

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

Monday, April 27, 2009

**Tenue à :**

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

le lundi 27 avril 2009

## APPEARANCES / COMPARUTIONS

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Ms Marie Chalifoux	Registrar
Ms Anne Chalmers Ms Mary O'Farrell	Commission Staff

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1 Ottawa, Ontario / Ottawa (Ontario)

2 --- Upon resuming on Monday, April 27, 2009

3 at 9:30 a.m. / L'audience reprend le lundi

4 27 avril 2009 à 9 h 30

5 20475 COMMISSIONER OLIPHANT: Good morning,  
6 counsel. Good morning. Be seated, please.

7 20476 Before we commence the proceedings  
8 this morning, I want to make a statement from the  
9 Bench, so to speak.

10 20477 Last week Mr. Yarosky spoke about the  
11 release from captivity in Africa of two Canadian  
12 diplomats, Louis Guay and Robert Fowler. Everyone  
13 involved in the Inquiry was delighted and thankful that  
14 both men are now free and safe.

15 20478 I want to add a few comments,  
16 however, about a newspaper article that ran late last  
17 week across the country which erroneously stated that  
18 the Commission had summoned or called to testify  
19 Mr. Fowler after making a formal request through the  
20 Department of Foreign Affairs.

21 20479 It is important that I set the record  
22 straight by making it very clear that neither I nor  
23 anyone on behalf of the Commission approached the  
24 Department of Foreign Affairs, formally or otherwise,  
25 and that Mr. Fowler has not been summoned or called to

1           testify at the Inquiry.

2   20480                    The simple fact is that my counsel  
3           had indicated informally to the Department of Justice  
4           an interest in speaking to Mr. Fowler if and when he  
5           felt up to it, as his recovery from this ordeal is  
6           viewed by all officials on my staff as being paramount.

7   20481                    I regret the perception that may have  
8           been created by the erroneous article in question.

9   20482                    That, then, is the statement that I  
10          wish to make.

11   20483                    Mr. Wolson...?

12   20484                    MR. WOLSON: Good morning, sir.

13   20485                    First of all, I can advise everyone  
14          that we have a new Registrar this morning on an interim  
15          basis, Marie Chalifoux who is here and walked you into  
16          court this morning. Mr. Brisson, our Registrar is  
17          under the weather. We wish him well and we await his  
18          return.

19   20486                    That said, we are prepared to start  
20          this morning with Mr. Fred Doucet, if he can come  
21          forward and be sworn.

22   20487                    COMMISSIONER OLIPHANT: Good morning,  
23          Mr. Doucet.

24   20488                    Mr. Doucet, if you could just remain  
25          standing and take the Bible and your right hand,

1 please.

2 SWORN: FRED DOUCET

3 ASSERMENTÉ : FRED DOUCET

4 20489 COMMISSIONER OLIPHANT: Thank you.

5 Be seated, please.

6 20490 Mr. Doucet, if at any time during the  
7 course of the proceedings this morning or thereafter  
8 you feel the need for a break, just let me know that  
9 and we will take whatever break you feel you need.

10 20491 MR. F. DOUCET: Thank you.

11 20492 COMMISSIONER OLIPHANT: Fair enough?

12 20493 MR. F. DOUCET: Thank you.

13 20494 COMMISSIONER OLIPHANT: Okay.

14 20495 MR. WOLSON: I have met this morning  
15 briefly with Mr. Doucet and I can tell you that his  
16 wish is that we proceed to sometime after 12 o'clock,  
17 the usual hour, and we break and come back.

18 20496 He has a preference to deal with his  
19 evidence in a timely way and if we can deal with his  
20 evidence in the next two days, as we have set aside, I  
21 think he would be much in favour of that.

22 20497 But he is going to communicate with  
23 Mr. Houston along the way and we will have an idea as  
24 to whether that is the plan that we will proceed with.

25 20498 So with that in mind, we are prepared

1 to proceed with Mr. Doucet.

2 20499 There are two evidence books that I  
3 would like to file as the next two exhibits in the  
4 cause.

5 20500 I think they would be P-29 and P-30.

6 20501 THE REGISTRAR: Yes.

7 20502 MR. WOLSON: There are two books.

8 All counsel have them. One book deals with documents  
9 and miscellaneous documents. The other book deals with  
10 diaries. I think all counsel have them and I would  
11 like them introduced in the cause.

12 20503 COMMISSIONER OLIPHANT: All right,  
13 then. The booklet of documents will be received and  
14 marked as Exhibit P-29.

15 20504 I assume that this is by consent  
16 again, as usual, counsel?

17 20505 MR. GRONDIN: Well, Mr. Commissioner,  
18 good morning.

19 20506 COMMISSIONER OLIPHANT: Good morning,  
20 Mr. Grondin.

21 20507 MR. GRONDIN: I just want to point  
22 out that the relevance of some of the documents found  
23 in Binder No. 1 -- that is not the one with diaries but  
24 the one we just introduced as P-29 -- is not clear to  
25 us at this point, but we will see what use Maître



1           Wolson wants to make of some of the documents and take  
2           a position, if need be, at some point in time.

3   20508                            So at this point we have no objection  
4           to make.

5   20509                            COMMISSIONER OLIPHANT:  D'accord.  
6           Merci.

7   20510                            MR. GRONDIN:  Thank you.

8                                    \*    EXHIBIT NO. P-29:  Binder 1 of 2  
9    containing miscellaneous  
10    documents in support of Mr. Fred  
11    Doucet's testimony

12   20511                            COMMISSIONER OLIPHANT:  Then the  
13           booklet containing the diaries, then, will be received  
14           and marked as Exhibit P-30.  Again by consent, counsel?

15   20512                            No objection being taken.  Thank you.

16                                    \*    EXHIBIT NO. P-30:  Binder 2 of 2  
17    containing agenda entry document  
18    in support of Mr. Fred Doucet's  
19    testimony

20   20513                            MR. WOLSON:  Then there is a third  
21           document book which contains the interview that I  
22           conducted, along with Mr. Battista and Mr. Edgett, in  
23           my office, the interview of Mr. Doucet, which interview  
24           took place on the 10th of March this year.

25   20514                            I would like that marked as an

1 exhibit for identification.

2 20515 COMMISSIONER OLIPHANT: Is that  
3 Exhibit "F"?

4 20516 THE REGISTRAR: Yes.

5 20517 COMMISSIONER OLIPHANT: The  
6 interview, then, conducted by Mr. Wolson of Mr. Doucet  
7 on March 10th will be received and marked as Exhibit  
8 "F" for identification.

9 \* EXHIBIT NO. "F" (for  
10 identification): Binder  
11 containing "Interview of Mr.  
12 Fred Doucet" held Tuesday, March  
13 10, 2009 by Mr. Wolson

14 20518 MR. WOLSON: Does Mr. Doucet then  
15 have the three books?

16 20519 COMMISSIONER OLIPHANT: I'm not sure  
17 if Mr. Doucet has them, but I don't. No, he doesn't  
18 either.

19 20520 MR. WOLSON: All right. While we are  
20 getting those exhibits to the witness and to you,  
21 Mr. Commissioner, I would be prepared to start or you  
22 may wish to have the documents before I start.

23 20521 I am going to question Mr. Doucet on  
24 issues of background. I don't anticipate that we will  
25 be needing those documents for a couple of minutes at

1           least.

2   20522                           COMMISSIONER OLIPHANT:  Please

3           proceed.

4   20523                           MR. WOLSON:  Thank you.

5           EXAMINATION:  FRED DOUCET BY MR. WOLSON /

6           INTERROGATOIRE  :  FRED DOUCET PAR Me WOLSON

7   20524                           MR. WOLSON:  Formally, sir, good

8           morning.

9   20525                           MR. F. DOUCET:  Good morning.

10  20526                           MR. WOLSON:  I want to ask you some

11           questions about background first.

12  20527                           You had talked to me back in March of

13           this year in our offices, a recorded interview, Exhibit

14           "F" in these proceedings, and you advised me by way of

15           background that you started your education, at least of

16           a secondary nature, at St. Francis Xavier University

17           back in 1956.

18  20528                           MR. F. DOUCET:  Correct.

19  20529                           MR. WOLSON:  And you studied there

20           towards a science degree --

21  20530                           MR. F. DOUCET:  Correct.

22  20531                           MR. WOLSON:  -- with a major in

23           geology?

24  20532                           MR. F. DOUCET:  Correct.

25  20533                           MR. WOLSON:  You then took a Bachelor

1 of Education and a Masters of Education at Mount  
2 Allison University in New Brunswick.

3 20534 MR. F. DOUCET: Correct.

4 20535 MR. WOLSON: You studied and received  
5 a Doctorate in Educational Administration at the  
6 University of Alberta, graduating in 1976?

7 20536 MR. F. DOUCET: No, I think there is  
8 a mistake on that. It should be the University of  
9 Ottawa.

10 20537 MR. WOLSON: Ottawa, all right. But  
11 the substance is true?

12 20538 MR. F. DOUCET: Correct.

13 20539 MR. WOLSON: You received a  
14 doctorate --

15 20540 MR. F. DOUCET: Correct.

16 20541 MR. WOLSON: -- from the University  
17 of Ottawa in '76?

18 20542 MR. F. DOUCET: Correct.

19 20543 MR. WOLSON: All right. After  
20 graduating I understand, graduating back in St.  
21 Francis, your first job was at Melita, Manitoba.

22 20544 MR. F. DOUCET: Proud of it.

23 20545 MR. WOLSON: So you should be, a  
24 thriving metropolis in the Province of Manitoba, my  
25 home province and the Commissioner's as well.

1 20546 You were a schoolteacher, taught  
2 French in Melita, Manitoba.

3 20547 MR. F. DOUCET: French and some other  
4 subject.

5 20548 MR. WOLSON: All right. And after a  
6 time you moved up north to Ungava where you taught  
7 sciences and became the equivalent of the school  
8 principal?

9 20549 MR. F. DOUCET: Correct.

10 20550 MR. WOLSON: You then moved to become  
11 the Dean of Studies at the College of Laval University  
12 in Québec City.

