir.

19 2073 MR. WOLSON: And that was a road
20 construction and road marking company?

21 2074 MR. SCHREIBER: Correct, sir.

22 2075 MR. WOLSON: So you had left interior
23 design and you are into the business world of
24 construction?

25 2076 MR. SCHREIBER: Correct, sir.

1 2077 MR. WOLSON: Bavarian Bitumen
2 Chemicals is located in Kaufering?
3 2078 MR. SCHREIBER: Yes.
4 2079 MR. WOLSON: That's about 30 miles
5 from Munich?
6 2080 MR. SCHREIBER: Correct, sir.
7 2081 MR. WOLSON: At some point you became
8 interested in politics?
9 2082 MR. SCHREIBER: Yes, sir.
10 2083 MR. WOLSON: And you became involved
11 with Franz Joseph Strauss.
12 2084 MR. SCHREIBER: Yes, sir.
13 2085 MR. WOLSON: He was the Premier of
14 Bavaria at one time?
15 2086 MR. SCHREIBER: Correct, sir.
16 2087 MR. WOLSON: And he was the head of
17 the Christian Social Union?
18 2088 MR. SCHREIBER: Correct, sir.
19 2089 MR. WOLSON: You got to know him in
20 the late '70s?
21 2090 MR. SCHREIBER: Maybe earlier.
22 2091 MR. WOLSON: And you were a friend
23 until he passed away in the late '80s?
24 2092 MR. SCHREIBER: Correct, sir.
25 2093 MR. WOLSON: He had two sons, one who

- 1 you were quite familiar with, Franz Joseph Strauss, and
2 the second son Max.
- 3 2094 MR. SCHREIBER: Yes, sir.
- 4 2095 MR. WOLSON: And Max would come to
5 Canada from time to time and you would entertain him?
- 6 2096 MR. SCHREIBER: Correct, sir.
- 7 2097 MR. WOLSON: You yourself came to
8 Canada I think in the '70s to the Province of
9 Saskatchewan. Is that so?
- 10 2098 MR. SCHREIBER: Yes, it could be '70s
11 or late '60s.
- 12 2099 MR. WOLSON: And you were coming to
13 see about business here in Canada?
- 14 2100 MR. SCHREIBER: Correct, sir.
- 15 2101 MR. WOLSON: And you started to spend
16 time here?
- 17 2102 MR. SCHREIBER: Correct, sir.
- 18 2103 MR. WOLSON: You established a
19 residence in Canada?
- 20 2104 MR. SCHREIBER: Yes, sir.
- 21 2105 MR. WOLSON: Were you living first in
22 Edmonton?
- 23 2106 MR. SCHREIBER: Yes.
- 24 2107 MR. WOLSON: And then you moved to
25 Calgary?

1 2108 MR. SCHREIBER: Correct, sir.

2 2109 MR. WOLSON: And you became a landed
3 immigrant of this country?

4 2110 MR. SCHREIBER: Yes, sir.

5 2111 MR. WOLSON: September 2, 1978?

6 2112 MR. SCHREIBER: Yes, sir.

7 2113 MR. WOLSON: You built a road making
8 business in Alberta?

9 2114 MR. SCHREIBER: Yes, road marking and
10 traffic safety.

11 2115 MR. WOLSON: All right. Was that
12 company called MLE Industries.

13 2116 MR. SCHREIBER: Correct, sir.

14 2117 MR. WOLSON: You also established a
15 company in Canada called Bitucan.

16 2118 MR. SCHREIBER: Yes, sir.

17 2119 MR. WOLSON: You were the main
18 shareholder of Bitucan?

19 2120 MR. SCHREIBER: Yes.

20 2121 MR. WOLSON: You became involved in
21 real estate in Canada?

22 2122 MR. SCHREIBER: Yes, sir.

23 2123 MR. WOLSON: In Alberta?

24 2124 MR. SCHREIBER: Yes.

25 2125 MR. WOLSON: With a company called

1 ABS?

2 2126 MR. SCHREIBER: Yes, sir.

3 2127 MR. WOLSON: And you had investors in

4 that company, at least in terms of real estate

5 investments, including the Strauss family from Germany?

6 2128 MR. SCHREIBER: Yes, sir.

7 2129 MR. WOLSON: You eventually made your

8 way out east.

9 2130 MR. SCHREIBER: Yes.

10 2131 MR. WOLSON: You took an apartment in

11 Montréal?

12 2132 MR. SCHREIBER: Yes.

13 2133 MR. WOLSON: And you ultimately

14 settled in Ottawa where you have purchased a house and

15 live here still today?

16 2134 MR. SCHREIBER: Yes, sir.

17 2135 MR. WOLSON: You became a Canadian

18 citizen in 1982, February.

19 2136 MR. SCHREIBER: Yes, sir.

20 2137 MR. WOLSON: That occasion was

21 observed by Mr. Mulroney?

22 2138 MR. SCHREIBER: Yes, sir.

23 2139 MR. WOLSON: He sent you a telegram

24 to honour your becoming a Canadian citizen?

25 2140 MR. SCHREIBER: Correct, sir.

1 2141 MR. WOLSON: And that was something
2 that was important to you?

3 2142 MR. SCHREIBER: Yes.

4 2143 MR. WOLSON: You not only became a
5 citizen of a great country, you had a very important
6 person in this country acknowledge your citizenship.

7 2144 MR. SCHREIBER: Yes, sir.

8 2145 MR. WOLSON: When did you take up
9 residency in Canada?

10 2146 MR. SCHREIBER: I have no
11 recollection. It must have been, yes, in the late
12 '70s.

13 2147 MR. WOLSON: Were you a resident in
14 Canada --

15 2148 MR. SCHREIBER: For a while.

16 2149 MR. WOLSON: Were you a resident in
17 Canada in 1990, '93, '94, '95?

18 2150 MR. SCHREIBER: No.

19 2151 MR. WOLSON: You were a resident of
20 Germany?

21 2152 MR. SCHREIBER: Germany, but later on
22 Switzerland.

23 2153 MR. WOLSON: Okay.

24 2154 MR. SCHREIBER: Since 1994.

25 2155 MR. WOLSON: And you have been living

1 in Canada now on a fulltime basis, have you?

2 2156 MR. SCHREIBER: Yes, sir.

3 2157 MR. WOLSON: Since when, sir?

4 2158 MR. SCHREIBER: Since 1999.

5 2159 MR. WOLSON: Now, you were a judge in
6 a Munich Commercial Court, weren't you?

7 2160 MR. SCHREIBER: Yes, sir.

8 2161 MR. WOLSON: How many years?

9 2162 MR. SCHREIBER: Nine years.

10 2163 MR. WOLSON: And you don't have a
11 legal background, do you?

12 2164 MR. SCHREIBER: No.

13 2165 MR. WOLSON: But you would hear
14 cases?

15 2166 MR. SCHREIBER: Yes. The system
16 is -- if you would allow me to explain, if you're
17 interested?

18 2167 MR. WOLSON: Sure.

19 2168 MR. SCHREIBER: You have one
20 professional judge and you have two judges with the
21 same vote which are experts in certain fields, so it
22 depends, finance or business or whatever.

23 2169 MR. WOLSON: And you would be then
24 part of a tribunal that heard cases?

25 2170 MR. SCHREIBER: Yes, sir.

1 2171 MR. WOLSON: You would have to
2 determine, for instance, whether the parties were
3 telling the truth?

4 2172 MR. SCHREIBER: Yes, sir.

5 2173 MR. WOLSON: Would they take an oath?

6 2174 MR. SCHREIBER: It depends. From
7 time to time yes. It's not like here.

8 2175 MR. WOLSON: But you would expect in
9 a court that they would be telling the truth?

10 2176 MR. SCHREIBER: Well, the judge will
11 tell you that you are obliged to tell the truth even if
12 you don't take an oath, and if you wouldn't do that it
13 is punishable as well.

14 2177 MR. WOLSON: So you have some
15 experience in assessing whether a witness is being
16 truthful?

17 2178 MR. SCHREIBER: Yes, sir.

18 2179 MR. WOLSON: Now, you have called for
19 this inquiry for a long time, haven't you?

20 2180 MR. SCHREIBER: Yes, sir.

21 2181 MR. WOLSON: You said at one point to
22 a reporter -- and I know you have talked to a lot of
23 reporters over the years, haven't you?

24 2182 MR. SCHREIBER: Well, first it was a
25 mistake not to speak to them and then I became the

1 mysterious Mr. Schreiber, and one load of mud after the
2 other one was put on my shoulders. So finally I
3 decided I better speak to them.

4 2183 MR. WOLSON: And now you are no
5 longer the mysterious Schreiber?

6 2184 MR. SCHREIBER: Well, some people
7 still think I am, but I disagree with them.

8 2185 MR. WOLSON: All right.

9 2186 You said to the reporters that -- I
10 think you said this to Carol Off at As It Happens:
11 "The importance of an inquiry is
12 that people have to speak under
13 oath." (As read)

14 2187 MR. SCHREIBER: Yes.

15 2188 MR. WOLSON: And they will be
16 examined by lawyers --

17 2189 MR. SCHREIBER: Yes.

18 2190 MR. WOLSON: -- to get to the truth?

19 2191 MR. SCHREIBER: Yes.

20 2192 MR. WOLSON: You have also stated to
21 the same reporter that you are the only one who has no
22 fear for an inquiry.

23 2193 MR. SCHREIBER: The same situation
24 today, sir.

25 2194 MR. WOLSON: Now, you know then that

1 I am going to be asking you a number of questions. You
2 know that?

3 2195 MR. SCHREIBER: Sure. That's your
4 job.

5 2196 MR. WOLSON: Tough questions
6 sometimes. You understand that?

7 2197 MR. SCHREIBER: No problems with it.

8 2198 MR. WOLSON: All right.

9 2199 I want to talk first of your
10 relationship with Brian Mulroney.

11 2200 Do you recall your first contact with
12 him?

13 2201 MR. SCHREIBER: Yes, in Montréal at
14 the Ritz-Carlton.

15 2202 MR. WOLSON: And did you meet with
16 him at the Ritz-Carlton?

17 2203 MR. SCHREIBER: Yes.

18 2204 MR. WOLSON: How many times? Was
19 this before he was Leader of the Opposition?

20 2205 MR. SCHREIBER: Yes. He used to be
21 the President of Iron Ore and, as far as I recall, his
22 office was across the street somehow from the
23 Ritz-Carlton in Montréal.

24 2206 MR. WOLSON: And how many times did
25 you meet with him at the Ritz-Carlton?

1 2207 MR. SCHREIBER: Five or six times is
2 my recollection.

3 2208 MR. WOLSON: Just a small point,
4 nothing more than that: I want to refer you to your
5 evidence that you gave at Eurocopter.

6 2209 You were a witness at Eurocopter,
7 weren't you?

8 2210 MR. SCHREIBER: That's correct, sir.

9 2211 MR. WOLSON: You testified over many
10 days?

11 2212 MR. SCHREIBER: Yes, sir.

12 2213 MR. WOLSON: I'm just going to refer
13 to -- and as I say, it's just a small point --
14 September 10, '04 -- 2004 September 10th.

15 2214 When you were asked questions you
16 gave this answer -- and I'm only reading part of the
17 answer at page 23, the top of the page.

18 "I recall I met him at the
19 Ritz-Carlton for one, two or
20 three times when I was in
21 Montréal, that's it." (As read)

22 2215 Now you are saying five or six, so
23 why are you changing that from Eurocopter?

24 2216 MR. SCHREIBER: Well, it has to be a
25 difference when it was -- when I met him at the

1 beginning and he was with Iron Ore. Later on I met him
2 when he was on his way for politics.

3 2217 So it could have been even more, but
4 I cannot say precisely.

5 2218 MR. WOLSON: Well, you are aware that
6 he -- in the early '80s that he was running for the
7 leadership of his party?

8 2219 MR. SCHREIBER: Yes.

9 2220 MR. WOLSON: There was a convention
10 in Winnipeg?

11 2221 MR. SCHREIBER: Yes.

12 2222 MR. WOLSON: Mr. Clark, Joe Clark,
13 was the Leader of the Conservative Party?

14 2223 MR. SCHREIBER: Yes.

15 2224 MR. WOLSON: He wanted to get a
16 certain number of votes in terms of affirming his
17 leadership?

18 2225 MR. SCHREIBER: I recall that, yes.

19 2226 MR. WOLSON: He wanted to get 70 per
20 cent of the votes for him to continue on?

21 2227 MR. SCHREIBER: Well, I was not
22 involved there, but I know this from the media.

23 2228 MR. WOLSON: Did you donate money to
24 Mr. Mulroney's cause at that time?

25 2229 MR. SCHREIBER: Yes.

1 2230 MR. WOLSON: How much?

2 2231 MR. SCHREIBER: \$50,000.

3 2232 MR. WOLSON: How do you remember
4 that?

5 2233 MR. SCHREIBER: Because I was asked
6 from Mr. Wolf, who was the one who initiated the whole
7 meetings with Mr. Mulroney and with Mr. Moores, who
8 used to be the president of the Conservative Party.

9 2234 MR. WOLSON: You had met Mr. Wolf?

10 2235 MR. SCHREIBER: Yes.

11 2236 MR. WOLSON: Where?

12 2237 MR. SCHREIBER: In Munich. Mr. Wolf
13 was the one who brought me to Canada, to the eastern
14 part, to meet Mr. Moores, and then, together with Mr.
15 Moores and Mr. Wolf, I met Mr. Mulroney the first time.

16 2238 MR. WOLSON: All right. And Mr.
17 Moores was running the campaign for Mr. Mulroney?

18 2239 MR. SCHREIBER: Yes, but Mr. Wolf
19 appeared to me like a fundraiser with a great interest,
20 and I understood later why, and he was the one who
21 approached, also, Mr. Strauss and asked for support,
22 and this was the reason why I got involved.

23 2240 His lawyer was Michel Cogger, and
24 Michel Cogger was the lawyer who sent an invoice to me,
25 to my company, MLE, and I transferred the money to Mr.

1 Cogger, so that he could give it to his client, Mr.
2 Wolf.

3 2241 MR. WOLSON: Fifty thousand dollars.
4 2242 MR. SCHREIBER: Yes.
5 2243 MR. WOLSON: In Canadian funds?
6 2244 MR. SCHREIBER: Yes.
7 2245 MR. WOLSON: And you remember that?
8 2246 MR. SCHREIBER: Yes.
9 2247 MR. WOLSON: I would like to refer
10 you to September the 10th, Eurocopter, page 8. You
11 were asked this question by the prosecutor, Mr.
12 Bernstein.
13 2248 And you were just a witness at
14 Eurocopter; true?
15 2249 MR. SCHREIBER: Yes.
16 2250 MR. WOLSON: Page 8, at the top:
17 "Did you support a particular
18 candidate?"
19 "Yes, at the first convention."
20 2251 And that's the Winnipeg one, isn't
21 it?
22 2252 MR. SCHREIBER: I assume, yes.
23 2253 MR. WOLSON:
24 "I was approached by Mr. Wolf,
25 and my company donated, I think,

1 2268 MR. WOLSON: Okay.

2 2269 MR. SCHREIBER: I didn't pay
3 attention to this, but it's in the books, and it should
4 be in the books from MLE Industries, because they made
5 the payment.

6 2270 And that was not the only one, there
7 was another one later on to Mr. Cogger, as well.

8 2271 MR. WOLSON: Okay.

9 2272 MR. SCHREIBER: So it could very well
10 be that they put it together, and it would have been
11 two times \$25,000, or one time \$50,000 and another one
12 of \$25,000.

13 2273 MR. WOLSON: Did you participate in
14 the leadership convention in Ottawa when Mr. Mulroney
15 became the Leader of the Opposition?

16 2274 MR. SCHREIBER: No.

17 2275 MR. WOLSON: Why you, a German
18 businessman, why were you giving donations to Mr.
19 Mulroney in the early eighties?

20 2276 MR. SCHREIBER: Well, first of all,
21 as I said to you earlier, I was approached from Mr.
22 Wolf, and Mr. Strauss requested support for Mr.
23 Mulroney, and it is pretty common that the German
24 Conservatives support Conservatives abroad. For that
25 they have, like the other parties have, a special

1 foundation, and from there go the funds.

2 2277 MR. WOLSON: So German Conservative
3 parties are giving money to Conservative parties around
4 the world?

5 2278 MR. SCHREIBER: Yes.

6 2279 MR. WOLSON: Did they give you money
7 to give to Mr. Mulroney?

8 2280 MR. SCHREIBER: No.

9 2281 MR. WOLSON: That was your own money.

10 2282 MR. SCHREIBER: It was my own money.

11 2283 MR. WOLSON: Were you living in
12 Canada at the time?

13 2284 Were you a resident here?

14 2285 MR. SCHREIBER: In '82-'83 -- yeah,
15 could be.

16 2286 MR. WOLSON: Were you involved in
17 Canadian politics?

18 2287 MR. SCHREIBER: Not directly, no.

19 2288 MR. WOLSON: Were you involved in any
20 way?

21 2289 Were you giving money to politicians?

22 2290 MR. SCHREIBER: Yes.

23 2291 MR. WOLSON: Federally,
24 provincially -- both?

25 2292 MR. SCHREIBER: You speak about

1 Canada or...?

2 2293 MR. WOLSON: Canada.

3 2294 MR. SCHREIBER: Canada, yes.

4 2295 MR. WOLSON: So you were giving money

5 to various politicians.

6 2296 MR. SCHREIBER: Yes.

7 2297 MR. WOLSON: Conservatives?

8 2298 MR. SCHREIBER: Yes.

9 2299 MR. WOLSON: Liberals?

10 2300 MR. SCHREIBER: No.

11 2301 MR. WOLSON: Okay.

12 2302 MR. SCHREIBER: Well, later on,

13 through Bear Head, we made donations, which are known

14 from the books.

15 2303 MR. WOLSON: Okay.

16 2304 MR. SCHREIBER: But, personally, it

17 was Conservatives.

18 2305 MR. WOLSON: In the province in which

19 you lived, were you giving money to Conservatives?

20 2306 MR. SCHREIBER: Please?

21 2307 MR. WOLSON: In the province in which

22 you lived, were you giving money to Conservatives

23 provincially?

24 2308 MR. SCHREIBER: In Alberta?

25 2309 MR. WOLSON: Yes.

1 2310 MR. SCHREIBER: Yes.

2 2311 MR. WOLSON: Where you ran your
3 business?

4 2312 MR. SCHREIBER: Please?

5 2313 MR. WOLSON: Where you ran your
6 business?

7 2314 MR. SCHREIBER: Yes.

8 2315 MR. WOLSON: Mr. Moores was running
9 Mr. Mulroney's campaign?

10 2316 MR. SCHREIBER: Yeah, this is what I
11 was told.

12 2317 MR. WOLSON: Did he tell you anything
13 about Mr. Mulroney when he would leave politics?

14 2318 After he was finished politics, did
15 Mr. Moores say anything to you about Mr. Mulroney?

16 2319 MR. SCHREIBER: Yeah, well, it was a
17 discussion, why would we support -- and I have not
18 mentioned yet, and you didn't raise it, that there was
19 another deal with Mr. Moores, where he asked Mr.
20 Strauss' family and myself to support him, to make
21 available funds for himself.

22 2320 MR. WOLSON: Funds for Mr. Moores?

23 2321 MR. SCHREIBER: For himself, so that
24 he would be able to support Mr. Mulroney's campaign.

25 2322 And this is when I got involved with

1 the Strauss family, in a company called NBM Land
2 Holdings, and it had to do with a project called Port
3 Atlantis in Newfoundland, and this was \$370,000, where
4 my companies, Strauss and myself, paid Mr. Moores for
5 participation in that project.

6 2323 MR. WOLSON: I see.

7 2324 Mr. Mulroney became the Leader of the
8 Opposition in June of `83.

9 2325 MR. SCHREIBER: That could be.

10 2326 MR. WOLSON: Did you know his chief
11 of staff at that time, Fred Doucet?

12 2327 MR. SCHREIBER: No.

13 2328 MR. WOLSON: You later hired Mr.
14 Doucet.

15 2329 MR. SCHREIBER: Yes, but wasn't Mr.
16 Cogger his first chief of staff?

17 2330 MR. WOLSON: Did you know Mr. Doucet
18 when he was chief of staff?

19 2331 MR. SCHREIBER: No.

20 2332 I might have seen him, but I don't
21 recall.

22 2333 MR. WOLSON: Would you see Mr.
23 Mulroney when he was Leader of the Opposition?

24 2334 MR. SCHREIBER: Yes.

25 2335 MR. WOLSON: Did you develop a

1 relationship with him?

2 2336 MR. SCHREIBER: Oh, that existed
3 already. I liked him a lot at the beginning.

4 2337 MR. WOLSON: And he appeared to be
5 friendly to you?

6 2338 MR. SCHREIBER: Absolutely.

7 2339 MR. WOLSON: You know that he became
8 Prime Minister in 1984, September?

9 2340 MR. SCHREIBER: Yes, sir.

10 2341 MR. WOLSON: He won by a big
11 majority.

12 2342 MR. SCHREIBER: Yes, sir.

13 2343 MR. WOLSON: He made a statement that
14 "Canada is open for business".

15 2344 MR. SCHREIBER: Yes, I saw this on
16 television.

17 2345 MR. WOLSON: And that's what you
18 wanted.

19 2346 MR. SCHREIBER: Yes, sir.

20 2347 But I have to add here something, it
21 was much more what Mr. Mulroney and the Canadians
22 wanted, because it was not my idea to come here. They
23 wanted jobs, to create jobs, the same thing which it is
24 today, jobs are the centre of world policy.

25 2348 MR. WOLSON: And you wanted to do

1 your business here in Canada, in an open kind of
2 market.

3 2349 MR. SCHREIBER: Absolutely.

4 2350 MR. WOLSON: Yes.

5 2351 When Mr. Mulroney was elected as
6 Prime Minister, Mr. Moores opened a consulting and
7 lobbying company?

8 2352 MR. SCHREIBER: I don't know whether
9 he had it already, before, and changed just the name
10 from AltaNova to GCI, but this is correct what you say.

11 2353 MR. WOLSON: GCI was a lobbying
12 company here in Canada?

13 2354 MR. SCHREIBER: Yes, sir.

14 2355 MR. WOLSON: And you did business
15 with GCI.

16 2356 MR. SCHREIBER: Yes, sir.

17 2357 I have to correct this.

18 2358 MR. WOLSON: Sure, go ahead.

19 2359 MR. SCHREIBER: The companies that I
20 was representing did business with Mr. Moores.

21 2360 MR. WOLSON: Yes. Your company, IAL.

22 2361 MR. SCHREIBER: It's not my company.

23 2362 MR. WOLSON: It's not your company.

24 2363 MR. SCHREIBER: No.

25 2364 MR. WOLSON: I see. We will come to

1 that in a short while.

2 2365 Nonetheless, GCI was retained to do
3 work on Bear Head, for instance?

4 2366 MR. SCHREIBER: Yes.

5 2367 MR. WOLSON: And GCI was made up of a
6 number of Conservative politicians who were retired?

7 2368 MR. SCHREIBER: Correct, sir.

8 2369 MR. WOLSON: Retired from politics of
9 a sort, and were doing this consulting and lobbying
10 business.

11 2370 MR. SCHREIBER: This is what I
12 understood.

13 2371 MR. WOLSON: Now, I want to talk a
14 little bit about Mr. Mulroney as Prime Minister, and
15 your involvement with him when he was Prime Minister.
16 2372 You told Peter Mansbridge, in an
17 interview which can be found in Book 3, at Tab 22 --
18 you told Mr. Mansbridge that you met Mr. Mulroney when
19 he was Prime Minister quite often, and that you have a
20 number of photos of him.

21 2373 MR. SCHREIBER: That's correct, sir.

22 2374 MR. WOLSON: You told CBC's the fifth
23 estate, on February 8th, 2006, which can be found in
24 Book 3, at Tab 16 -- at page 2 you said: "After he,"
25 Mr. Mulroney, "became Prime Minister," it was simple

1 for you to gain access to him.

2 2375 MR. SCHREIBER: That's correct, sir.

3 2376 MR. WOLSON: As a matter of fact,
4 your affidavit, which you swore to on November 7th of
5 `07, in regard to a lawsuit that you took against Mr.
6 Mulroney --

7 2377 You remember that?

8 2378 MR. SCHREIBER: Yes, sir.

9 2379 MR. WOLSON: In paragraph 34 of the
10 affidavit, which can be found in Book 3, at Tab 21, you
11 say:

12 "Not only did Mr. Mulroney and I
13 have many meetings with one
14 another, exchanged
15 correspondence and telephone
16 calls with one another, and
17 attended fundraising dinners
18 together, starting as early as
19 1985 and continued until the
20 Royal York Meeting, but as I
21 already mentioned we had
22 considerable dealings with one
23 another through intermediaries
24 before and after the Royal York
25 Meeting."

1 2380 That's all true?

2 2381 MR. SCHREIBER: That's correct, sir.

3 2382 MR. WOLSON: As a matter of fact,
4 when I look at the correspondence -- because you often
5 wrote letters to the Prime Minister, didn't you?

6 2383 MR. SCHREIBER: Yes.

7 2384 MR. WOLSON: You wrote a letter on
8 August 28th, `89, which can be found in Book 4, at Tab
9 2, in which you said to the Prime Minister:
10 "I very much enjoyed meeting
11 with you last week, an
12 unexpected pleasure."

13 2385 MR. SCHREIBER: Yes.

14 2386 MR. WOLSON: So you had obviously met
15 with him then.

16 2387 MR. SCHREIBER: Yes.

17 2388 MR. WOLSON: Mr. Mulroney
18 acknowledged that meeting in a letter dated September
19 the 18th, `89, acknowledging the meeting that you and
20 he had.

21 2389 MR. SCHREIBER: Yes.

22 2390 MR. WOLSON: On July the 6th, 1990 --
23 Book 4, Tab 4 -- you write to Mr. Mulroney:
24 "It was a pleasure to see you
25 Tuesday, in the morning. I

1 appreciated your taking the time
2 to talk with me."
3 2391 MR. SCHREIBER: Yes.
4 2392 MR. WOLSON: So you obviously met
5 with him then.
6 2393 MR. SCHREIBER: Yes.
7 2394 MR. WOLSON: October 10th of 1990,
8 Book 4, Tab 6:
9 "Many thanks for the enjoyable
10 meeting we had last month."
11 2395 You obviously met with him then.
12 2396 MR. SCHREIBER: Yes.
13 2397 MR. WOLSON: Book 4, Tab 7, April
14 19th, '91. You write:
15 "As a follow-up to our meeting
16 last week..."
17 2398 You obviously met with him then.
18 2399 MR. SCHREIBER: Yes, sir.
19 2400 MR. WOLSON: Book 4, Tab 9, May 6,
20 '92:
21 "Thank you for finding the time
22 to meet with me yesterday."
23 2401 You obviously met with him then.
24 2402 MR. SCHREIBER: Yes, sir.
25 2403 MR. WOLSON: Book 4, Tab 12, December

1 3, `92:
2 "I want to thank you for
3 honouring me with the great
4 honour again of being a guest at
5 your home for the most
6 delightful breakfast."
7 2404 You had a breakfast meeting at his
8 home.
9 2405 MR. SCHREIBER: Sussex.
10 2406 MR. WOLSON: That was his home.
11 2407 MR. SCHREIBER: Well, it was from the
12 government.
13 2408 I look at this a little bit
14 different, but this is where he lived.
15 2409 MR. WOLSON: That's where he was
16 living.
17 2410 MR. SCHREIBER: Yes.
18 2411 MR. WOLSON: Yes.
19 2412 Add to that Harrington Lake. You
20 remember the meeting at Harrington Lake?
21 2413 MR. SCHREIBER: Absolutely.
22 2414 MR. WOLSON: Something you would
23 likely never forget; right?
24 2415 MR. SCHREIBER: Yeah. Mr. Mulroney
25 said that he made two big mistakes in his life

1 regarding me; I can say that I made only one, when I
2 started the first time to believe him.

3 2416 MR. WOLSON: That's not my question.
4 I asked you a question about Harrington Lake.

5 2417 Do you remember Harrington Lake?

6 2418 MR. SCHREIBER: Yes.

7 2419 MR. WOLSON: You remember it well?

8 2420 MR. SCHREIBER: Yes.

9 2421 MR. WOLSON: What was the date?

10 2422 MR. SCHREIBER: It was in June.

11 2423 I think it was the 23rd.

12 2424 MR. WOLSON: June 23rd?

13 2425 MR. SCHREIBER: I think so.

14 2426 MR. WOLSON: That's a date you will
15 remember for a long time.

16 2427 MR. SCHREIBER: Yeah, it's a sad day
17 for me.

18 2428 MR. WOLSON: That's a date where you
19 write about -- or you have a note in your affidavit, in
20 Book 3, Tab 21 --

21 2429 I am going to read it to you.

22 2430 Paragraph 15:

23 "On June 23, 1993 Mr. Doucet, at
24 the request of Mr. Mulroney,
25 arranged a meeting between me

1 and Mr. Mulroney which took
2 place on June 23, 1993, at
3 Harrington Lake, the official
4 summer residence of the Prime
5 Minister (the 'Harrington Lake
6 Meeting'). It was at this
7 meeting that Mr. Mulroney and I
8 entered into the Agreement. On
9 June 23, 1993 Mr. Mulroney was
10 still in office as Prime
11 Minister of Canada and
12 consequently resided at 24
13 Sussex."

14 2431 MR. SCHREIBER: Yes, sir.

15 2432 MR. WOLSON: You go into, at
16 paragraph 16, one of the terms of the agreement, where
17 Mr. Mulroney would perform certain services on your
18 behalf.

19 "Mulroney undertook my efforts
20 in obtaining the approval of the
21 establishment of a production
22 facility for light-armoured
23 vehicles by Bear Head Limited."

24 (As read)

25 2433 MR. SCHREIBER: Sir, that's correct,

1 but here there is quite a misunderstanding. When I
2 said that we entered into an agreement, the agreement
3 was that we would work together, with him, when he has
4 left office.

5 2434 MR. WOLSON: Yes.

6 2435 MR. SCHREIBER: And that we would
7 meet again.

8 2436 So it was not agreed at Harrington
9 Lake in details what he would do, or what he would get
10 paid. That happened in August in Mirabel.

11 2437 The point was that Mr. Mulroney
12 offered me help to continue the Bear Head Project,
13 which had now moved to Montreal, where he believed he
14 could be of much greater help. First of all, there
15 were more votes in Quebec, more influence in Quebec,
16 and, of course, he very much hoped that Mrs. Campbell
17 would form the next Conservative government with a
18 majority.

19 2438 MR. WOLSON: So you made an agreement
20 in principle at Harrington Lake --

21 2439 MR. SCHREIBER: Yes.

22 2440 MR. WOLSON: -- but the actual deal,
23 when you gave him money, that happened later.

24 2441 MR. SCHREIBER: After the meeting in
25 Harrington Lake, I ordered the transfer of funds from

1 the bank in Switzerland, and that's the money which I
2 brought, then, to Canada in August.

3 2442 MR. WOLSON: So the fact that you
4 agreed to work together is something that was important
5 to you.

6 2443 MR. SCHREIBER: Absolutely.

7 2444 MR. WOLSON: Yes.

8 2445 MR. SCHREIBER: And I may remind you
9 that there was another meeting on the 3rd -- I think it
10 was the 3rd of June --

11 2446 MR. WOLSON: I will get to that.

12 2447 MR. SCHREIBER: Okay.

13 2448 MR. WOLSON: So you met with him at
14 Harrington Lake, his summer home.

15 2449 MR. SCHREIBER: Yes.

16 2450 MR. WOLSON: You met with him at his
17 Sussex home.

18 2451 MR. SCHREIBER: Yes, sir.

19 2452 MR. WOLSON: 24 Sussex.

20 2453 MR. SCHREIBER: Yes.

21 2454 MR. WOLSON: Why did you tell the
22 fifth estate, "I've never been to his home"?