13 20551 MR. F. DOUCET: St. Lawrence College.

14 20552 MR. WOLSON: That's what it was  
15 called at the time?

16 20553 MR. F. DOUCET: That's correct.

17 20554 MR. WOLSON: All right. And you went  
18 back to St. FX to become the Administrative Assistant  
19 to the President of the university and stayed there  
20 many years.

21 20555 MR. F. DOUCET: Correct. I had other  
22 assignments while I was there.

23 20556 MR. WOLSON: Sure. You left the  
24 field of education and became the President of an oil  
25 and gas company in Nova Scotia.

1 20557 MR. F. DOUCET: Correct.

2 20558 MR. WOLSON: Called East Coast  
3 Energy?

4 20559 MR. F. DOUCET: Correct.

5 20560 MR. WOLSON: From there you took a  
6 position as the Chief of Staff to Brian Mulroney when  
7 he was the Leader of the Opposition?

8 20561 MR. F. DOUCET: Correct.

9 20562 MR. WOLSON: I want to get into an  
10 area of your life in politics, at least officially in  
11 some positions that you held.

12 20563 As Leader of the Opposition -- and do  
13 you recall when you held that, the position of Chief of  
14 Staff?

15 20564 MR. F. DOUCET: That would have begun  
16 in 1984.

17 20565 MR. WOLSON: And as Leader of the --

18 20566 MR. F. DOUCET: I'm sorry, I'm sorry,  
19 1983.

20 20567 MR. WOLSON: Eighty-three?

21 20568 MR. F. DOUCET: Nineteen  
22 eighty-three.

23 20569 MR. WOLSON: By '84 Mr. Mulroney had  
24 become the Prime Minister of Canada.

25 20570 MR. F. DOUCET: September of '84.

1 20571 MR. WOLSON: All right. So the time  
2 you spent as Chief of Staff of the Leader of the  
3 Opposition in 1983, you ran that office?

4 20572 MR. F. DOUCET: Yes, with others.

5 20573 MR. WOLSON: You were responsible for  
6 things such as staff?

7 20574 MR. F. DOUCET: True. Correct.

8 20575 MR. WOLSON: Were you involved in the  
9 Winnipeg convention or meeting where Mr. Clark, who was  
10 then the Leader of the Conservative Party, failed to  
11 get the requisite number of -- or the requisite amount  
12 of support that he had sought?

13 20576 MR. F. DOUCET: Correct.

14 20577 MR. WOLSON: Did you know Karlheinz  
15 Schreiber back then?

16 20578 MR. F. DOUCET: I did not.

17 20579 MR. WOLSON: Did you know what role,  
18 if any, he played in the Winnipeg meeting to assist  
19 Mr. Mulroney?

20 20580 MR. F. DOUCET: I did not.

21 20581 MR. WOLSON: You are aware now of his  
22 purported role?

23 20582 MR. F. DOUCET: Yes.

24 20583 MR. WOLSON: Were you involved in  
25 campaigning for Mr. Mulroney as he ran for the position

1 of Prime Minister?

2 20584 MR. F. DOUCET: For the position of  
3 Prime Minister?

4 20585 MR. WOLSON: Yes.

5 20586 MR. F. DOUCET: Yes.

6 20587 MR. WOLSON: You were involved in his  
7 leadership --

8 20588 MR. F. DOUCET: I was.

9 20589 MR. WOLSON: -- quest in Ottawa?

10 20590 MR. F. DOUCET: Correct.

11 20591 MR. WOLSON: And then in the national  
12 election when he became Prime Minister?

13 20592 MR. F. DOUCET: Correct.

14 20593 MR. WOLSON: Were you involved in his  
15 running for a second term in government, I think in  
16 '88?

17 20594 MR. F. DOUCET: Not as active as I  
18 had been in '84.

19 20595 MR. WOLSON: All right.

20 20596 I want to deal with your relationship  
21 with Brian Mulroney in the past and the relationship  
22 that you have with him today.

23 20597 You first met and became friends I  
24 understand with Prime Minister Mulroney way back in  
25 your days at St. FX?



1 20598 MR. F. DOUCET: Correct.

2 20599 MR. WOLSON: You were school friends  
3 and had become -- have become lifelong friends.

4 20600 MR. F. DOUCET: Correct.

5 20601 MR. WOLSON: Dating back to the  
6 mid-'50s until today?

7 20602 MR. F. DOUCET: Correct.

8 20603 MR. WOLSON: And I am assuming that  
9 you remain in that close relationship with him as we  
10 speak?

11 20604 MR. F. DOUCET: Correct.

12 20605 MR. WOLSON: You would feel free, you  
13 told me when I interviewed you, feel free, and as far  
14 as you know Mr. Mulroney to you, to discuss and confide  
15 in personal matters with him?

16 20606 MR. F. DOUCET: Correct.

17 20607 MR. WOLSON: Now, from your days at  
18 St. FX, there are a number of other people that have  
19 done very well and were involved in politics who you  
20 are familiar with?

21 20608 MR. F. DOUCET: Correct.

22 20609 MR. WOLSON: Lowell Murray is a St.  
23 FX graduate?

24 20610 MR. F. DOUCET: He is.

25 20611 MR. WOLSON: You have a friendship

1 with Mr. Murray?

2 20612 MR. F. DOUCET: Yes.

3 20613 MR. WOLSON: Had that friendship with  
4 him in your days in government?

5 20614 MR. F. DOUCET: Correct.

6 20615 MR. WOLSON: Your brother Gerry  
7 Doucet is a St. FX graduate?

8 20616 MR. F. DOUCET: Correct.

9 20617 MR. WOLSON: Now, your brother I know  
10 is a lawyer and was involved with the GCI, a company  
11 that we will talk about.

12 20618 Was he ever with or involved in  
13 government itself?

14 20619 MR. F. DOUCET: Not federally. He  
15 was involved in provincial government in Nova Scotia.  
16 He was a Minister of various ministries during the days  
17 of Robert Stanfield.

18 20620 MR. WOLSON: And what days are those  
19 in terms of years? I should know my history, but you  
20 probably have a better feel for that.

21 20621 MR. F. DOUCET: Well, maybe a better  
22 feel, but not a better recollection. Let me try and  
23 recall.

24 20622 I think he was first elected in the  
25 early '60s, probably '64 to '66 timeframe.

- 1 20623 MR. WOLSON: What time,  
2 approximately, did your brother leave government,  
3 provincial government and practise in the area of law  
4 and government relations?
- 5 20624 MR. F. DOUCET: I think he was in the  
6 provincial government until he ran for the leadership  
7 of the party and lost to Mr. Buchanan, who became the  
8 Premier of the province.
- 9 20625 My best guess is this would be in the  
10 early '70s.
- 11 20626 MR. WOLSON: All right. So from at  
12 least the mid-'70s on, your brother was active in a  
13 practice and in government relations of some sort?
- 14 20627 MR. F. DOUCET: Yes. I think  
15 initially the pure practise of law.
- 16 20628 MR. WOLSON: All right. I like it  
17 described that way.
- 18 20629 So that said, taking you back to your  
19 evidence of St. FX graduates that you have close  
20 relationships with, Pat MacAdam would be another St. FX  
21 graduate?
- 22 20630 MR. F. DOUCET: Correct.
- 23 20631 MR. WOLSON: And Mr. MacAdam enjoyed  
24 a very good relationship not only with you, but with  
25 Mr. Mulroney?

1 20632 MR. F. DOUCET: Yes.

2 20633 MR. WOLSON: I think they were  
3 roommates at one time, were they not, going back to the  
4 St. FX days?

5 20634 MR. F. DOUCET: I do believe.

6 20635 MR. WOLSON: All right. And they  
7 still enjoy a close relationship today, as you do?

8 20636 MR. F. DOUCET: Yes.

9 20637 MR. WOLSON: Right. Sam Wakim was  
10 another SFX graduate?

11 20638 MR. F. DOUCET: Yes, that's correct.

12 20639 MR. WOLSON: Now, Elmer MacKay, you  
13 enjoy a relationship with Mr. MacKay. Though not a  
14 graduate of SFX, he was a man who established himself  
15 in Nova Scotia and then in federal politics and he is a  
16 man with whom you have that friendship with as well?

17 20640 MR. F. DOUCET: Correct.

18 20641 MR. WOLSON: Now, going back to your  
19 relationship with Brian Mulroney, you have visited with  
20 him and spent time with him over the years?

21 20642 MR. F. DOUCET: Correct.

22 20643 MR. WOLSON: There are in your  
23 diaries -- and we have seen your diaries; you were kind  
24 enough to provide them to the Commission -- many, many,  
25 many entries over the years, both while with government

1           and afterwards where you would see Mr. Mulroney  
2           professionally in the work you were doing, socially and  
3           you enjoyed that kind of relationship for many, many  
4           years?

5   20644                   MR. F. DOUCET:  That is correct.

6   20645                   MR. WOLSON:  Have you talked to  
7           Mr. Mulroney about evidence prior to either you or he  
8           testifying at the Ethics Committee?

9   20646                   MR. F. DOUCET:  Yes.

10  20647                   MR. WOLSON:  And have you talked to  
11          him about evidence prior to you being interviewed by me  
12          in March of 2009?

13  20648                   MR. F. DOUCET:  In a general way.

14  20649                   MR. WOLSON:  And prior to your  
15          testimony here today?

16  20650                   MR. F. DOUCET:  In a general way.

17  20651                   MR. WOLSON:  All right.  In a general  
18          way meaning to refresh one's memories?

19  20652                   MR. F. DOUCET:  Yes, in part.

20  20653                   MR. WOLSON:  To talk about things  
21          like meetings that you are aware of at the Mirabel  
22          Hotel?

23  20654                   MR. F. DOUCET:  I'm not sure that  
24          that specifically came up.  I don't recall that.

25  20655                   MR. WOLSON:  Or the New York meeting

1 at the Pierre Hotel where you were present?

2 20656 MR. F. DOUCET: Yes, I think that one  
3 came up.

4 20657 MR. WOLSON: And of matters generally  
5 that may be important to this Commission of Inquiry?

6 20658 MR. F. DOUCET: Correct.

7 20659 MR. WOLSON: When was the last time  
8 that you talked to him about these kinds of matters?

9 20660 MR. F. DOUCET: It was last week  
10 sometime, mid to late last week.

11 20661 MR. WOLSON: All right. And what did  
12 you talk about at that time in terms of evidence?

13 20662 MR. F. DOUCET: He wished me good  
14 luck.

15 20663 MR. WOLSON: Yes. But I'm talking  
16 about evidence of a substantial nature, not just good  
17 luck -- I take it he would call you Fred, you would  
18 call him Brian?

19 20664 MR. F. DOUCET: Yes. Yes.

20 20665 MR. WOLSON: All right. Not just  
21 good luck. What of a substantive nature did you talk  
22 about?

23 20666 MR. F. DOUCET: Well, in a general  
24 way he continued to show his concern for the whole  
25 process of having to go through with all of this and he

1           made frequent reference to the pain that was being  
2           inflicted on him and his family and, to a lesser  
3           extent, I did likewise.

4   20667                   MR. WOLSON:   But I am more concerned  
5           with what evidence you talked about.   What general  
6           evidence did you discuss?

7   20668                   MR. F. DOUCET:   Probably what  
8           Mr. Schreiber had put in his testimony.

9   20669                   MR. WOLSON:   Well, not probably.   You  
10          are aware of his testimony, are you?

11   20670                   MR. F. DOUCET:   Yes, I am.   Yes.

12   20671                   MR. WOLSON:   You have heard it or  
13          read it?

14   20672                   MR. F. DOUCET:   I heard it.

15   20673                   MR. WOLSON:   And is that what you  
16          talked about, what Mr. Schreiber had testified to  
17          before Commissioner Oliphant?

18   20674                   MR. F. DOUCET:   Correct.

19   20675                   MR. WOLSON:   All right.   Did you  
20          compare, for instance, what he had said to your version  
21          of the events or Mr. Mulroney's version of events?

22   20676                   MR. F. DOUCET:   The subject came up,  
23          yes.

24   20677                   MR. WOLSON:   How long was the  
25          meeting -- was it an in person meeting or a phone

1 discussion?

2 20678 MR. F. DOUCET: Telephone.

3 20679 MR. WOLSON: How long was the

4 discussion?

5 20680 MR. F. DOUCET: Well, I want to put

6 this in context.

7 20681 We speak on the telephone a lot.

8 20682 MR. WOLSON: I understand that, but

9 I'm talking about this conversation.

10 20683 MR. F. DOUCET: Probably five

11 minutes --

12 20684 MR. WOLSON: Five minutes.

13 20685 MR. F. DOUCET: -- I would say.

14 20686 MR. WOLSON: But you have spoken

15 other times about it?

16 20687 MR. F. DOUCET: Correct.

17 20688 MR. WOLSON: So you have had a more

18 or less continuous dialogue, I would think, based on

19 what you have just told me.

20 20689 Was there a dialogue on other days

21 about the same subject matter?

22 20690 MR. F. DOUCET: Yes.

23 20691 MR. WOLSON: All right. And that has

24 gone on I'm sure since Karlheinz Schreiber testified.

25 20692 MR. F. DOUCET: Well, even before



1           that, the Ethics Committee and so on.

2   20693                   MR. WOLSON:   Okay.

3   20694                   I want to then go to your life  
4           officially in government.

5   20695                   You have told us about being the  
6           Chief of Staff of the Leader of the Opposition Brian  
7           Mulroney.

8   20696                   I take it that both in that position  
9           and in the position that -- you did become involved in  
10          government when Mr. Mulroney was Prime Minister?

11   20697                   MR. F. DOUCET:   Correct.

12   20698                   MR. WOLSON:   You were a senior  
13          adviser?

14   20699                   MR. F. DOUCET:   Correct.

15   20700                   MR. WOLSON:   An important position  
16          with Mr. Mulroney's government?

17   20701                   MR. F. DOUCET:   Thank you.

18   20702                   MR. WOLSON:   You would agree with  
19          that?

20   20703                   MR. F. DOUCET:   I wouldn't disagree,  
21          yes.

22   20704                   MR. WOLSON:   All right.   So I am  
23          assuming that as Chief of Staff you had his ear?

24   20705                   MR. F. DOUCET:   Yes.

25   20706                   MR. WOLSON:   And he had yours?

1 20707 MR. F. DOUCET: Correct.

2 20708 MR. WOLSON: If there were matters  
3 that he wanted to discuss involving matters of  
4 politics, matters of programs, he could feel free and  
5 did feel free to talk to you and you to him?

6 20709 MR. F. DOUCET: Absolutely.

7 20710 MR. WOLSON: You would and did  
8 describe to me your role as Chief of Staff while he was  
9 in the Opposition as akin to a Chief Operating Officer  
10 of a company.

11 20711 MR. F. DOUCET: Yes.

12 20712 MR. WOLSON: You would hire and fire  
13 staff?

14 20713 MR. F. DOUCET: Yes, I could.

15 20714 MR. WOLSON: At least that was within  
16 your job description.

17 20715 MR. F. DOUCET: Sure.

18 20716 MR. WOLSON: You were involved in  
19 supervising staff if necessary?

20 20717 MR. F. DOUCET: Correct.

21 20718 MR. WOLSON: And you were close to  
22 Mr. Mulroney in the time that he was Chief of Staff --  
23 that he was the --

24 20719 MR. F. DOUCET: Leader of the  
25 Opposition.

1 20720 MR. WOLSON: -- Leader of the  
2 Opposition and you were Chief of Staff?

3 20721 MR. F. DOUCET: Correct.

4 20722 MR. WOLSON: How about when you  
5 became a senior adviser with the Mulroney government?  
6 When did that happen?

7 20723 MR. F. DOUCET: In September of '84.

8 20724 MR. WOLSON: And that carried on  
9 until May of '87?

10 20725 MR. F. DOUCET: Correct.

11 20726 MR. WOLSON: What was your  
12 responsibility in that capacity?

13 20727 MR. F. DOUCET: My central  
14 responsibility was coordinating his international  
15 agenda.

16 20728 MR. WOLSON: Yes.

17 20729 MR. F. DOUCET: Both multilaterally  
18 and bilaterally. And I also had responsibility for  
19 coordinating his activities with the Premiers of  
20 Canada. There was an informal grouping of Premiers  
21 which periodically brought them together, at which time  
22 the Prime Minister might attend, and I had the  
23 responsibility over that activity as well.

24 20730 MR. WOLSON: Was that your only  
25 domestic responsibility?

1 20731 MR. F. DOUCET: It was my main one.  
2 Politics is always a responsibility when you are in the  
3 Prime Minister's office, so I had an interest in  
4 everything. But in terms of responsibilities those  
5 were clearly the main, and the first one by far, by far  
6 the main responsibility.

7 20732 MR. WOLSON: The international  
8 scene --

9 20733 MR. F. DOUCET: Correct. Correct.

10 20734 MR. WOLSON: -- that you were  
11 involved in, in giving advice in that area?

12 20735 MR. F. DOUCET: Correct.

13 20736 MR. WOLSON: Did you travel with the  
14 Prime Minister?

15 20737 MR. F. DOUCET: Extensively.

16 20738 MR. WOLSON: You told me when I  
17 interviewed you that the Prime Minister from time to  
18 time would ask you for advice or opinion, or your  
19 opinion, on domestic matters.

20 20739 MR. F. DOUCET: Correct.

21 20740 MR. WOLSON: While you were the  
22 senior adviser did you know about the Bear Head  
23 Project?

24 20741 MR. F. DOUCET: Yes, I did. Just by  
25 way of context, the staff of the Prime Minister would

1 have meetings on a regular basis, and people charged  
2 with various areas of responsibility would bring their  
3 issues to that meeting. In the case of the Bear Head  
4 Project, that would have been Dr. Charles McMillan's  
5 responsibility, and as he would on that and on all  
6 other economic files that were his responsibility he  
7 would brief the staff.

8 20742 MR. WOLSON: So just to be clear,  
9 Charles McMillan was involved with the Bear Head  
10 Project and supported it, to your knowledge?

11 20743 MR. F. DOUCET: Well, I'm not sure he  
12 was involved with it. I have no recollection of that.

13 20744 MR. WOLSON: Did he support it?

14 20745 MR. F. DOUCET: I think he was a  
15 supporter of it, yes.

16 20746 MR. WOLSON: All right. Your brother  
17 Gerry Doucet was not in government at that time?

18 20747 MR. F. DOUCET: No. He was never in  
19 the federal government.

20 20748 MR. WOLSON: All right. Can I ask  
21 you this: As the senior adviser to Mr. Mulroney, while  
22 you knew about the Bear Head Project and obviously  
23 heard about it at meetings, you also have your roots in  
24 Nova Scotia and you knew that it had great benefit to  
25 Nova Scotians.

1 20749 MR. F. DOUCET: Absolutely.

2 20750 MR. WOLSON: So these are matters  
3 that you were conversant with.

4 20751 MR. F. DOUCET: Yes.

5 20752 MR. WOLSON: But would I be correct  
6 in what you told me when I interviewed you, that you  
7 didn't have any dealings specifically with the Bear  
8 Head Project?

9 20753 MR. F. DOUCET: That is correct. You  
10 are right in your surmise that being a Nova Scotian,  
11 and more importantly maybe in this context a Cape  
12 Bretoner, I had strong feelings for the plight of the  
13 people.

14 20754 MR. WOLSON: The unemployment  
15 situation was a serious one, was it not?

16 20755 MR. F. DOUCET: Absolutely.  
17 Absolutely.

18 20756 MR. WOLSON: Yes, all right.

19 20757 MR. F. DOUCET: And therefore any  
20 projects that were being contemplated for that area,  
21 particularly in this case where the prospects of  
22 creating upwards of 500 jobs was being talked about,  
23 that certainly would have gotten my attention.

24 20758 MR. WOLSON: But you weren't in a  
25 position that you are working on the project?