23 2455 MR. SCHREIBER: Because, as I
24 mentioned earlier, I looked at his home in a way that
25 it's a home which belongs to him. For me, this is a

1 residence that he received from a government. That was
2 not his home, in my understanding.

3 2456 MR. WOLSON: I see. Okay.

4 2457 I want to go on with the meetings,
5 because there were more. You talked about June 3rd of
6 `93, you met him then.

7 2458 MR. SCHREIBER: Yes.

8 2459 MR. WOLSON: With Mr. Doucet.

9 2460 MR. SCHREIBER: Yes, sir.

10 2461 MR. WOLSON: That was a Bear Head
11 meeting.

12 2462 MR. SCHREIBER: Yes, sir.

13 2463 MR. WOLSON: You and Elmer MacKay had
14 met with him.

15 2464 MR. SCHREIBER: Yes, sir.

16 2465 MR. WOLSON: Mr. Mulroney, that is.

17 2466 MR. SCHREIBER: Yes, sir.

18 2467 MR. WOLSON: In your affidavit that I
19 referred to, at Book 3, Tab 21, paragraph 13, you say:
20 "I met Mr. Mulroney in Bonn..."
21 2468 Bonn, Germany; right?

22 2469 MR. SCHREIBER: Yes.

23 2470 MR. WOLSON:
24 "...at a luncheon... in honour
25 of Canada's role...in the

1 reunification of Germany."

2 2471 MR. SCHREIBER: Yes, sir.

3 2472 MR. WOLSON: Then, there was also an
4 evening reception.

5 2473 MR. SCHREIBER: Yes, sir.

6 2474 MR. WOLSON: So that's, by my count,
7 10 or 11 meetings; right?

8 2475 MR. SCHREIBER: By your count on
9 letters and diaries --

10 2476 MR. WOLSON: Yes.

11 2477 MR. SCHREIBER: -- but that doesn't
12 mean that I haven't seen him more often.

13 2478 MR. WOLSON: Oh, I am sure you have
14 seen him more often, because in your affidavit -- the
15 November 7th affidavit -- you indicate that from '85
16 you started seeing him, and I have only been asking you
17 from '89. So you have seen him a lot of times.

18 2479 MR. SCHREIBER: Yes, in the lobby, in
19 the room behind the Parliament --

20 2480 MR. WOLSON: The lobby being the
21 lobby of Parliament?

22 2481 MR. SCHREIBER: Of Parliament, yeah.

23 2482 MR. WOLSON: And the room behind
24 being Parliament, as well?

25 2483 MR. SCHREIBER: Yes.

1 2484 Though the letters you see refer
2 always, only, to rear meetings, which were set up.

3 2485 MR. WOLSON: As a matter of fact, you
4 told the fifth estate, October 31, `07 -- and that can
5 be found in Book 3, Tab 19, at page 2 --

6 2486 I am going to read it to you, Mr.
7 Schreiber.

8 2487 That's a show that you have been a
9 frequent guest on, the fifth estate. You were just
10 there the other day.

11 2488 MR. SCHREIBER: No, counsel, the
12 fifth estate was hounding me since 1994, and they were
13 really, what people would say, a pain in the --

14 2489 You know what I mean.

15 2490 MR. WOLSON: Yes, I do.

16 2491 MR. SCHREIBER: Horrible. Horrible.

17 2492 And, as I told you, since I didn't
18 speak to the people, I became this mysterious guy, and
19 we had the strangest events when they came to Germany,
20 and nearly one of their journalists was killed in my
21 garage. So it was dramatic with them.

22 2493 Though, finally, yes, we --

23 2494 MR. WOLSON: You couldn't beat them,
24 so you joined them, and you started giving interviews.

25 2495 MR. SCHREIBER: It was more than

1 that.

2 2496 MR. WOLSON: I want to refer to this
3 interview of October 31, `07, at page 2.

4 2497 Now, Mr. MacIntyre you know.

5 2498 MR. SCHREIBER: Yes.

6 2499 MR. WOLSON: He was the host of the
7 show that week. He said:

8 "Schreiber had an agenda --
9 cultivating influential
10 friendships and generating
11 business for European
12 companies." (As read)

13 2500 And then you say the following:

14 "So that is the secret, more or
15 less, of my personality, that I
16 made all these friends before,
17 and we helped them, and then
18 when you come with money, when
19 you help them, and when you are
20 friendly, it's easy to make
21 friends, it's easy to have
22 relations, and then it's easy to
23 do business." (As read)

24 2501 MR. SCHREIBER: Absolutely.

25 2502 MR. WOLSON: You had money for Brian

1 Mulroney's campaign?

2 2503 MR. SCHREIBER: Yes.

3 2504 MR. WOLSON: You helped him.

4 2505 MR. SCHREIBER: Well, what do you

5 mean, helped him?

6 2506 The money I donated, and that's it.

7 2507 MR. WOLSON: Yes.

8 2508 MR. SCHREIBER: Yes, I helped him a

9 lot when I tried to fulfill his election commitments to

10 create jobs in Canada.

11 2509 MR. WOLSON: You were friendly with

12 him?

13 2510 MR. SCHREIBER: Absolutely.

14 2511 MR. WOLSON: I want to go back to

15 Eurocopter for a second.

16 2512 September 10th, page 23.

17 2513 You were asked these questions, and

18 you gave answers -- about a third of the way down the

19 page.

20 "I did not meet him in private

21 anywhere when he was Prime

22 Minister.

23 Q. You don't recall meeting him

24 when he was Prime Minister?

25 A. When you say `private', I

1 understand his home or outside
2 the government. No, not once."
3 (As read)
4 2514 Did you make those answers?
5 2515 MR. SCHREIBER: Yes.
6 2516 MR. WOLSON: Then you were asked this
7 question by Mr. Bernstein, the prosecutor:
8 "Did you meet him in any other
9 context while he was Prime
10 Minister?
11 A. Yes, I had breakfast with
12 him.
13 Q. What kind of meeting was
14 that?
15 A. Regarding the Bear Head
16 Project, together with Mr.
17 MacKay." (As read)
18 2517 MR. SCHREIBER: Yes.
19 2518 MR. WOLSON: Did you make those
20 answers?
21 2519 MR. SCHREIBER: Yes.
22 2520 And this is exactly what I told you
23 earlier, I --
24 2521 MR. WOLSON: Just hold on for a
25 second.

1 2522 Page 25, sir.

2 "Apart from the breakfast

3 meeting, was there any other

4 contact?

5 A. Yes, I saw him once in the

6 lobby, from the House or in his

7 office, or with the same -- with

8 the same matter.

9 Q. When you say `the same

10 matter'...?

11 A. The project of Bear Head

12 Industries." (As read)

13 2523 Did you make those answers?

14 2524 MR. SCHREIBER: Yes.

15 2525 MR. WOLSON: Why didn't you tell the

16 prosecutor that you met at Harrington Lake to have an

17 agreement with Mr. Mulroney to do business with him in

18 the future?

19 2526 Why didn't you do that, sir?

20 2527 MR. SCHREIBER: I don't know.

21 2528 MR. WOLSON: Why didn't you tell the

22 prosecutor of all the meetings you had with Mr.

23 Mulroney? Why not?

24 2529 MR. SCHREIBER: I am somewhat

25 surprised. I have no reason that I wouldn't have told

1 him.

2 2530 MR. WOLSON: You wouldn't have told
3 the truth when you were under oath and you were asked
4 questions by Mr. Bernstein?

5 2531 MR. SCHREIBER: I said that I met
6 with him many times --

7 2532 MR. WOLSON: You never said that.

8 2533 MR. SCHREIBER: -- and I did not meet
9 at his home. I feel, still today, that that is
10 correct.

11 2534 MR. WOLSON: You never told the
12 prosecutor that you met many times. You said that you
13 had a breakfast meeting, and you saw him once from the
14 House, meaning the House of Commons.

15 2535 Why didn't you tell him about
16 Harrington Lake?

17 2536 MR. SCHREIBER: I have no
18 recollection of that.

19 2537 Are you telling me now that all of
20 the meetings you have referred earlier to were not
21 discussed?

22 2538 MR. WOLSON: Not one.

23 2539 MR. SCHREIBER: I put that under many
24 meetings.

25 2540 MR. WOLSON: You didn't say to the

1 prosecutor that you had many meetings.

2 2541 MR. SCHREIBER: I don't understand.

3 2542 MR. WOLSON: You never once said to
4 the prosecutor, Mr. Bernstein, that you had many
5 meetings. You said, "I did not meet him in private
6 anywhere when he was Prime Minister."

7 2543 "You don't recall meeting him," the
8 prosecutor said, "when he was Prime Minister?"

9 "A. When you say private, I
10 understand this to mean his home
11 or outside government.

12 Q. Did you meet him in any
13 other context while he was Prime
14 Minister?

15 A. Yes, I had a breakfast
16 meeting with him." (As read)

17 2544 And, then, the last area, you
18 indicated that apart from this breakfast meeting, you
19 saw him once in the lobby from the House.

20 2545 You didn't say that you had (a) many
21 meetings; and (b) you didn't talk about Harrington
22 Lake.

23 2546 MR. SCHREIBER: When you say through
24 it, that seems to be the way it is.

25 2547 MR. WOLSON: Yes.

1 2548 MR. SCHREIBER: But I don't recall
2 why I would not have told him. Everybody knew. It was
3 all over the place, common knowledge that I met with
4 him all the time.

5 2549 MR. WOLSON: I am not suggesting that
6 it's not common knowledge; I am suggesting that when
7 you were asked under oath, you left it out.

8 2550 MR. SCHREIBER: Sorry --

9 2551 MR. WOLSON: Did you forget about
10 Harrington Lake at the time?

11 2552 MR. SCHREIBER: No.

12 2553 MR. WOLSON: No.

13 2554 That's not something you have ever
14 forgotten about.

15 2555 MR. SCHREIBER: No.

16 2556 MR. WOLSON: No.

17 2557 MR. SCHREIBER: But, you see, this
18 was all based on Eurocopter, I have really a problem
19 with it.

20 2558 MR. WOLSON: You were asked a
21 question about how many times you met with the Prime
22 Minister, and you leave out Harrington Lake, because --
23 why?

24 2559 MR. SCHREIBER: Sir, I am repeating
25 this now.

1 2560 MR. WOLSON: Yes.

2 2561 MR. SCHREIBER: It was Eurocopter,
3 and in my mind it was a question of I met with him
4 related to this case.

5 2562 MR. WOLSON: Oh, no, those weren't
6 the questions, because you were asked the question if
7 you ever met with him about Eurocopter, and your answer
8 was no.

9 2563 You were asked about other meetings.
10 I have just read them to you, sir.

11 2564 MR. SCHREIBER: I say that the whole
12 case was about Eurocopter and nothing else.

13 2565 MR. WOLSON: I see.

14 2566 MR. SCHREIBER: And I cannot see that
15 there was a misunderstanding, because there was even an
16 interpreter there.

17 2567 So I don't know what that is.

18 2568 MR. WOLSON: I see.

19 2569 I am going to suggest to you that you
20 didn't want to tell the prosecutor that you had a
21 relationship with Brian Mulroney, and you had pictures
22 from him, and you had met with him all the times that
23 we talked about earlier. You didn't want to tell him
24 that, and that's why you limited your evidence the way
25 you did.

1 2570 Is that true or not true?

2 2571 MR. SCHREIBER: That's not true.

3 2572 MR. WOLSON: I am going to move to
4 another area, Mr. Commissioner, dealing with the
5 background of Bear Head. I leave it to you as to
6 whether you would like to move on or take the morning
7 break.

8 2573 COMMISSIONER OLIPHANT: Mr.
9 Schreiber, would you like to take a break at this
10 point?

11 2574 MR. SCHREIBER: I leave it with you,
12 Commissioner.

13 2575 COMMISSIONER OLIPHANT: Okay. Well,
14 then, we will take a break for 15 minutes, and be back
15 at quarter to 11.

16 --- Upon recessing at 10:30 a.m. / Suspension à 10 h 30
17 --- Upon resuming at 10:50 a.m. / Reprise à 10 h 50

18 2576 THE REGISTRAR: All rise, please.
19 Veuillez vous lever.

20 2577 COMMISSIONER OLIPHANT: Be seated.

21 2578 Mr. Schreiber, you understand, sir,
22 that until you are excused, you are under oath?

23 2579 MR. SCHREIBER: Yes.

24 2580 COMMISSIONER OLIPHANT: All right.

25 2581 Mr. Wolson...?

1 2582 MR. WOLSON: Mr. Schreiber, I'm now
2 going to deal with the background and history of Bear
3 Head, and you will need Book 1 for the most part in
4 front of you. I promise that I'm not going to go
5 through every document because that would take too
6 long, but I will go through a number of documents and
7 simply highlight them so that the Commissioner
8 understands the background of Bear Head.

9 2583 All right?

10 2584 MR. SCHREIBER: Okay.

11 2585 MR. WOLSON: Thank you, sir.

12 2586 It started off, I'm advised, that you
13 had met Mr. Haastert on an airplane and he was with the
14 Thyssen company in Germany. Is that right?

15 2587 MR. SCHREIBER: That's correct.

16 2588 MR. WOLSON: And was he on the Board
17 of Thyssen?

18 2589 MR. SCHREIBER: Yes.

19 2590 MR. WOLSON: And he was flying with a
20 fellow by the name of Pfleiderer?

21 2591 MR. SCHREIBER: No, I came with
22 Mr. Pfleiderer from Mexico.

23 2592 MR. WOLSON: Okay. And you met
24 Haastert on the plane and you started talking about
25 Thyssen.

1 2593 MR. SCHREIBER: Pfleiderer and
2 Haastert were friends.

3 2594 MR. WOLSON: Yes. And did you learn
4 about Thyssen from Haastert?

5 2595 MR. SCHREIBER: Yes.

6 2596 MR. WOLSON: You learned that Thyssen
7 had been approached by the Government of Canada?

8 2597 MR. SCHREIBER: Yes.

9 2598 MR. WOLSON: And you thought it would
10 be a good opportunity for you potentially?

11 2599 MR. SCHREIBER: No. Maybe yes,
12 because I'm thinking right now the job was -- in Canada
13 the request was for jobs in Nova Scotia --

14 2600 MR. WOLSON: Yes...?

15 2601 MR. SCHREIBER: -- and to find
16 investment for Canada, and Mr. Pfleiderer was the boss
17 from MBB who was involved with the helicopters.

18 2602 MR. WOLSON: That's Eurocopter?

19 2603 MR. SCHREIBER: Eurocopter.

20 2604 MR. WOLSON: Yes.

21 2605 MR. SCHREIBER: So MBB was the main
22 shareholder from Eurocopter --

23 2606 MR. WOLSON: Yes...?

24 2607 MR. SCHREIBER: -- the company from
25 Munich. Mr. Sinclair Stevens had visited MBB and he

1 had met with Mr. Strauss and I think it was in '84
2 already, and the problem was Nova Scotia and jobs.

3 2608 MR. WOLSON: All right. You thought
4 you could help. It was a business opportunity --

5 2609 MR. SCHREIBER: Yes.

6 2610 MR. WOLSON: -- and you are the kind
7 of fellow that if opportunities are there, you would
8 take advantage of them as a businessman.

9 2611 MR. SCHREIBER: Yeah. Job creation
10 was my whole life.

11 2612 MR. WOLSON: All right. And if you
12 could make some money at it, why not?

13 2613 MR. SCHREIBER: Yes.

14 2614 MR. WOLSON: Tab 3, if you would turn
15 up Tab 3, please.

16 2615 This is a letter from Germany from
17 Haastert, who you can see was a member of the Board of
18 Directors of Thyssen.

19 2616 MR. SCHREIBER: Yes.

20 2617 MR. WOLSON: He wrote you this letter
21 about establishing a company in Canada. Right?

22 2618 MR. SCHREIBER: Yes.

23 2619 MR. WOLSON: And at page 2 of the
24 letter is an outline of at least the initial deal,
25 point number 5 at page 2:

1 "In the next few days we will
2 transfer a down payment fee in
3 the fee in the amount of Can.
4 \$30,000."

5 2620 MR. SCHREIBER: Yes.

6 2621 MR. WOLSON: This fee would
7 correspond to \$6,000 a month for five months.

8 2622 MR. SCHREIBER: Yes.

9 2623 MR. WOLSON: The next paragraph,
10 paragraph 6:

11 "In the event of a contract
12 being signed by Thyssen and the
13 Nova Scotia government there
14 would be a one time -- it's
15 called the refund of \$4
16 million."

17 2624 MR. SCHREIBER: Correct.

18 2625 MR. WOLSON: That was the initial
19 proposal?

20 2626 MR. SCHREIBER: It was replaced by
21 another one later on. This dealt with Rainer Wollmann
22 related to the incorporation of a company in Canada
23 first.

24 2627 MR. WOLSON: All right. Then if you
25 turn to Tab 10, this is a memo or a note between

1 Mr. Haastert and Mr. Klenk, both of Thyssen; right?

2 2628 MR. SCHREIBER: Yes.

3 2629 MR. WOLSON: And there they are

4 talking about a \$1.5 million loan which had already

5 been paid. True?

6 2630 They paid to you a \$1.5 million loan?

7 2631 MR. SCHREIBER: I wonder where is it,

8 on what page?

9 2632 MR. WOLSON: Tab 10.

10 2633 MR. SCHREIBER: Yes.

11 2634 MR. WOLSON: The first page, do you

12 see Haastert on the top left-hand side?

13 2635 MR. SCHREIBER: Yes.

14 2636 MR. WOLSON: Klenk at the bottom?

15 2637 MR. SCHREIBER: Yes.

16 2638 MR. WOLSON: It starts off:

17 "I have meanwhile phoned

18 Mr. Schreiber and explained to

19 him --'

20 2639 MR. SCHREIBER: Oh yeah, now I see.

21 Yeah, yeah.

22 2640 MR. WOLSON:

23 "... our thoughts for a new

24 concept."

25 2641 MR. SCHREIBER: Yeah.

1 2642 MR. WOLSON:
2 "Basically, Mr. Schreiber agrees
3 with the new model; he merely
4 asserts that the Can. \$1.5
5 million already paid to him on a
6 loan basis not be factored into
7 the Can. \$8 million which is to
8 be paid in connection with the
9 Bear Head acquisition. Instead,
10 it should only be calculated
11 against the Can. \$5 million
12 which is to be promised him in a
13 yet to be signed agreement with
14 Henschel."
15 2643 MR. SCHREIBER: Yes.
16 2644 MR. WOLSON: We are talking about a
17 lot of money here.
18 2645 MR. SCHREIBER: Yes.
19 2646 MR. WOLSON: Not just jobs, a lot of
20 money.
21 2647 MR. SCHREIBER: Yes.
22 2648 MR. WOLSON: Yes.
23 2649 Then if you would turn up, please,
24 Tab 16, you will see that it's a letter on I.A.L.,
25 which was International Aircraft Leasing Ltd.; right?

1 2650 MR. SCHREIBER: Yes.

2 2651 MR. WOLSON: I.A.L. was a company
3 which was located in Vaduz, Liechtenstein?

4 2652 MR. SCHREIBER: Yes.

5 2653 MR. WOLSON: It's a company with
6 which you had an association?

7 2654 MR. SCHREIBER: Yes.

8 2655 MR. WOLSON: This is a letter from
9 your former bookkeeper Giorgio Pelossi. Do you see
10 that?

11 2656 MR. SCHREIBER: He's not my
12 bookkeeper.

13 2657 MR. WOLSON: Was he working for you
14 at one time?

15 2658 MR. SCHREIBER: Yes.

16 2659 MR. WOLSON: Was he a bookkeeper or
17 an accountant?

18 2660 MR. SCHREIBER: But with my road
19 marking companies.

20 2661 MR. WOLSON: Okay. But he somehow
21 was on this matter because he wrote this letter.

22 2662 Do you see --

23 2663 MR. SCHREIBER: Yes.

24 2664 MR. WOLSON: Yes. And what he is
25 asking for -- and this is December 24, '87. He is

1 asking for a \$1.9 million advance.

2 2665 MR. SCHREIBER: Yes.

3 2666 MR. WOLSON: And you get the 1.9

4 million advance, don't you?

5 2667 MR. SCHREIBER: I.A.L. got the money.

6 2668 MR. WOLSON: Yes.

7 2669 MR. SCHREIBER: And then I received

8 it.

9 2670 MR. WOLSON: Yes.

10 2671 And you will see at Tab 17 Thyssen

11 agrees to pay the \$1.9 million. That's December 28,

12 '87.

13 2672 Do you see the last paragraph?

14 2673 MR. SCHREIBER: Yes.

15 2674 MR. WOLSON: So the money starts to

16 come in.

17 2675 Now, in order to make things happen

18 you needed to have with the Canadian government an

19 understanding in principle, didn't you?

20 2676 MR. SCHREIBER: That's correct, sir.

21 2677 MR. WOLSON: And that's something

22 that was important for commission monies to be paid

23 from Bear Head -- on Bear Head from Thyssen?

24 2678 MR. SCHREIBER: Yes. Success fee.

25 2679 MR. WOLSON: A success fee, sure.

1 2680 MR. SCHREIBER: Yes.

2 2681 MR. WOLSON: And you will see at Tab
3 33, on 27 September is an understanding in principle.
4 Right?

5 2682 MR. SCHREIBER: Yes.

6 2683 MR. WOLSON: And this understanding
7 in principle was signed September 27, 1988 --

8 2684 MR. SCHREIBER: Yes.

9 2685 MR. WOLSON: -- between the
10 Government of Canada as represented by three ministers.

11 2686 MR. SCHREIBER: Correct, sir.

12 2687 MR. WOLSON: Minister Merrithew,
13 Minister de Cotret, both who are sadly passed on, and
14 Perrin Beatty who is here and will be a witness.

15 2688 MR. SCHREIBER: Yes, sir.

16 2689 MR. WOLSON: And you sign on behalf
17 of Bear Head.

18 2690 MR. SCHREIBER: Yes, sir.

19 2691 MR. WOLSON: Paragraph 7 of that
20 document, which is on the last page where the
21 signatures are, paragraph 7 says:
22 "The understanding in principle
23 set out in this understanding in
24 principle do not create any
25 enforceable legal or equitable

1 rights nor obligations but
2 merely serve to document the
3 parameters that have been set
4 and the areas on which
5 discussions have been held and
6 understandings in principle
7 reached." (As read)

8 2692 Do you see that?

9 2693 MR. SCHREIBER: Yes.

10 2694 MR. WOLSON: So they are not
11 undertaking to a binding document their understanding
12 to go forward in some fashion?

13 2695 MR. SCHREIBER: Yes.

14 2696 MR. WOLSON: And you also, at Tab 32,
15 got a letter from Mr. Lowell Murray, who will be here
16 during the course of this inquiry and in effect, in
17 paragraph 3 of the first page, it says the following.

18 2697 MR. SCHREIBER: My letter has only
19 one page.

20 2698 MR. WOLSON: I'm sorry. Go to the
21 third document in Tab 32. It is signed by Lowell
22 Murray.

23 2699 Do you have that?

24 2700 MR. SCHREIBER: Yes.

25 2701 MR. WOLSON: That is a letter dated

1 23 September '88 at the top.

2 2702 Do you see that?

3 2703 MR. SCHREIBER: Yes.

4 2704 MR. WOLSON: And this is Lowell

5 Murray sending you a letter, saying at page 2, in the

6 third paragraph:

7 "I would emphasize that the

8 Government of Canada in so

9 signing..."

10 2705 That means the UIP, the understanding

11 in principle:

12 "... cannot, does not thereby

13 commit itself to any military or

14 other procurement projects in

15 which you may have a present

16 interest." (As read)

17 2706 Do you see that?

18 2707 MR. SCHREIBER: I'm lost. What is

19 the letter you are referring to, sir?

20 2708 MR. WOLSON: It is a letter from

21 Lowell Murray.

22 2709 MR. SCHREIBER: Yes.

23 2710 MR. WOLSON: Do you have that? Are

24 you one Tab 32, first of all?

25 2711 MR. SCHREIBER: Yes, yes. Now this

1 one has two pages. Okay.

2 2712 MR. WOLSON: Okay. Look at the
3 second page.

4 2713 MR. SCHREIBER: Yeah, okay.

5 2714 MR. WOLSON: Third paragraph. Do you
6 have that, sir?

7 2715 MR. SCHREIBER: Yes.

8 2716 MR. WOLSON: I will read it to you
9 again.

10 "I would emphasize that the
11 Government of Canada in so
12 signing cannot, does not thereby
13 commit itself to any military or
14 other procurement projects in
15 which you may have a present
16 interest." (As read)

17 2717 Do you see that?

18 2718 MR. SCHREIBER: Yes.

19 2719 MR. WOLSON: So you are getting the
20 UIP, the understanding in principle signed --

21 2720 MR. SCHREIBER: Yes.

22 2721 MR. WOLSON: -- but it comes with
23 some attachments --

24 2722 MR. SCHREIBER: Yes.

25 2723 MR. WOLSON: -- that is it's not a

1 binding document. You understood that?

2 2724 MR. SCHREIBER: Yes.

3 2725 MR. WOLSON: And the people who you

4 dealt with often, by the way, at Thyssen were Haastert.

5 He was one?

6 2726 MR. SCHREIBER: Yes.

7 2727 MR. WOLSON: The other one was

8 Massmann? He also worked on this?

9 2728 MR. SCHREIBER: Yes.

10 2729 MR. WOLSON: Both these gentlemen

11 were eventually charged with fraud and bribery in

12 Germany --

13 2730 MR. SCHREIBER: No.

14 2731 MR. WOLSON: -- and were jailed.

15 2732 MR. SCHREIBER: No.

16 2733 MR. WOLSON: They weren't?

17 2734 MR. SCHREIBER: No.

18 2735 MR. WOLSON: Neither one was jailed?

19 2736 MR. SCHREIBER: No.

20 2737 MR. WOLSON: Oh, I see.

21 2738 MR. SCHREIBER: They were acquitted.

22 There was no bribes, there was no fraud. It's tax

23 evasion.

24 2739 MR. WOLSON: Were they convicted of

25 tax evasion?

1 2740 MR. SCHREIBER: Yes.

2 2741 MR. WOLSON: Were they jailed?

3 2742 MR. SCHREIBER: No.

4 2743 MR. WOLSON: They weren't?

5 2744 MR. SCHREIBER: No.

6 2745 MR. WOLSON: Okay. Have you talked
7 to either one recently?

8 2746 MR. SCHREIBER: No.

9 2747 MR. WOLSON: I can tell you they
10 wouldn't talk to us either. Have you tried to talk to
11 them at all?

12 2748 MR. SCHREIBER: No.

13 2749 MR. WOLSON: No.

14 --- Pause

15 2750 MR. WOLSON: We had talked before
16 about I.A.L., International Aircraft Leasing. What you
17 told Mr. Roitenberg in your statement at page 6 was
18 that with respect to I.A.L., just by the middle
19 paragraph, you and your wife were the only people that
20 had control over this account.

21 2751 Is that true?

22 2752 MR. SCHREIBER: I don't get your
23 question.

24 2753 MR. WOLSON: Mr. Roitenberg
25 questioned you about I.A.L. --

1 2754 MR. SCHREIBER: Yes.

2 2755 MR. WOLSON: -- and you said with
3 respect to the I.A.L. account --

4 2756 MR. SCHREIBER: Yes.

5 2757 MR. WOLSON: -- and the Rubrik BRITAN
6 account --

7 2758 MR. SCHREIBER: Yes.

8 2759 MR. WOLSON: -- there were two
9 accounts. You indicated that you and your wife were
10 the only people that had control over this account.
11 2760 Is that right?

12 2761 MR. SCHREIBER: That's not the I.A.L.
13 account. That is my account.

14 2762 MR. WOLSON: Who has control over the
15 I.A.L. account?

16 2763 MR. SCHREIBER: Only Mr. Pelossi.

17 2764 MR. WOLSON: Only Pelossi?

18 2765 MR. SCHREIBER: Yes.

19 2766 MR. WOLSON: Okay. Still today?

20 2767 MR. SCHREIBER: I don't know.

21 2768 MR. WOLSON: But you are making deals
22 with I.A.L.

23 2769 MR. SCHREIBER: Yes.

24 2770 MR. WOLSON: After the understanding
25 in principle was signed at Tab 34, I.A.L. received a

1 further \$2 million. Is that right?

2 2771 MR. SCHREIBER: Yes.

3 2772 MR. WOLSON: You see that Tab 34?

4 2773 MR. SCHREIBER: Yes.

5 2774 MR. WOLSON: What was missing -- by

6 the way, on September 27, '88 when you were signing the

7 understanding in principle -- you recall that?

8 2775 MR. SCHREIBER: Yes.

9 2776 MR. WOLSON: Who were your lobbyists

10 in Ottawa that were helping you?

11 2777 MR. SCHREIBER: G.C.I. and Fred

12 Doucet.

13 2778 MR. WOLSON: Fred Doucet is a

14 separate lobby?

15 2779 MR. SCHREIBER: Yes.

16 2780 MR. WOLSON: And he had worked in the

17 Conservative government?

18 2781 MR. SCHREIBER: Yes.

19 2782 MR. WOLSON: What about G.C.I., had

20 they all worked in Conservative governments?

21 2783 MR. SCHREIBER: I don't think so.

22 2784 MR. WOLSON: Do you know whether

23 G.C.L.(sic) employees had relationships with Brian

24 Mulroney -- Mr. Moores, for instance?

25 2785 MR. SCHREIBER: Mr. Moores, of

1 course, and Mr. Ouellet.

2 2786 MR. WOLSON: Mr. Moores --

3 2787 MR. SCHREIBER: A very close friend

4 of his.

5 2788 MR. WOLSON: Yes. Mr. Moores ran the

6 campaign at one time, didn't he?

7 2789 MR. SCHREIBER: Yes.

8 2790 MR. WOLSON: And Fred Doucet, what

9 was his relationship that you knew of with

10 Mr. Mulroney?

11 2791 MR. SCHREIBER: Well, Fred was very

12 proud to tell me that he is the only person who can see

13 Mr. Mulroney even in his bedroom.

14 2792 MR. WOLSON: I see.

15 2793 MR. SCHREIBER: So they were pretty

16 good people to have lobbying for you with government?

17 2794 MR. SCHREIBER: Absolutely. They

18 were the best in that days in Ottawa.

19 2795 MR. WOLSON: Yeah. They had the

20 inside track?

21 2796 MR. SCHREIBER: Absolutely.

22 2797 MR. WOLSON: What was the key in

23 getting the understanding in principle signed?

24 2798 Who of the ministers was the last to

25 sign, to your knowledge?

1 2799 MR. SCHREIBER: DND.

2 2800 MR. WOLSON: And who was that?

3 2801 MR. SCHREIBER: I think in that days
4 it was Perrin Beatty.

5 2802 MR. WOLSON: And what was
6 Mr. Doucet's role in that?

7 2803 MR. SCHREIBER: To obtain the
8 signature from Mr. Beatty.

9 2804 MR. WOLSON: Mr. Doucet had left
10 government a few months before he started working as a
11 lobbyist for Bear Head?

12 2805 MR. SCHREIBER: Yes.

13 2806 MR. WOLSON: And what was his job for
14 you in terms of the --

15 2807 MR. SCHREIBER: To support -- to
16 support the Bear Head Project.

17 2808 MR. WOLSON: Yes. But in terms of
18 the understanding in principle?

19 2809 MR. SCHREIBER: No, not only. I saw
20 it also that he was acting on behalf of Mr. Mulroney to
21 make sure it's going to happen.

22 2810 MR. WOLSON: I see.

23 --- Pause

24 2811 MR. WOLSON: If you turn to Tab 36 --
25 do you have Tab 36, sir?

1 2812 MR. SCHREIBER: Yes.

2 2813 MR. WOLSON: There are a number of
3 documents in Tab 36. Let's go through them one at a
4 time.

5 2814 The first one is FDCI at the top of
6 the page, Fred Doucet Consulting International. Do you
7 see that?

8 2815 MR. SCHREIBER: Yes.

9 2816 MR. WOLSON: And Fred Doucet was your
10 lobby?

11 2817 MR. SCHREIBER: Yes.

12 2818 MR. WOLSON: And he sends an invoice
13 November 2, 1988 to Bitucan, your company --

14 2819 MR. SCHREIBER: Yes.

15 2820 MR. WOLSON: -- for \$90,000.

16 2821 MR. SCHREIBER: Yes.

17 2822 MR. WOLSON: How long had Mr. Doucet
18 been working for you and Bear Head after he left
19 government?

20 2823 MR. SCHREIBER: I don't recall, sir.

21 2824 MR. WOLSON: I'm going to suggest he
22 left government in August of 1988.

23 2825 MR. SCHREIBER: It could very well
24 be.

25 2826 MR. WOLSON: Did you employ him right

1 when he left government?

2 2827 MR. SCHREIBER: As I said, I don't
3 recall the time, but this was the time when everything
4 was moving along towards the next upcoming election and
5 it was Frank Moores who said that Fred is now working
6 on the case with DND.

7 2828 MR. WOLSON: Okay. Why did you need
8 more than one lobbyist? Why did you need Fred if you
9 had Moores and Ouellet?

10 2829 MR. SCHREIBER: Yeah, but as well as
11 Frank Moores, as Gary Ouellet for this mission --

12 2830 MR. WOLSON: Yes.

13 2831 MR. SCHREIBER: -- to get the
14 document signed by DND we need Fred Doucet.

15 2832 MR. WOLSON: So was Fred responsible
16 for getting Perrin Beatty to sign?

17 2833 MR. SCHREIBER: Yes.

18 2834 MR. WOLSON: How do you know that?

19 2835 MR. SCHREIBER: Because he did it.

20 2836 MR. WOLSON: I see. That was his
21 job?

22 2837 MR. SCHREIBER: Yes.

23 2838 MR. WOLSON: Why did you pay him
24 \$90,000 on November 2, 1988?

25 2839 MR. SCHREIBER: Success fee.

1 2840 MR. WOLSON: For what?

2 2841 MR. SCHREIBER: That he obtained the
3 signature and worked with me on the Bear Head Project.

4 2842 MR. WOLSON: I expect Mr. Doucet,
5 when he testifies, to say that the \$90,000 was a
6 retainer to be paid on a monthly basis for a number of
7 months.

8 2843 Is that true?

9 2844 MR. SCHREIBER: No.

10 2845 MR. WOLSON: You paid him \$90,000
11 because he got Perrin Beatty's signature on the UIP?

12 2846 MR. SCHREIBER: Yes.

13 2847 MR. WOLSON: Cheque at the bottom of
14 that page, November 15, 1988 -- it's the same page.

15 2848 MR. SCHREIBER: Yes.

16 2849 MR. WOLSON: It comes from Bitucan
17 Holdings.

18 2850 MR. SCHREIBER: Yes.

19 2851 MR. WOLSON: There is a signature on
20 the cheque.

21 2852 MR. SCHREIBER: Yes.

22 2853 MR. WOLSON: Whose is that?

23 2854 MR. SCHREIBER: Somebody from
24 Bitucan.

25 2855 MR. WOLSON: Okay. One of your

1 employees?

2 2856 MR. SCHREIBER: Yes.

3 2857 MR. WOLSON: Okay. And you paid by

4 cheque.

5 2858 MR. SCHREIBER: Yes.

6 2859 MR. WOLSON: So you got an invoice

7 and it was paid by cheque.

8 2860 MR. SCHREIBER: Yes.

9 2861 MR. WOLSON: If you turn the page, at

10 the top of the page there is a statement invoice from

11 Gerald Doucet.

12 2862 Do you see that?

13 2863 MR. SCHREIBER: Gerald Doucet, yes.

14 2864 MR. WOLSON: An invoice for \$90,000.

15 2865 MR. SCHREIBER: Yes.

16 2866 MR. WOLSON: The same date as his

17 brother Fred invoiced you, November 2.

18 2867 MR. SCHREIBER: Yes.

19 2868 MR. WOLSON: Why did you pay -- and

20 you did pay \$90,000 to Gerry Doucet.

21 2869 MR. SCHREIBER: Yes. It is for the

22 same reason, their support on the Bear Head Project.

23 2870 MR. WOLSON: I see. Was that a

24 retainer fee or a success fee?

25 2871 MR. SCHREIBER: Success fee.

1 2872 MR. WOLSON: A one-time success fee?
2 2873 MR. SCHREIBER: Yes.
3 2874 MR. WOLSON: Not for services beyond
4 the cheque?
5 2875 MR. SCHREIBER: No. It comes from
6 the \$2 million from Thyssen.
7 2876 MR. WOLSON: I see. So you got an
8 invoice, you wrote a cheque.
9 2877 MR. SCHREIBER: Yes.
10 2878 MR. WOLSON: Turn the page.
11 2879 MR. SCHREIBER: Not me, Bitucan.
12 2880 MR. WOLSON: Yes.
13 2881 MR. SCHREIBER: The company.
14 2882 MR. WOLSON: Bitucan. Bitucan is
15 your company?
16 2883 MR. SCHREIBER: My company.
17 2884 MR. WOLSON: Yes. All right.
18 2885 Turn the page, please.
19 2886 MR. SCHREIBER: Yes.
20 2887 MR. WOLSON: An invoice from Frank D.
21 Moores.
22 2888 MR. SCHREIBER: Yes.
23 2889 MR. WOLSON: \$90,000.
24 2890 MR. SCHREIBER: No, it is Frank and
25 Beth Moores.

1 2891 MR. WOLSON: Okay, Frank and Beth
2 Moores, \$90,000.

3 2892 MR. SCHREIBER: Correct.

4 2893 MR. WOLSON: Okay. That is November
5 8, 1988 the invoice comes?

6 2894 MR. SCHREIBER: Yes.

7 2895 MR. WOLSON: It says for services
8 rendered by Frank D. Moores on your behalf.

9 2896 MR. SCHREIBER: Yes.

10 2897 MR. WOLSON: On November 15th, the
11 same date as the other cheques for Gerry and Fred
12 Doucet, you issue a cheque for \$90,000 to Frank Moores.

13 2898 MR. SCHREIBER: Yes.

14 2899 MR. WOLSON: What's that for?

15 2900 MR. SCHREIBER: For his services
16 rendered in relation to Bear Head.

17 2901 MR. WOLSON: Is that a retainer or
18 a --

19 2902 MR. SCHREIBER: Success fee.

20 2903 MR. WOLSON: Success fee.
21 2904 You know when I say "retainer" I'm
22 asking you was that an advance on a monthly payment.

23 2905 MR. SCHREIBER: Yes.

24 2906 MR. WOLSON: You understand that?

25 2907 MR. SCHREIBER: I understand this,

1 sir.

2 2908 MR. WOLSON: But it's not that.

3 2909 MR. SCHREIBER: No.

4 2910 MR. WOLSON: It's a success fee?

5 2911 MR. SCHREIBER: No.

6 2912 MR. WOLSON: It is a success fee?

7 2913 MR. SCHREIBER: Yes.

8 2914 MR. WOLSON: Yes.

9 2915 Turn the page. Instead of turning

10 one page, turn two for a second, if you will. Lemoine

11 Consultants Inc. Do you see that?

12 2916 MR. SCHREIBER: Yes.

13 2917 MR. WOLSON: Lemoine Consultants was

14 Mr. Ouellet's company?

15 2918 MR. SCHREIBER: Yes.

16 2919 MR. WOLSON: Invoice for \$90,000 for

17 professional services.

18 2920 MR. SCHREIBER: Correct.

19 2921 MR. WOLSON: Invoice comes in

20 December 1, 1988.

21 2922 MR. SCHREIBER: Correct.

22 2923 MR. WOLSON: You pay -- you actually

23 pay earlier than the invoice. You pay it November 15,

24 '88.

25 2924 MR. SCHREIBER: I don't know why that

1 happened.

2 2925 MR. WOLSON: You must have known it
3 was coming and you wrote a cheque when you wrote the
4 others.

5 2926 But it is an earlier cheque than the
6 invoice; right?

7 2927 MR. SCHREIBER: Well, I take it that
8 the people at Bitucan knew it was coming.

9 2928 MR. WOLSON: Sure. Then go back one
10 page. There is an invoice from G.C.I. That's Frank
11 Moores' firm.

12 2929 MR. SCHREIBER: Yes.

13 2930 MR. WOLSON: An invoice for \$250,000.

14 2931 MR. SCHREIBER: Yes, sir.

15 2932 MR. WOLSON: You wrote a cheque.
16 That invoice comes in November 10, '88 -- top
17 right-hand corner.

18 2933 MR. SCHREIBER: Yes.

19 2934 MR. WOLSON: You wrote a cheque --
20 not you, but Bitucan, your company, for \$250,000 on
21 November 15, 1988.

22 2935 MR. SCHREIBER: That is correct, sir.

23 2936 MR. WOLSON: What was that for?

24 2937 MR. SCHREIBER: Success fee.

25 2938 MR. WOLSON: So when the UIP was

1 signed and \$4 million was now earned as a one-time
2 refund, or success fee of \$4 million, you gave out four
3 \$90,000 cheques and one \$250,000 cheque, \$610,000.

4 2939 MR. SCHREIBER: Yes, but it was more.

5 2940 MR. WOLSON: I'm going to get to
6 that.

7 2941 MR. SCHREIBER: You forgot the
8 agreement with Nova Scotia.

9 2942 MR. WOLSON: Yes. Oh, you had an
10 agreement for land with Nova Scotia.

11 2943 MR. SCHREIBER: Sure.

12 2944 MR. WOLSON: Okay.

13 2945 MR. SCHREIBER: That was part of it.

14 2946 MR. WOLSON: All right.

15 2947 MR. SCHREIBER: And the document
16 shows that the first payment Thyssen made, the
17 \$1.9 million, was related to that first part success.

18 2948 MR. WOLSON: Quite so. You're right.
19 And that document that I referred you to earlier shows
20 that. So you had the land --

21 2949 MR. SCHREIBER: This is the second.

22 2950 MR. WOLSON: Yes. You had the land,
23 you had the UIP, the understanding in principle, and
24 the \$610,000 goes out as commission?

25 2951 MR. SCHREIBER: And the word from

1 Prime Minister Mulroney.

2 2952 MR. WOLSON: The word?

3 2953 MR. SCHREIBER: Yes.

4 2954 MR. WOLSON: What word?

5 2955 MR. SCHREIBER: That the project

6 would go ahead.

7 2956 MR. WOLSON: To whom did he give the

8 word?

9 2957 MR. SCHREIBER: To me.

10 2958 MR. WOLSON: When?

11 2959 MR. SCHREIBER: Somehow in '88 when I

12 had all these fights with DND, he always told me I

13 should hang on, it's going to happen.

14 2960 MR. WOLSON: Was the word a word,

15 just a conversation, or is there a letter?

16 2961 MR. SCHREIBER: No. No, Mr. Mulroney

17 wanted the project very much to fulfil his election

18 commitments to Nova Scotia.

19 2962 MR. WOLSON: Yes. There's no

20 question that --

21 2963 MR. SCHREIBER: That's what it was

22 all about.

23 2964 MR. WOLSON: Yes.

24 2965 For a politician to have a number of

25 jobs in an area that is otherwise struggling, that is a

1 very good thing.

2 2966 MR. SCHREIBER: Absolutely.

3 2967 MR. WOLSON: And this project was

4 going to create about 500 jobs.

5 2968 MR. SCHREIBER: Yes, at the

6 beginning.

7 2969 MR. WOLSON: Yes. Maybe more later.

8 2970 MR. SCHREIBER: Yes, and you had to

9 take it very serious because Thyssen had already 3,800

10 jobs in Canada.

11 2971 MR. WOLSON: Yes.

12 2972 MR. SCHREIBER: Nobody thought that

13 this government would fool around and betray them.

14 That's the problem, sir.

15 2973 MR. WOLSON: How many jobs did

16 Thyssen -- how many people working for Thyssen in

17 Canada?

18 2974 MR. SCHREIBER: In the meantime, in

19 Thyssen here in Canada 3,800, worldwide 400,000.

20 2975 MR. WOLSON: Four hundred thousand?

21 2976 MR. SCHREIBER: Yes.

22 2977 MR. WOLSON: So this is a big, big

23 company?

24 2978 MR. SCHREIBER: Absolutely.

25 2979 MR. WOLSON: Yeah.

1 2980 MR. SCHREIBER: And I regret deeply
2 that it didn't happen.

3 2981 MR. WOLSON: I understand that.

4 2982 Now, not only was \$610,000 paid, four
5 times \$90,000 and \$250,000, you also paid Mr. Haastert
6 some money.

7 2983 MR. SCHREIBER: Yes.

8 2984 MR. WOLSON: You paid him half a
9 million dollars.

10 2985 MR. SCHREIBER: Yes.

11 2986 MR. WOLSON: Did you get an invoice
12 from him?

13 2987 MR. SCHREIBER: No.

14 2988 MR. WOLSON: Did you write him a
15 cheque?

16 2989 MR. SCHREIBER: No.

17 2990 MR. WOLSON: How did you pay it?

18 2991 MR. SCHREIBER: He took it in cash,
19 and besides this was a donation for the German Social
20 Democratic Party.

21 2992 MR. WOLSON: Okay. Well, let's just
22 stop for a second.

23 2993 You had all these invoices --

24 2994 MR. SCHREIBER: Yes.

25 2995 MR. WOLSON: Paper trail; right?

1 2996 MR. SCHREIBER: Yes.

2 2997 MR. WOLSON: You had your cheques --

3 2998 MR. SCHREIBER: Yes.

4 2999 MR. WOLSON: -- you created a paper

5 trail.

6 3000 MR. SCHREIBER: Yes.

7 3001 MR. WOLSON: Mr. Haastert gets a half

8 a million dollars --

9 3002 MR. SCHREIBER: Yes.

10 3003 MR. WOLSON: -- in cash.

11 3004 MR. SCHREIBER: Yes.

12 3005 MR. WOLSON: Mr. Haastert was working

13 for Thyssen.

14 3006 MR. SCHREIBER: Yes. But he was also

15 the specialist for special jobs for Thyssen, the

16 political side.

17 3007 On top of this, sir, I had much more

18 business with Thyssen and Haastert with my company in

19 Germany, as you may recall. I made between 1989 and

20 1994 about \$20 million in fees from Thyssen, consulting

21 fees.

22 3008 MR. WOLSON: Okay. So you gave --

23 3009 MR. SCHREIBER: So they were a very

24 good client --

25 3010 MR. WOLSON: Yes.

1 3011 MR. SCHREIBER: -- and the boss who
2 ordered all this was not Mr. Haastert, it was the
3 Chairman from Thyssen, Mr. Bartletts(ph).
4 3012 MR. WOLSON: Okay. But you gave
5 Haastert \$500,000 --
6 3013 MR. SCHREIBER: Yes. Yes.
7 3014 MR. WOLSON: -- in cash under the
8 table.
9 3015 MR. SCHREIBER: Well, I mean under
10 the table, it was the same like it was to the social
11 union.
12 3016 MR. WOLSON: Yes.
13 3017 MR. SCHREIBER: It was a donation for
14 the party.
15 3018 MR. WOLSON: I see. Did you get a
16 receipt?
17 3019 MR. SCHREIBER: What?
18 3020 MR. WOLSON: Did you get a receipt
19 for it?
20 3021 MR. SCHREIBER: No.
21 3022 MR. WOLSON: No.
22 3023 MR. SCHREIBER: On top of this allow
23 me to add, the whole procedure on this you will find in
24 a document, in a memo with Revenue Germany and Thyssen,
25 where it was explained what it was all about in detail.

1 3024 MR. WOLSON: In Germany when you are
2 giving people money, cash monies, donations to
3 political parties, for instance, don't you get a
4 receipt? Don't the German tax people want to see a
5 receipt so they know that you have given money to a
6 political party?

7 3025 MR. SCHREIBER: No.

8 3026 MR. WOLSON: No?

9 3027 MR. SCHREIBER: No.

10 3028 MR. WOLSON: They just --

11 3029 MR. SCHREIBER: It depends. When you
12 give money from your private money --

13 3030 MR. WOLSON: Yeah.

14 3031 MR. SCHREIBER: -- you have paid the
15 tax for it and you don't ask for tax deduction because
16 you give a political donation. Nobody asks.

17 3032 MR. WOLSON: So this was from your
18 private money, half a million dollars, was it?

19 3033 MR. SCHREIBER: The one in --

20 3034 MR. WOLSON: The one you gave
21 Haastert. The one you gave Haastert.

22 3035 MR. SCHREIBER: Yes...?

23 3036 MR. WOLSON: Half a million dollars
24 from your private money?

25 3037 MR. SCHREIBER: It was out of the

1 success fee.

2 3038 MR. WOLSON: Success fee. I see.

3 3039 MR. SCHREIBER: Yes.

4 3040 MR. WOLSON: Did you claim it?

5 3041 MR. SCHREIBER: But not consequently

6 for the one from I.A.L. in Canada.

7 3042 MR. WOLSON: Yes, I see. Did you

8 claim --

9 3043 MR. SCHREIBER: I told you I made

10 more than \$27 million with Thyssen in --

11 3044 MR. WOLSON: And I'm sure you have

12 done very well --

13 3045 MR. SCHREIBER: Yes.

14 3046 MR. WOLSON: -- but I'm asking you a

15 question: Did you claim the half a million dollars?

16 3047 MR. SCHREIBER: No. No.

17 3048 MR. WOLSON: Okay.

18 3049 MR. SCHREIBER: No.

19 3050 MR. WOLSON: Why do you pay some

20 people in cheques and create a paper trail and other

21 people in cash and don't?

22 3051 Is there a reason for the difference?

23 3052 MR. SCHREIBER: Well, normally it is

24 cheque, but as soon as it deals with political

25 donations out of business, you may not have receipts at

1 all. I have acquired some receipts for official
2 donations in Germany, including for my company, and
3 others where you don't get the donation but they want
4 the cash.

5 3053 MR. WOLSON: I see. A different way
6 of doing business.

7 3054 MR. SCHREIBER: Yes. And they always
8 need offshore funds which they can use for their
9 business. This is very common.

10 3055 MR. WOLSON: I see.

11 3056 MR. SCHREIBER: You may find
12 different things with the Atomic Commission in Canada
13 and with de Havilland where I used to be a consultant.

14 3057 MR. WOLSON: Would you turn up Tab
15 39, please? Tab 39 is in German.

16 3058 MR. SCHREIBER: Yes.

17 3059 MR. WOLSON: But I think in paragraph
18 1 it talks of a million dollar loan, doesn't it?

19 3060 MR. SCHREIBER: Yes.

20 3061 MR. WOLSON: It is actually 1.466,
21 1,466,000 DM, deutsche marks.

22 3062 MR. SCHREIBER: Yes.

23 3063 MR. WOLSON: It's a \$1 million loan
24 to I.A.L.?

25 3064 MR. SCHREIBER: Yes.

1 3065 MR. WOLSON: So now there is a
2 \$1.5 million loan --

3 3066 MR. SCHREIBER: Yes.

4 3067 MR. WOLSON: -- that we have covered
5 already, a \$1 million loan and a \$4 million success
6 fee.

7 3068 MR. SCHREIBER: Yes.

8 3069 MR. WOLSON: Did you pay back either
9 of the loans or were they forgiven?

10 3070 MR. SCHREIBER: Forgiven.

11 3071 MR. WOLSON: Forgiven. So we are now
12 up to --

13 3072 MR. SCHREIBER: But the loans came
14 from -- to me.

15 3073 MR. WOLSON: Yes. So we are now up
16 to \$6.5 million.

17 3074 MR. SCHREIBER: M'hmm.

18 3075 MR. WOLSON: Yes. Your answer is
19 yes?

20 3076 MR. SCHREIBER: Yes.

21 --- Pause

22 3077 MR. WOLSON: Was that the plan
23 initially that Bear Head would be located in the Strait
24 of Canso on the Cape Breton Island?

25 3078 MR. SCHREIBER: Yes.

1 3079 MR. WOLSON: That is an area of the
2 country that was in terrible need of employment?

3 3080 MR. SCHREIBER: The heavy water plant
4 was shut down.

5 3081 MR. WOLSON: Yes.

6 3082 MR. SCHREIBER: The gulf refinery was
7 shut down.

8 3083 MR. WOLSON: Yes.

9 3084 MR. SCHREIBER: They had great
10 environment problems and it was the constituency from
11 Allan MacEachen.

12 3085 MR. WOLSON: Al MacEachen is your
13 friend?

14 3086 MR. SCHREIBER: Yes.

15 3087 MR. WOLSON: A Liberal politician?

16 3088 MR. SCHREIBER: Yes.

17 3089 MR. WOLSON: Yes. At the time.

18 3090 MR. SCHREIBER: Yes.

19 3091 MR. WOLSON: I wonder, sir, if you
20 could turn up Tab 43 in Book 1. This is a letter from
21 Mr. Massmann --

22 3092 MR. SCHREIBER: Yes.

23 3093 MR. WOLSON: -- who is writing to
24 Bill McKnight, who is a witness in these proceedings.

25 3094 MR. SCHREIBER: Yes.

1 3095 MR. WOLSON: And he is giving the
2 background. In the first paragraph he says that:
3 "Thyssen has been active for
4 some time in establishing a
5 major manufacturing capability
6 in Cape Breton Nova Scotia ."
7 (As read)

8 3096 MR. SCHREIBER: Yes.

9 3097 MR. WOLSON: And Mr. McKnight was
10 Minister of Defence at the time?

11 3098 MR. SCHREIBER: Yes.

12 3099 MR. WOLSON: This letter is dated
13 July 19, 1989.

14 3100 MR. SCHREIBER: Yes.

15 3101 MR. WOLSON: In the second paragraph
16 he says:
17 "Bear Head will be the Canadian
18 subsidiary and the North
19 American production base for a
20 number of Defence and commercial
21 products, including light
22 armored vehicles." (As read)

23 3102 Do you see that?

24 3103 MR. SCHREIBER: Yes.

25 3104 MR. WOLSON:

1 "Our intentions in this regard
2 are well known and there is a
3 joint understanding made with
4 the Government of Canada." (As
5 read)

6 3105 So Mr. Massmann is telling -- he's
7 introducing the deal to Mr. McKnight?

8 3106 MR. SCHREIBER: Yes.

9 3107 MR. WOLSON: Yes.

10 3108 MR. SCHREIBER: That's what the
11 letter says so I have no recollection to this letter
12 because it's not my letter.

13 3109 MR. WOLSON: But it's a letter that
14 you have seen. It has been provided to you.

15 3110 MR. SCHREIBER: Yes, from you.

16 3111 MR. WOLSON: Yes.

17 3112 And it says:
18 "There has been some speculation
19 that the LAV choice facing the
20 Army is confined to two
21 options." (As read)

22 3113 Is that so?

23 3114 MR. SCHREIBER: What page are you now
24 on, sir, please?

25 3115 MR. WOLSON: I'm at page 1 right at

1 the bottom in subparagraph (a).

2 3116 MR. SCHREIBER: Yes, okay. Yes.

3 3117 MR. WOLSON: And at page 2 you'll see
4 in the second-last paragraph that Mr. Massmann is
5 suggesting an alternative because of budgetary cost.

6 3118 He says:

7 "In light of the situation
8 Thyssen is prepared to propose a
9 more effective but still
10 financially modest response to
11 the Army's needs. Our proposal
12 is to provide over 200 well
13 protected and versatile tracked
14 vehicles of the most modern
15 design from Canadian production
16 at BHI. We estimate the cost to
17 be about \$250 million Canadian."

18 (As read)

19 3119 MR. SCHREIBER: That's correct, yes.

20 --- Pause

21 3120 MR. WOLSON: If you turn up Tab 47,
22 please.

23 3121 Things were not going well with
24 government, were they?

25 3122 MR. SCHREIBER: No. No, I shouldn't

1 say this. Things went very well with government as
2 long as Mr. Fowler and DND was not involved.

3 3123 MR. WOLSON: But unfortunately the
4 vehicles were being sold to DND.

5 3124 MR. SCHREIBER: Yes.

6 3125 MR. WOLSON: So that was a critical
7 part of the component.

8 3126 MR. SCHREIBER: Yes, the critical
9 part is that the generals we worked with, four of them,
10 designed the vehicle with a complete different
11 understanding, including the Commander, than
12 Mr. Fowler.

13 3127 And I regret deeply that on your
14 witness list there is not one general; that you have
15 all these people talking about things they don't
16 understand. I saw it.

17 3128 MR. WOLSON: Thank you very much.

18 3129 I want to deal with this letter
19 because you are getting frustrated that Mr. Fowler and
20 DND --

21 3130 MR. SCHREIBER: Yes.

22 3131 MR. WOLSON: -- are not giving you
23 what you think is a fair shake.

24 3132 MR. SCHREIBER: No. I am more
25 frustrated today because this is the reason why our

1 soldiers are killed in Afghanistan and the last one was
2 killed this morning, a young woman, and four more were
3 wounded.

4 3133 This is my huge anger with these
5 Canadian people. It is nothing here about a few bucks
6 of commission. This is about lives, 180 now and 400
7 cripples.

8 3134 Do you read me, sir? I apologize.

9 3135 MR. WOLSON: Can I take it --

10 3136 MR. SCHREIBER: This is my whole war
11 with this government for long.

12 3137 MR. WOLSON: So far you are up to
13 \$6.5 million --

14 3138 MR. SCHREIBER: Yes.

15 3139 MR. WOLSON: -- for signing a UIP --

16 3140 MR. SCHREIBER: Yes.

17 3141 MR. WOLSON: -- that the government,
18 even though you say Mr. Mulroney wanted this to
19 proceed, so far it is not happening at least as we are
20 going through these documents.

21 3142 MR. SCHREIBER: Yes.

22 3143 MR. WOLSON: And I would like for
23 you, sir, to focus on my questions, if you will.

24 3144 MR. SCHREIBER: Yes, but --

25 3145 MR. WOLSON: Would you do that,

1 please?

2 3146 MR. SCHREIBER: Yes, but it's not
3 right because MLE worked eight years, GCI worked eight
4 years without rendering one single invoice to Thyssen.

5 3147 MR. WOLSON: Would you answer my
6 questions --

7 3148 MR. SCHREIBER: Yes.

8 3149 MR. WOLSON: -- as I put them to you?

9 3150 MR. SCHREIBER: I apologize.

10 3151 MR. WOLSON: Are you finished your
11 outburst?

12 3152 MR. SCHREIBER: Yes.

13 3153 MR. WOLSON: All right.
14 3154 Do you have 47? Turn up Tab 47
15 there.

16 3155 You are writing a letter to your
17 friend Elmer MacKay.

18 3156 MR. SCHREIBER: Yes.

19 3157 MR. WOLSON: By the way, when I say
20 your friend Elmer MacKay, Elmer MacKay happens to have
21 been in history and presently a good friend of yours.

22 3158 MR. SCHREIBER: Yes.

23 3159 MR. WOLSON: He is a man that you
24 trust and respect?

25 3160 MR. SCHREIBER: A wonderful human

1 being.

2 3161 MR. WOLSON: Yes. And you still
3 today have contact with him and have a friendship with
4 him?

5 3162 MR. SCHREIBER: Yes.

6 3163 MR. WOLSON: Okay. So I don't say
7 your friend Elmer in a negative way. It happens to be
8 a truth will statement, doesn't it?

9 3164 MR. SCHREIBER: Yes.

10 3165 MR. WOLSON: Okay.

11 3166 You say in the first paragraph:

12 "I am writing today to explain I
13 have become so frustrated with
14 the situation around Thyssen
15 Industries' plan to establish in
16 Nova Scotia that I fear we may
17 be losing the chance to make
18 this project a reality."

19 (As read)

20 3167 MR. SCHREIBER: Yes.

21 3168 MR. WOLSON: Because what has
22 happened, at least up until that time, is that DND, who
23 was reluctant in the first place to sign the UIP, has
24 not been very accommodating to you. When I say "you",
25 I mean Bear Head.

1 3169 MR. SCHREIBER: And Thyssen, yes.

2 3170 MR. WOLSON: Yes. Is that a truthful

3 statement?

4 3171 MR. SCHREIBER: Yes.

5 3172 MR. WOLSON: Thank you.

6 3173 You say in the second paragraph:

7 "I must report to the Board of

8 Thyssen on the prospect of

9 Thyssen's participation.

10 Needless to say their patience

11 for this project is very

12 strained." (As read)

13 3174 Do you see that in the second

14 paragraph?

15 3175 MR. SCHREIBER: Yes, sir.

16 3176 MR. WOLSON: Third paragraph:

17 "In 1985 the Minister

18 Responsible for Regional

19 Industrial Expansion explained

20 to Thyssen that eastern Nova

21 Scotia was the Prime Minister's

22 and the government's highest

23 priority for economic

24 development and urged the

25 company to invest there. The

1 Prime Minister's interest was
2 obvious given his electoral
3 attachment to eastern Nova
4 Scotia and the high unemployment
5 rate resulting from the
6 difficulties faced by other
7 companies and closings."

8 (As read)

9 3177 Is that right, sir?

10 3178 MR. SCHREIBER: That's correct, sir.

11 3179 MR. WOLSON: So what you are saying
12 to Elmer MacKay -- and Elmer MacKay was an elected
13 official out of Nova Scotia.

14 3180 MR. SCHREIBER: Yes.

15 3181 MR. WOLSON: He was in government,
16 the Conservative government.

17 3182 MR. SCHREIBER: Yes.

18 3183 MR. WOLSON: So you are really
19 wanting him to know the problems because he, too, had
20 advocated for Bear Head plant to be built in Nova
21 Scotia.

22 3184 MR. SCHREIBER: That's correct, sir.

23 3185 MR. WOLSON: And what you are
24 basically telling him is the Prime Minister, Prime
25 Minister Mulroney, his concerns, you put that in your

1 third paragraph.

2 3186 MR. SCHREIBER: Yes.

3 3187 MR. WOLSON: Page 2, top paragraph:

4 "I was proud to be able to

5 convince Thyssen instead to

6 concentrate their efforts first

7 in Canada and access the U.S.

8 defence market through Canada

9 U.S. defence market production

10 sharing agreement and, secondly,

11 the civilian market through the

12 pending Free Trade Agreement."

13 (As read)

14 3188 You write that.

15 3189 MR. SCHREIBER: Correct, sir.

16 3190 MR. WOLSON: Page 3 if you will,

17 please, halfway down the page:

18 "April '89 the federal budget

19 brought major cuts to the DND

20 capital budget. However, in

21 July '89 DND announced..."

22 (As read)

23 3191 DND is the Department of National

24 Defence; right?

25 3192 MR. SCHREIBER: Yes.

1 3193 MR. WOLSON:
2 "... DND announced a sole source
3 order to General Motors Diesel
4 Division of London after the
5 company reported in the media
6 that they may have to close down
7 operations on their wheeled
8 armored vehicle line." (As
9 read)

10 3194 Do you see that?

11 3195 MR. SCHREIBER: Correct.

12 3196 MR. WOLSON: So as opposed to Thyssen
13 getting an order from the Canadian government, the
14 Canadian Government or DND sole sourced a contract to
15 GM.

16 3197 MR. SCHREIBER: Yes.

17 3198 MR. WOLSON: Is that so?

18 3199 MR. SCHREIBER: For the militia.

19 3200 MR. WOLSON: Yes.

20 --- Pause

21 3201 MR. WOLSON: And you say on the next
22 page, page 4, the second-last paragraph:
23 "As you know, I am duty bound to
24 inform the Prime Minister of the
25 serious situation the whole

1 matter has reached. Will you
2 want me to write to him directly
3 or would you prefer to do so on
4 my behalf?" (As read)

5 3202 That's what you tell Elmer MacKay.

6 3203 MR. SCHREIBER: Correct.