- 1 20759 MR. F. DOUCET: Correct.
- 2 20760 MR. WOLSON: You were absolutely --  
3 you supported it, you thought it was a good thing for  
4 Nova Scotia, and for Canada, generally, but you weren't  
5 involved in working with that project.
- 6 20761 MR. F. DOUCET: Correct.
- 7 20762 MR. WOLSON: If we turn to Book 1 of  
8 your exhibits --
- 9 20763 MR. F. DOUCET: I have it.
- 10 20764 COMMISSIONER OLIPHANT: Mr. Wolson,  
11 just half a second, if I could. I would like to ask a  
12 question just before we move on, okay?
- 13 20765 Mr. Doucet, you indicated that in the  
14 PMO there were staff meetings on a regular basis, where  
15 people who had responsibility for files would bring  
16 issues forward, and you referred specifically to Dr.  
17 Charles McMillan as being responsible for the Bear Head  
18 Project, and you said that you thought he was a  
19 supporter.
- 20 20766 What did he have to do with Bear  
21 Head?
- 22 20767 MR. F. DOUCET: No, I don't want to  
23 leave that impression. His area of involvement was the  
24 economic -- all economic files that came to the Prime  
25 Minister's attention. So, in that sense, Bear Head

1           would have fallen into that category.

2   20768                   COMMISSIONER OLIPHANT:  It would have  
3           been one of many that he was dealing with.

4   20769                   MR. F. DOUCET:  Many, many, many.

5   20770                   COMMISSIONER OLIPHANT:  And that  
6           would be the extent of his involvement.

7   20771                   MR. F. DOUCET:  Correct.

8   20772                   And I don't recall specifically his  
9           briefing the staff on it, but it would have been in his  
10          domain to have done so.

11  20773                   COMMISSIONER OLIPHANT:  Okay.  Thank  
12          you very much.

13  20774                   MR. WOLSON:  Thank you, sir.

14  20775                   Let me take you, then, to Book 1, Tab  
15          1, of your materials.  This is a document entitled  
16          "Secret".  I guess it was that before we got it and  
17          disclosed it, but "Secret", February 5th, 1986 --

18  20776                   MR. F. DOUCET:  Yes, I see it.

19  20777                   MR. WOLSON:  It is a document that is  
20          written by "RRF", who, I believe, is Robert Fowler.

21  20778                   MR. F. DOUCET:  I would conclude  
22          that, too.

23  20779                   MR. WOLSON:  And it is cc'd to Mr.  
24          Swain and Mr. Shortliffe.

25  20780                   MR. F. DOUCET:  Correct.



1 20781 MR. WOLSON: And it's a memorandum  
2 for Mr. Tellier at PCO.

3 20782 MR. F. DOUCET: Correct.

4 20783 MR. WOLSON: It says, "Regarding the  
5 Thyssen proposal," and you know that the Thyssen  
6 proposal was the proposal to build a plant in Bear  
7 Head, Nova Scotia.

8 20784 MR. F. DOUCET: Correct.

9 20785 MR. WOLSON: Or in the Strait of  
10 Canso at Bear Head.

11 20786 MR. F. DOUCET: Correct.

12 20787 MR. WOLSON: Yes.

13 20788 It says:  
14 "We are forwarding the attached  
15 memorandum to the Prime Minister  
16 for your signature..."

17 -- and this is going to Mr. Tellier:  
18 "...and onward transmission to  
19 him.

20 The memorandum expresses our  
21 concern, which derives from the  
22 very highly sensitive nature of  
23 the Thyssen proposal. As you  
24 are aware, the proposal calls  
25 for construction of a plant in

1 Cape Breton by a major German  
2 manufacturing concern to produce  
3 military vehicles (including  
4 light tanks) for sale in the  
5 Middle East and, perhaps,  
6 elsewhere."  
7 20789 I am reading that accurately?  
8 20790 MR. F. DOUCET: Correct.  
9 20791 MR. WOLSON:  
10 "As you will see, we have  
11 somewhat unusually and rather  
12 forcefully stated our (your)  
13 strong reservations about the  
14 Thyssen proposal; this in the  
15 full knowledge that senior  
16 ministers (N.B Stevens) and,  
17 indeed, the Prime Minister -  
18 strongly encouraged by both  
19 Messrs. Doucet..."  
20 -- that would be you --  
21 20792 MR. F. DOUCET: Correct.  
22 20793 MR. WOLSON: "...and McMillan," the  
23 gentleman you talked about a few moments ago.  
24 20794 MR. F. DOUCET: Correct.  
25 20795 MR. WOLSON:

1 "...strongly encouraged by  
2 Messrs. Doucet and McMillan,  
3 appear to favour it. Stated  
4 succinctly, Harry Swain thinks  
5 the economic risks outweigh any  
6 possible advantages; for my  
7 part, I believe approval of the  
8 proposal would be the type of  
9 `political accident'...the Prime  
10 Minister is judiciously trying  
11 to avoid."

12 20796 Do you see that?

13 20797 MR. F. DOUCET: Yes. You missed a  
14 sentence, but --

15 20798 MR. WOLSON: I don't think that  
16 sentence is --

17 20799 MR. F. DOUCET: I agree.

18 20800 MR. WOLSON: -- critical to the  
19 reading of this document.

20 20801 So as early as February of 1986, Mr.  
21 Swain appears not to favour Thyssen?

22 20802 MR. F. DOUCET: Correct.

23 20803 MR. WOLSON: Mr. Fowler appears not  
24 to favour Thyssen?

25 20804 MR. F. DOUCET: Correct.

- 1 20805 MR. WOLSON: They were with the  
2 Department of National Defence?
- 3 20806 MR. F. DOUCET: I don't believe so.  
4 I think that Mr. Fowler, at the time, was in the PCO,  
5 and Mr. Tellier, I believe, was Clerk of the Privy  
6 Council.
- 7 20807 MR. WOLSON: All right, and Mr.  
8 Swain?
- 9 20808 MR. F. DOUCET: I am not certain.
- 10 20809 MR. WOLSON: All right. I can tell  
11 you, and we will see further on, that Mr. Fowler and  
12 Mr. Swain had responsibilities, certainly Mr. Fowler  
13 did, with DND, the Department of National Defence, and  
14 we will see that as we go on.
- 15 20810 MR. F. DOUCET: I think that came  
16 later.
- 17 20811 MR. WOLSON: All right. So that is  
18 the early view, at least from a government perspective.
- 19 20812 MR. F. DOUCET: Correct.
- 20 20813 MR. WOLSON: Would it be so that you  
21 were advocating for Bear Head back at that time?
- 22 20814 It says that you had strongly  
23 encouraged the Prime Minister. Would you say that you  
24 were advocating for Bear Head back in '86?
- 25 20815 MR. F. DOUCET: I have no memory of

1           that at all, but I can tell you that if the subject  
2           came up, I would certainly have encouraged it.

3   20816                   MR. WOLSON:  You had advised me when  
4           I interviewed you back in March of `09 -- I asked you:  
5           "While you were senior advisor, did you have any  
6           dealings at all, offer any opinions, or advise on the  
7           Bear Head Project," and you told me that you did not.

8   20817                   MR. F. DOUCET:  Yeah.  I have no  
9           memory of advocating to anyone on the project.

10  20818                   MR. WOLSON:  This document that I  
11           read to you seems to say otherwise, that whether you  
12           advocated or encouraged, you were certainly one of two  
13           that was in that position with the Prime Minister.

14  20819                   You don't disagree with that,  
15           although you don't remember it.

16  20820                   MR. F. DOUCET:  I don't remember it  
17           at all.

18  20821                   MR. WOLSON:  All right.  I  
19           understand, back in history, that you left being senior  
20           advisor and took on a new post in the Mulroney  
21           government.

22  20822                   MR. F. DOUCET:  Correct.

23  20823                   MR. WOLSON:  You took on the position  
24           of being an ambassador-at-large -- that was your  
25           title --

- 1 20824 MR. F. DOUCET: Correct.
- 2 20825 MR. WOLSON: -- and you were involved  
3 as being the chairman of organizing summits.
- 4 20826 MR. F. DOUCET: Correct.
- 5 20827 MR. WOLSON: International summits?
- 6 20828 MR. F. DOUCET: Yes.
- 7 20829 There was an unusual confluence of  
8 summits in Canada over a 12 to 18-month period spanning  
9 `87-`88 -- three summits.
- 10 20830 MR. WOLSON: You had a Quebec summit,  
11 a Vancouver summit, and a Toronto summit.
- 12 20831 MR. F. DOUCET: Yeah. The Quebec  
13 summit was le Sommet de la Francophonie --
- 14 20832 MR. WOLSON: Yes.
- 15 20833 MR. F. DOUCET: -- which grouped some  
16 55 countries, with a common denominator being  
17 French-speaking; the Commonwealth Summit in Vancouver,  
18 with some 50-plus countries; and the G7, which was in  
19 Toronto. At that time it was the G7.
- 20 20834 MR. WOLSON: The G7 conferences are  
21 important conferences.
- 22 20835 MR. F. DOUCET: Yes. If you were to  
23 categorize them, clearly that one would probably  
24 dominate.
- 25 20836 MR. WOLSON: And G7 conferences,

1 generally, would be a gathering of countries that would  
2 propose and advocate for certain changes, or that  
3 countries adopt certain policies.

4 20837 Would that be correct?

5 20838 MR. F. DOUCET: Yes. Looking at  
6 macro policies, correct.

7 20839 MR. WOLSON: So they are important  
8 summits because they encourage countries to take a  
9 unified stand on matters.

10 20840 MR. F. DOUCET: That is correct.

11 20841 MR. WOLSON: Being involved in  
12 organizing summits, and being an ambassador-at-large,  
13 you were out of the Prime Minister's Office and into  
14 Foreign Affairs --

15 20842 MR. F. DOUCET: Correct.

16 20843 MR. WOLSON: -- with a heavy load,  
17 having regard to these three summits that were on your  
18 plate.

19 20844 MR. F. DOUCET: Absolutely.

20 20845 MR. WOLSON: You continued to travel  
21 with the Prime Minister, when necessary?