7 3204 MR. WOLSON: You don't need any help
8 in speaking to or writing to the Prime Minister. You
9 have done it many times.

10 3205 MR. SCHREIBER: Yes.

11 3206 MR. WOLSON: You were just paying a
12 courtesy to Elmer.

13 3207 MR. SCHREIBER: Because he was the
14 responsible Minister in Nova Scotia, and we went there
15 together many times and made speeches and put ads in
16 the paper in front of the election and got 800 people
17 who wanted to work there. And after the election
18 nobody wanted to hear about it any more.

19 3208 MR. WOLSON: So that letter was the
20 28th of November '89.

21 3209 MR. SCHREIBER: Yes.

22 3210 MR. WOLSON: And then a letter comes
23 to you at Tab 50, and it is a letter from the
24 Department of National Defence. Right?

25 3211 MR. SCHREIBER: Yes.

1 3212 MR. WOLSON: It's the Minister
2 writing to you, Minister McKnight. And he writes to
3 you on the first page, second paragraph:
4 "I am pleased to confirm that in
5 the event the Canadian Forces
6 determine to acquire a
7 multi-role combat vehicle and
8 subject to the specifications
9 and design requirements of the
10 call for tenders and all
11 contractual matters, Bear Head
12 will be given an opportunity to
13 participate in the tendering for
14 the contract." (As read)

15 3213 Do you see that?

16 3214 MR. SCHREIBER: Correct, sir.

17 3215 MR. WOLSON: And at the second page
18 it says in the middle paragraph:
19 "This understanding will remain
20 valid for a period of five
21 years." (As read)

22 3216 MR. SCHREIBER: Yes, sir.

23 3217 MR. WOLSON: But it is still not
24 happening, is it?

25 3218 MR. SCHREIBER: Yes.

1 3219 MR. WOLSON: And then Tab 52 is a
2 letter from you to Mr. Fowler.

3 3220 MR. SCHREIBER: Tellier.
4 3221 Which tab is it?

5 3222 MR. WOLSON: Tab 52.

6 3223 MR. SCHREIBER: Fifty-two.

7 3224 MR. WOLSON: You write a letter to
8 Mr. Fowler, who is the Deputy Minister --

9 3225 MR. SCHREIBER: Yes.

10 3226 MR. WOLSON: -- of DND.

11 3227 MR. SCHREIBER: Yes.

12 3228 MR. WOLSON: You had had a difficult
13 time with Mr. Fowler.

14 3229 MR. SCHREIBER: Absolutely, sir.

15 3230 MR. WOLSON: And, sadly, he is not
16 here. But you had sort of come up against a stone wall
17 there. They weren't having any part of your project,
18 were they?

19 3231 MR. SCHREIBER: It's not a question
20 of my project. This is a question what the government
21 and the generals wanted and I knew that they have a
22 lack of protection. You could shoot with a Kalashnikov
23 through the armored vehicles.

24 3232 MR. WOLSON: So you --

25 3233 MR. SCHREIBER: And this gentleman

1 cared nothing about the protection of his soldiers.

2 3234 MR. WOLSON: Yes. You thought that
3 your product was a superior product.

4 3235 MR. SCHREIBER: Absolutely, the best.

5 3236 MR. WOLSON: Yes. And you weren't
6 getting a fair deal with DND. That's what you
7 believed.

8 3237 MR. SCHREIBER: He blocked it in
9 total.

10 3238 MR. WOLSON: Yes.
11 3239 And you had had a meeting with DND --

12 3240 MR. SCHREIBER: Yes.

13 3241 MR. WOLSON: And they told you more
14 or less that you weren't going to make this thing
15 happen. It wasn't going to happen, didn't they?

16 3242 MR. SCHREIBER: No, they didn't say
17 that.

18 3243 MR. WOLSON: What did they tell you?

19 3244 MR. SCHREIBER: They made fun and
20 said that there is no need for vehicles with protection
21 against chemical, biochemical and nuclear warfare. And
22 a short time later when the war was in Kuwait, we saw
23 the difference.

24 3245 The man has not the smallest clue
25 what he is doing --

1 3246 MR. WOLSON: Okay.

2 3247 MR. SCHREIBER: -- and responsible
3 for many dead Canadians today.

4 3248 MR. WOLSON: But at that meeting you
5 had with Mr. Fowler, at least it was described to us by
6 Mr. McKnight --

7 3249 MR. SCHREIBER: Yes.

8 3250 MR. WOLSON: -- that that was a
9 meeting where you were told, virtually told that you
10 were not going to get this project.

11 3251 MR. SCHREIBER: No.

12 3252 MR. WOLSON: Is that not right?

13 3253 MR. SCHREIBER: No.

14 3254 MR. WOLSON: Okay.

15 3255 MR. SCHREIBER: Mr. McKnight was not
16 present and the discussion you mean is the following.
17 After the meeting with Mr. Fowler I met with Lieut.
18 Gen. Huddleston and Gen. Gordon Reay, and Huddleston
19 told me in front of Gordon Reay if you don't stop
20 pressing us you will end up with nothing and ruin the
21 reputation of Thyssen.

22 3256 And I told him I am here on the
23 request of the government. He said what are you
24 talking about? We are the government.

25 3257 So I asked him whether Canada has two

1 governments and why it is when the Minister is asking
2 me to do all this. And he told me we don't care what
3 shitty ministers whisper to your ear and cannot
4 deliver.

5 3258 And this is why I become very angry,
6 sir.

7 3259 MR. WOLSON: Did Fowler not tell you
8 you're not going to get this project?

9 3260 MR. SCHREIBER: No. I heard it from
10 somebody else. Peter White told me that Fowler told
11 him. He never told me.

12 3261 MR. WOLSON: Yes. Let's go to Tab
13 67A for a second.

14 3262 I'm skipping some documents. Go to
15 67A. Turn up the tab, please.

16 3263 MR. SCHREIBER: Okay.

17 3264 MR. WOLSON: April 19, 1991 you are
18 writing the Prime Minister. Do you see that?

19 3265 MR. SCHREIBER: Sixty-seven?

20 3266 MR. WOLSON: Sixty-seven A.

21 3267 MR. SCHREIBER: Yes, here is A.

22 Okay, yes.

23 3268 MR. WOLSON: You are writing the
24 Prime Minister April 19, 1991.

25 3269 MR. SCHREIBER: Yes.

1 3270 MR. WOLSON: You say at the
2 beginning:
3 "As a follow-up to our meeting
4 last week I have noted a few
5 items which I feel are important
6 for you to be aware of."
7 (As read)

8 3271 MR. SCHREIBER: Yes.

9 3272 MR. WOLSON: And then at page 2 this
10 is what you say, just near the end of the letter:
11 "Lastly..."

12 3273 It's about three paragraphs from the
13 bottom of page 2:
14 "Lastly, about the comments of
15 Mr. Fowler who told us from the
16 beginning we are not going to
17 get this project and equally
18 unbelievable remarks of Lieut.
19 Gen. Huddleston, I will only
20 remind you of our discussion."
21 (As read)

22 3274 MR. SCHREIBER: Yes.

23 3275 MR. WOLSON: You were told, or at
24 least you told the Prime Minister that Fowler told you
25 you weren't going to get the project.

1 3276 MR. SCHREIBER: Not me. He told
2 Mr. Massmann in another meeting.

3 3277 MR. WOLSON: Well, whether he told
4 you or Massmann, it came to you. You heard about it.

5 3278 MR. SCHREIBER: Yes, yes. Sure.
6 That's what I said.

7 3279 MR. WOLSON: Yes. And you're
8 frustrated.

9 3280 MR. SCHREIBER: Not only frustrated,
10 angry.

11 3281 MR. WOLSON: I see. And on that same
12 tab you actually provide the Prime Minister -- this is
13 19 April '91.

14 3282 At 67A, are you there, sir?

15 3283 MR. SCHREIBER: No. Which one is it?

16 3284 MR. WOLSON: The same tab, 67A.

17 3285 MR. SCHREIBER: Yes.

18 3286 MR. WOLSON: Do you have that?

19 3287 MR. SCHREIBER: Yes.

20 3288 MR. WOLSON: You say to the Prime
21 Minister on the first page:
22 "Attached you will find an aide
23 memoire and comments in response
24 to questions from the Minister
25 of ACOA." (As read)

1 3289 MR. SCHREIBER: Yes.

2 3290 MR. WOLSON: ACOA is the Atlantic --

3 3291 MR. SCHREIBER: Yes.

4 3292 MR. WOLSON: -- Minister; right?

5 3293 MR. SCHREIBER: Yes.

6 3294 MR. WOLSON: You attach this aide

7 memoire and in the aide memoire -- look at page 2 of

8 the aide memoire, which is your document; right?

9 3295 MR. SCHREIBER: Yes.

10 3296 MR. WOLSON: This is basically if

11 somebody should ask questions, these are the answers.

12 3297 MR. SCHREIBER: Yes.

13 3298 MR. WOLSON: And you say at number

14 10:

15 "Is NATO Industrial Advisory

16 Group, NIGA, working on standard

17 requirements for NATO nations

18 along the lines of the MRCV

19 requirements? Answer: yes."

20 (As read)

21 3299 MR. SCHREIBER: That's correct, sir.

22 3300 MR. WOLSON: So what was going to

23 happen is that NATO was going to try and have some

24 uniform equipment; right?

25 3301 MR. SCHREIBER: Yes.

1 3302 MR. WOLSON: And if countries were
2 unifying in their equipment --

3 3303 MR. SCHREIBER: Yes.

4 3304 MR. WOLSON: -- on an international
5 level --

6 3305 MR. SCHREIBER: Yes...?

7 3306 MR. WOLSON: -- if you could sell
8 them the Thyssen product, then the whole NATO
9 organization would have the same product.

10 3307 MR. SCHREIBER: No, that's not how it
11 works, sir. When you have a project with NATO the
12 countries come together, like Germany, France and other
13 NATO members, and they discuss -- there is a document
14 you have which is an EOC study.

15 3308 MR. WOLSON: Yes. I will get to
16 that.

17 3309 MR. SCHREIBER: And that is when the
18 countries put something together, NATO.

19 3310 MR. WOLSON: Yes.

20 3311 MR. SCHREIBER: And then of course
21 they all participate in the programs.

22 3312 I will give you an example. The
23 Leopard tank, for example, is finally assembled in
24 Munich. This is only 12 per cent. Thyssen has 8 per
25 cent to build the roles and so the list goes on. We

1 have this quite often with NATO that they do equipment
2 together.

3 3313 MR. WOLSON: Okay. And for somebody
4 dealing in military vehicles that's very important.

5 3314 MR. SCHREIBER: Absolutely.

6 3315 MR. WOLSON: Yeah.

7 3316 MR. SCHREIBER: And this is what the
8 Canadian generals wanted, sir. That's the problem.

9 3317 MR. WOLSON: Then, on the third page,
10 I want to review Questions 15, 16 and 17 with you.

11 3318 MR. SCHREIBER: Yes.

12 3319 MR. WOLSON: Question 15: What are
13 the essential characteristics in peacekeeping and
14 multi-role combat vehicle?

15 3320 You indicate that there are a number
16 of answers to be given. Right?

17 3321 MR. SCHREIBER: Yes.

18 3322 MR. WOLSON: Question 16: It is
19 agreed that the characteristics meet the requirements
20 of other armies?

21 3323 You said, "Yes, very likely."

22 3324 MR. SCHREIBER: Yes.

23 3325 MR. WOLSON: The whole idea being
24 some uniformity.

25 3326 MR. SCHREIBER: Yes.

1 3327 MR. WOLSON: And then, 17, if this is
2 the case, will this not bring the Thyssen 495 -- the
3 TH-495, which was the vehicle that you were
4 promoting --

5 3328 MR. SCHREIBER: Yes.

6 3329 MR. WOLSON: -- significant export
7 opportunity in these markets?

8 3330 MR. SCHREIBER: Yes.

9 3331 MR. WOLSON: And the answer, of
10 course, is yes.

11 3332 MR. SCHREIBER: Yes.

12 3333 MR. WOLSON: So there was, without
13 question, an export component to Bear Head.

14 3334 MR. SCHREIBER: Yes.

15 3335 MR. WOLSON: Yes.

16 3336 MR. SCHREIBER: Out of a NATO
17 program, to all NATO countries --

18 3337 MR. WOLSON: Sure.

19 3338 Tab 74, if you will, please -- 74(a).
20 3339 You are writing to the Honourable
21 Michael Wilson, the Minister of Industry, Science and
22 Technology. Right?

23 3340 MR. SCHREIBER: At 74?

24 3341 MR. WOLSON: 74(a).

25 3342 MR. SCHREIBER: Yes.

1 3343 MR. WOLSON: Dated August 21, `91.

2 3344 MR. SCHREIBER: Yes.

3 3345 MR. WOLSON: And you are writing,
4 again, indicating some of your concerns. Right?

5 3346 MR. SCHREIBER: Yes.

6 3347 MR. WOLSON: You say at page 3, under
7 "Location": "Thyssen Bear Head location -- decision is
8 presently under re-evaluation."

9 3348 MR. SCHREIBER: Yes.

10 3349 MR. WOLSON:
11 "In 1988, Thyssen BHI had
12 intended to avail itself of
13 special tax incentives
14 established under Cape Breton
15 Investment Tax Credit, available
16 for industry settling in Cape
17 Breton, and putting assets in
18 place and in use before the end
19 of 1992." (As read)

20 3350 MR. SCHREIBER: Yes.

21 3351 MR. WOLSON: "The deadline is now
22 impracticable for consideration
23 against the company's original
24 intended Green Fields site
25 plans. Therefore, location

1 options are being re-examined in
2 light of the change to the
3 financial conditions.
4 Accordingly, Thyssen is prepared
5 to be flexible as to its initial
6 Atlantic location." (As read)

7 3352 MR. SCHREIBER: That's correct, sir.

8 3353 MR. WOLSON: So it seems that the
9 location at the Strait of Canso is now under
10 consideration, at least.

11 3354 MR. SCHREIBER: Yes, sir.

12 3355 MR. WOLSON: Re-evaluation.

13 3356 MR. SCHREIBER: Yes.

14 3357 MR. WOLSON: Were you going to
15 consider Pictou, Nova Scotia?

16 3358 MR. SCHREIBER: To be in Nova Scotia?

17 3359 MR. WOLSON: Pictou, Nova Scotia.
18 3360 Is that an area that Thyssen was --

19 3361 MR. SCHREIBER: Pictou?

20 3362 MR. WOLSON: Pictou.

21 3363 MR. SCHREIBER: No, but this is the
22 Strait of Canso. This is the area of Hawkesbury.

23 3364 MR. WOLSON: Yes.

24 3365 MR. SCHREIBER: Pictou is Pictou
25 County.

1 3366 MR. WOLSON: Were you going to move
2 from the Strait of Canso somewhere else in Nova Scotia?
3 3367 MR. SCHREIBER: Yeah. There was a
4 discussion whether we would team up with Lavalin and
5 Trenton Works.
6 3368 MR. WOLSON: Trenton Works?
7 3369 MR. SCHREIBER: Yeah, because they
8 were in trouble.
9 3370 MR. WOLSON: So what you have
10 happening is -- just to summarize so far, you have a
11 UIP, an Understanding in Principle --
12 3371 MR. SCHREIBER: Yes.
13 3372 MR. WOLSON: -- you have DND, after
14 the Understanding in Principle, being difficult.
15 3373 You have that.
16 3374 MR. SCHREIBER: Yes.
17 3375 MR. WOLSON: You have your efforts to
18 try to get some help from Elmer MacKay --
19 3376 MR. SCHREIBER: Yes.
20 3377 MR. WOLSON: -- from Prime Minister
21 Mulroney --
22 3378 MR. SCHREIBER: Yes.
23 3379 MR. WOLSON: -- from Minister
24 Wilson --
25 3380 MR. SCHREIBER: Yes.

1 3381 But we have, also, the letter from
2 McKnight.

3 3382 MR. WOLSON: And the letter from
4 McKnight, with an open offer --

5 3383 MR. SCHREIBER: Yeah.

6 3384 MR. WOLSON: -- and still things
7 aren't occurring.

8 3385 MR. SCHREIBER: Yes.

9 3386 MR. WOLSON: And the frustration is
10 mounting.

11 3387 MR. SCHREIBER: Yes.

12 3388 MR. WOLSON: Now you are forced to
13 think of other locations, other than the Strait of
14 Canso?

15 3389 MR. SCHREIBER: Yes.

16 3390 MR. WOLSON: And one was the Trenton
17 area.

18 3391 MR. SCHREIBER: Yes.

19 3392 MR. WOLSON: Tab 78, please.
20 3393 You are writing to the Prime
21 Minister.

22 3394 MR. SCHREIBER: Yes.

23 3395 MR. WOLSON: May 6, 1992.
24 3396 What has happened is, Nova Scotia has
25 been so difficult in terms of DND and giving you what

1 you needed in Nova Scotia, that you are now looking
2 elsewhere, in another province. You are looking to
3 Quebec.

4 3397 MR. SCHREIBER: No, I was not looking
5 for Quebec. Mr. Mulroney was looking for Quebec,
6 because Montreal has much more votes than Hawkesbury in
7 Nova Scotia.

8 3398 MR. WOLSON: All right. But if the
9 government could offer you a location in the Province
10 of Quebec, that would work.

11 3399 MR. SCHREIBER: Absolutely.

12 3400 MR. WOLSON: And what you see here,
13 on the 6th of May 1992, is -- you indicate in the first
14 paragraph that you were greatly heartened by Mr.
15 Mulroney's sympathetic understanding of the situation,
16 and his determination to set things in train.

17 3401 MR. SCHREIBER: Yes.

18 3402 MR. WOLSON:
19 "As you recommended, we are now
20 working on a two-page summary of
21 actions necessary to realize the
22 project as you would like to see
23 it." (As read)

24 3403 MR. SCHREIBER: Yes.

25 3404 MR. WOLSON: That is exactly what you

1 have said.

2 3405 MR. SCHREIBER: Yes.

3 3406 MR. WOLSON:

4 "To deliver the exact figures

5 will take a few days. The

6 activity we will engage in in

7 the next few days includes an

8 investigation of the situation

9 for the establishment of the

10 project in East Montreal." (As

11 read)

12 3407 MR. SCHREIBER: Yes.

13 3408 MR. WOLSON:

14 "I would like to inform you that

15 after the meeting with you,

16 Elmer and I had a very good

17 meeting with Marcel Masse, and I

18 expect to meet with him again

19 next week." (As read)

20 3409 MR. SCHREIBER: Minister of Defence.

21 3410 MR. WOLSON: Yes.

22 3411 MR. SCHREIBER: Then you write

23 another letter, at Tab 79 -- if you could turn up Tab

24 79 -- on May 13, 1992. So that's about a week after

25 the first letter that we talked about.

1 3412 MR. SCHREIBER: Yes.

2 3413 MR. WOLSON: You are pretty
3 persistent, aren't you?

4 3414 MR. SCHREIBER: Yes.

5 3415 MR. WOLSON: You are an aggressive
6 businessman.

7 3416 MR. SCHREIBER: Yes.

8 3417 MR. WOLSON: When you want something,
9 you go for it.

10 3418 MR. SCHREIBER: No, when I get
11 invited, and my company spends a lot of money, and I am
12 asked to do the job --

13 3419 MR. WOLSON: Yes.

14 3420 MR. SCHREIBER: -- from the same
15 people --

16 3421 MR. WOLSON: Yes.

17 3422 MR. SCHREIBER: -- you start to
18 wonder after a while whether you are in a mental clinic
19 or with serious business people or politicians.

20 3423 MR. WOLSON: I see. You were having
21 those thoughts, were you?

22 3424 MR. SCHREIBER: Yeah.

23 3425 MR. WOLSON: Okay. May 13th, '92, a
24 week after you wrote to the Prime Minister:
25 "Subsequent to our meeting of

1 last week and the meeting with
2 the Honourable Marcel Masse, I
3 am pleased to inform you that I
4 have now had a very encouraging
5 meeting with representatives of
6 the Premier and officials from
7 Quebec, and with four Army
8 generals. The next important
9 step in this whole process is to
10 have a meeting, as early as
11 possible, with Marcel Masse to
12 discuss the areas of his very
13 important involvement.

14 I will keep you informed,
15 and will request a further
16 meeting when the situation is
17 more fully advanced. I know I
18 can count on your continuing
19 support." (As read)

20 3426 MR. SCHREIBER: Yes.

21 3427 MR. WOLSON: You then, on the same
22 day, at Tab 80, May 13th, '92 --

23 3428 MR. SCHREIBER: Tab 80?

24 3429 MR. WOLSON: Eight-zero.

25 3430 It should be in that same Book 1, Mr.

1 Schreiber.

2 3431 MR. SCHREIBER: This is the one we
3 are at right now; no?

4 3432 The 13th of May again, yeah -- to
5 Marcel Masse?

6 3433 MR. WOLSON: Yes.

7 3434 MR. SCHREIBER: Okay.

8 3435 MR. WOLSON: You send Masse another
9 letter:

10 "Following last week's meeting
11 with the Prime Minister and the
12 Honourable Elmer MacKay, and
13 with you, we proceeded as
14 discussed." (As read)

15 3436 The third paragraph:

16 "With respect to our discussions
17 with the Province of Quebec, we
18 have found a very enthusiastic
19 reception in meetings with the
20 Premier's staff and officials.
21 On behalf of Premier Bourassa,
22 they have expressed their
23 support for the proposal and are
24 now actively assessing potential
25 sites in the Montreal area for

1 our consideration." (As read)
2 3437 Then you say at the bottom:
3 "Thyssen Henschel is now
4 producing one of the first
5 prototypes of a new family of
6 light-armoured vehicles. These
7 initial prototypes are based on
8 the TH-495 design, which was
9 originally conceived in response
10 to the requirements of various
11 NATO allies.
12 To successfully complete
13 development and to allow Thyssen
14 in Canada to participate in the
15 anticipated large export and
16 co-production potential, we are
17 extremely anxious to incorporate
18 acknowledged Canada peacekeeping
19 expert use through advice from
20 Canadian Forces operational and
21 technical experts.
22 Therefore, the action I am
23 proposing will require a
24 development contract with DND.
25 This will permit the fabrication

StenoTran

1 of eight prototypes, five in the
2 new facility in Montreal. These
3 will be furnished to DND for
4 evaluation." (As read)

5 3438 You indicate at the very end, or the
6 second from the end:
7 "The cost of the entire contract
8 will amount to \$132 million over
9 three years."

10 3439 That doesn't sound like much when you
11 say it quickly, Mr. Schreiber.

12 3440 MR. SCHREIBER: Yes.

13 3441 MR. WOLSON:
14 "It is recognized that these
15 funds will have to be found from
16 other sources. To avoid any
17 misunderstanding, I wish to
18 point out very clearly that the
19 project under discussion has
20 nothing to do with future
21 vehicle procurement." (As read)

22 3442 Right?

23 3443 MR. SCHREIBER: Yes.

24 3444 MR. WOLSON: Initially, the plan was
25 that Canada would buy a number of vehicles --

1 3445 MR. SCHREIBER: A start-up order.

2 3446 MR. WOLSON: A start-up order of
3 about 250 vehicles.

4 3447 MR. SCHREIBER: Yes.

5 3448 MR. WOLSON: Now what you are saying
6 is, Canada doesn't have to do that. You are not asking
7 for a procurement, you are asking for some prototype
8 vehicles to be built, and then you will take care of
9 the sales after that.

10 3449 MR. SCHREIBER: Based on Canada's
11 enormous peacekeeping expertise. They were number one
12 in the world.

13 3450 MR. WOLSON: But you are asking for
14 something.

15 3451 MR. SCHREIBER: Yes.

16 3452 MR. WOLSON: You say:
17 "You must understand that I
18 cannot proceed, as agreed with
19 the Prime Minister,..."

20 3453 -- you put his name in there:
21 "...to organize the necessary
22 funding, nor can a draft
23 contract be proposed until you
24 and I have reached an agreement
25 through a Memorandum of

1 Understanding." (As read)

2 3454 MR. SCHREIBER: Yes.

3 3455 MR. WOLSON: Was there to be a

4 success fee if a Memorandum of Understanding was

5 signed?

6 3456 MR. SCHREIBER: No.

7 3457 MR. WOLSON: That was just another

8 commitment that you wanted.

9 3458 MR. SCHREIBER: Yes, to fulfill No.

10 1.

11 3459 MR. WOLSON: So it looked like Bear

12 Head was going from Nova Scotia, the Strait of Canso,

13 to Trenton, Nova Scotia, and now to Quebec, Montreal --

14 Montreal, Quebec.

15 3460 MR. SCHREIBER: Yes, sir.

16 3461 MR. WOLSON: At Tab 85 -- if you

17 would turn up Tab 85, please --

18 3462 MR. SCHREIBER: Yes.

19 3463 MR. WOLSON: Tab 85 is a letter from

20 Benoît Bouchard.

21 3464 MR. SCHREIBER: Yes.

22 --- Laughter / Rires

23 3465 MR. WOLSON: You find that amusing?

24 3466 MR. SCHREIBER: Yeah.

25 3467 MR. WOLSON: Okay.

1 3468 MR. SCHREIBER: When I see all you
2 have lined up, how we were kicked around from one place
3 to the other one, I can't believe it any more.

4 3469 MR. WOLSON: You didn't remember
5 that?

6 3470 MR. SCHREIBER: No, it came all back
7 now to me --

8 3471 MR. WOLSON: I see.

9 3472 MR. SCHREIBER: -- the way you
10 described it, and I am wondering how you put it all
11 together from all of these documents.

12 3473 Unbelievable.

13 3474 MR. WOLSON: Are we ready to go on
14 this document?

15 3475 MR. SCHREIBER: Yes.

16 3476 MR. WOLSON: Benoît Bouchard sends
17 you a letter -- now, he is the minister for the Federal
18 Office of Regional Development for Quebec.

19 3477 MR. SCHREIBER: Yes.

20 3478 MR. WOLSON: The first paragraph:
21 "This refers to our previous
22 meeting and to subsequent
23 representations made to
24 officials of the Federal Office
25 of Regional Development

1 concerning your proposal for the
2 establishment of a new
3 heavy-industrial manufacturing
4 activity in North America, and,
5 more specifically, in the
6 Montreal area." (As read)

7 3479 MR. SCHREIBER: Correct, sir.

8 3480 MR. WOLSON: You call it "your
9 proposal", meaning Mr. Bouchard's proposal; right?

10 3481 That's what you say in paragraph 1.

11 3482 It has now changed from your proposal
12 to his?

13 3483 MR. SCHREIBER: Yeah.

14 3484 MR. WOLSON: I see.

15 3485 Paragraph 2:

16 "It is noted that you have
17 identified export market
18 opportunities in the field of
19 light-armoured vehicles for
20 peacekeeping missions, and that
21 you also intend to use the
22 Canadian base of operation to
23 develop activities in an
24 extensive range of
25 heavy-industrial technologies."

1 (As read)

2 3486 MR. SCHREIBER: Correct, sir.

3 3487 MR. WOLSON: Peacekeeping means

4 international.

5 3488 MR. SCHREIBER: Yes.

6 3489 MR. WOLSON: Fortunately, we don't

7 need them in Canada. So it's for the international

8 market that we are talking about.

9 3490 MR. SCHREIBER: Well, it's the same

10 equipment that you would need for the Canadian Forces,

11 as well.

12 3491 MR. WOLSON: Yeah.

13 3492 MR. SCHREIBER: There would be no

14 difference.

15 3493 MR. WOLSON: But it's for not just

16 Canadian Forces and peacekeeping, it's for NATO

17 countries.

18 3494 MR. SCHREIBER: Yes, absolutely.

19 3495 MR. WOLSON: All you would have to do

20 was get the NATO countries interested.

21 3496 MR. SCHREIBER: Yes.

22 3497 MR. WOLSON: And because you felt

23 that the product was a superior product, you felt that

24 the product would sell itself.

25 3498 MR. SCHREIBER: Yes, especially under

1 the Maple Leaf.

2 3499 MR. WOLSON: Under the Maple Leaf of
3 Canada.

4 3500 You would go around, as a matter of
5 fact, with a piece of equipment -- a piece of metal
6 from the present vehicles that the Army had --

7 3501 MR. SCHREIBER: Yes.

8 3502 MR. WOLSON: -- and you would show
9 various ministers, even the Prime Minister, how a
10 bullet could pierce the metal that was on the --

11 3503 MR. SCHREIBER: -- M113.

12 3504 MR. WOLSON: The M13, the vehicles
13 that the Army had.

14 3505 MR. SCHREIBER: Yes.

15 3506 MR. WOLSON: You would actually walk
16 around with that in your briefcase.

17 3507 MR. SCHREIBER: Yes.

18 3508 I was scared, because you could take
19 with the Kalashnikovs the heads of 13 Canadian
20 soldiers.

21 3509 I know what war is, sir. Many people
22 don't know.

23 3510 MR. WOLSON: All right, but I want to
24 bring you back here.

25 3511 MR. SCHREIBER: Okay.

1 3512 MR. WOLSON: Okay?

2 3513 MR. SCHREIBER: I apologize. You
3 know that I am deeply hurt when I see it in use every
4 day, dying people because of this.

5 3514 MR. WOLSON: You also stood to make a
6 lot of money out of this, if it would have happened.

7 3515 MR. SCHREIBER: But, sir, I have made
8 so much money before, and in other projects, whether I
9 would have had this project or not, I was wealthy. I
10 had a wonderful life, and it was completely ruined
11 through these Canadian events.

12 3516 MR. WOLSON: How much money did you
13 stand to make if Bear Head went ahead?

14 3517 MR. SCHREIBER: If Bear Head would
15 have went ahead?

16 3518 MR. WOLSON: Yes.

17 3519 MR. SCHREIBER: Well, you see, the
18 whole project was designed, at the beginning, with the
19 understanding from Mr. Strauss, to get a peacekeeper.
20 Germany had no peacekeeping.

21 3520 MR. WOLSON: Give me a number. How
22 much money would you --

23 3521 MR. SCHREIBER: A peacekeeper --

24 3522 It could have gone up -- if we would
25 have replaced worldwide the M113, it would have been a

1 project in the neighbourhood of \$360 billion.

2 3523 MR. WOLSON: Three hundred and sixty
3 billion?

4 3524 MR. SCHREIBER: Yes, and I would have
5 received out of this at least \$1.8 billion.

6 3525 MR. WOLSON: One-point-eight billion.

7 3526 MR. SCHREIBER: Yes.

8 3527 MR. WOLSON: Okay. That's a healthy
9 piece of change.

10 3528 MR. SCHREIBER: Yes, and you can read
11 it in the contract that I have --

12 3529 MR. WOLSON: Yeah. One-point-eight
13 billion you stood to make.

14 3530 MR. SCHREIBER: Yes, if I could
15 manage to get the world market.

16 3531 MR. WOLSON: Sure.

17 3532 MR. SCHREIBER: I mean, let's be
18 sure, you don't get this in total, but even if it is 10
19 percent, I think it's a pretty healthy income.

20 3533 MR. WOLSON: Yes.

21 3534 It is ten after -- seven after 12. I
22 need some direction, Mr. Commissioner, as to whether we
23 break now, or go on some more.

24 3535 I have more work to do on the Bear
25 Head Project before I get into some other areas with

1 Mr. Schreiber, but it is just shy of ten after 12.

2 3536 COMMISSIONER OLIPHANT: If this is a
3 convenient spot at which to take the noon break, I
4 think we will do that.

5 3537 What time do you suggest we return?

6 3538 MR. WOLSON: I was going to suggest
7 two o'clock.

8 3539 COMMISSIONER OLIPHANT: All right.
9 We will recess, then, for lunch at 12:07, and we will
10 be back this afternoon at 2:00 p.m.

11 3540 MR. WOLSON: I think that when a
12 witness tells you that he could make a billion dollars,
13 it's probably time to break.