22 20846 MR. F. DOUCET: Less so on his  
23 agenda, because others had replaced me in the Prime  
24 Minister's Office, but I travelled extensively on my  
25 own in the preparation of those summits.

1 20847 MR. WOLSON: But you still had a  
2 close relationship with Mr. Mulroney.

3 20848 MR. F. DOUCET: Correct.

4 20849 MR. WOLSON: That has never changed  
5 at any time.

6 20850 MR. F. DOUCET: That's correct.

7 20851 MR. WOLSON: Even when there were  
8 times when, because of distance, you couldn't meet, you  
9 would still be in contact by telephone; as you told us  
10 earlier today you have been in recent months.

11 20852 MR. F. DOUCET: Correct.

12 20853 MR. WOLSON: You told me when I  
13 interviewed you that when you were the Chairman of the  
14 Organizing Committee for International Summits you had  
15 no involvement with the Bear Head Project.

16 20854 MR. F. DOUCET: Not that I recall.

17 20855 MR. WOLSON: So you would say that,  
18 to your knowledge, you never offered any advice,  
19 performed any tasks to promote the Bear Head Project,  
20 while you were in that position, as you recall.

21 20856 MR. F. DOUCET: As I recall, that is  
22 correct. If the subject came up, I stand by what I  
23 said before, that I certainly would have been  
24 supportive, but I have no memory of discrete events.

25 20857 MR. WOLSON: So if matters came up,



1 of course, as you told us earlier, you believed in it  
2 and you would say to anybody that it's worth  
3 supporting.

4 20858 MR. F. DOUCET: Absolutely.

5 20859 MR. WOLSON: But you wouldn't, and  
6 didn't, go out of your way to perform tasks to advance  
7 that project, as far as you recall.

8 20860 MR. F. DOUCET: I have no memory of  
9 that.

10 20861 MR. WOLSON: You left government in  
11 1988, August the 16th.

12 20862 MR. F. DOUCET: Correct.

13 20863 MR. WOLSON: And the reason that I  
14 know that is not because I know everything about Fred  
15 Doucet, but there are some documents to that effect.

16 20864 MR. F. DOUCET: Correct.

17 20865 MR. WOLSON: In Book 1, Tab 4 --

18 20866 MR. F. DOUCET: Yes?

19 20867 MR. WOLSON: I just want to touch on  
20 this and come back to it later -- there is a document  
21 which is an agreement that you signed with the Treasury  
22 Board.

23 20868 You will see that on the first page  
24 of the document it says:

25 "In consideration of your

1 resignation from the position of  
2 Ambassador and Chairman of the  
3 Organizing Committee for  
4 International Summits, effective  
5 August 16, 1988, and following  
6 approval of the arrangements by  
7 the Treasury Board..."

8 20869 MR. F. DOUCET: Correct.

9 20870 MR. WOLSON: So you had made an  
10 arrangement, and of relevance to this inquiry is Point  
11 4, on the second page.

12 20871 MR. F. DOUCET: Yes.

13 20872 MR. WOLSON: That -- and I will read  
14 it and come back to it -- is a --

15 20873 Usually, when you are with  
16 government, there is a cooling off period before you  
17 can lobby or be involved in approaching government for  
18 private parties. In effect, this agreement waived  
19 that.

20 20874 MR. F. DOUCET: Correct.

21 20875 MR. WOLSON: And I am told, at least  
22 in our investigation -- and you may or may not be able  
23 to confirm this -- that you asked for that.

24 20876 You asked for that waiver. It was  
25 one of the requests that you had made, I think to Mr.

1 Kingsley, if I am not mistaken.

2 20877 MR. F. DOUCET: I have no  
3 recollection of asking for that.

4 20878 MR. WOLSON: Well, that's not  
5 something that everyone would get, it would have to be  
6 a matter of discussion or negotiation, I am sure.

7 20879 Would you agree with that?

8 20880 MR. F. DOUCET: Probably so.

9 20881 MR. WOLSON: All right. One would  
10 have to raise it to obtain it.

11 20882 MR. F. DOUCET: That would be  
12 logical.

13 20883 MR. WOLSON: And, again, you say that  
14 you have no memory of raising it, but you wouldn't take  
15 issue with that.

16 20884 MR. F. DOUCET: I would not.

17 20885 MR. WOLSON: And while you were -- I  
18 am going to go back in government for a moment or  
19 two -- while you were the Chairman of the Organizing  
20 Committee, there would be no particular reason why you  
21 would be involved in Bear Head.

22 20886 You would agree with that?

23 20887 MR. F. DOUCET: I would agree with  
24 that.

25 20888 MR. WOLSON: If you would go to Book

1           2, Tab 1, August the 8th in your diary --

2   20889                    So it would be Book 2, Tab 1, and

3           then turn to August the 8th, please.

4   20890                    MR. F. DOUCET: I have it.

5   20891                    MR. WOLSON: You have in your diary,

6           on August the 8th --

7   20892                    MR. F. DOUCET: I'm sorry, what I

8           have is July the 8th, and then I have August the 9th.

9   20893                    MR. WOLSON: You don't have August

10          the 8th and 9th as being together?

11   20894                    MR. F. DOUCET: No, I have August the

12          9th, and then the page before is Monday, July the 8th.

13   20895                    MR. WOLSON: Okay. Let me, then,

14          tell you this -- and I will make sure that you get a

15          copy, and if there is an issue we will come back to it.

16   20896                    MR. F. DOUCET: Sure.

17   20897                    MR. WOLSON: On August the 8th, in

18          your diary, you have a number of notes, and I am

19          assuming that when you finish with a note, you sort of

20          mark it off in some fashion -- when you finish dealing

21          with a subject.

22   20898                    MR. F. DOUCET: I wouldn't say that I

23          did that everywhere, but, yes, probably in some cases.

24   20899                    MR. WOLSON: All right. And if you

25          look at -- if I look at the 8th of August, because you

1           don't have it --

2   20900                   MR. F. DOUCET:  Right.

3   20901                   MR. WOLSON:  -- there is a single

4           note, and I want to raise it with you -- and, as I say,

5           I will get it to you.

6   20902                   MR. F. DOUCET:  Sure.

7   20903                   MR. WOLSON:  "Check with Perrin

8           Beatty," it says, at 10:30 in the morning, on August

9           the 8th.

10   20904                   Perrin Beatty was the Minister of

11           National Defence at the time, I can tell you that.

12   20905                   MR. F. DOUCET:  Yes.

13   20906                   MR. WOLSON:  Do you know why you

14           would be checking with Perrin Beatty?

15   20907                   MR. HOUSTON:  Mr. Commissioner, it

16           may be that Mr. Doucet is looking at the wrong year.

17           Maybe he is looking at `89, rather than `88.

18   20908                   MR. WOLSON:  1988.  Tab 2, sir.

19           --- Pause

20   20909                   MR. WOLSON:  Book 2, Tab 1.

21   20910                   I am confusing the witness.

22   20911                   MR. F. DOUCET:  Oh, I'm sorry, I was

23           in the wrong tab.  I apologize.

24   20912                   MR. WOLSON:  Do you now have Book 2,

25           Tab 1?

- 1 20913 MR. F. DOUCET: I have Book 2, Tab 1.
- 2 20914 MR. WOLSON: August the 8th.
- 3 20915 MR. F. DOUCET: August the 8th.
- 4 20916 MR. WOLSON: It says, "Check with  
5 Perrin Beatty," and I have just told you that we  
6 believe that Perrin Beatty was the Minister of National  
7 Defence.
- 8 20917 Do you know why you would be checking  
9 with him?
- 10 20918 MR. F. DOUCET: I have no  
11 recollection of that at all.
- 12 20919 MR. WOLSON: Let me, then, take you  
13 to another subject for a moment -- if you would just  
14 listen to my question...
- 15 20920 The name Lawrence O'Neil -- you are  
16 familiar with him?
- 17 20921 He was the Member of Parliament for  
18 the Port Hawkesbury area?
- 19 20922 MR. F. DOUCET: Correct. Cape Breton  
20 Highlands--Canso, I believe the --
- 21 20923 MR. WOLSON: Okay, and Cape Breton  
22 Highlands--Canso is the area where Thyssen had proposed  
23 to build a plant.
- 24 20924 MR. F. DOUCET: Correct.
- 25 20925 MR. WOLSON: So that would be in the

1 jurisdiction, at least -- territorial jurisdiction --  
2 of Mr. Lawrence O'Neil.

3 20926 MR. F. DOUCET: Correct.

4 20927 MR. WOLSON: And Perrin Beatty, who  
5 we have just talked about, was the Minister of National  
6 Defence at the time --

7 20928 MR. F. DOUCET: Correct.

8 20929 MR. WOLSON: -- and Lowell Murray --  
9 Lowell Murray, I can tell you, at that time, back in  
10 '88, was the head of ACOA, ACOA being for the Atlantic  
11 provinces.

12 20930 You were aware of that.

13 20931 MR. F. DOUCET: Correct.

14 20932 MR. WOLSON: In your diary for the  
15 9th of August of 1988, which is the same reference you  
16 had before, because the 8th and 9th are together, you  
17 have a bunch of arrows pointing to "Lawrence O'Neil",  
18 and then arrows pointing to "Perrin", "Lowell", and  
19 there is another name that I can't identify. Can you?

20 20933 MR. F. DOUCET: I think it's Wonker.

21 20934 MR. WOLSON: Wonker, all right.

22 20935 MR. F. DOUCET: W-O-N-K-E-R.

23 20936 MR. WOLSON: Do you know who he or  
24 she is?

25 20937 MR. F. DOUCET: I have a vague

1           recollection that he was a political staffer. I am not  
2           sure in what --

3   20938                   MR. WOLSON: All right. Might I  
4           suggest to you that this reference -- Lawrence O'Neil,  
5           Perrin Beatty and Lowell Murray -- would be a reference  
6           to the Strait of Canso and the building of the Thyssen  
7           plant?

8   20939                   You have two of the parties, Lowell  
9           Murray from ACOA, Perrin Beatty from DND, and Lawrence  
10          O'Neil, from the area.