14 --- Laughter / Rires

15 --- Upon recessing at 12:07 p.m. / Suspension à 12 h 07

16 --- Upon resuming at 2:00 p.m. / Reprise à 14 h 00

17 3541 COMMISSIONER OLIPHANT: Good
18 afternoon.

19 3542 Be seated, please.

20 3543 Mr. Wolson...?

21 3544 MR. WOLSON: Mr. Schreiber, good
22 afternoon.

23 3545 MR. SCHREIBER: Good afternoon.

24 3546 MR. WOLSON: Just before we go on to
25 a few more Bear Head documents, you would agree with me

1 that this Bear Head Project was an evolving process.
2 It kept changing to meet the times.

3 3547 MR. SCHREIBER: Yes. That was not
4 foreseeable at the beginning, because everything was
5 clear in Nova Scotia. Later on the government had all
6 kinds of different --

7 3548 MR. WOLSON: Yes. You started off
8 with a proposal that the government buy 250 or so
9 vehicles, and it would be in the Strait of Canso.

10 3549 MR. SCHREIBER: Yes.

11 3550 MR. WOLSON: You moved to Trenton --

12 3551 MR. SCHREIBER: Yes.

13 3552 MR. WOLSON: -- and when you moved to
14 Montreal, it became more of an R&D -- research and
15 development project --

16 3553 MR. SCHREIBER: Yes.

17 3554 MR. WOLSON: -- without obligations
18 to the government to buy 250 vehicles.

19 3555 MR. SCHREIBER: Yes.

20 3556 MR. WOLSON: So it changed over the
21 passage of time.

22 3557 MR. SCHREIBER: Yes.

23 3558 MR. WOLSON: I want to ask you -- we
24 were at a document, just to refresh your memory, which
25 would be Tab 85, and in that document --

1 3559 MR. SCHREIBER: In Binder No. 1?
2 3560 MR. WOLSON: In Binder No. --
3 3561 Just let me back up for one moment.
4 --- Pause
5 3562 MR. WOLSON: Back up to Tab 80, if
6 you would, please.
7 3563 MR. SCHREIBER: In which binder, sir?
8 3564 MR. WOLSON: Binder 1, I'm sorry.
9 3565 Book 1.
10 3566 MR. SCHREIBER: Tab A?
11 3567 MR. WOLSON: Tab 80, eight-zero.
12 3568 We have covered this document --
13 3569 MR. SCHREIBER: Yes.
14 3570 MR. WOLSON: -- but I want to raise
15 it for just a moment. It is May 13th, '92, and on page
16 2, in the second-last paragraph, you ask for a
17 Memorandum of Understanding.
18 3571 MR. SCHREIBER: Yes.
19 3572 MR. WOLSON: And that is not the
20 first time you had asked for that. You had asked for
21 it back at Tab 59.
22 3573 MR. SCHREIBER: Yes.
23 3574 MR. WOLSON: If you would just turn
24 up Tab 59 for a moment --
25 3575 MR. SCHREIBER: Yes, sir.

1 3576 MR. WOLSON: -- this is a letter that
2 you wrote to the Prime Minister -- Prime Minister
3 Mulroney --

4 3577 MR. SCHREIBER: Yes.

5 3578 MR. WOLSON: -- and it's October 10
6 of 1990.

7 3579 MR. SCHREIBER: Yes.

8 3580 MR. WOLSON: At page 2, in the
9 second-last paragraph, you ask for the signing of an
10 MOU, a Memorandum of Understanding.

11 3581 MR. SCHREIBER: Yes.

12 3582 MR. WOLSON: Why did you need that?

13 3583 MR. SCHREIBER: The situation had
14 changed, and other partners became involved. When we
15 looked at Trenton Works --

16 3584 MR. WOLSON: Yes.

17 3585 MR. SCHREIBER: -- that would include
18 Lavalin.

19 3586 MR. WOLSON: Yes.

20 3587 MR. SCHREIBER: It would probably
21 include other companies from Germany, which were also
22 interested to participate --

23 3588 MR. WOLSON: Yes.

24 3589 MR. SCHREIBER: -- like
25 Krauss-Maffay.

1 3590 So it became, more or less, a new
2 setup, and the details had to be in accordance with the
3 requests of the partners.

4 3591 MR. WOLSON: And it wouldn't
5 result -- you said earlier today that there wouldn't be
6 more commission money for you.

7 3592 MR. SCHREIBER: No.

8 3593 MR. WOLSON: No, it had nothing to do
9 with commissions.

10 3594 MR. SCHREIBER: No.

11 3595 MR. WOLSON: It had to do with
12 satisfying new partners.

13 3596 MR. SCHREIBER: Yes.

14 3597 MR. WOLSON: Then, I want to ask you
15 this question before I take you to some more documents.

16 3598 You said this morning that the
17 signing of the UIP -- the Understanding in Principle,
18 which happened in September of 1988 -- you said that
19 Fred Doucet was responsible to get Perrin Beatty to
20 sign.

21 3599 MR. SCHREIBER: Yes.

22 3600 MR. WOLSON: And you said that he was
23 acting on behalf of Brian Mulroney.

24 3601 MR. SCHREIBER: Brian Mulroney wanted
25 the project done, and everybody knew, and Fred Doucet

1 shows up -- he never showed up, without the backing
2 from Prime Minister Mulroney, asking for anything.

3 3602 MR. WOLSON: Did Brian Mulroney tell
4 you that Fred Doucet was going to achieve this result?

5 3603 MR. SCHREIBER: No, Frank Moores told
6 me.

7 3604 MR. WOLSON: Frank Moores.

8 3605 MR. SCHREIBER: Yeah.

9 3606 MR. WOLSON: Who has passed away.

10 3607 MR. SCHREIBER: Yeah.

11 3608 MR. WOLSON: I see.

12 3609 Fred Doucet never told you?

13 3610 MR. SCHREIBER: No, it was -- he had
14 to get the signature. That was the discussion. There
15 was not more to be discussed.

16 3611 MR. WOLSON: Okay. I want to take
17 you next to Tab 89.

18 3612 If you would turn up Tab 89 in Book
19 1, please?

20 3613 MR. SCHREIBER: Yeah.

21 3614 MR. WOLSON: This morning I suggested
22 to you that you are a very persistent man.

23 3615 MR. SCHREIBER: Yes.

24 3616 MR. WOLSON: If you think that
25 something is not right, you will stand up and say so.

1 3617 MR. SCHREIBER: Yes.

2 3618 MR. WOLSON: You are writing to the
3 Prime Minister on March 16th, `93 -- Tab 89, Book 1 --
4 and, first of all, you say to him:

5 "For more than 13 years I have
6 had the privilege to call you my
7 friend, and all of those years
8 you always gave me the feeling
9 of confidence that I could count
10 on you, as you know you could
11 with me." (As read)

12 3619 MR. SCHREIBER: Yes.

13 3620 MR. WOLSON: March 16th, `93 was
14 after Mr. Mulroney had indicated, publicly, that he was
15 going to retire from public life.

16 3621 Are you aware of that?

17 3622 MR. SCHREIBER: I think so.

18 3623 MR. WOLSON: Then you tell him, at
19 the bottom of page 1 of the letter:

20 "If it is your understanding
21 that Kim Campbell is the best
22 choice to be the next Prime
23 Minister for Canada, with the
24 capability to solve the enormous
25 problems of this country, then

1 it is my opinion that she should
2 resign as Minister of Defence as
3 soon as possible." (As read)

4 3624 MR. SCHREIBER: Yes.

5 3625 MR. WOLSON: Did he ask you for that
6 opinion?

7 3626 MR. SCHREIBER: No.

8 3627 MR. WOLSON: Did you have the kind of
9 friendship with Mr. Mulroney that you could tell him
10 things like this?

11 3628 MR. SCHREIBER: Absolutely. We were
12 always straightforward.

13 3629 I run not around with filters, as you
14 know.

15 3630 MR. WOLSON: Pardon me?

16 3631 MR. SCHREIBER: You know that I'm not
17 running around with filters.

18 3632 MR. WOLSON: Okay. You go on to
19 share your views with him, on the second page, about
20 the state of the Army.

21 3633 MR. SCHREIBER: Yes.

22 3634 MR. WOLSON: You tell him on page 3,
23 in the middle of the page, on April 7th, '92, that the
24 Department of National Defence, in a news release --
25 "We learned that GM, Diesel

1 Division, was selected as the
2 sole source for 229
3 light-armoured vehicles,
4 enhanced for a reconnaissance
5 role." (As read)

6 3635 You tell him that because you were
7 kind of angry at that.

8 3636 MR. SCHREIBER: Yes.

9 3637 MR. WOLSON: "Sole source" means that
10 you never got a chance to bid --

11 3638 MR. SCHREIBER: Yeah.

12 3639 MR. WOLSON: -- Thyssen never got a
13 chance to bid for these vehicles.

14 3640 MR. SCHREIBER: Yes.

15 3641 MR. WOLSON: And you say at the
16 bottom of the page:
17 "With this situation, I cannot
18 comprehend why Canadian DND..."

19 3642 Are you with me, sir?

20 3643 MR. SCHREIBER: Yes.

21 3644 MR. WOLSON:
22 "...why Canadian DND will not
23 accept the loan..."

24 3645 MR. SCHREIBER: Yes.

25 3646 MR. WOLSON:

1 "...of appropriately protected
2 equipment from their German
3 ally, especially when, at
4 present, the German forces
5 cannot participate in
6 peacekeeping missions in
7 Yugoslavia." (As read)

8 3647 MR. SCHREIBER: Yes.

9 3648 MR. WOLSON: So you want to see if
10 Canada can get a loan from Germany --

11 3649 MR. SCHREIBER: Yes.

12 3650 MR. WOLSON: -- of vehicles.

13 3651 MR. SCHREIBER: Yes.

14 3652 MR. WOLSON: Were they Thyssen
15 vehicles in Germany?

16 3653 MR. SCHREIBER: Could have been; some
17 vehicles could have been other vehicles.

18 3654 It was very common. The Germans also
19 provided vehicles to the Americans and to others, and
20 we had the situation at that time that the people in
21 Yugoslavia were killed in the vehicles that they had
22 there, and one -- I recall one article on vintage
23 vehicles, when the Canadian soldiers claimed in public
24 that the bullets go through like through butter.

25 3655 And I recommended, if you don't have

1 the money and you cannot afford to equip your soldiers
2 properly in Yugoslavia, then I am prepared to help you
3 to get equipment from Germany. For constitutional
4 purposes they cannot participate, but I can arrange
5 that you get the equipment.

6 3656 MR. WOLSON: You had that kind of
7 power in Germany?

8 3657 MR. SCHREIBER: Yes, I had that kind
9 of power.

10 3658 MR. WOLSON: Okay. I want to take
11 you to Tab 93.

12 3659 MR. SCHREIBER: Yes?

13 3660 MR. WOLSON: Tab 93 is a proposal
14 from Thyssen.

15 3661 Do you see that?

16 3662 MR. SCHREIBER: Yes.

17 3663 MR. WOLSON: The date at the bottom
18 is August 26, 1993.

19 3664 MR. SCHREIBER: Yes.

20 3665 MR. WOLSON: That date is the date --
21 we will see a document in a minute -- that date is the
22 date where you meet with Ministers Corbeil and Charest,
23 in the Province of Quebec.

24 3666 We will come to that, but --

25 3667 MR. SCHREIBER: It could be, yeah.

1 3668 MR. WOLSON: Let me review this
2 document with you, because it's an important document.
3 3669 It starts off with "Proposal".
4 3670 Do you see that?
5 3671 MR. SCHREIBER: Yes.
6 3672 MR. WOLSON: And it talks about:
7 Upon securing support of the Canadian government for
8 the complete R&D phase, Thyssen will establish a
9 Canadian prototype development facility by the
10 placement of world production mandate for the TH-495 --
11 3673 MR. SCHREIBER: Yes.
12 3674 MR. WOLSON: -- for the full range of
13 vehicle variance, which are developed with Canada
14 prototype development support.
15 3675 MR. SCHREIBER: Yes.
16 3676 MR. WOLSON: "The resulting export
17 sales and advanced technology jobs will be of
18 significant benefit to Canada."
19 3677 MR. SCHREIBER: Yes.
20 3678 MR. WOLSON: And then you -- Thyssen
21 sets out what the market is.
22 3679 MR. SCHREIBER: Yes.
23 3680 MR. WOLSON: The target market for
24 the TH-495 is international exports --
25 3681 MR. SCHREIBER: Yes.

1 3682 MR. WOLSON: -- to NATO and
2 NATO-friendly countries --

3 3683 MR. SCHREIBER: Yes.

4 3684 MR. WOLSON: -- where there is a
5 pending demand for some 15,000 vehicles in the MBAV
6 category.

7 3685 MR. SCHREIBER: Yes.

8 3686 MR. WOLSON: And:
9 "NATO's study on the MBAV
10 concept and requirement, which
11 is due for release this autumn,
12 confirms the company's approach
13 to the critical area of vehicle
14 design requirements." (As read)

15 3687 MR. SCHREIBER: Yes.

16 3688 MR. WOLSON:
17 "Thyssen meets or exceeds the
18 preferred NATO MBAV design in
19 every important category, and is
20 the only vehicle existing in
21 NATO countries to do so." (As
22 read)

23 3689 MR. SCHREIBER: Yes, sir.

24 3690 MR. WOLSON: So it is pretty clear
25 where Thyssen was going with this product.

1 3691 MR. SCHREIBER: Yes.

2 3692 MR. WOLSON: If you turn over to Tab
3 95, this is the meeting that I referred you to. It's a
4 memo of a meeting of August 26, 1993. Present at the
5 meeting were Ministers Charest and Corbeil, you and
6 Fred Doucet.

7 3693 Do you see that?

8 3694 MR. SCHREIBER: Yes.

9 3695 MR. WOLSON: And they summarize --
10 this person summarizes what occurred at that meeting.

11 3696 Bullet 1: "Thyssen will not provide
12 a business plan."

13 3697 Do you see that?

14 3698 MR. SCHREIBER: Yes.

15 3699 MR. WOLSON: Bullet 2: "DND, it
16 seems, has indicated a preference for Thyssen
17 vehicles."

18 3700 What you said earlier today; right?

19 3701 MR. SCHREIBER: M'hmm.

20 3702 MR. WOLSON:
21 "Former Minister of National
22 Defence, Marcel Masse, has
23 agreed to test, certify and
24 assist marketing the Thyssen
25 vehicle." (As read)

1 3703 MR. SCHREIBER: Yes.

2 3704 MR. WOLSON: And:

3 "Thyssen requires an immediate

4 decision."

5 3705 MR. SCHREIBER: Yes.

6 3706 MR. WOLSON: If you turn the page, to

7 page 2 --

8 3707 MR. SCHREIBER: Yes.

9 3708 MR. WOLSON: This was discussed at

10 the meeting: the Thyssen vehicle is the chosen vehicle

11 for NATO-member countries for peacekeeping.

12 3709 MR. SCHREIBER: Yes.

13 3710 MR. WOLSON: NATO countries have an

14 immediate requirement for 2,000 units.

15 3711 MR. SCHREIBER: Yes.

16 3712 MR. WOLSON: NATO countries have an

17 overall requirement for 15,000 units.

18 3713 MR. SCHREIBER: Yes.

19 3714 MR. WOLSON: And worldwide

20 replacement of existing inventories -- 100,000 units.

21 3715 MR. SCHREIBER: Yes, sir.

22 3716 MR. WOLSON: So that, worldwide, you

23 had the potential to sell 100,000 units on an

24 international basis.

25 3717 MR. SCHREIBER: Yes.

1 3718 MR. WOLSON: If we just go back to
2 page 1 for a second, the last bullet:
3 "Civil servants not to be
4 involved. Ministers make
5 decision in total absence of
6 business plan and civil service
7 input." (As read)

8 3719 MR. SCHREIBER: Yes.

9 3720 MR. WOLSON: You didn't want to deal
10 with the civil service.

11 3721 MR. SCHREIBER: Any more.

12 3722 MR. WOLSON: Yes. So it was pretty
13 clear that there was a huge international market
14 available.

15 3723 MR. SCHREIBER: Yes, and this is why
16 Thyssen was ready to invest on its own --

17 3724 MR. WOLSON: Sure.

18 3725 MR. SCHREIBER: -- and take the risk
19 on its own.

20 3726 MR. WOLSON: And then if you turn the
21 page, to page -- the next page, this is the last part
22 of the DND Minister's briefing.

23 "With respect to NATO's plans
24 for a peacekeeping vehicle..."

25 3727 It's the last paragraph:

1 "... the DND informs us that
2 although NATO member countries
3 have discussed possible
4 requirements for 12,000 units,
5 that is in no way binding.
6 Also, there are no guarantees
7 that the Thyssen vehicle would
8 be chosen nor is it known when
9 the procurement would commence."
10 (As read)

11 3728 Do you see all that?
12 3729 MR. SCHREIBER: I know it's another
13 page here.
14 3730 MR. WOLSON: That would be the last
15 page of 95.
16 3731 MR. SCHREIBER: Yes.
17 3732 MR. WOLSON: And then if you turn to
18 99, Tab 99 --
19 3733 MR. SCHREIBER: Yes.
20 3734 MR. WOLSON: -- this is a document,
21 you will see it is a memo from Greg Alford.
22 3735 Do you know who Greg Alford was?
23 3736 MR. SCHREIBER: Yes.
24 3737 MR. WOLSON: He was Vice-President of
25 Bear Head.

1 3738 MR. SCHREIBER: Yes.

2 3739 MR. WOLSON: He would be involved
3 with Bear Head intimately?

4 3740 MR. SCHREIBER: Yes.

5 3741 MR. WOLSON: He sends a memo to you,
6 to a Mr. Sonneck, to Marc Lalonde and Jack Vance.

7 3742 MR. SCHREIBER: Yes.

8 3743 MR. WOLSON: This is 1994 -- June 13,
9 '94.

10 3744 MR. SCHREIBER: Yes.

11 3745 MR. WOLSON: Mr. Mulroney is no
12 longer Prime Minister.

13 3746 MR. SCHREIBER: Yes.

14 3747 MR. WOLSON: The Conservatives have
15 lost. Yes...?

16 3748 MR. SCHREIBER: Yes.

17 3749 MR. WOLSON: The Liberals are in
18 power.

19 3750 MR. SCHREIBER: Yes.

20 3751 MR. WOLSON: Conservatives took a
21 beating in the election.

22 3752 MR. SCHREIBER: Yes.

23 3753 MR. WOLSON: Mr. Mulroney, in terms
24 of being able to lobby for Thyssen in Canada, couldn't
25 do it any more. If he could ever do it, he certainly

1 couldn't do it after the election.

2 3754 MR. SCHREIBER: Not officially and
3 publicly on the federal level, yes.

4 3755 MR. WOLSON: Yes. And you had
5 retained -- for purposes of helping you, you had
6 retained Marc Lalonde --

7 3756 MR. SCHREIBER: Yes.

8 3757 MR. WOLSON: -- a well-known former
9 Liberal minister.

10 3758 MR. SCHREIBER: Yes.

11 3759 MR. WOLSON: Who would have had
12 better access to the Liberal party --

13 3760 MR. SCHREIBER: Yes.

14 3761 MR. WOLSON: -- than some of your
15 former Conservative lobbyists.

16 3762 MR. SCHREIBER: Correct, sir.

17 3763 MR. WOLSON: Yes. This is a pretty
18 lengthy memo which talks about Thyssen's plan for the
19 international markets and talks about NATO and non-NATO
20 countries.

21 3764 But let me take you to the end where
22 there are a couple of charts.

23 3765 Chart A is the specified NATO market.
24 Are you there?

25 3766 MR. SCHREIBER: Yes.

1 3767 MR. WOLSON: And it talks about
2 various countries, Germany, Norway, Turkey --
3 3768 MR. SCHREIBER: Yes.
4 3769 MR. WOLSON: -- United States.
5 3770 MR. SCHREIBER: Yes.
6 3771 MR. WOLSON: In particular in the
7 United States there was a big market, wasn't there?
8 3772 MR. SCHREIBER: Yes.
9 3773 MR. WOLSON: So that would have been
10 an important market for there to be some kind of
11 movement by Thyssen?
12 3774 MR. SCHREIBER: Especially when you
13 look at the Canadian-American Defence Production
14 Sharing Agreement.
15 3775 MR. WOLSON: Yes.
16 3776 MR. SCHREIBER: Which had been the
17 first time that Canada would have a product, a type,
18 not only spare parts.
19 3777 MR. WOLSON: So that was an important
20 country for you to have relations with in terms of
21 sales?
22 3778 MR. SCHREIBER: Absolutely.
23 3779 MR. WOLSON: Yes.
24 3780 MR. SCHREIBER: We had already a
25 Corporation with General Dynamics.

1 3781 MR. WOLSON: All right. And then
2 look at B, unspecified market, the next page. Several
3 countries, including Belgium, Canada, Denmark, France.
4 3782 MR. SCHREIBER: Yes.
5 3783 MR. WOLSON: There was a pretty good
6 market available in France.
7 3784 MR. SCHREIBER: Yes.
8 3785 MR. WOLSON: Greece, Italy,
9 Netherlands, Portugal, Spain and the U.K.
10 3786 MR. SCHREIBER: Yes.
11 3787 MR. WOLSON: And then there was
12 specified non-NATO countries.
13 3788 MR. SCHREIBER: Yes.
14 3789 MR. WOLSON: Switzerland,
15 Venezuela -- what's the next one, do you know?
16 3790 MR. SCHREIBER: Indonesia.
17 3791 MR. WOLSON: Indonesia, Saudi
18 Arabia --
19 3792 MR. SCHREIBER: Yes.
20 3793 MR. WOLSON: -- Malaysia, Thailand,
21 Singapore, Hungary.
22 3794 MR. SCHREIBER: Yes.
23 3795 MR. WOLSON: And a fourth map, or a
24 fourth chart, unspecified NATO markets, including Iran,
25 Israel, Libya and a host of other countries.

1 3796 MR. SCHREIBER: Yes.

2 3797 MR. WOLSON: Nowhere in there is
3 there Russia?

4 3798 MR. SCHREIBER: Yes.

5 3799 MR. WOLSON: China?

6 3800 MR. SCHREIBER: No.

7 3801 MR. WOLSON: No.

8 3802 MR. SCHREIBER: No communist
9 countries.

10 3803 MR. WOLSON: But certainly France and
11 the United States?

12 3804 MR. SCHREIBER: Yes.

13 3805 MR. WOLSON: I want to take you next
14 to Tab 101.

15 3806 MR. SCHREIBER: Which one?

16 3807 MR. WOLSON: Tab 101.

17 3808 MR. SCHREIBER: Tab 101, yes.

18 3809 MR. WOLSON: This is a memo, December
19 1, 1994. Do you see that?

20 3810 MR. SCHREIBER: Yes.

21 3811 MR. WOLSON: It is from Greg Alford
22 to Mr. Massmann, you, Mr. Lalonde and Mr. Vance.

23 3812 MR. SCHREIBER: Yes.

24 3813 MR. WOLSON: And in it is a white
25 paper release and letter.

1 3814 MR. SCHREIBER: Yes.

2 3815 MR. WOLSON: Do you see that?

3 3816 MR. SCHREIBER: Yes.

4 3817 MR. WOLSON: That came to you about a
5 week prior to the third meeting you had with
6 Mr. Mulroney on the 8th of December 1994. This came on
7 December 1, '94.

8 3818 Do you see that?

9 3819 MR. SCHREIBER: Yes.

10 3820 MR. WOLSON: It doesn't go to
11 Mr. Doucet.

12 3821 MR. SCHREIBER: That's right, yes.

13 3822 MR. WOLSON: Did you ask Mr. Alford
14 to send a copy of this memo and attached white paper to
15 Mr. Doucet?

16 3823 MR. SCHREIBER: No. On top of this,
17 this memo was not done by me. It was done by Thyssen
18 in Germany from Mr. Massmann and then sent to
19 Mr. Alford to prepare it.

20 3824 MR. WOLSON: Oh, I understand that,
21 but it was sent from Alford to you.

22 3825 MR. SCHREIBER: Yes.

23 3826 MR. WOLSON: Was Fred Doucet still
24 working for you at that time?

25 3827 That would be December of '94. The

1 Liberals have been in power for some months. Was
2 Mr. Doucet still lobbying for Bear Head for you?

3 3828 MR. SCHREIBER: Yes, I think there
4 was still a relationship with Bear Head. I have heard
5 nothing different.

6 3829 I say this, sir, because in '94 I was
7 not very often in Canada, though this business is done
8 here mainly from Mr. Alford and Mr. Massmann.

9 3830 MR. WOLSON: Mr. Alford I expect will
10 testify at this hearing and will say that from his
11 knowledge Mr. Mulroney was not lobbying nationally at
12 any time for Bear Head.

13 3831 Do you know that he is going to say
14 that?

15 3832 MR. SCHREIBER: He has said this
16 before. He said he didn't know.

17 3833 MR. WOLSON: Yes.

18 3834 MR. SCHREIBER: That's correct.

19 3835 MR. WOLSON: I see. And wouldn't you
20 expect if he were lobbying in Canada and you had
21 Mr. Lalonde lobbying in Canada that somebody would have
22 known that Mr. Mulroney was lobbying? Either
23 Mr. Lalonde would have seen it in his travels or Alford
24 in his? He is the Vice-President of Bear Head.

25 3836 MR. SCHREIBER: No, I don't think so.

1 3837 MR. WOLSON: You don't think so?

2 3838 MR. SCHREIBER: No.

3 3839 MR. WOLSON: So those two people who
4 are intimately involved with lobbying and working for
5 Bear Head wouldn't know?

6 3840 MR. SCHREIBER: No. They would not
7 know in '94 --

8 3841 MR. WOLSON: I see.

9 3842 MR. SCHREIBER: -- shortly after the
10 new government came into place that the previous Prime
11 Minister would lobby for the project. That would have
12 been destructive.

13 3843 MR. WOLSON: I see.

14 --- Pause

15 3844 MR. SCHREIBER: As I told you
16 earlier, I should add that officially on the federal
17 level.

18 3845 MR. WOLSON: Just one moment, please.

19 --- Pause

20 3846 MR. WOLSON: By the way, when we talk
21 of that meeting with Ministers Corbeil and Charest on
22 August 26, the very next day you met with Mr. Mulroney
23 and gave him money.

24 3847 MR. SCHREIBER: Yes.

25 3848 MR. WOLSON: Was it just a

1 coincidence that you had met Corbeil and Charest on the
2 26th of August and on the 27th of August you are at
3 Mirabel giving the former Prime Minister money?

4 3849 MR. SCHREIBER: No. The meeting with
5 Mr. Corbeil -- and this was all in the hands, as I said
6 to you -- from '94 and for Mr. Massmann and Mr. Alford,
7 and I was there only by accident and I attended that
8 meeting.

9 3850 Then the next day I went to Mirabel
10 because I was on my way home.

11 3851 MR. WOLSON: Okay. There's just too
12 more documents that I want to show you on Bear Head.

13 3852 One is Document 104. That should be
14 the last document in the book.

15 3853 MR. SCHREIBER: Yes.

16 3854 MR. WOLSON: And that is a letter
17 that you sent to Allan MacEachen.

18 3855 MR. SCHREIBER: Yes.

19 3856 MR. WOLSON: And Allan MacEachen was
20 a Liberal?

21 3857 MR. SCHREIBER: Yes.

22 3858 MR. WOLSON: You sent this to the
23 Senate?

24 3859 MR. SCHREIBER: Yes.

25 3860 MR. WOLSON: And in this letter, at

1 page 2, you more or less go over the history of Bear
2 Head with him.

3 3861 MR. SCHREIBER: Yes.

4 3862 MR. WOLSON: At the top of page 2 you
5 say:

6 "One year ago December 15th I
7 met with you at your office and
8 expressed great concern for the
9 deficient equipment of the
10 Canadian Army in their
11 peacekeeping assignments."

12 3863 MR. SCHREIBER: Yes.

13 3864 MR. WOLSON: And you go on about that
14 for a while.

15 3865 MR. SCHREIBER: Yes.

16 3866 MR. WOLSON: And then at page 4, you
17 say at page 4 -- you are sort of changing horses here.

18 3867 You say at page 4, second paragraph:

19 "Thyssen Bear Head's lawyer,
20 Marc Lalonde, has also expressed
21 his amazement at the
22 inconsistent procurement
23 practice of the Progressive
24 Conservative Government over the
25 years. Together I think we have

1 all been surprised by the
2 extraordinary contradictions of
3 policy that the previous
4 Government has made."

5 3868 MR. SCHREIBER: Yes.

6 3869 MR. WOLSON: So while the
7 Conservatives were in power, you were a friend of the
8 government.

9 3870 MR. SCHREIBER: Yes.

10 3871 MR. WOLSON: You were lobbying, you
11 were trying to get them to agree to your Bear Head
12 Project.

13 3872 MR. SCHREIBER: Yes.

14 3873 MR. WOLSON: They are now out of
15 power and you are critical of them and you are telling
16 MacEachen.

17 3874 MR. SCHREIBER: Well, when you have
18 for eight years nothing than promises and nothing
19 happens, what do you do?

20 3875 MR. WOLSON: Then at the bottom of
21 the page you say:

22 "On December 14, 1993, Thyssen
23 Bear Head submitted a detailed
24 export market analysis for the
25 Thyssen TH495 light armored

1 vehicle to a Government
2 committee led by Industry Canada
3 and including representatives
4 from National Defence and
5 Foreign Affairs and
6 International Trade. That
7 committee and then carried out
8 an independent analysis of the
9 export market described for
10 TH495. The Company's market
11 analysis estimates the total
12 market of..."

13 3876 We were at 15,000 before, but now you
14 say:

15 "... 35,000 units, with a market
16 share for TH495 of approximately
17 20%..."

18 3877 Do you see that?

19 3878 MR. SCHREIBER: Yes.

20 3879 MR. WOLSON: And you go in at
21 paragraph 3 of the same page, page 5, talking about the
22 NATO and non-NATO markets, really going forward from
23 those four charts we looked at a few minutes ago;
24 right?

25 3880 MR. SCHREIBER: Yes.

1 3881 MR. WOLSON: At page 6 you talk about
2 the international markets for NATO.

3 3882 MR. SCHREIBER: Yes.

4 3883 MR. WOLSON: And you set out why you
5 believe there is a huge international export market.

6 3884 MR. SCHREIBER: Yes.

7 3885 MR. WOLSON: And at page 10 you say
8 to Mr. MacEachen, second paragraph:

9 "I do hope that Thyssen will get
10 a fair chance to bid against the
11 ... requirements now planned for
12 the Canadian Army. DND always
13 told Thyssen, that Canadian
14 procurement policy is based on
15 fair competition and that sole
16 sourcing is not the policy of
17 the Canadian Government."

18 3886 MR. SCHREIBER: Yes.

19 3887 MR. WOLSON: But that's not what you
20 experienced?

21 3888 MR. SCHREIBER: Exactly.

22 3889 MR. WOLSON: You say in the next
23 paragraph:

24 "Thyssen projects a market share
25 for TH495 approaching \$10

1 billion over the next 15 to 20
2 years."
3 3890 MR. SCHREIBER: Yes.
4 3891 MR. WOLSON:
5 "This new export business for
6 Canada will create qualified
7 technical jobs for young
8 Canadians..."
9 3892 The last document that I want to show
10 you is Document 114, which is in Book 2.
11 --- Pause
12 3893 MR. SCHREIBER: Yes.
13 3894 MR. WOLSON: This is a letter dated
14 September 26, '95.
15 3895 MR. SCHREIBER: Yes.
16 3896 MR. WOLSON: It's a letter from your
17 lawyer who was lobbying for you, Marc Lalonde.
18 3897 MR. SCHREIBER: Yes.
19 3898 MR. WOLSON: And basically it's a
20 letter -- well, let me read it for you.
21 3899 It is to Mr. Massmann, but
22 nonetheless Massmann was intimately involved with
23 Thyssen; right?
24 3900 MR. SCHREIBER: Yes.
25 3901 MR. WOLSON: Mr. Lalonde is saying:

1 "I am afraid that we are
2 unlikely to meet as frequently
3 as we did in the last couple of
4 years and I regret that the
5 results of all our efforts was
6 not more positive, but it was
7 not because of lack of trying."

8 3902 In other words, Bear Head, September
9 26, 1995 had really come to an end.

10 3903 MR. SCHREIBER: Yes. Especially if
11 you would recognize that then an order was given to
12 General Motors in the neighbourhood of \$2.6 billion
13 sole sourced.

14 3904 MR. WOLSON: Again, GM seemed to win
15 out and Thyssen Bear Head Project really ended?

16 3905 MR. SCHREIBER: Yes.

17 3906 MR. WOLSON: Mr. Commissioner, you
18 will be happy to know that I am finished on this little
19 crash course of the Bear Head Project and will go on to
20 some areas that I think will shed some light on matters
21 at this inquiry.

22 3907 I want to take you to a time,
23 Mr. Schreiber, when Prime Minister Brian Mulroney is
24 about to step down.

25 3908 I think he announced his retirement

1 from public life in and around February of '93 and
2 stayed on of course until some time in June of '93 as
3 Prime Minister and then as an MP until the election and
4 stepped down.

5 3909 You are aware of that?

6 3910 MR. SCHREIBER: Yes.

7 3911 MR. WOLSON: When he was in his final
8 months as Prime Minister, the Conservative government
9 was not held in high esteem in the public polls at
10 least. It looked like they weren't going to win the
11 next election.

12 3912 You agree with that?

13 3913 MR. SCHREIBER: Yes.

14 3914 MR. WOLSON: Bear Head, despite the
15 fact that you had an understanding in principle, Bear
16 Head was not done in '93.

17 3915 MR. SCHREIBER: Yes.

18 3916 MR. WOLSON: Right?

19 3917 MR. SCHREIBER: Yes.

20 3918 MR. WOLSON: It appeared that Nova
21 Scotia was finished in '93, but your chances were in
22 Québec.

23 3919 MR. SCHREIBER: Yes.

24 3920 MR. WOLSON: Because you realized
25 that likely the Liberals were going to win the next

1 election and Mr. Mulroney would not be a very effective
2 ally for you with government, you retained Mr. Lalonde
3 to help you.

4 3921 That's one of the reasons you went to
5 Mr. Lalonde, right, for the Bear Head Project?

6 3922 MR. SCHREIBER: Mr. Lalonde was for
7 quite a while in contact with us.

8 3923 MR. WOLSON: Yes.

9 3924 MR. SCHREIBER: And well, it is easy
10 today, today everybody expected that it would change,
11 but there were also people which believed in a miracle
12 which was when the first time a woman like Ms Campbell
13 will try. Canadians may be in favour of, like Maggie
14 Thatcher was, to find a good woman.

15 3925 MR. WOLSON: Of course. But the
16 reality is, you protected yourself. You had
17 Mr. Lalonde at least employed by you to lobby in case
18 things didn't go the way of a miracle?

19 3926 MR. SCHREIBER: Yes.

20 3927 MR. WOLSON: In the diary of Fred
21 Doucet, which you would find in Book 3 -- we are now
22 going to be on Book 3 for the most part over the next
23 little while.

24 --- Pause

25 3928 MR. WOLSON: Do you have Book 3?

1 3929 MR. SCHREIBER: Yes.

2 3930 MR. WOLSON: You will see in
3 Mr. Doucet's diary, Tab 25 of Book 3, if you would find
4 that, please.

5 3931 MR. SCHREIBER: Yes.

6 3932 MR. WOLSON: If you would look at
7 June 1 --

8 3933 MR. SCHREIBER: Yes...?

9 3934 MR. WOLSON: -- you see in his diary
10 "Schreiber arrives today is here 2, 3, 4."

11 3935 MR. SCHREIBER: Yes.

12 3936 MR. WOLSON: That's June 1, 1993?

13 3937 MR. SCHREIBER: Yes.

14 3938 MR. WOLSON: I'm leading up to, so
15 you know, Mr. Schreiber, leading up to Harrington
16 Lake --

17 3939 MR. SCHREIBER: Yes.

18 3940 MR. WOLSON: -- and leading up to
19 Mirabel and other meetings that you had with
20 Mr. Mulroney.

21 3941 MR. SCHREIBER: Yes.

22 3942 MR. WOLSON: Where were you coming
23 from, do you remember? Were you living in Germany at
24 the time?

25 3943 MR. SCHREIBER: From Germany, yes.

1 3944 MR. WOLSON: Okay.

2 3945 MR. SCHREIBER: 1993, yes.

3 3946 MR. WOLSON: And then let me take you
4 to your diaries, which are in the next tab, Tab 26, the
5 '93 diary for June.

6 3947 Let me take you to June 2.

7 3948 MR. SCHREIBER: Yes.

8 3949 MR. WOLSON: Do you see that?

9 3950 MR. SCHREIBER: Yes.

10 3951 MR. WOLSON: June 2 you have an early
11 morning meeting with Minister Corbeil on the 29th
12 floor.

13 3952 MR. SCHREIBER: Yes.

14 3953 MR. WOLSON: So what you are trying
15 to do here is you are back in Ottawa, you are trying to
16 make something happen vis-à-vis Montréal --

17 3954 MR. SCHREIBER: Yes.

18 3955 MR. WOLSON: -- and Bear Head.

19 3956 MR. SCHREIBER: Yes.

20 3957 MR. WOLSON: And if you turn the page
21 to June 3 --

22 3958 MR. SCHREIBER: Yes.

23 3959 MR. WOLSON: It says "15:30", 3:30 in
24 the afternoon June 3 --

25 3960 MR. SCHREIBER: Yes.

1 3961 MR. WOLSON: -- "PM Meeting".

2 3962 MR. SCHREIBER: Yes.

3 3963 MR. WOLSON: You are meeting with the

4 Prime Minister.

5 3964 MR. SCHREIBER: Yes.

6 3965 MR. WOLSON: And at that meeting is

7 Mr. Doucet?

8 3966 MR. SCHREIBER: Yes.

9 3967 MR. WOLSON: I will just show you, if

10 you go back to Tab 25 to Mr. Doucet's diary and you go

11 to June 3rd, you will see "p.m. K. Schreiber Centre

12 Block" 3:30.

13 3968 MR. SCHREIBER: Yes.

14 3969 MR. WOLSON: So there is no question

15 that you and Fred Doucet, June 3, 1993, are meeting

16 with the Prime Minister?

17 3970 MR. SCHREIBER: Yes.

18 3971 MR. WOLSON: By the way, while you

19 are on Mr. Doucet's diary, if you would go to June 2,

20 you will see that he too on June 2 attended the

21 breakfast with Corbeil, as you did.

22 3972 MR. SCHREIBER: Yes.

23 3973 MR. WOLSON: It's in both your

24 diaries.

25 3974 MR. SCHREIBER: Yes.

- 1 3975 MR. WOLSON: What was the purpose of
2 the June 3rd meeting with the Prime Minister at 3:30 in
3 the afternoon?
- 4 3976 MR. SCHREIBER: To update him on the
5 ongoing situation with Bear Head.
- 6 3977 MR. WOLSON: Did you have an
7 appointment or did you just go there without an
8 appointment?
- 9 3978 MR. SCHREIBER: The appointment was
10 arranged in advance through Fred Doucet.
- 11 3979 MR. WOLSON: So Fred arranged the
12 appointment --
- 13 3980 MR. SCHREIBER: Yes.
- 14 3981 MR. WOLSON: -- and the two of you
15 went to see Mr. Mulroney?
- 16 3982 MR. SCHREIBER: Before I came.
- 17 3983 MR. WOLSON: He arranged the
18 appointment before you came?
- 19 3984 MR. SCHREIBER: Before I arrived in
20 Canada.
- 21 3985 MR. WOLSON: When you are in Canada
22 Mr. Doucet told you of the meeting and the two of you
23 were off to Centre Block to see the Prime Minister,
24 3:30 on June 3.
- 25 3986 MR. SCHREIBER: I knew it already in

1 Germany --

2 3987 MR. WOLSON: Yes.

3 3988 MR. SCHREIBER: -- that the meeting

4 was on.

5 3989 MR. WOLSON: I understand that, but

6 you went together to the meeting.

7 3990 MR. SCHREIBER: Yes.

8 3991 MR. WOLSON: Okay. Is that the kind

9 of access that Mr. Doucet could provide for you,

10 meetings with the Prime Minister?

11 3992 MR. SCHREIBER: Always.

12 3993 MR. WOLSON: Always.

13 --- Pause

14 3994 MR. WOLSON: Was it a pleasant

15 meeting with the Prime Minister on June 3rd?

16 3995 MR. SCHREIBER: Yes.

17 3996 MR. WOLSON: Social as well as

18 business? You exchanged pleasantries?

19 3997 MR. SCHREIBER: At the meeting at his

20 office, yeah, we were always pleasant and nice to each

21 other.

22 3998 MR. WOLSON: Yes. You knew of course

23 that he was going to be stepping down by that time?

24 3999 MR. SCHREIBER: Yes.

25 4000 MR. WOLSON: June 4, you have a

1 number of meetings in your diary. Again, that is Tab
2 26 for you.

3 4001 You have a meeting on June 4 in the
4 morning with a Bob Charest.

5 4002 MR. SCHREIBER: Yes.

6 4003 MR. WOLSON: Who is Bob Charest?

7 4004 MR. SCHREIBER: The brother from Jean
8 Charest.

9 4005 MR. WOLSON: The what?

10 4006 MR. SCHREIBER: The brother from Jean
11 Charest.

12 4007 MR. WOLSON: Okay. And in the
13 morning it looks like you have a phone number and then
14 there is an afternoon meeting.

15 4008 Do you see that?

16 4009 MR. SCHREIBER: Yes.

17 4010 MR. WOLSON: What were you meeting
18 with Mr. Charest for, Bob Charest? Was it in relation
19 to Bear Head?

20 4011 MR. SCHREIBER: Yes. Bob was with
21 Revenue Canada and he from time to time showed up and
22 gave us new information. It started already when Bear
23 Head was on in Nova Scotia.

24 4012 He was with Revenue Canada and you
25 may recall that Mr. MacKay once used to be the Minister

1 of Revenue Canada.

2 4013 MR. WOLSON: Yes.

3 4014 MR. SCHREIBER: And then of course I
4 think as far as I recall, the Leadership Convention was
5 on.

6 4015 MR. WOLSON: Yes.

7 4016 MR. SCHREIBER: When I get that right
8 and it was also a question of whether I would donate,
9 too, for Jean Charest at the Leadership Convention.

10 4017 I was approached by Bob Charest about
11 that.

12 4018 MR. WOLSON: Yes.

13 4019 MR. SCHREIBER: And so we finally
14 met. I don't know whether it was that day or the next
15 day. I think it was --

16 4020 MR. WOLSON: You met a number of
17 times.

18 4021 MR. SCHREIBER: -- a little bit
19 later --

20 4022 MR. WOLSON: Yes.

21 4023 MR. SCHREIBER: But in any event
22 first I thought I would give him also a donation in the
23 neighbourhood of \$50,000, but then I decided that
24 \$30,000 would do it.

25 4024 MR. WOLSON: Okay. So you gave him

1 \$30,000?

2 4025 MR. SCHREIBER: Yes.

3 4026 MR. WOLSON: Cash?

4 4027 MR. SCHREIBER: Yes.

5 4028 MR. WOLSON: Did you get a receipt?

6 4029 MR. SCHREIBER: No.

7 4030 MR. WOLSON: On the 13th of June you

8 met with Elmer. I take it that is Elmer MacKay?

9 4031 MR. SCHREIBER: Yes.

10 4032 MR. WOLSON: And Charest. Do you see

11 that?

12 4033 MR. SCHREIBER: Could it be that that

13 was already the Leadership Convention? I don't know.

14 4034 MR. WOLSON: June 13th.

15 4035 MR. SCHREIBER: Yes.

16 4036 MR. WOLSON: So you are meeting with

17 both of them.

18 4037 MR. SCHREIBER: Yes. My question is

19 somehow could it be that that was the Leadership

20 Convention that day?

21 4038 MR. WOLSON: Bad day?

22 4039 MR. SCHREIBER: I don't know. I

23 don't recall. Because I don't recall --

24 4040 MR. WOLSON: My colleagues tell me

25 that was the day.

1 4041 MR. SCHREIBER: H'm?

2 4042 MR. WOLSON: My colleagues tell me
3 that that was the day of the Leadership Convention.

4 4043 MR. SCHREIBER: Then I met him on
5 that occasion with Elmer MacKay.

6 4044 MR. WOLSON: And is that when you
7 gave the money?

8 4045 MR. SCHREIBER: No, this is Jean
9 Charest.

10 4046 MR. WOLSON: So you met Elmer and
11 Jean Charest on the 13th?

12 4047 MR. SCHREIBER: On the Leadership
13 Convention, yes.

14 4048 MR. WOLSON: Okay. So the money you
15 gave was earlier?

16 4049 MR. SCHREIBER: Was earlier, to his
17 brother.

18 4050 MR. WOLSON: Okay. And you have on
19 the 16th of June in your diary, to the right, you have
20 Jean Charest, Robert Charest and a phone number.

21 4051 Do you see that?

22 4052 MR. SCHREIBER: Yes.

23 4053 MR. WOLSON: Do you know what that
24 was about?

25 4054 MR. SCHREIBER: I don't know who gave

1 me the telephone number. It could be that Robert gave
2 it to me. I don't know. I don't recall.

3 4055 MR. WOLSON: But you know on the 17th
4 of June, if you flip the page --

5 4056 MR. SCHREIBER: Yes.

6 4057 MR. WOLSON: -- you will see a
7 meeting with Jean Charest.

8 4058 MR. SCHREIBER: It says seven o'clock
9 in the morning. It sounds a little bit strange to me,
10 but I had a meeting with him.

11 4059 MR. WOLSON: And you were meeting
12 about Bear Head?

13 4060 MR. SCHREIBER: Yes.

14 4061 By that time Jean Charest used to be
15 the Minister of Environment.

16 4062 MR. WOLSON: Yes.

17 4063 MR. SCHREIBER: And you know that one
18 of the products Thyssen was proposing to do in Nova
19 Scotia was environment protection equipment.

20 4064 MR. WOLSON: Okay. And then on the
21 21st of June you have, on the left-hand side of your
22 diary, you have "Treffen". "Treffen" is German for
23 meeting?

24 4065 MR. SCHREIBER: Yes.

25 4066 MR. WOLSON: You have "Treffen PM" --

1 4067 MR. SCHREIBER: Yes.

2 4068 MR. WOLSON: And "Treffen Charest".

3 4069 MR. SCHREIBER: Yes, but with a
4 question mark.

5 4070 MR. WOLSON: Exactly. So my question
6 to you is did you meet with him?

7 4071 MR. SCHREIBER: I don't recall.

8 4072 MR. WOLSON: You have a question mark
9 beside "Treffen PM" --

10 4073 MR. SCHREIBER: Yes.

11 4074 MR. WOLSON: -- and then you have a
12 check mark.

13 4075 MR. SCHREIBER: Yes.

14 4076 MR. WOLSON: Would that indicate a
15 meeting?

16 4077 MR. SCHREIBER: It may be that I
17 have -- that I have called about the meeting, because
18 it shows that I must have spoken about it.

19 4078 MR. WOLSON: We are talking about the
20 meeting on that day or a subsequent day?

21 4079 MR. SCHREIBER: No, arranging for a
22 meeting.

23 4080 MR. WOLSON: And on June the 23rd you
24 have a note in your diary "11 o'clock PM Harrington
25 Lake".

1 4081 MR. SCHREIBER: Yes. The whole thing
2 indicates that the arrangement for the meeting might
3 have -- might have been done on the 13th, what it is
4 here.

5 4082 Hang on. No, on --

6 4083 MR. WOLSON: On the 21st?

7 4084 MR. SCHREIBER: The 21st, yes.

8 4085 MR. WOLSON: So there had been a lot
9 of activity regarding Bear Head and meeting with the
10 Charest brothers and meeting with Elmer and meeting
11 with Mr. Mulroney on the 3rd of June. There had been a
12 lot of activity regarding Bear Head in the days leading
13 up to the 23rd June meeting with Mr. Mulroney at
14 Harrington Lake?

15 4086 MR. SCHREIBER: Yes.

16 4087 MR. WOLSON: Who arranged the meeting
17 at Harrington Lake?

18 4088 MR. SCHREIBER: Fred Doucet.

19 4089 MR. WOLSON: Was this -- as
20 Mr. Mulroney has said on prior occasions, was this a
21 farewell courtesy visit?

22 4090 MR. SCHREIBER: No.

23 4091 MR. WOLSON: You had just met him on
24 June 3rd.

25 4092 MR. SCHREIBER: Yes.

1 4093 MR. WOLSON: You could have met him
2 through Doucet whenever you wanted, I take it.

3 4094 MR. SCHREIBER: Yes.

4 4095 MR. WOLSON: How did you get to
5 Harrington Lake?

6 4096 MR. SCHREIBER: It was his request
7 and I didn't even know where Harrington Lake is, so he
8 sent me a limousine and picked me up.

9 4097 MR. WOLSON: Okay. You went there by
10 limo?

11 4098 MR. SCHREIBER: Yes.

12 4099 MR. WOLSON: How did you get back?

13 4100 MR. SCHREIBER: H'm?

14 4101 MR. WOLSON: How did you get back
15 after the meeting?

16 4102 MR. SCHREIBER: When I got back there
17 was a young employee or assistant or whatever, and
18 Mr. Mulronev asked me whether it would be okay with me
19 that on the way home, since this gentleman has to go to
20 Ottawa, whether I would agree to go with him in his
21 private car. And I agreed.

22 --- Pause

23 4103 MR. WOLSON: Are you pretty sure of
24 that?

25 4104 MR. SCHREIBER: Yes.

1 4105 MR. WOLSON: You went by limo --
2 4106 MR. SCHREIBER: Yes.
3 4107 MR. WOLSON: -- came back by a
4 private car?
5 4108 MR. SCHREIBER: Yes.
6 4109 MR. WOLSON: A Jeep or something from
7 a young staff --
8 4110 MR. SCHREIBER: No, it was something
9 like that.
10 4111 MR. WOLSON: One moment, please.
11 --- Pause
12 4112 MR. WOLSON: I want to take you to
13 Tab 27, please.
14 4113 MR. SCHREIBER: Yes.
15 4114 MR. WOLSON: Tab 27 is an excerpt
16 from the book "A Secret Trial" of Mr. Kaplan.
17 4115 MR. SCHREIBER: Yes.
18 4116 MR. WOLSON: Do you know the book?
19 4117 MR. SCHREIBER: Yes, but I haven't
20 read it.
21 4118 MR. WOLSON: All right. Well, I am
22 going to read something to you then so you will have a
23 chance to at least know something about the book.
24 4119 It talks about the meeting at
25 Harrington Lake. This is information, by the way, that

1 he got from you.

2 4120 You spoke to Mr. Kaplan, didn't you?

3 4121 MR. SCHREIBER: Yes, I spoke quite
4 often to Mr. Kaplan.

5 4122 MR. WOLSON: And you have told other
6 people that Kaplan was an honest man and you had no
7 problem speaking to him.

8 4123 MR. SCHREIBER: No, but I had a
9 little fun with him on his first book because he got it
10 all wrong on the first page.

11 4124 MR. WOLSON: I'm talking about "A
12 Secret Trial" which you believe is an accurate book.

13 4125 MR. SCHREIBER: Yes.

14 4126 MR. WOLSON: Yes. All right.

15 4127 Let's look at page 4:
16 "... when Mulrone y summoned him
17 to Harrington Lake for a chat
18 that summer day in 1993. When
19 it was time to go, Schreiber
20 remembers Mulrone y escorting him
21 to the door and the waiting
22 car."

23 4128 Are you at page 4? Page 4 --

24 4129 MR. SCHREIBER: From "A Secret
25 Trial"?

1 4130 MR. WOLSON: Tab 27.

2 4131 MR. SCHREIBER: Okay, now I have it.

3 4132 MR. WOLSON: Do you have it?

4 4133 MR. SCHREIBER: Yes.

5 4134 MR. WOLSON: All right.

6 "When it was time to go,

7 Schreiber remembers Mulrone

8 escorting him to the door and

9 the waiting car.

10 The limousine kicked up dust

11 along the dirt-and-gravel road

12 out of the Harrington Lake

13 compound and was waved through

14 the white entrance gate by an

15 RCMP officer. Three cameras

16 mounted on poles recorded the

17 exit as the vehicle bounced down

18 the narrow road hugging the

19 south shore of Meech Lake, one

20 of the three large finger-shaped

21 bodies of water bisecting

22 Gatineau Park."

23 4135 That's what you told him.

24 4136 MR. SCHREIBER: No, I've never --

25 I've never seen that and it's pure nonsense.

1 4137 MR. WOLSON: Pure nonsense?

2 4138 MR. SCHREIBER: Yes.

3 4139 MR. WOLSON: Okay. It's funny that

4 he would write a whole paragraph about your coming home

5 from Harrington Lake in a limo and writing all the

6 description. He would write that just on a whim?

7 4140 MR. SCHREIBER: You know, once in a

8 while journalists write books and make things happy or

9 spicy for the reader, but I don't know. It's nonsense.

10 4141 MR. WOLSON: It's nonsense, okay.

11 Well, Mr. Kaplan will be here and he will tell us where

12 he got that from.

13 4142 MR. SCHREIBER: Yes.

14 --- Pause

15 4143 MR. WOLSON: Why did you go to

16 Harrington Lake?

17 4144 MR. SCHREIBER: Well, to meet with

18 Mr. Mulroney and to discuss what's going to happen now

19 with the Bear Head project in his opinion. And also

20 because Fred told me that I should see him because he

21 is in financial trouble.

22 4145 MR. WOLSON: You felt that close to

23 Mr. Mulroney that if he were in financial trouble you,

24 Karlheinz Schreiber, would help him?

25 4146 MR. SCHREIBER: Absolutely.

1 4147 MR. WOLSON: All right. And you go
2 then because Doucet told you that he had financial
3 difficulties; right?

4 4148 MR. SCHREIBER: Well, I have more
5 than one reason.

6 4149 MR. WOLSON: What were the other
7 reasons?

8 4150 MR. SCHREIBER: I told you, to speak
9 with him of what is going to happen with Bear Head.

10 4151 MR. WOLSON: That was the second
11 reason.

12 4152 MR. SCHREIBER: Yes.

13 4153 MR. WOLSON: Is there a third reason?

14 4154 MR. SCHREIBER: Well, I was prepared
15 to help. I have this discussion quite often now. I
16 don't know why people cannot understand that you can
17 have more than one reason why you go somewhere. I had
18 several reasons for Mulrone, Bear Head --

19 4155 MR. WOLSON: I can understand why you
20 would go there, but I want you to tell the
21 Commissioner.

22 4156 MR. SCHREIBER: Bear Head --

23 4157 MR. WOLSON: Yes.

24 4158 MR. SCHREIBER: -- that's one thing.
25 Second, to help him if necessary --

1 4159 MR. WOLSON: Yes...?

2 4160 MR. SCHREIBER: -- and secure his
3 support for the future, especially in Québec. I know
4 Mr. Bourassa pretty well. I know the relationship for
5 Mr. Mulroney, what his power is in Québec, everybody
6 knows that.

7 4161 And the third one was, which
8 convinced me to myself to help, is his activity under
9 the unification of Germany where he played an active
10 part together with George Bush senior and Mr. Baker and
11 Mr. Kohl.

12 4162 MR. WOLSON: All right. So you have
13 a three-pronged reason to be there?

14 4163 MR. SCHREIBER: Yes.

15 4164 MR. WOLSON: And obviously you didn't
16 ask him about his financial situation. You're too much
17 of a gentleman to do that.

18 4165 MR. SCHREIBER: No. No.

19 4166 MR. WOLSON: You congratulated him on
20 the unification of Germany or you didn't discuss that?

21 4167 MR. SCHREIBER: No. We discussed
22 this always. He liked to talk about this because these
23 were times, sir, when people like François Mitterrand
24 or Maggie Thatcher said no-no, Germany should not be --
25 should not have reunification. It would be much better

1 if we had two Germanies. They were still afraid
2 somehow to have a too powerful Germany.

3 4168 MR. WOLSON: Sure.

4 4169 MR. SCHREIBER: So it was very
5 important to have allies and Mr. Mulroney and, as I
6 said, George Bush Senior and James Baker were very
7 helpful to get it done.

8 4170 MR. WOLSON: All right. And what did
9 you discuss about the Bear Head?

10 4171 MR. SCHREIBER: Yes. The Bear Head
11 Project -- and this is where the whole thing came into
12 discussion from his side; that he mentioned to me that
13 it's too bad that we couldn't get it done, but now,
14 since he expected that Kim Campbell would get another
15 majority government, he could be very helpful in
16 Montréal with the project and that Québec of course
17 would be a complete different situation than Nova
18 Scotia where you have only one seat and there you have
19 a lot of votes and they needed badly business, which
20 was very consistent what I know from Mr. Bourassa.

21 4172 MR. WOLSON: Okay. Is your affidavit
22 in the lawsuit -- which is found at Book 3, Tab 21, if
23 you would find that, sir.

24 4173 MR. SCHREIBER: Which one?

25 4174 MR. WOLSON: Book 3, Tab 21. So it's

1 the same book you are on now but it's Tab 21.

2 --- Pause

3 4175 MR. SCHREIBER: Yes...?

4 4176 MR. WOLSON: It says in your

5 affidavit at page 4, paragraph 15:

6 "On June 23, 1993 Mr. Doucet, at

7 the request of Mr. Mulroney,

8 arranged a meeting between me

9 and Mr. Mulroney ..."

10 4177 MR. SCHREIBER: Yes...?

11 4178 MR. WOLSON:

12 "... which took place on June

13 23, 1993, at Harrington Lake,

14 the official summer residence of

15 the Prime Minister It was

16 at this meeting that Mr.

17 Mulroney and I entered into the

18 Agreement. On June 23, 1993 Mr.

19 Mulroney was still in office as

20 Prime Minister of Canada and

21 consequently resided at 24

22 Sussex Dr., Ottawa, Ontario."

23 4179 MR. SCHREIBER: Yes.

24 4180 MR. WOLSON: Is that a true

25 statement?

1 4181 MR. SCHREIBER: Yes.

2 4182 MR. WOLSON: Sixteen:

3 "One of the terms of the

4 Agreement which Mr. Mulroney and

5 I agreed to on June 23, 1993 was

6 that Mr. Mulroney would perform

7 certain services on my behalf.

8 Mr. Mulroney undertook to

9 support my efforts in obtaining

10 approval of the establishment of

11 a production facility for light

12 armored vehicles by the Bear

13 Head Industries Limited, and we

14 discussed that if matters got

15 difficult in the Province of

16 Nova Scotia, then Mr. Mulroney

17 would assist in moving parts of

18 the project to the Province of

19 Québec...."

20 4183 MR. SCHREIBER: Yes.

21 4184 MR. WOLSON: Is that an honest

22 statement?

23 4185 MR. SCHREIBER: Yes.

24 4186 MR. WOLSON: This is 1993, June 23.

25 4187 MR. SCHREIBER: Yes.

1 4188 MR. WOLSON: Nova Scotia was already
2 gone. You are already now actively pursuing Québec
3 because you had lost Nova Scotia.

4 4189 You told me that a short while ago.

5 4190 MR. SCHREIBER: Yes. But the project
6 had still the same name.

7 4191 MR. WOLSON:
8 "... if matters got difficult in
9 the Province of Nova Scotia,
10 then Mr. Mulroney would assist
11 in moving parts of the project
12 to the Province of Québec..."

13 4192 That's not quite accurate I take it?

14 4193 MR. SCHREIBER: No, but the Bear Head
15 Industries Limited is still the name.

16 4194 MR. WOLSON: Yes.

17 4195 MR. SCHREIBER: And nothing was
18 established so far in Québec.

19 4196 MR. WOLSON: I see. Okay. So you
20 say that's an accurate statement?

21 4197 MR. SCHREIBER: Yes.

22 4198 MR. WOLSON: Okay. Paragraph 17:
23 "At the Harrington Lake Meeting
24 Mr. Mulroney told me that in his
25 opinion The Honourable Kim

1 Campbell, would win a majority
2 government in the next election,
3 which would enable him (Mr.
4 Mulroney) to accomplish much on
5 my behalf."
6 4199 MR. SCHREIBER: Yes.
7 4200 MR. WOLSON: That's an honest
8 statement?
9 4201 MR. SCHREIBER: Yes.
10 4202 MR. WOLSON: And then paragraph 18:
11 "During our meeting Mr.
12 Mulroney, as a token of his
13 appreciation of our friendship
14 that had developed over the
15 years, proudly promised that he
16 would send to me a copy of his
17 official picture which would be
18 placed in the House of Commons.
19 Shortly after the Harrington
20 Lake Meeting I received, as
21 promised by Mr. Mulroney, the
22 picture with Mr. Mulroney's
23 handwritten note: 'For my
24 friend, Karlheinz with gratitude
25 and best personal regards', and

1 which he signed 'Brian
2 Mulroney'."

3 4203 MR. SCHREIBER: I received it later,
4 but it came pretty soon to my office in Ottawa.

5 4204 MR. WOLSON: But it came as a result
6 of the meeting?

7 4205 MR. SCHREIBER: Yes.

8 4206 MR. WOLSON: And what I have read to
9 you is all accurate?

10 4207 MR. SCHREIBER: Yes.

11 4208 MR. WOLSON: So you had an agreement.

12 4209 MR. SCHREIBER: Yes.

13 4210 MR. WOLSON: The agreement was you
14 would work together in the future?

15 4211 MR. SCHREIBER: When he is out of --
16 when he is back in his private life.

17 4212 MR. WOLSON: Okay.

18 4213 MR. SCHREIBER: How long was the
19 meeting for?

20 4214 MR. SCHREIBER: It's tough to say,
21 but I would say one and a half hours or so.

22 4215 MR. WOLSON: When you were -- half an
23 hour, you say?

24 4216 MR. SCHREIBER: One and a half.

25 4217 MR. WOLSON: One and a half hours.

1 So it was a long meeting.

2 4218 MR. SCHREIBER: It could be even
3 more. He was alone, it was a nice day.

4 4219 MR. WOLSON: Yes...?
5 4220 What else was discussed?

6 4221 MR. SCHREIBER: Well, we spoke about
7 politics and how it might go in the future, what the
8 situation is in Germany and politics, which you speak
9 is a friend.

10 4222 MR. WOLSON: Did you tell him how
11 much money you could pay him to help you with the Bear
12 Head Project?

13 4223 MR. SCHREIBER: No.

14 4224 MR. WOLSON: Was any mention of money
15 made?

16 4225 MR. SCHREIBER: Not at all.

17 4226 MR. WOLSON: It was just that you had
18 an agreement in principle and when the time was right,
19 he would work for you?

20 4227 MR. SCHREIBER: We agreed even more
21 that when I come back the next time we are going to
22 talk about what we can do together.

23 4228 MR. WOLSON: When was that that you
24 were coming back?

25 4229 MR. SCHREIBER: In August.

1 4230 MR. WOLSON: In your February 3rd
2 letter that you wrote to Mr. Szabo -- you can find that
3 at Tab 23 of Book 3.

4 4231 MR. SCHREIBER: Yes.

5 4232 MR. WOLSON: You have on the third
6 page, please.

7 4233 MR. SCHREIBER: Yes...?

8 4234 MR. WOLSON:
9 "I hired Brian Mulroney on
10 August 27, 1993 in Mirabel, as
11 agreed upon on June 23, 1993 at
12 Harrington Lake, to lobby the
13 activities of Thyssen Bear Head
14 Industries Inc. to establish
15 production facilities for
16 Thyssen Bear Head Industries
17 Inc. at the City of Montreal
18 East, or an other place if
19 requested by the government."