11   20940                   You wouldn't disagree that this is a  
12          reference of some kind to the Thyssen plant.

13   20941                   MR. F. DOUCET: I have no memory at  
14          all of that entry, and therefore I cannot connect the  
15          dots.

16   20942                   MR. WOLSON: All right. Do you know  
17          why the Minister of National Defence, the Minister for  
18          ACOA, and the MP for the area would be meeting?

19   20943                   MR. F. DOUCET: I am not sure that  
20          this represents a meeting.

21   20944                   MR. WOLSON: What does it represent,  
22          sir?

23   20945                   MR. F. DOUCET: I have no idea. I  
24          have no recollection at all of that entry and what it  
25          meant.



1 20946 MR. WOLSON: All right. Just above  
2 that, by the way -- I am just noticing it now -- August  
3 the 9th at 9:30, "Check with Jean-Pierre Kingsley -  
4 conflict letter - severance letter."  
5 20947 Do you see that?  
6 20948 MR. F. DOUCET: I do.  
7 20949 MR. WOLSON: So, obviously, the issue  
8 of conflict and the section of the letter that we read  
9 a few moments ago was a matter that you were dealing  
10 with with Mr. Kingsley.  
11 20950 MR. WOLSON: It certainly would  
12 appear that way.  
13 20951 MR. WOLSON: Yes.  
14 20952 COMMISSIONER OLIPHANT: There is also  
15 an entry on the 8th which is almost identical.  
16 20953 MR. WOLSON: Thank you, Mr.  
17 Commissioner.  
18 20954 On the 8th, at 1530, "Jean-Pierre  
19 Kingsley" and "conflict letter".  
20 20955 Do you see that?  
21 20956 MR. WOLSON: I do.  
22 20957 MR. WOLSON: So it's a matter that  
23 you were working towards your retirement from  
24 government.  
25 20958 True?

1 20959 MR. F. DOUCET: Correct.

2 20960 MR. WOLSON: Which took place, as we  
3 saw in the letter at Tab 4 of Book 1, on the 16th of  
4 August. So here you are, a week or so away from that,  
5 talking to Mr. Kingsley about wanting to have this  
6 letter done.

7 20961 MR. F. DOUCET: Correct.

8 20962 MR. WOLSON: And also dealing with,  
9 in some fashion, Perrin Beatty, Lowell Murray and  
10 Lawrence O'Neil. Otherwise it wouldn't be in your  
11 diary.

12 20963 MR. WOLSON: I have no recollection.

13 20964 MR. WOLSON: Okay. I can tell you  
14 that Lowell Murray will be a witness at this inquiry,  
15 and he was interviewed by Commission counsel, and I  
16 expect Mr. Murray to say the following: that while you  
17 were the Chairman of the Organizing Committee and held  
18 the title "ambassador-at-large" --

19 20965 That's the title you held.

20 20966 Yes, sir?

21 20967 MR. F. DOUCET: I think the title was  
22 Chairman of the Organizing Committee for Summits, and  
23 independent of that I was appointed an ambassador.

24 20968 MR. WOLSON: All right, but you were  
25 appointed an ambassador related to your job with the

1 Organizing Committee for Summits.

2 20969 MR. F. DOUCET: Absolutely, because I  
3 had to communicate with some 150 countries, and the  
4 view was that the title would be helpful.

5 20970 MR. WOLSON: All right. Let me,  
6 then, tell you what Mr. Lowell Murray is expected to  
7 say.

8 20971 He is expected to say that he became  
9 Minister of ACOA in June of `87, and he kept that  
10 position until September of `88.

11 20972 He is expected to say that, when he  
12 began to deal with the Bear Head Project -- or, he  
13 began to deal with the Bear Head Project June 6th of  
14 `87, and shortly after that date, within 10 days of  
15 that date, approximately, you called him.

16 20973 He is expected to say that you called  
17 him to congratulate him on his new appointment and to  
18 encourage him to get the Bear Head proposal going.

19 20974 He is expected to say that you told  
20 him that the Prime Minister thought the proposal was an  
21 important one.

22 20975 Would you take issue with any of  
23 that, sir?

24 20976 MR. F. DOUCET: I have no memory of  
25 that at all. I don't deny that it could have happened,

1 and I certainly knew that the Prime Minister was a  
2 supporter of the project.

3 20977 MR. WOLSON: Why would you, if that's  
4 true, being in your position out of government, in  
5 terms of being out of the Prime Minister's Office,  
6 working, as you were, organizing international  
7 summits -- why would you be promoting to an official  
8 the Bear Head Project?

9 20978 Other than you believing that it's a  
10 good project, why would you actually have taken the  
11 time to call him to promote it with him?

12 20979 MR. F. DOUCET: As I say, I don't  
13 recall the event. I take it that he is going to say  
14 that I called him to congratulate him -- that would  
15 seem to me to be a normal thing that I would do to a  
16 St. F. X. friend -- and the subject may have come up,  
17 but I have no -- the subject of Bear Head may have come  
18 up, but I have no memory of it.

19 20980 MR. WOLSON: Yes, I know that you are  
20 a gentleman, and I know that you would likely, as a  
21 courtesy, call somebody to offer them your sincere  
22 congratulations. It's the second part that I am  
23 raising with you, of more importance, of advocating the  
24 Bear Head Project while you were in your position of  
25 organizing international summits.

1 20981 I take it that your answer is, you  
2 don't remember.

3 20982 MR. F. DOUCET: I do not remember.

4 20983 MR. WOLSON: I would like, then, to  
5 refer you to Book 2, Tab 7.

6 20984 MR. F. DOUCET: Yes, I am there.

7 20985 MR. WOLSON: Book 2, Tab 7, is Lowell  
8 Murray's diary book for 1987, and I am going to refer  
9 you to it for this reason. Mr. Murray is expected to  
10 say that you called him a number of times -- not just  
11 the one time, a number of times -- to talk about the  
12 Bear Head Project in 1987, after your initial phone  
13 call.

14 20986 Do you have a memory of that, sir?

15 20987 MR. F. DOUCET: I do not.

16 20988 MR. WOLSON: If you would look at Mr.  
17 Murray's diary, in confirmation -- look at June the  
18 15th, please.

19 20989 MR. F. DOUCET: I see that.

20 20990 MR. WOLSON: These are entries, he  
21 will say, of phone calls: 9:35, June 15th, 1987,  
22 "Ambassador Doucet called."

23 20991 MR. F. DOUCET: Correct.

24 20992 MR. WOLSON: That would be you.

25 20993 MR. F. DOUCET: That's correct.

1 20994 MR. WOLSON: July 27th, "Fred Doucet  
2 called."  
3 20995 MR. F. DOUCET: Correct.  
4 20996 MR. WOLSON: September the 8th, 1987,  
5 "Fred Doucet called."  
6 20997 Second from the bottom of the upper  
7 portion of that day, September the 8th.  
8 20998 Do you see that?  
9 20999 MR. F. DOUCET: That appears to be a  
10 call that he put in. It says, "Placé", and below it  
11 says, "Reçu".  
12 21000 MR. WOLSON: All right. Did he call  
13 you on that day?  
14 21001 MR. F. DOUCET: I have no  
15 recollection of that.  
16 21002 MR. WOLSON: Then, on the 29th of  
17 September, 1987, at 3:50, a call was received from you  
18 to Mr. Murray.  
19 21003 Do you see that?  
20 21004 MR. F. DOUCET: Correct.  
21 21005 MR. WOLSON: Mr. Murray is expected  
22 to say that those calls were calls dealing with the  
23 Bear Head Project.  
24 21006 MR. F. DOUCET: I have no  
25 recollection of that at all.

- 1 21007 MR. WOLSON: I want to go back to the  
2 first book, Book 1, Tab 4, the agreement that was  
3 negotiated with Treasury Board. This is an August 9th,  
4 1988 document, so it is consistent with your diary  
5 entries that we looked at a short while ago, when you  
6 were in contact with Mr. Kingsley.
- 7 21008 MR. F. DOUCET: Correct.
- 8 21009 MR. WOLSON: You see on page 2 that  
9 it is a document that is signed by Mr. Kingsley.
- 10 21010 MR. F. DOUCET: Correct.
- 11 21011 MR. WOLSON: And, again, of relevance  
12 to this Commission of Inquiry is Point 4 on page 2:  
13 "The one year limitation period  
14 on your making representation  
15 for or on behalf of any other  
16 person or entity to any  
17 department with which you had  
18 significant official dealings,  
19 as specified in sub-section (b)  
20 of Section 42 of Part III  
21 Post-Employment Compliance  
22 Measures of the Post-Employment  
23 Code for the Public Service,  
24 will be waived."
- 25 21012 MR. F. DOUCET: Correct.

- 1 21013 MR. WOLSON: Which means that you  
2 could go out into private practice as a government  
3 consultant and as a lobbyist and lobby, for instance,  
4 for the Bear Head Project?
- 5 21014 MR. F. DOUCET: Correct.
- 6 21015 MR. WOLSON: Had you told  
7 Mr. Kingsley that you had had some involvement with  
8 Lowell Murray in terms of calling him about the Bear  
9 Head Project? Did you tell Mr. Kingsley that as this  
10 document was being signed?
- 11 21016 MR. F. DOUCET: I have no  
12 recollection of the discussions with Mr. Kingsley so I  
13 certainly would have answered all his questions.
- 14 21017 MR. WOLSON: I'm assuming, knowing  
15 government as you do, you would say that if  
16 Mr. Kingsley were aware that you were involved with the  
17 Bear Head Project in government, that that waiver may  
18 not have occurred?
- 19 21018 MR. F. DOUCET: I don't know that.
- 20 21019 MR. WOLSON: You don't know that,  
21 okay.
- 22 21020 When you left government on the 16th  
23 of August 1988, you maintained a close personal  
24 relationship with the Prime Minister?
- 25 21021 MR. F. DOUCET: Correct.