20 4235 Is that an accurate statement?

21 4236 MR. SCHREIBER: Yes.

22 4237 MR. WOLSON: Did you know how much
23 money you would pay Mr. Mulroney prior to August?

24 4238 MR. SCHREIBER: No.

25 4239 MR. WOLSON: Did you know how much

1 money was available to pay him?

2 4240 MR. SCHREIBER: I had an idea, but I
3 had to confirm it.

4 4241 MR. WOLSON: What was your idea?

5 4242 MR. SCHREIBER: \$500,000.

6 4243 MR. WOLSON: And where would that
7 come from?

8 4244 MR. SCHREIBER: From the Frankfurt
9 account in Switzerland.

10 4245 MR. WOLSON: Frankfurt, meaning Frank
11 Moores?

12 4246 MR. SCHREIBER: Yes.

13 4247 MR. WOLSON: Code name Frank Moores.

14 4248 MR. SCHREIBER: And GCI.

15 4249 MR. WOLSON: GCI.

16 4250 MR. SCHREIBER: Yes.

17 4251 MR. WOLSON: So you had a Frankfurt
18 account in Switzerland --

19 4252 MR. SCHREIBER: Yes.

20 4253 MR. WOLSON: -- and from that account
21 you would -- you think you had half a million dollars
22 for Mr. Mulroney.

23 4254 MR. SCHREIBER: Yes.

24 4255 MR. WOLSON: You didn't know what you
25 had in Frankfurt?

1 4256 MR. SCHREIBER: No. I had to get the
2 clarification with Frank Moores first on it.

3 4257 MR. WOLSON: Well, where would the
4 \$500,000 come from? What was the source of the money?

5 4258 MR. SCHREIBER: It was from the
6 business, from Thyssen.

7 4259 MR. WOLSON: From...?

8 4260 MR. SCHREIBER: But you see the money
9 in the accounts came from three or four different
10 projects.

11 4261 MR. WOLSON: Yes.

12 4262 MR. SCHREIBER: So when finally money
13 has left you cannot say this is money left from MBB, or
14 from Thyssen or from Airbus or whatever.

15 4263 MR. WOLSON: All right. So the money
16 in Frankfurt was from Airbus? Commissions on Airbus?

17 4264 MR. SCHREIBER: No. It could be
18 that, as I told you, the money came from all projects.

19 4265 MR. WOLSON: Okay. But I want to
20 know what projects we are talking about. One of them
21 would be Airbus?

22 4266 MR. SCHREIBER: Yes.

23 4267 MR. WOLSON: Commissions you had
24 earned?

25 4268 MR. SCHREIBER: Yes.

1 4269 MR. WOLSON: One of them would be MBB
2 which were helicopters?

3 4270 MR. SCHREIBER: Yes.

4 4271 MR. WOLSON: One of them would be
5 Bear Head.

6 4272 MR. SCHREIBER: Yes.

7 4273 MR. WOLSON: Those were the three
8 main ones?

9 4274 MR. SCHREIBER: Yes, but there came
10 also money in from other projects --

11 4275 MR. WOLSON: Other projects, okay.

12 4276 MR. SCHREIBER: -- which I had, yes.

13 --- Pause

14 4277 MR. WOLSON: You didn't know how much
15 you had in Frankfurt?

16 4278 MR. SCHREIBER: No, because it could
17 have changed every day when money come in, so I had to
18 call. I called a few days later, I think even when I
19 was still in Canada, found out that \$500,000 was there.

20 4279 MR. WOLSON: Yes.

21 4280 MR. SCHREIBER: But it had been put
22 to term deposits so this is why you cannot say the
23 money is in the account when it is away on term
24 deposit.

25 4281 MR. WOLSON: Okay.

1 --- Pause

2 4282 MR. WOLSON: And as to the money, go
3 to Book 3, 24, if you will.

4 4283 MR. SCHREIBER: What did you say,
5 one-four?

6 4284 MR. WOLSON: No, Tab 24 of Book 3.
7 That's the book we are on now.

8 4285 MR. SCHREIBER: Tab 24, okay.

9 4286 MR. WOLSON: You say at the third
10 paragraph on page 3:
11 "On July 12, 1993..."

12 4287 This is a letter that you had written
13 to Mr. Szabo on the 3rd of March 2008.

14 4288 MR. SCHREIBER: Yes.

15 4289 MR. WOLSON: You say:
16 "On July 12, 1993 (after the
17 meeting with the Right
18 Honourable Brian Mulroney, Prime
19 Minister of Canada, at
20 Harrington Lake) I advised the
21 Swiss Bank in Zurich to open a
22 new account with the codename
23 BRITAN..."

24 4290 MR. SCHREIBER: Yes.

25 4291 MR. WOLSON:

1 "... (Thyssen Bear Head
2 project / Brian Mulroney)..."

3 4292 MR. SCHREIBER: Yes.

4 4293 MR. WOLSON:

5 "... and to transfer \$500,000.00
6 from the Frankfurt account to
7 the Britan account..."

8 4294 MR. SCHREIBER: Yes.

9 4295 MR. WOLSON: That is what you did?

10 4296 MR. SCHREIBER: Yes.

11 4297 MR. WOLSON: So the Britan account
12 was an account for Brian Mulroney?

13 4298 MR. SCHREIBER: And for the project.

14 4299 MR. WOLSON: Yes. And it had
15 \$500,000.

16 4300 MR. SCHREIBER: Yes. No.

17 4301 MR. WOLSON: You put \$500,000 in?

18 4302 MR. SCHREIBER: The \$500,000 was in
19 term deposits and I had to wait until August before it
20 became available.

21 4303 MR. WOLSON: While I am on the topic
22 of bank accounts, I just want to confirm with you your
23 statement that you made to the Commission at page 7 of
24 that statement.

25 4304 MR. SCHREIBER: Where is that?

1 4305 MR. WOLSON: This is a statement that
2 you made to Mr. Roitenberg.
3 4306 You recall coming into the Commission
4 office --
5 4307 MR. SCHREIBER: Oh yes, okay.
6 4308 MR. WOLSON: -- and you made a
7 statement and then there is a summary.
8 4309 You, by the way, checked the summary
9 and found it to be accurate.
10 4310 MR. SCHREIBER: Yes, okay.
11 4311 MR. WOLSON: Page 7, please.
12 4312 MR. SCHREIBER: Yes.
13 4313 MR. WOLSON: I just want to make sure
14 that you agree with this.
15 "With reference to IAL 18679
16 account --"
17 4314 MR. SCHREIBER: Yes.
18 4315 MR. WOLSON: "-- number 18679.4 --"
19 4316 MR. SCHREIBER: Yes...?
20 4317 MR. WOLSON:
21 "-- Mr. Schreiber indicated that
22 all the Airbus money from Canada
23 and Thailand was transferred
24 first into this account and then
25 transferred to various parties."

1 4318 MR. SCHREIBER: Yes.

2 4319 MR. WOLSON:

3 "Mr. Schreiber was to pay 25% to

4 the Frankfurt account. The only

5 money that came in to Mr.

6 Schreiber's accounts in US

7 dollars was from Airbus."

8 4320 MR. SCHREIBER: Yes.

9 4321 MR. WOLSON:

10 "Mr. Schreiber noted that

11 Thyssen only paid in deutsche

12 marks or Canadian dollars."

13 4322 MR. SCHREIBER: Yes.

14 4323 MR. WOLSON:

15 "Until August '91 money came

16 into 18679.4 from an IAL account

17 related to Mr. Pelossi --"

18 4324 MR. SCHREIBER: Yes.

19 4325 MR. WOLSON:

20 "-- but after that Mr. Schreiber

21 fired him, the money came into

22 the account from Airbus

23 directly."

24 4326 MR. SCHREIBER: Yes.

25 4327 MR. WOLSON: All that I have read to

1 you is a true statement?

2 4328 MR. SCHREIBER: Yes, because the
3 special account from IAL, as we discussed with the
4 forensic accountant, is a U.S. dollar account.

5 4329 MR. WOLSON: But the statement that I
6 just read is accurate?

7 4330 MR. SCHREIBER: Yes.

8 4331 MR. WOLSON: Okay. Thank you, sir.

9 --- Pause

10 4332 MR. WOLSON: Between the time of the
11 meeting at Harrington Lake on the 23rd of June and the
12 meeting at Mirabel, what is the date of that meeting,
13 the August meeting?

14 4333 MR. SCHREIBER: The 26th or 27th of
15 August.

16 4334 MR. WOLSON: Yes. All right. The
17 27th, I think.

18 4335 MR. SCHREIBER: Yes.

19 4336 MR. WOLSON: And during that time did
20 you have any contact with Mr. Mulroney, direct personal
21 contact? Did you meet him?

22 4337 MR. SCHREIBER: No, I was in Europe.

23 4338 MR. WOLSON: All right.

24 4339 MR. SCHREIBER: It could be that I
25 have spoken to him on the telephone, but I had no

1 personal contact with him besides this.

2 4340 MR. WOLSON: When you went to the
3 meeting in Mirabel, you went to the meeting with the
4 intention of hiring him?

5 4341 MR. SCHREIBER: Yes.

6 4342 MR. WOLSON: You knew that you had
7 done that and by way of an agreement with him at
8 Harrington Lake?

9 4343 MR. SCHREIBER: Yes.

10 4344 MR. WOLSON: You brought money with
11 you?

12 4345 MR. SCHREIBER: Yes.

13 4346 MR. WOLSON: You brought cash money?

14 4347 MR. SCHREIBER: Yes.

15 4348 MR. WOLSON: You went to the bank in
16 Switzerland and got the money?

17 4349 MR. SCHREIBER: Yes.

18 4350 MR. WOLSON: How much money?

19 4351 MR. SCHREIBER: \$100,000.

20 4352 MR. WOLSON: What were the
21 denominations of the money?

22 4353 MR. SCHREIBER: What do you mean?

23 4354 MR. WOLSON: What kind of bills were
24 they?

25 4355 MR. SCHREIBER: Thousand dollar

1 bills.

2 4356 MR. WOLSON: Thousand dollar bills?

3 4357 MR. SCHREIBER: Yes.

4 4358 MR. WOLSON: So you brought \$100,000

5 in thousand dollar bills?

6 4359 MR. SCHREIBER: Yes.

7 4360 MR. WOLSON: In an envelope?

8 4361 MR. SCHREIBER: Yes.

9 4362 MR. WOLSON: You knew you had a deal

10 with Mr. Mulroney from your Harrington Lake meeting?

11 4363 MR. SCHREIBER: I had no reason to

12 believe that we would not enter into the deal we have

13 agreed upon in Harrington Lake.

14 4364 MR. WOLSON: As a matter of fact, you

15 wouldn't have brought the money if you didn't think you

16 were going to have a deal.

17 4365 MR. SCHREIBER: On top of this, I

18 understood he needed badly the money.

19 4366 MR. WOLSON: Yes.

20 4367 MR. SCHREIBER: How did you get --

21 did you come from Europe with the money?

22 4368 MR. SCHREIBER: Yes.

23 4369 MR. WOLSON: Did you declare the

24 money at the border?

25 4370 MR. SCHREIBER: No.

1 4371 MR. WOLSON: You know that there is a
2 document that asks you if you have over \$10,000.

3 4372 MR. SCHREIBER: Well, I found this
4 out later and I'm not sure whether this was already in
5 that days or whether this was after 10/11. I don't
6 know.

7 4373 MR. WOLSON: I see. In any event,
8 you brought over 100,000 --

9 4374 MR. SCHREIBER: Yes.

10 4375 MR. WOLSON: -- in thousand dollar
11 bills?

12 4376 MR. SCHREIBER: Yes.

13 4377 MR. WOLSON: Who arranged the
14 meeting?

15 4378 MR. SCHREIBER: Fred Doucet.

16 4379 MR. WOLSON: How long was the meeting
17 for?

18 4380 MR. SCHREIBER: The meeting was
19 pretty short because I was on my way back to Europe so
20 I came with a Lufthansa limousine from Ottawa. Then we
21 checked in our luggage, my wife and I, and then my wife
22 waited at the airport and I went to a place, a hotel I
23 didn't even know that it existed.

24 4381 MR. WOLSON: Who had the room at the
25 hotel?

1 4382 MR. SCHREIBER: Mr. Mulroney.

2 4383 MR. WOLSON: He had rented a room?

3 4384 MR. SCHREIBER: I don't know, but at
4 least when I came there and asked for him they sent me
5 to that suite.

6 4385 MR. WOLSON: All right. So he had a
7 suite there --

8 4386 MR. SCHREIBER: Yes.

9 4387 MR. WOLSON: -- that you transacted
10 your business with him?

11 4388 MR. SCHREIBER: Yes.

12 4389 MR. WOLSON: What were you told about
13 the meeting from Fred Doucet? He arranged it. What
14 did he tell you?

15 4390 MR. SCHREIBER: Nothing. I just told
16 him that I come and that I would like to meet Brian
17 Mulroney and then we figured out what would be
18 convenient, when to meet and how to meet, and the
19 result was I think Mr. Mulroney by that time lived not
20 too far away from Mirabel, or so I was told. That was
21 convenient for him and that was fine for me and that's
22 it.

23 4391 MR. WOLSON: Did you tell Mr. Doucet
24 why you wanted to meet with Mr. Mulroney?

25 4392 MR. SCHREIBER: No, it's not my habit

1 to tell other people what business I do with somebody
2 else.

3 4393 MR. WOLSON: Did you say, for
4 instance, that you wanted to retain him, Mr. Mulroney,
5 for an international project?

6 4394 MR. SCHREIBER: No.

7 4395 MR. WOLSON: You are sure of that?

8 4396 MR. SCHREIBER: I'm sure of that.

9 4397 MR. WOLSON: Wouldn't it be that if
10 you asked Mr. Doucet to arrange a meeting that he would
11 want to know the nature of the business of the meeting?

12 4398 MR. SCHREIBER: It's none of his
13 business.

14 4399 MR. WOLSON: But wouldn't he say to
15 you: Karlheinz, I can get the Prime Minister to meet
16 with you but what do you want to talk to him about?

17 4400 MR. SCHREIBER: There was nothing to
18 be discussed because we agreed at Harrington Lake when
19 I come the next time we meet and talk. There was
20 nothing to say.

21 4401 MR. WOLSON: Would Fred Doucet know
22 that?

23 4402 MR. SCHREIBER: No. I have no --
24 when I went back to the first time in June, why would I
25 tell Fred Doucet details about my meetings with

1 Mulroney? Why would I do that?

2 4403 If Mr. Mulroney wanted to tell him,
3 it is his business. I am not an information office.

4 4404 MR. WOLSON: What did you discuss at
5 that meeting with Mr. Mulroney?

6 4405 MR. SCHREIBER: I told him that now I
7 am happy that I can bring a down payment for you, for
8 your work, and now let's see what is going to happen
9 and how we can get the project ahead.

10 4406 MR. WOLSON: What did you tell him
11 about the retainer?

12 4407 You were giving him money, did you
13 tell him what it was for?

14 4408 MR. SCHREIBER: For his services.

15 4409 MR. WOLSON: In which area?

16 4410 MR. SCHREIBER: To help to get the
17 project done in Montreal.

18 4411 MR. WOLSON: The project being the
19 Bear Head Project?

20 4412 MR. SCHREIBER: The Bear Head
21 Project.

22 4413 MR. WOLSON: Did you talk to him
23 about spaghetti?

24 4414 MR. SCHREIBER: No.

25 4415 MR. WOLSON: You had a business later

1 in your career dealing with spaghetti.

2 4416 MR. SCHREIBER: Yeah, but that was
3 `98, Mr. Wolson, not `93.

4 4417 MR. WOLSON: I understand that, but I
5 am asking you, did you talk to him at Harrington Lake
6 about one day wanting to retain him for a spaghetti
7 enterprise of yours?

8 4418 MR. SCHREIBER: No, it didn't even
9 exist.

10 --- Laughter / Rires

11 4419 MR. WOLSON: So the conversation --
12 with your laughing, I'm happy that you're happy.
13 4420 You talked to him about Bear Head.

14 4421 MR. SCHREIBER: Yes.

15 4422 MR. WOLSON: Only Bear Head.

16 4423 MR. SCHREIBER: Only Bear Head.

17 4424 MR. WOLSON: At that time, of course,
18 he had power. There hadn't been an election yet.

19 4425 MR. SCHREIBER: Yes.

20 4426 MR. WOLSON: The Conservatives still
21 had power.

22 4427 MR. SCHREIBER: Sure.

23 4428 MR. WOLSON: He would have been a
24 good person to have working for you.

25 4429 MR. SCHREIBER: Yes.

1 4430 MR. WOLSON: But he couldn't get Bear
2 Head done when he was Prime Minister.

3 4431 MR. SCHREIBER: Mr. Wolson, Mr.
4 Mulroney never told me it's not going to happen. He
5 always claimed that it's a problem with the bureaucrats
6 and others, not me.

7 4432 MR. WOLSON: But whatever the reason
8 was, when he was Prime Minister, Bear Head never
9 happened.

10 4433 MR. SCHREIBER: Yes.

11 4434 MR. WOLSON: It never happened in
12 Nova Scotia --

13 4435 MR. SCHREIBER: Yes.

14 4436 MR. WOLSON: -- it never happened in
15 Montreal.

16 4437 MR. SCHREIBER: Yes.

17 4438 No, Montreal was on.

18 4439 MR. WOLSON: It was on, but you had
19 nothing yet.

20 4440 MR. SCHREIBER: Trenton was off.

21 4441 MR. WOLSON: Yes. You had nothing
22 yet in Montreal.

23 4442 MR. SCHREIBER: Yes.

24 4443 MR. WOLSON: You hadn't even had a
25 Memorandum of Understanding.

1 4444 MR. SCHREIBER: No.

2 4445 MR. WOLSON: No. All right. So you
3 give Mr. Mulroney money in cash.

4 4446 MR. SCHREIBER: Yes.

5 4447 MR. WOLSON: Does he say anything to
6 you?

7 4448 MR. SCHREIBER: H'm?

8 4449 MR. WOLSON: Does he say anything to
9 you?

10 4450 MR. SCHREIBER: Yeah, "Thank you."

11 4451 MR. WOLSON: Did he ask you for a
12 cheque?

13 4452 MR. SCHREIBER: No.

14 4453 MR. WOLSON: Did you say to him: I
15 am an international businessman, I only deal in cash?

16 4454 MR. SCHREIBER: That's nonsense, no.

17 4455 MR. WOLSON: What did you say before
18 you handed him the \$100,000?

19 4456 MR. SCHREIBER: "Here, I have
20 \$100,000 for you, which I brought for you to start
21 working for me."

22 4457 MR. WOLSON: Why in a hotel room?

23 4458 MR. SCHREIBER: This was the way he
24 wanted to meet, and I was on my way home.

25 4459 MR. WOLSON: I see. On your way home

1 to Germany.

2 4460 MR. SCHREIBER: Yes.

3 4461 And, as I told you, I think that by
4 that time he lived somewhere close to Mirabel.

5 4462 MR. WOLSON: Of course, you stood to
6 make, as you told the Commissioner this morning, a lot
7 of money if Bear Head happened.

8 4463 MR. SCHREIBER: Yes, as far as I
9 would have been able to sell the product --

10 4464 MR. WOLSON: Of course.

11 4465 MR. SCHREIBER: -- and not go from a
12 loan.

13 4466 MR. WOLSON: So \$100,000 in cash
14 would be a small -- just a small amount of money
15 compared to what you could make, potentially.

16 4467 MR. SCHREIBER: Well, \$100,000 never
17 excited me.

18 4468 MR. WOLSON: It never excited you.

19 4469 MR. SCHREIBER: No.

20 4470 MR. WOLSON: Did he hesitate before
21 he took the money?

22 4471 MR. SCHREIBER: H'm?

23 4472 MR. WOLSON: Did he hesitate before
24 he took the money?

25 4473 MR. SCHREIBER: No. I mean, look, I

1 meet a friend in a hotel room; he needs money. I come;
2 I bring him the money.

3 4474 "Hi, Brian, how are you doing? Here,
4 I am happy to bring you the first \$100,000. Now let's
5 think about how we are going to work. Let's see what's
6 going to happen with Kim Campbell. Let's see how we
7 can proceed in Montreal."

8 4475 And, then, 30 minutes later I'm gone.

9 4476 MR. WOLSON: So it was sort of an
10 upbeat kind of atmosphere.

11 4477 MR. SCHREIBER: Yes.

12 4478 MR. WOLSON: Yes.

13 4479 You called him Brian?

14 4480 MR. SCHREIBER: Sure.

15 4481 MR. WOLSON: He called you Karlheinz?

16 4482 MR. SCHREIBER: Sure.

17 4483 MR. WOLSON: Is that how you normally
18 would interact with the Prime Minister?

19 4484 MR. SCHREIBER: Yes, when he was my
20 friend.

21 4485 I have more than one prime
22 minister -- kings or sikhs -- whatever it is, sir, it's
23 known.

24 4486 Personal relationship is everything
25 in that world.

1 4487 MR. WOLSON: Yes, and it all goes
2 back to your statement that I read to you earlier this
3 morning, that your agenda -- your personality is such
4 that you come, and you are friendly, and you give
5 money, and then you can do business.

6 4488 MR. SCHREIBER: No.

7 4489 MR. WOLSON: This is different.

8 4490 MR. SCHREIBER: No.

9 4491 First of all, you have to establish a
10 relationship, that people have confidence in you.
11 Otherwise, they would not take any money.

12 4492 MR. WOLSON: And that you did.

13 4493 MR. SCHREIBER: Sure.

14 4494 MR. WOLSON: And then, because you
15 had that relationship, you could offer money.

16 4495 MR. SCHREIBER: Yes, especially when
17 you meet people when they are in opposition and you
18 help them to become prime minister, king, whatever it
19 is.

20 4496 MR. WOLSON: Yes.

21 4497 MR. SCHREIBER: Then, when they are
22 in power and you have to do something with them, it's
23 easy, Mr. Wolson.

24 4498 MR. WOLSON: Sure.

25 4499 MR. SCHREIBER: Personal relationship

1 is everything.

2 4500 MR. WOLSON: Personal relationship
3 and money --

4 4501 MR. SCHREIBER: -- is everything.

5 4502 MR. WOLSON: And money --

6 4503 MR. SCHREIBER: And money, yes.

7 4504 MR. WOLSON: Yes.

8 4505 What did you tell Mr. Mulroney, if
9 anything, as to the amount of money that would be
10 available for him with this project?

11 4506 MR. SCHREIBER: I told him that a
12 total of \$500,000 is available when the project goes
13 ahead.

14 4507 MR. WOLSON: And it's your evidence
15 that when you left Harrington Lake, you weren't sure
16 what was available. You had to check.

17 4508 That's what you told the
18 Commissioner.

19 4509 MR. SCHREIBER: Yes.

20 4510 MR. WOLSON: And when you checked,
21 you found out that there was \$500,000.

22 4511 MR. SCHREIBER: No, I found out that
23 there was nothing, but \$500,000 went on deposit.

24 4512 MR. WOLSON: Okay. And that \$500,000
25 came from a variety of businesses that you --

1 4513 MR. SCHREIBER: Yes.

2 4514 MR. WOLSON: You call them
3 projects -- projects that you had.

4 4515 MR. SCHREIBER: Yes.

5 4516 MR. WOLSON: Yes. Did you tell Mr.
6 Mulroney whether or not the relationship would be based
7 on a success fee, a commission, an hourly rate, a bulk
8 fee?

9 4517 How did you leave it?

10 4518 MR. SCHREIBER: No, it was not
11 discussed because, first of all, my understanding was
12 that Mr. Mulroney was on his way to get organized. So,
13 for me, it was not really clear whether he would do the
14 business through his law firm or whether he would --
15 there was an extra firm, as it turned out later, and
16 Mr. Wilson --

17 4519 Let's really be straightforward.
18 When you have a friend and you know he is in trouble,
19 you don't ask questions like this.

20 4520 I was there, I was prepared to help,
21 and I wanted to work with him, and that was it. And I
22 waited for what he would tell me.

23 4521 But my thoughts I can give you.

24 4522 If you are in power, you don't -- if
25 you are under pressure, you don't give the money to a

1 partnership which takes 50 percent, and immediately you
2 pay the tax for that with what is left from \$100,000.

3 4523 Those are my thoughts. Maybe I'm
4 wrong, but I have lost --

5 4524 MR. WOLSON: You are helping a
6 friend --

7 4525 MR. SCHREIBER: Yes.

8 4526 MR. WOLSON: -- who you later sue.

9 4527 MR. SCHREIBER: Yes.

10 4528 This is how it can happen when people
11 change.

12 4529 MR. WOLSON: I see.

13 4530 Did you ask for a receipt?

14 4531 MR. SCHREIBER: No.

15 4532 MR. WOLSON: Were you paying any tax
16 in Canada?

17 4533 MR. SCHREIBER: No.

18 4534 That's wrong, my companies paid tax
19 in Canada, but I wasn't a resident.

20 4535 MR. WOLSON: So Bear Head was paying
21 a tax in Canada.

22 4536 MR. SCHREIBER: Bear Head would pay
23 tax. That's not my company, it's Thyssen's company,
24 but Bitucan would pay tax, or the companies would pay
25 tax.

1 4537 MR. WOLSON: Yes, and you could
2 charge this \$100,000 to Bitucan as an expense, and
3 then, therefore, have some tax relief in Bitucan.
4 4538 You could have done that.
5 4539 MR. SCHREIBER: But then I would have
6 to put up a construction to do that, and I was not
7 interested. The money was there, he wanted it, I
8 brought it, and that's it. I haven't thought about
9 anything else.
10 4540 MR. WOLSON: You didn't want to
11 create a paper trail.
12 4541 MR. SCHREIBER: No, there was no
13 reason for it. Why would I involve Bitucan in that?
14 4542 MR. WOLSON: Obviously, if you are
15 giving him the money because he is in financial
16 trouble, or you are giving him the money because of
17 what he did in Germany, you are not really asking for
18 that money back. Those would be gifts to help friends;
19 right?
20 4543 MR. SCHREIBER: Yeah, but as I told
21 you earlier, I had three reasons, and the commercial
22 reason was an agreement with him to work with him --
23 4544 MR. WOLSON: Sure.
24 4545 MR. SCHREIBER: -- and when the
25 success comes, give him the full money. Otherwise, pay

1 him in rates, whatever it is.

2 4546 MR. WOLSON: So the money was really
3 for, ultimately, the commercial reason. You may have
4 helped him, but, ultimately, you paid him because you
5 were expecting something back.

6 4547 MR. SCHREIBER: Absolutely.

7 4548 MR. WOLSON: Yes.

8 4549 Perhaps this would be a convenient
9 time to break.

10 4550 COMMISSIONER OLIPHANT: All right.

11 4551 I am showing just past 3:25, so we
12 will come back just past 20 to four.

13 --- Upon recessing at 3:26 p.m. / Suspension à 3 h 26

14 --- Upon resuming at 3:46 p.m. / Reprise à 3 h 46

15 4552 COMMISSIONER OLIPHANT: Please be
16 seated.

17 4553 MR. WOLSON: I want to go back, Mr.
18 Schreiber, to the June 3rd meeting that you and Fred
19 Doucet had with the Prime Minister.

20 4554 MR. SCHREIBER: Yes.

21 4555 MR. WOLSON: You told me that Mr.
22 Doucet arranged it.

23 4556 MR. SCHREIBER: Yes.

24 4557 MR. WOLSON: What did you talk about
25 at that meeting?

1 4558 How long was the meeting for, first
2 of all?

3 4559 MR. SCHREIBER: Perhaps 45 minutes,
4 an hour, I don't know.

5 4560 MR. WOLSON: All right, 45 minutes to
6 an hour.

7 4561 What did you talk about for that
8 long?

9 4562 MR. SCHREIBER: The Bear Head
10 Project.

11 4563 MR. WOLSON: What about the Bear Head
12 Project?

13 4564 MR. SCHREIBER: Where it's going,
14 what we are doing. There were so many things moving,
15 and now, with the new approach on Quebec, on the
16 recommendation from Mr. Mulroney --

17 4565 I always was keen to find out: Okay,
18 I went there, this is what we did, so what should we do
19 next?

20 4566 MR. WOLSON: But you had already sent
21 him letters. You had already kept him posted on where
22 you were at with the Bear Head Project, so I am
23 wondering what you would have talked about for 45
24 minutes to an hour.

25 4567 MR. SCHREIBER: Well, the same thing.

1 4568 MR. WOLSON: You would repeat
2 yourself from your letters?

3 4569 MR. SCHREIBER: H'm?

4 4570 MR. WOLSON: You would repeat
5 yourself from your letters?

6 4571 MR. SCHREIBER: I cannot think why --
7 what reason I would have had to call for a meeting with
8 him and come from Germany to meet him. There was
9 nothing else to discuss.

10 4572 MR. WOLSON: So why did you meet for
11 45 minutes to an hour then?

12 4573 MR. SCHREIBER: This was the way it
13 went.

14 4574 MR. WOLSON: Did you talk about
15 perhaps hiring him when he was finished with his prime
16 ministership?

17 4575 MR. SCHREIBER: No. Perhaps we told
18 jokes, could be.

19 4576 MR. WOLSON: I see. You came in from
20 Germany to meet with the Prime Minister --

21 4577 MR. SCHREIBER: Yes.

22 4578 MR. WOLSON: -- and you told jokes.

23 4579 MR. SCHREIBER: The Prime Minister
24 and a friend, yes.

25 4580 MR. WOLSON: I see. So it was a

1 social visit.

2 4581 MR. SCHREIBER: Perhaps a
3 combination.

4 4582 It could very well be, Mr. Wolson,
5 the leadership convention was close, that we spoke
6 about things like that, too.

7 4583 MR. WOLSON: Did you feel that you
8 were that kind of colleague of his that you would talk
9 about politics with him?

10 4584 MR. SCHREIBER: Sure. It was a
11 question of who would we support, Mr. Charest or Mrs.
12 Campbell, and when I went there with Elmer MacKay and
13 with all of his other Tory friends, we supported Jean
14 Charest. I thought it was a good idea, but, finally,
15 Mrs. Campbell made it.

16 4585 MR. WOLSON: I see.

17 4586 MR. SCHREIBER: I think this might
18 have been one of the good reasons, being involved in
19 that discussion, what is going to happen with the
20 leadership convention.

21 4587 MR. WOLSON: You know, I can't help
22 but think of the questions I asked you this morning as
23 to why at Eurocopter you were very, very withdrawn
24 about your relationship with Mr. Mulroney, and about
25 all of the meetings that we know you had, and why you

1 limited it as you did. It almost seems like you were
2 trying to hide things from the judge at Eurocopter.

3 4588 MR. SCHREIBER: No, the point is, Mr.
4 Wolson, that I might have missed something, because I
5 cannot think of the smallest reason why I would not
6 have spoken about this.

7 4589 You see all of the books and press
8 articles, and Ms Cameron --

9 4590 MR. WOLSON: Yes.

10 4591 MR. SCHREIBER: You could read
11 everywhere how often, and what, and where, and all of
12 these letters were around. I have no explanation.

13 4592 MR. WOLSON: Yes, but you don't know
14 whether the judge is reading these books, and you are
15 under oath and you are asked questions. You just
16 assumed that he was on top of the situation, did you?

17 4593 MR. SCHREIBER: I'm sorry, I may have
18 missed something.

19 4594 MR. WOLSON: I see.

20 4595 MR. SCHREIBER: I'm sorry.

21 4596 MR. WOLSON: You may have missed
22 something. All right.

23 4597 One of the other areas that we talked
24 about was, you said that you were -- the August 26th
25 meeting with Minister Charest -- you were there almost

1 by accident.

2 4598 Is that what you said when you
3 testified just a few minutes ago?

4 4599 August 26th, '93, in your diary, is a
5 meeting with Minister Charest.

6 4600 MR. SCHREIBER: Yes.

7 4601 MR. WOLSON: And you said that you
8 were there by accident, or --

9 4602 MR. SCHREIBER: Yeah. I don't know
10 what else I should say. I have no recollection of what
11 it was.

12 4603 MR. WOLSON: I see.

13 4604 MR. SCHREIBER: I recall one firm
14 meeting with him, and we discussed the Bear Head
15 Project, related to environment protection equipment,
16 and he used to be the Minister of Environment for
17 Canada.

18 4605 MR. WOLSON: All right. I am going
19 to come back to the issue of money.

20 4606 MR. SCHREIBER: Yes.

21 4607 MR. WOLSON: That seems to be what we
22 have talked about a lot, and I want to talk about the
23 \$500,000 that went into the Britain account.

24 4608 MR. SCHREIBER: Yes.

25 4609 MR. WOLSON: It went in from

1 Frankfurt.

2 4610 MR. SCHREIBER: Yes.

3 4611 MR. WOLSON: One of the things you

4 said was that the money came from various projects --

5 4612 MR. SCHREIBER: Yes.

6 4613 MR. WOLSON: -- and when you realized

7 how much you had in Frankfurt, you ordered \$500,000 to

8 go into a new account in Britain.

9 4614 MR. SCHREIBER: Yes, but I said that

10 the money comes from various places, but it was

11 deposited there for the Bear Head Project.

12 4615 MR. WOLSON: Deposited in Britain --

13 4616 MR. SCHREIBER: And served from Frank

14 Moores, GCI.

15 4617 MR. WOLSON: No, deposited where for

16 the Bear Head Project?

17 4618 MR. SCHREIBER: In the Frankfurt

18 account.

19 4619 MR. WOLSON: I see. When was it

20 deposited there?

21 4620 MR. SCHREIBER: From `88.

22 4621 MR. WOLSON: From `88.

23 4622 MR. SCHREIBER: Yes.

24 4623 MR. WOLSON: How much was deposited

25 in `88?

1 4624 MR. SCHREIBER: Five hundred
2 thousand.

3 4625 I mean, there was more money coming
4 in, and money went out to GCI, and money went somewhere
5 else, where they owed it, and \$500,000 was left.

6 4626 MR. WOLSON: So \$500,000 was left in
7 Frankfurt from the '88 Understanding in Principle
8 commission. That's what you are saying, is it?

9 4627 From the 1988 UIP, when the
10 commission money came in --

11 4628 MR. SCHREIBER: Yes.

12 4629 MR. WOLSON: -- \$500,000 was left in
13 Frankfurt?

14 4630 MR. SCHREIBER: Yes.

15 4631 MR. WOLSON: It was always there.

16 4632 MR. SCHREIBER: Yes.

17 4633 MR. WOLSON: It never moved.

18 4634 MR. SCHREIBER: No.

19 4635 Well, it moved in term deposits,
20 three months, and then back again, and out again.

21 4636 MR. WOLSON: So, other than term
22 deposits, it was always in Frankfurt.

23 4637 MR. SCHREIBER: Absolutely.

24 4638 MR. WOLSON: Why did you have to
25 check, then, to see what money was available to pay Mr.

1 Mulroney if the \$500,000 was always there?

2 4639 MR. SCHREIBER: Number one, I didn't
3 know whether it was in term deposits. Number two, I
4 had to get an okay from Mr. Moores.

5 4640 MR. WOLSON: What difference did it
6 make? If it were in a term deposit, it would
7 eventually be cashed.

8 4641 MR. SCHREIBER: Yeah, when it comes
9 back, but then I still had to ask Mr. Moores.

10 4642 MR. WOLSON: What did you have to ask
11 Moores for?

12 4643 MR. SCHREIBER: Frankfurt is the
13 account from GCI and Frank Moores.

14 4644 MR. WOLSON: I see. Why was \$500,000
15 left in Frankfurt after the UIP was signed?

16 4645 MR. SCHREIBER: Because we waited
17 what's going to happen with the project.

18 4646 Later on, Frank Moores told me that
19 he reserved it for Mr. Mulroney.

20 4647 MR. WOLSON: Moores told you this.

21 4648 MR. SCHREIBER: Yes.

22 4649 MR. WOLSON: The dead Frank Moores
23 told you that.

24 4650 MR. SCHREIBER: Because it was his
25 money, yes.

1 4651 MR. WOLSON: Yes.

2 4652 So Mr. Moores told you that he left
3 \$500,000 for Brian Mulroney --

4 4653 MR. SCHREIBER: But he told me that
5 much later.

6 4654 MR. WOLSON: When did he tell you
7 that?

8 4655 MR. SCHREIBER: At the beginning he
9 told me to reserve it for the Bear Head Project until
10 it got done.

11 4656 The point is this, in order to get
12 the money for Mr. Mulroney, I had to make a deal with
13 Mr. Moores.

14 4657 MR. WOLSON: What deal did you have
15 to make?

16 4658 MR. SCHREIBER: The deal was, I
17 wanted to take some money for the project, and to pay
18 Mr. Mulroney, and Frank Moores said no. It's for eight
19 years now we could not get the project, and now you are
20 telling me that you are going to get it in Quebec?
21 That's nonsense. I am not involved in this.

22 4659 MR. WOLSON: Did Brian Mulroney, to
23 your knowledge, know that the money was there for him?

24 4660 MR. SCHREIBER: I don't know, I never
25 spoke with him about it. Mr. Moores left me with the

1 impression that he looked after him, but I have no
2 evidence for that.

3 4661 But the point was that, since Mr.
4 Moores owed me \$1 million from a loan, I told him, I am
5 going to take the \$500,000 and I am going to use it for
6 the project with Thyssen. I cannot allow it to happen
7 that Thyssen has paid all of this money, and was
8 betrayed all over the place, and I have to use this
9 last chance. If you want, you can deduct it from the
10 million you owe me.

11 4662 This is how I freed the money and
12 took it over for my person and brought it to Canada.

13 4663 MR. WOLSON: That's not what you said
14 in a letter of March 3rd, 2008, to Mr. Szabo.

15 4664 This is what you said -- and that
16 letter can be found in Book 3, at Tab 24.

17 4665 MR. SCHREIBER: What?

18 4666 MR. WOLSON: Book 3, Tab 24. It's
19 the March 3rd letter.

20 4667 MR. SCHREIBER: Yeah.

21 4668 MR. WOLSON: Second page.

22 4669 MR. SCHREIBER: Yes?

23 4670 MR. WOLSON: "On October 20," in the
24 middle of the page, "1988, Thyssen paid a \$2 million
25 success fee concerning the Understanding in Principle

1 to IAL in trust for GCI. This" -- and you underline it
2 in black -- "This \$2 million was divided amongst Mr.
3 Mulroney and his friends as follows:..."

4 4671 MR. SCHREIBER: Yes.

5 4672 MR. WOLSON: On November 2, '88,
6 GCI -- Frank Moores -- deposited a half-million dollars
7 into the Swiss bank account code named Frankfurt
8 concerning the Thyssen Bear Head Project and the Right
9 Honourable Brian Mulroney.

10 "Mulroney would know that this
11 money was marked for him."

12 4673 How would he know that? You just
13 told me that you had no way of knowing that.

14 4674 MR. SCHREIBER: Yeah, Frank Moores
15 told me later on.

16 4675 MR. WOLSON: Frank Moores told you.

17 4676 MR. SCHREIBER: Yeah.

18 4677 MR. WOLSON: Frank Moores told you
19 that Brian Mulroney knew.

20 4678 MR. SCHREIBER: Yes.

21 4679 MR. WOLSON: We would have to take
22 your word for that, of course, because we have no other
23 way of knowing.

24 4680 MR. SCHREIBER: I have no evidence,
25 and I never spoke with Mr. Mulroney about it.

1 4681 But it was consistent, what I learned
2 from Mr. Moores from the beginning, what the
3 relationship would be and what his special relationship
4 was with Mr. Mulroney concerning -- to look after
5 Mulroney, and that goes into this account, and also
6 that he said Bruce Berger was the one -- he deals on
7 behalf of Mr. Mulroney.

8 4682 MR. WOLSON: What you said on page 3
9 of the same letter, in the last paragraph --

10 "The point to be learned from
11 this chronology is that \$500,000
12 sat dormant in a bank account
13 for five years, from November
14 1988 until July 1993. In July
15 1993 Mulroney concocted a way to
16 have the money disbursed to
17 him." (As read)

18 4683 How did he concoct a way, it was your
19 idea?

20 4684 MR. SCHREIBER: Hang on for a moment.
21 4685 What page are you talking about?

22 4686 MR. WOLSON: Page 3.

23 4687 MR. SCHREIBER: Yes?

24 4688 MR. WOLSON: The bottom of the page.

25 4689 MR. SCHREIBER: Yes?

1 4690 MR. WOLSON:
2 "The point to be learned from
3 this chronology is that \$500,000
4 sat dormant in a bank account
5 for five years, from November
6 1988 until July 1993. In July
7 1993, Mr. Mulrone y concocted a
8 way to have the money disbursed
9 to him. The only reason that
10 such a large amount of money
11 would sit dormant in the account
12 is because it was for Mulrone y.
13 He knew it, his close GCI
14 friends Frank Moores and Gary
15 Ouellet knew it, and I knew it."
16 (As read)
17 4691 MR. SCHREIBER: Yeah.
18 4692 MR. WOLSON: How did he concoct a way
19 to get \$500,000 when you are the one that made the deal
20 with him?
21 4693 You are the one who made the deal.
22 4694 MR. SCHREIBER: Yes.
23 4695 MR. WOLSON: How did he concoct the
24 deal, you are the one who made the deal with him?
25 4696 MR. SCHREIBER: What means "concoct"?

1 4697 MR. WOLSON: It's your word. It's
2 your letter.

3 4698 MR. SCHREIBER: I don't know what to
4 say.

5 --- Pause

6 4699 MR. SCHREIBER: I'm still not finding
7 it.

8 4700 MR. WOLSON: Page 3.
9 4701 Are you in Book 3, at Tab 24?

10 4702 MR. SCHREIBER: Yes.

11 4703 MR. WOLSON: Page 3, the bottom of
12 the page.

13 4704 COMMISSIONER OLIPHANT: The very last
14 paragraph, Mr. Schreiber.

15 4705 MR. WOLSON: "The point to be
16 learned..."

17 4706 MR. SCHREIBER: Yeah, yeah, yeah, now
18 I see it. Yeah, yeah, yeah.

19 4707 MR. WOLSON:
20 "The point to be learned from
21 this chronology is that \$500,000
22 sat dormant in a bank account
23 for five years, from November
24 1988 until July 1993."

25 4708 MR. SCHREIBER: Yes.

1 4709 MR. WOLSON:
2 "In July 1993, Mr. Mulroney
3 concocted a way to have the
4 money disbursed to him."
5 4710 MR. SCHREIBER: Yes?
6 4711 MR. WOLSON: It was your deal with
7 him. He didn't ask you for a deal, you made a deal
8 with him.
9 4712 MR. SCHREIBER: Yes.
10 4713 MR. WOLSON: You don't understand?
11 4714 MR. SCHREIBER: No.
12 4715 MR. WOLSON: You don't understand
13 that, I see.
14 4716 COMMISSIONER OLIPHANT: Mr.
15 Schreiber, did somebody write that letter for you?
16 4717 MR. SCHREIBER: Yes, Mr. Seneca.
17 4718 COMMISSIONER OLIPHANT: Who?
18 4719 MR. SCHREIBER: Mr. Seneca.
19 4720 MR. WOLSON: Did you sign the letter?
20 4721 MR. SCHREIBER: Yes.
21 4722 MR. WOLSON: You signed the letter
22 because it's true.
23 4723 MR. SCHREIBER: Yes.
24 4724 MR. WOLSON: I see.
25 4725 MR. SCHREIBER: I have a problem with

1 that special world.

2 4726 MR. WOLSON: Yeah.

3 4727 MR. SCHREIBER: Mr. Mulroney was

4 interested to get money and he knew there was money, as

5 Frank Moores told me, but there was no way that he

6 could get that money because he provided nothing.

7 There was no project, nothing. That thing was over.

8 4728 MR. WOLSON: First of all, sir --

9 4729 MR. SCHREIBER: That was '88 --

10 4730 MR. WOLSON: First of all, sir --

11 4731 MR. SCHREIBER: -- that that

12 happened.

13 4732 MR. WOLSON: First of all, sir, your

14 evidence is that on June 23rd you made an agreement

15 with Mr. Mulroney.

16 4733 MR. SCHREIBER: Yes.

17 4734 MR. WOLSON: Your evidence is on the

18 27th of August you met with him, gave him \$100,000 --

19 4735 MR. SCHREIBER: Yes.

20 4736 MR. WOLSON: -- for a project.

21 4737 MR. SCHREIBER: Yes.

22 4738 MR. WOLSON: The project came from

23 you?

24 4739 MR. SCHREIBER: Yes.

25 4740 MR. WOLSON: You say that the half a

1 million dollars was a deal you had with Mr. Moores
2 that --

3 4741 MR. SCHREIBER: Yes.

4 4742 MR. WOLSON: -- he took \$1 million
5 from you --

6 4743 MR. SCHREIBER: Yes.

7 4744 MR. WOLSON: -- and he -- you allowed
8 him to forget about half of it.

9 4745 MR. SCHREIBER: Yes.

10 4746 MR. WOLSON: I see.

11 4747 MR. SCHREIBER: So the difference is
12 what was '88 and until then I'm what was a new deal.
13 --- Pause

14 4748 MR. WOLSON: So Mr. Moores knew about
15 this; he's dead. Mr. Ouellet knew about this; he's
16 dead. It's just you and Mr. Mulroney.

17 4749 MR. SCHREIBER: Yes. Well, people
18 talk a lot so what do I know.

19 4750 MR. WOLSON: I see.

20 4751 MR. SCHREIBER: It could have been
21 true, it could not have been true, but this is what I
22 was told.

23 4752 MR. WOLSON: One moment.

24 --- Pause

25 4753 MR. WOLSON: Look, please, to Tab 12,

1 Book 3.

2 4754 As to that \$500,000 you had an
3 interview with Mr. Kaplan, didn't you, June 6 -- I'm
4 sorry, March 6, 2004. Yes?

5 4755 MR. SCHREIBER: I don't know.

6 4756 MR. WOLSON: Did you have some
7 interviews with Mr. Kaplan?

8 4757 MR. SCHREIBER: Several, as I told
9 you earlier.

10 4758 MR. WOLSON: Yes. At the Four
11 Seasons Hotel?

12 4759 MR. SCHREIBER: H'm? Yes.

13 4760 MR. WOLSON: At the Four Seasons
14 Hotel in Toronto?

15 4761 MR. SCHREIBER: Yes.

16 4762 MR. WOLSON: What Mr. Kaplan says,
17 halfway down the page:

18 "In any event, Thyssen had by
19 that point spent more than 10
20 million on the project..."

21 4763 He is talking about the Bear Head
22 Project.

23 "... he spoke to them..."

24 4764 Meaning you, sir:

25 "... and they agreed to spend

1 Trial", but had a number of interviews in any event and
2 recorded the interviews.

3 4777 COMMISSIONER OLIPHANT: But "A Secret
4 Trial" was the second book.

5 4778 MR. WOLSON: Yes, it was. But he had
6 a number of interviews in any event with certain
7 parties, and these are the notes of the interviews and
8 you will hear from Mr. Kaplan.

9 4779 COMMISSIONER OLIPHANT: Okay. But
10 this interview that you have referred to at Tab 12 is
11 in respect of the second book that was written?

12 4780 MR. WOLSON: Oh, I'm not sure, sir.

13 4781 COMMISSIONER OLIPHANT: Do you know,
14 Mr. Schreiber?

15 4782 MR. SCHREIBER: No. And,
16 Commissioner, it doesn't work at all. Thyssen did not
17 pay another \$500,000 nowhere, and everybody here from
18 the Commission knows it because they have the accounts.

19 4783 MR. WOLSON: Well, sir --

20 4784 MR. SCHREIBER: There was no extra
21 money paid from Thyssen.

22 4785 MR. WOLSON: I'm concerned about
23 statements that are attributed to you which are
24 different from what you are telling the Commissioner
25 today.

1 4786 MR. SCHREIBER: They are wrong,
2 absolutely wrong.

3 4787 MR. WOLSON: I see. Well, we will
4 hear about that from Mr. Kaplan, what he says the
5 interview was about.

6 4788 MR. SCHREIBER: But the interview
7 doesn't change the figures in the accounts.

8 4789 MR. WOLSON: Are you suggesting, sir,
9 we have all of your accounts? Because I can tell you
10 we don't.

11 4790 MR. SCHREIBER: Please...?

12 4791 MR. WOLSON: Are you suggesting that
13 we have all of your accounts?

14 4792 MR. SCHREIBER: Yes.

15 4793 MR. WOLSON: You are suggesting that?

16 4794 MR. SCHREIBER: Yes.

17 4795 MR. WOLSON: I see. And you gave us
18 all of your accounts, are you suggesting?

19 4796 MR. SCHREIBER: All I had, yes.

20 4797 MR. WOLSON: All you had, but not all
21 of your accounts. There are accounts all over Europe
22 that you know of that we don't have.

23 4798 MR. SCHREIBER: No.

24 4799 MR. WOLSON: No, okay.

25 4800 MR. SCHREIBER: All the business you

1 are referring to in this case and what is all IAL are
2 the Swiss bank accounts, and everybody can follow the
3 money trail where I went. And this is what the RCMP
4 did for eight years.

5 4801 MR. WOLSON: Sure.

6 4802 MR. SCHREIBER: I mean, they have the
7 invoices, they have the interviews, they spoke to the
8 companies. There is no secret on the money.

9 4803 MR. WOLSON: Well, except that we are
10 not entitled to all of those accounts, but I'm not
11 going to debate that with you.

12 4804 But I will say one thing. Then when
13 we look at the Frankfurt account we will see half a
14 million dollars in there from 1988 until 1993?

15 4805 MR. SCHREIBER: Yes.

16 4806 MR. WOLSON: Okay. Thank you.

17 4807 Now, I would like to go on to another
18 area, please.

19 4808 The election takes place after the
20 August 27, '93 meeting; right?

21 4809 You meet with Mr. Mulroney August 27,
22 1993 --

23 4810 MR. SCHREIBER: Yes.

24 4811 MR. WOLSON: -- in his hotel suite in
25 Mirabel?

1 4812 MR. SCHREIBER: Yes.

2 4813 MR. WOLSON: After that, in October
3 the Conservatives lost the election.

4 4814 MR. SCHREIBER: Yes.

5 4815 MR. WOLSON: They were beaten very
6 badly.

7 4816 MR. SCHREIBER: Yes.

8 4817 MR. WOLSON: Two seats. You agree
9 with that?

10 4818 MR. SCHREIBER: Yeah.

11 4819 MR. WOLSON: Bear Head had not
12 happened during Mr. Mulroney's time as Prime Minister.
13 It had not happened after Mr. Mulroney and now the
14 Conservatives have lost --

15 4820 MR. SCHREIBER: Yes.

16 4821 MR. WOLSON: -- into October of 1993.

17 4822 MR. SCHREIBER: Yes.

18 4823 MR. WOLSON: How could he possibly
19 help you now, after the Conservatives lost, with
20 getting Bear Head in Montréal?

21 4824 MR. SCHREIBER: Oh, well I assumed
22 that he could have done a lot on a provincial basis,
23 which then the province would have been also involved
24 with providing the sites or property or whatever.

25 4825 MR. WOLSON: Okay.

1 4826 MR. SCHREIBER: I think there is
2 nobody in the room who would argue that Mr. Mulroney
3 has no power in Québec.

4 4827 MR. WOLSON: So you thought that he
5 could still help you?

6 4828 MR. SCHREIBER: He could still help,
7 yes.

8 4829 MR. WOLSON: Sure.

9 4830 And by the way, before the election
10 on October 12, '93, just a few weeks before the
11 election, it became pretty obvious to you that the
12 Conservatives may not win.

13 4831 MR. SCHREIBER: I wasn't here. I
14 don't know. I told you enough people which believed in
15 a miracle with the first female Prime Minister of
16 Canada.

17 4832 MR. WOLSON: Yes. And what you did
18 is you decided that you would -- if you would look at
19 Book 2 -- I'm sorry to do this to you. Book 2, Tab
20 146I.

21 4833 146I of Book 2, it should be an entry
22 October 12 in your diary.

23 4834 MR. SCHREIBER: 146?

24 4835 MR. WOLSON: 146I.

25 4836 MR. SCHREIBER: Yes.

1 4837 MR. WOLSON: You have in your book:
2 Corbeil 10, Charest 5, Chrétien 5.

3 4838 MR. SCHREIBER: Where is that?

4 4839 MR. WOLSON: October 12, 1993. Do
5 you have that?

6 4840 That's Book 2, Tab 146I.

7 4841 MR. SCHREIBER: Yes, October. Yes.

8 4842 MR. WOLSON: Do you have that there?

9 4843 MR. SCHREIBER: Yes.

10 4844 MR. WOLSON: October 12.

11 4845 MR. SCHREIBER: Yes.

12 4846 MR. WOLSON: You have in your book:
13 Corbeil 10. It is C-O-R-B. 10.

14 4847 MR. SCHREIBER: Yes.

15 4848 MR. WOLSON: Is that Corbeil?

16 4849 MR. SCHREIBER: It could be.

17 4850 MR. WOLSON: Charest 5,000. That's
18 your writing, isn't it?

19 4851 MR. SCHREIBER: Yes, but I don't know
20 what it means.

21 4852 MR. WOLSON: Okay.
22 4853 Chrétien 5,000.

23 4854 MR. SCHREIBER: Yes.

24 4855 MR. WOLSON: There's no doubt about
25 that? Chrétien 5,000; Martin 5,000; Chiasson 5,000.

1 4856 Do you see that?

2 4857 MR. SCHREIBER: Yes, I can see that,
3 though it could be that these were party donations from
4 Bear Head Industries.

5 4858 MR. WOLSON: Oh, I am going to
6 suggest to you that what you were doing was paying both
7 sides of the aisle donations, because October 12 the
8 election is coming up and things are quite uncertain.

9 4859 So what you did, I suggest, is you
10 gave Mr. Chrétien a party donation of 5,000, Mr. Martin
11 a Liberal 5,000, and two Conservatives, Corbeil and
12 Charest, 10,000 and 5,000 respectively.

13 4860 MR. SCHREIBER: I did not.

14 4861 MR. WOLSON: Bear Head did?

15 4862 MR. SCHREIBER: I did not.

16 4863 MR. WOLSON: Yes.

17 4864 MR. SCHREIBER: But it could be that
18 Bear Head did and I became aware of this for the first
19 time -- I don't even recall on what occasion.

20 4865 MR. WOLSON: As a matter of fact, in
21 the margin you have an amount 30,000 in the margin
22 which seems to add up: 10 and five is 15 and three
23 fives, that's 30,000.

24 4866 Do you see that, the right-hand side
25 of October 12?

1 4867 MR. SCHREIBER: Yes, I see that.

2 4868 MR. WOLSON: You say Bear Head made
3 those donations?

4 4869 MR. SCHREIBER: I learned -- and it
5 must have been it was in the news that the only thing
6 which was found somewhere was that the Liberals
7 received more donations than the Conservatives in the
8 books from Bear Head. I was pretty surprised when I
9 learned it the first time, but this is something you
10 need to ask Mr. Alford about.

11 4870 MR. WOLSON: What is your
12 relationship with Bear Head at that time, October of
13 1993?

14 4871 Were you President of the company?

15 4872 MR. SCHREIBER: I was the Chairman,
16 yes.

17 4873 MR. WOLSON: Chairman of the company.

18 4874 MR. SCHREIBER: Yes.

19 4875 MR. WOLSON: I see.

20 4876 MR. SCHREIBER: But I had nothing to
21 do with the administration. This was sent from
22 Mr. Alford directly with Thyssen.

23 4877 MR. WOLSON: So he would certainly
24 know, Mr. Alford would certainly know who was working
25 for Bear Head?

1 4878 MR. SCHREIBER: Yes.

2 4879 MR. WOLSON: If Mr. Mulroney were
3 lobbying nationally in Canada, Mr. Alford would know
4 that.

5 4880 MR. SCHREIBER: No.

6 4881 MR. WOLSON: No, he wouldn't. I see.

7 4882 MR. SCHREIBER: These arrangements I
8 have made. Mr. Alford -- but when you speak to him, he
9 can explain it to you.

10 4883 MR. WOLSON: Sure.

11 4884 MR. SCHREIBER: The daily work,
12 bookkeeping, all this stuff, was Mr. Alford --

13 4885 MR. WOLSON: All right.

14 4886 MR. SCHREIBER: -- directly with
15 Thyssen.

16 4887 MR. WOLSON: I see. Well --

17 4888 MR. SCHREIBER: Because you see when
18 you look at Chiasson, Chiasson is the lawyer who worked
19 for Mr. Doucet. Mr. Chiasson was the lawyer who
20 incorporated Bear Head in Nova Scotia.

21 4889 MR. WOLSON: And all of the other
22 people on that list were running for office: Chrétien,
23 Martin, Corbeil, Charest.

24 4890 MR. SCHREIBER: And Mr. Chiasson's
25 wife --

1 4891 MR. WOLSON: Yes...?

2 4892 MR. SCHREIBER: Was the campaign
3 manager for Mr. Chrétien.

4 4893 MR. WOLSON: I see.

5 4894 MR. SCHREIBER: So when I see his
6 name there, I assume that these were somehow donations.
7 But this is a guess, Mr. Wolson.

8 4895 MR. WOLSON: I see.

9 4896 MR. SCHREIBER: I don't know it.

10 4897 MR. WOLSON: I thought you told me
11 you found out from Bear Had afterwards that these were
12 donations.

13 4898 MR. SCHREIBER: No. I learned it
14 somehow in a public hearing or in a paper where it was
15 said that Liberals were the ones which got more money
16 than the Conservatives. That's the first time I heard
17 about it. I was never involved in these party
18 donations in this kind of stuff. It was all the job
19 for Mr. Alford.

20 4899 MR. WOLSON: You weren't involved in
21 party donations?

22 4900 MR. SCHREIBER: Not in this kind of
23 party donations from Bear Head. Mr. Alford went to all
24 the fund raising dinners and God knows what. He was
25 the fund raiser for the Conservatives by himself.

1 4901 MR. WOLSON: What party donation did
2 you make vis-à-vis Mr. Charest? That was you, wasn't
3 it?

4 4902 MR. SCHREIBER: Yes.

5 4903 MR. WOLSON: I see.

6 4904 Mr. Commissioner, I am in this
7 position. I am going to start a new area. It is just
8 past 4:15.

9 4905 COMMISSIONER OLIPHANT: All right.
10 You can start a new area, but you can maybe do it
11 tomorrow morning. Is that okay?

12 4906 MR. WOLSON: That would be fine.
13 Thank you. It has been a long day.

14 4907 COMMISSIONER OLIPHANT: Can I just
15 ask one question of you, Mr. Schreiber?

16 4908 MR. SCHREIBER: Yes,
17 Mr. Commissioner.

18 4909 COMMISSIONER OLIPHANT: If the
19 entries of October 12th are political donations by Bear
20 Head --

21 4910 MR. SCHREIBER: Yes...?

22 4911 COMMISSIONER OLIPHANT: -- when did
23 you find out about them?

24 4912 MR. SCHREIBER: I cannot tell you
25 what the event was. It was about party donations which

1 were given to the Conservatives, but then somewhere in
2 the media it was reported that Bear Head paid more in
3 donations to the Liberal party. The Liberal party was
4 the greatest beneficiary.

5 4913 That was when I learned it the first
6 time.

7 4914 COMMISSIONER OLIPHANT: Did you find
8 out about the donations after the election in 1993?

9 4915 MR. SCHREIBER: No, perhaps two years
10 ago.

11 4916 COMMISSIONER OLIPHANT: Two years
12 ago?

13 4917 MR. SCHREIBER: Yes.

14 4918 COMMISSIONER OLIPHANT: And yet you
15 noted it in your diary for October 12th of 1993?

16 4919 MR. SCHREIBER: Yes. In '93 when
17 this was done with the donations, but I learned about
18 this Liberal donations not before two or three years
19 ago.

20 4920 COMMISSIONER OLIPHANT: Why would you
21 make an entry showing monies paid to well-known Liberal
22 politicians in October of 1993 if you didn't find out
23 anything about it until a couple of years ago?

24 4921 MR. SCHREIBER: So it could have been
25 that Mr. Alford told me that this is his intention was

1 or that he would do it.

2 4922 COMMISSIONER OLIPHANT: Oh.

3 4923 MR. WOLSON: Let me ask you this --

4 4924 MR. SCHREIBER: I have no

5 recollection of this.

6 4925 MR. WOLSON: Yes. Let me ask you

7 this: It is in your diary, in your handwriting.

8 4926 MR. SCHREIBER: Yes.

9 4927 MR. WOLSON: It's in your diary, in

10 your handwriting about two weeks before the election.

11 4928 MR. SCHREIBER: Yes.

12 4929 MR. WOLSON: You would have put it

13 there for a reason.

14 4930 MR. SCHREIBER: Yes.

15 4931 MR. WOLSON: Either you were told

16 about it --

17 4932 MR. SCHREIBER: Yes.

18 4933 MR. WOLSON: -- and you put it

19 there --

20 4934 MR. SCHREIBER: Yes.

21 4935 MR. WOLSON: -- or you initiated it

22 and you put it there.

23 4936 MR. SCHREIBER: No.

24 4937 MR. WOLSON: Well it has to be one of

25 those reasons.

1 4938 MR. SCHREIBER: Yes. Okay.

2 4939 MR. WOLSON: If you were told about
3 it --

4 4940 MR. SCHREIBER: Yes...?

5 4941 MR. WOLSON: -- you obviously
6 approved it. You were the Chairman of the company.

7 4942 MR. SCHREIBER: No, I had not to
8 approve it when it's from Bear Head came. It had to be
9 approved by Mr. Massmann and Mr. Alford.

10 4943 MR. WOLSON: And you are the Chairman
11 of Bear Head.

12 4944 MR. SCHREIBER: Yes, but I was not
13 involved in the daily spending or banking. Mr. Alford
14 can explain this to you. It was not my job.

15 4945 MR. WOLSON: Sure. All right.

16 4946 MR. SCHREIBER: And I don't recall
17 this and the first time it came in my memory was when
18 somebody said they found cheque books or that the
19 Liberals received more donations from Bear Head than
20 the Conservatives.

21 4947 Maybe I can find out what occasion
22 that was.

23 4948 MR. WOLSON: Yes. And for some
24 unknown reason, you recorded it.

25 4949 MR. SCHREIBER: H'm?

1 4950 MR. WOLSON: For some unknown reason
2 you recorded it.

3 4951 MR. SCHREIBER: No. I wrote this
4 down in '93, but I was not aware of it until I learned
5 it in public that we donated to the Liberals more than
6 to the Conservatives.

7 4952 MR. WOLSON: That is your answer?

8 4953 MR. SCHREIBER: That's my memory, my
9 recollection of the whole thing.

10 4954 MR. WOLSON: Okay. All right. Thank
11 you then.

12 4955 COMMISSIONER OLIPHANT: All right.
13 We will adjourn now until tomorrow morning at 9:30.

14 4956 Good afternoon, counsel.

15 4957 Mr. Schreiber, good afternoon.

16 4958 MR. SCHREIBER: Thank you.

17 --- Whereupon the hearing adjourned at 4:20 p.m., to
18 resume on Wednesday, April 15, 2009 at 9:30 a.m. /
19 L'audience est ajournée à 16 h 20, pour reprendre
20 le mercredi 15 avril 2009 à 09 h 30
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We hereby certify that we have accurately transcribed the foregoing to the best of our skills and abilities.

Nous certifions que ce qui précède est une transcription exacte et précise au meilleur de nos connaissances et de nos compétences.

_____	_____
Bill Curley	Jean Desaulniers
_____	_____
Fiona Potvin	Sue Villeneuve

Monique Mahoney	