1 21022 MR. WOLSON: So if Mr. Murray is  
2 correct and you having advocated for the Bear Head  
3 Project while you were with the organizing committee,  
4 here you are leaving government on 16th of August 1988  
5 and within a short period of time you are involved in  
6 private practice dealing with the Bear Head Project?

7 21023 MR. F. DOUCET: That's correct.

8 21024 MR. WOLSON: We know that an  
9 important agreement was made between the Government of  
10 Canada and three Ministers, Lowell Murray, Mr.  
11 Merrithew and Mr. Beatty signing for the Government of  
12 Canada, along with Mr. Schreiber signing on behalf of  
13 Thyssen -- we know that an Understanding in Principle  
14 was signed on the 27th of September 1988.

15 21025 Are you aware of that?

16 21026 MR. F. DOUCET: I am aware of that.

17 21027 MR. WOLSON: That would be just one  
18 month and a couple of weeks after you left government?

19 21028 MR. F. DOUCET: Correct.

20 21029 MR. WOLSON: When were you retained  
21 by Mr. Schreiber or his companies on behalf of lobbying  
22 and giving advice regarding the Bear Head Project?

23 21030 MR. F. DOUCET: I don't have a  
24 precise memory of the exact date, but I believe it was  
25 in the fall of '88.

1 21031 MR. WOLSON: If I suggest to you  
2 shortly after you left government, you wouldn't take  
3 issue with that?

4 21032 MR. F. DOUCET: I would not.

5 21033 MR. WOLSON: Did you know  
6 Mr. Schreiber while you were with government?

7 21034 MR. F. DOUCET: I had met him I  
8 believe for the first time in 1988.

9 21035 MR. WOLSON: And how did you meet him  
10 when you were with government?

11 21036 MR. F. DOUCET: My best recollection  
12 is that I met him at a social function.

13 21037 MR. WOLSON: Now, I just know  
14 Mr. Schreiber from my involvement in this inquiry. He  
15 is a gregarious gentleman?

16 21038 MR. F. DOUCET: Yes.

17 21039 MR. WOLSON: He is the kind of  
18 gentleman that is not shy about matters if he were  
19 interested in pursuing matters?

20 21040 MR. F. DOUCET: That would be  
21 correct.

22 21041 MR. WOLSON: Did he approach you and  
23 ask you about the Bear Head Project?

24 21042 MR. F. DOUCET: Well, for sure. That  
25 was the assignment that I got two --

1 21043 MR. WOLSON: No, but I'm talking  
2 about when you were with government and when you met  
3 him socially.

4 21044 MR. F. DOUCET: Oh no. I have no  
5 memory of him even raising it with me when I was in  
6 government.

7 21045 MR. WOLSON: I'm a little concerned  
8 with the statement "I have no memory".

9 21046 Does that mean that -- I know what  
10 the statement means --

11 21047 MR. F. DOUCET: Yes, I do not  
12 recollect.

13 21048 MR. WOLSON: Okay. Does that mean  
14 that you don't deny it but you can't comment on it one  
15 way or the other?

16 21049 MR. F. DOUCET: Well, I would deny  
17 that he ever raised it with me or I with him.

18 21050 MR. WOLSON: Okay. Even though you  
19 don't remember?

20 21051 MR. F. DOUCET: I don't remember.

21 21052 MR. WOLSON: Book 2, Tab 1.

22 21053 COMMISSIONER OLIPHANT: I have to ask  
23 you a question, Mr. Doucet.

24 21054 How do you deny something that you  
25 don't remember?

1 21055 MR. F. DOUCET: It would not have  
2 been in my -- it would not have been in my makeup to  
3 broach a private matter with him while I was still in  
4 government.

5 21056 COMMISSIONER OLIPHANT: What if he  
6 broached it with you?

7 21057 MR. F. DOUCET: Well, if he did I  
8 probably would have listened, but I have no memory of  
9 that.

10 21058 COMMISSIONER OLIPHANT: Okay.

11 21059 MR. WOLSON: You also have no memory  
12 of phoning Lowell Murray about the Bear Head Project?

13 21060 MR. F. DOUCET: That is correct.

14 21061 MR. WOLSON: If you would look,  
15 please, to Book 2, Tab 1, August 19th, please.  
16 21062 August 19th of Book 2, Tab 1.

17 21063 MR. F. DOUCET: Correct.

18 21064 MR. WOLSON: I will read it to you:  
19 "11 F.M. re Bear Head".

20 21065 MR. F. DOUCET: Correct.

21 21066 MR. WOLSON: Who is F.M.? Is that  
22 Frank Moores?

23 21067 MR. F. DOUCET: I would presume that  
24 is Frank Moores.

25 21068 MR. WOLSON: "Bear Head" is the Bear

1           Head Project?

2   21069                   MR. F. DOUCET:  Correct.

3   21070                   MR. WOLSON:  So here it is, the 19th

4           of August, three days after you signed your agreement

5           with the Government of Canada Treasury Board, you are

6           involved at least in a meeting or a discussion with

7           Frank Moores and Bear Head?

8   21071                   MR. F. DOUCET:  Correct.

9   21072                   MR. WOLSON:  Do you know whether that

10          is a meeting?  It is circled at 11.

11   21073                   MR. F. DOUCET:  Yes.

12   21074                   MR. WOLSON:  Does that indicate a

13          meeting?

14   21075                   MR. F. DOUCET:  That would indicate

15          the time of the telephone or the meeting.  I'm not

16          sure.

17   21076                   MR. WOLSON:  All right.  Do you know

18          what you talked about at that time?

19   21077                   MR. F. DOUCET:  I have no

20          recollection.

21   21078                   MR. WOLSON:  I am assuming you would

22          conclude, given the subject matter "Bear Head", that it

23          had something to do with the Bear Head Project?

24   21079                   MR. F. DOUCET:  Yes.

25   21080                   MR. WOLSON:  You knew, you knew early

1 on that the Department of National Defence was not a  
2 supporter of the Bear Head Project?

3 21081 MR. F. DOUCET: Well, I certainly  
4 knew that there were individuals at DND that were not  
5 supporters.

6 21082 MR. WOLSON: You knew that in order  
7 to succeed, you would have to have some success with  
8 DND, in order to succeed with the initial phase --

9 21083 MR. F. DOUCET: Yes.

10 21084 MR. WOLSON: -- of Bear Head which  
11 called for, as you know, the procurement of vehicles --

12 21085 MR. F. DOUCET: Sure.

13 21086 MR. WOLSON: -- by the Canadian  
14 government.

15 21087 MR. F. DOUCET: Sure.

16 21088 MR. WOLSON: And you know as well  
17 that Bear Head took a number of different turns. At  
18 one point it was destined for Nova Scotia in the Strait  
19 of Canso. You knew that?

20 21089 MR. F. DOUCET: Yes.

21 21090 MR. WOLSON: That depended on the  
22 Government of Canada buying vehicles from Thyssen Bear  
23 Head?

24 21091 MR. F. DOUCET: Correct.

25 21092 MR. WOLSON: And then at one point

1 the proposal changed to Montréal East.

2 21093 MR. F. DOUCET: Correct.

3 21094 MR. WOLSON: I think there was a  
4 change in the middle to another location in Nova  
5 Scotia, but ultimately to Québec.

6 21095 MR. F. DOUCET: Correct.

7 21096 MR. WOLSON: If you would look at  
8 Book 1, Tab 5, please.

9 21097 MR. F. DOUCET: Tab 5?

10 21098 MR. WOLSON: Please. This is a  
11 memorandum to Don McPhail who I can tell you was  
12 President of ACOA, from Wynne Potter, Vice-President of  
13 ACOA Nova Scotia. Do you see that?

14 21099 MR. F. DOUCET: Correct.

15 21100 MR. WOLSON: August 31, 1988.

16 21101 MR. F. DOUCET: Correct.

17 21102 MR. WOLSON: This is a document, if  
18 you take a look at it, DRIE, represented by Cliff  
19 Mackay -- did you know Cliff Mackay?

20 21103 MR. F. DOUCET: Cliff Mackay, yes, I  
21 did.

22 21104 MR. WOLSON: And he was a Deputy of  
23 DRIE?

24 21105 MR. F. DOUCET: I'm not sure what his  
25 title was.

1 21106 MR. WOLSON: All right. And DRIE is  
2 Department of Regional Industrial --  
3 21107 MR. F. DOUCET: Expansion.  
4 21108 MR. WOLSON: -- Expansion.  
5 21109 Now, I raise this with you. I don't  
6 know whether you are familiar with this document, but  
7 it is an August 31, '88 document. We know that the  
8 Understanding in Principle is signed just shy of a  
9 month later.  
10 21110 You are aware of that?  
11 21111 MR. F. DOUCET: Correct, yes.  
12 21112 MR. WOLSON: This document indicates  
13 that DRIE's position will be to recommend to Mr. de  
14 Cotret that he not sign the UIP. Do you see that?  
15 21113 MR. F. DOUCET: What page is that on?  
16 21114 MR. WOLSON: The first page of the  
17 document. So we are at Tab 5, first page.  
18 21115 MR. F. DOUCET: Yes.  
19 21116 MR. WOLSON: Do you see that  
20 "Position"?  
21 21117 MR. F. DOUCET: "... that he not  
22 sign." I see it, yeah.  
23 21118 MR. WOLSON: Okay. Then go down the  
24 page, DND, the Deputy Ed Healey --  
25 21119 MR. F. DOUCET: Yes.



1 21120 MR. WOLSON: -- the position of DND:  
2 "Will recommend to Minister  
3 Beatty that he not sign."  
4 21121 Do you see that under "Position"?  
5 21122 MR. F. DOUCET: Yes, I do.  
6 21123 MR. WOLSON: So these are two men,  
7 two Ministers who are both being told or the  
8 recommendation is being made to each that they not sign  
9 the UIP.  
10 21124 And if you look to page 2, at the top  
11 of the page under "Politically" it says, four lines  
12 down:  
13 "Mr. Beatty may have  
14 responsibilities as regional  
15 (Ontario/GM) Minister."  
16 21125 Do you see that?  
17 21126 MR. F. DOUCET: I do.  
18 21127 MR. WOLSON: You are aware that  
19 throughout your involvement with Bear Head as a  
20 lobbyist -- and you did lobby for Bear Head?  
21 21128 MR. F. DOUCET: Indeed I did.  
22 21129 MR. WOLSON: That there was always a  
23 concern about GM in London, Ontario and having Thyssen  
24 Bear Head compete with GM.  
25 21130 MR. F. DOUCET: Correct.

1 21131 MR. WOLSON: Many of the Ministers  
2 favoured GM for whatever reasons they had; right?

3 21132 MR. F. DOUCET: It would appear that  
4 that was the case.

5 21133 MR. WOLSON: And therefore they were  
6 not in favour of Thyssen Bear Head, being that they  
7 favoured -- for whatever reason they favoured GM.

8 21134 MR. F. DOUCET: It would appear that  
9 that was the case.

10 21135 MR. WOLSON: And you are aware,  
11 because you were lobbying for Bear Head, that some of  
12 the controversial things that happened was that GM got  
13 a sole source contract from DND.

14 21136 MR. F. DOUCET: Indeed.

15 21137 MR. WOLSON: I would like to take you  
16 to the next tab in Book 1, which is Tab 7, please.

17 21138 If you would turn four pages in, at  
18 the top you will see the number "7" so you will know  
19 you are the document that I would like you to be on.

20 21139 MR. F. DOUCET: Correct.

21 21140 MR. WOLSON: If you go to the first  
22 paragraph on the page, the first full paragraph:  
23 "On September 12, Senator  
24 Murray..."

25 21141 Do you see that?

1 21142 MR. F. DOUCET: Yes, I do.

2 21143 MR. WOLSON: And Senator Murray was  
3 the Minister for ACOA.

4 21144 MR. F. DOUCET: Correct.

5 21145 MR. WOLSON:  
6 "...met with Mr. de Cotret to  
7 discuss the Thyssen proposal.  
8 Mr. de Cotret agreed to sign the  
9 Understanding in Principle, in  
10 recognition that to proceed, the  
11 Bear Head proposal required the  
12 document as an interim step,  
13 prior to the development of a  
14 formal business plan."

15 21146 Do you see that?

16 21147 MR. F. DOUCET: I do.

17 21148 MR. WOLSON: So the previous document  
18 that I showed you, de Cotret, it was recommended that  
19 he not sign. You saw that?

20 21149 MR. F. DOUCET: Yes, I did.

21 21150 MR. WOLSON: And now you see Senator  
22 Murray on the 12th of September has met with de Cotret  
23 and de Cotret is now prepared to sign.

24 21151 MR. F. DOUCET: Correct.

25 21152 MR. WOLSON: If you go down a couple

1 of paragraphs to September 14th, if you will, please.

2 We are on the same page 7 at the top.

3 21153 MR. F. DOUCET: Correct.

4 21154 MR. WOLSON: "On September 14..."

5 21155 Are you reading that with me?

6 21156 MR. F. DOUCET: Yes...?

7 21157 MR. WOLSON:

8 "... Mr. Derek Burney chaired a  
9 meeting attended by Senator  
10 Murray and Mr. Beatty. Mr.  
11 Beatty agreed to sign the  
12 Understanding in Principle  
13 subject to further Ministerial  
14 discussions as required..."

15 21158 The first point:

16 "the company be informed clearly  
17 that in signing the UIP, the  
18 Minister of National Defence was  
19 not binding the Government to  
20 proceed with the LAV project".

21 21159 MR. F. DOUCET: Correct.

22 21160 MR. WOLSON: So whereas both Beatty

23 and de Cotret in the previous document I showed you

24 were being -- it was being recommended to them that

25 they not sign, Mr. Murray obviously in talking to them

1           you see a different attitude.

2   21161                   MR. F. DOUCET:  Correct.

3   21162                   MR. WOLSON:  Did you talk to  
4           Mr. Murray, Senator Murray, in the interim, let's say  
5           in September of 1988?  This is now after you have left  
6           government.

7   21163                   MR. F. DOUCET:  Yes.

8   21164                   MR. WOLSON:  You are working for the  
9           Bear Head Project.  Did you talk to Mr. Murray?

10  21165                   MR. F. DOUCET:  I probably did.  I  
11           have no specific recollection, but I probably did.

12  21166                   MR. WOLSON:  Okay.

13  21167                   MR. HOUSTON:  Mr. Commissioner, may I  
14           make a comment?

15  21168                   My friend has put these documents to  
16           the witness.  He has indicated "I don't know if you are  
17           familiar with the document".  Both of them are marked  
18           secret and there is no indication that he saw either of  
19           these documents until recently.

20  21169                   We can all read what is on the  
21           document itself, but there is no indication that  
22           Mr. Doucet was aware of these documents, let alone the  
23           contents of them, back in August-September 1988.

24  21170                   MR. WOLSON:  I'm not trying to  
25           trick --

1 21171 COMMISSIONER OLIPHANT: Thank you,  
2 Mr. Houston.

3 21172 I think Mr. Doucet is capable of  
4 responding to the questions. I recognize the nature of  
5 the documents, but I don't see anything unfair or  
6 untoward in the questions that have been asked him.

7 21173 Dr. Doucet is obviously a very  
8 sophisticated, intelligent man who can look after  
9 himself, I think.

10 21174 MR. WOLSON: If at any time,  
11 Mr. Doucet, you are having any difficulty with the  
12 document, please tell me. I'm not trying to --

13 21175 MR. F. DOUCET: I know.

14 21176 MR. WOLSON: -- trick you in any way.  
15 I can tell you that for sure. At the very least I am  
16 only trying to put things in perspective in terms of  
17 leading to the question that I want to ask you now,  
18 which is one that I mentioned a few moments ago was:  
19 Did you have any contact with Lowell Murray prior to  
20 the 12th and 14th of September where it appears -- you  
21 may or may not know this, but it appears that Ministers  
22 de Cotret and Beatty have taken a position that they  
23 are prepared to sign the UIP.

24 21177 So I want to put to you some diary  
25 entries where I am going to suggest to you that you

1           have met with Mr. Murray, and we will go from there.  
2           If you have any problems, please tell me.

3   21178                   MR. F. DOUCET:  Yes.

4   21179                   MR. WOLSON:  If you look, please, to  
5           Book 2, Tab 1 --

6   21180                   MR. F. DOUCET:  Yes...?

7   21181                   MR. WOLSON:  -- to September the 6th,  
8           if you will, please.

9   21182                   MR. F. DOUCET:  Yes.

10  21183                   MR. WOLSON:  You see that on  
11           September the 6th you have a circle around 1430.

12  21184                   Do you see that?

13  21185                   MR. F. DOUCET:  I do, I see that.

14  21186                   MR. WOLSON:  And an arrow going there  
15           that says "Senate 275S", as I make that out.

16  21187                   MR. F. DOUCET:  Yes.

17  21188                   MR. WOLSON:  And Senate 275S is  
18           likely a room at the Senate, someone's office?

19  21189                   MR. F. DOUCET:  Likely, yes.  South  
20           block.

21  21190                   MR. WOLSON:  I'm going to suggest  
22           that that is Lowell Murray's office, because if you  
23           then move over -- and I'm sorry to have you do this,  
24           but Tab 8 of Book 2.

25  21191                   Keep your finger on -- you have it.

1           You are doing that, thank you.

2   21192                   MR. F. DOUCET:  Yes.

3   21193                   MR. WOLSON:  If you will, please,

4           September the 6th in Tab 8.

5   21194                   MR. F. DOUCET:  Yes...?

6   21195                   MR. WOLSON:  You see 2:30, which is

7           the same time you have noted on September the 6th.

8   21196                   MR. F. DOUCET:  Correct.

9   21197                   MR. WOLSON:  You see "2h30 Fred

10          Doucet"-- this is Lowell Murray now -- "275-S".

11   21198                   MR. F. DOUCET:  Correct.

12   21199                   MR. WOLSON:  Obviously you are

13          meeting with Lowell Murray.

14   21200                   MR. F. DOUCET:  It certainly appears

15          that way.

16   21201                   MR. WOLSON:  And you are meeting with

17          Lowell Murray on the 6th of September, sometime within

18          a week or so prior to him meeting with de Cotret and

19          Perrin Beatty?

20   21202                   MR. F. DOUCET:  That appears to be

21          the case, yes.

22   21203                   MR. WOLSON:  Do you know what you

23          were discussing?

24   21204                   I'm assuming you were advocating on

25          behalf of Bear Head.



1 21205 MR. F. DOUCET: I have no  
2 recollection of the meeting.

3 21206 MR. WOLSON: You would say, I take  
4 it, that without question in 1988 -- I'm assuming one  
5 of your first projects in private practice was the Bear  
6 Head Project?

7 21207 MR. F. DOUCET: I don't remember  
8 whether it was the first project or not.

9 21208 MR. WOLSON: No, I say one of the  
10 first.

11 21209 MR. F. DOUCET: Yes.

12 21210 MR. WOLSON: Because you left on  
13 September 16th.

14 21211 MR. F. DOUCET: Sure.

15 21212 MR. WOLSON: I know you are a popular  
16 man. Maybe they were knocking down your doors, but we  
17 know that you had the Bear Head Project at least.

18 21213 MR. F. DOUCET: Yes, absolutely.

19 21214 MR. WOLSON: All right. Then if you  
20 would look to Book 2, Tab 9 --

21 21215 MR. F. DOUCET: Yes.

22 21216 MR. WOLSON: -- on September 12th  
23 there are two calls in Lowell Murray's diary, one which  
24 was placed by you at 12 o'clock.

25 21217 Do you see that?

1 21218 MR. F. DOUCET: I'm not sure, but I  
2 think that means it was placed by him.

3 21219 MR. WOLSON: Okay, placed by him to  
4 you.

5 21220 MR. F. DOUCET: I think that's what  
6 it is.

7 21221 MR. WOLSON: All right. And then  
8 later down the page it's the other way around, you to  
9 him.

10 21222 MR. F. DOUCET: Correct. Presumably  
11 I was returning his call.

12 21223 MR. WOLSON: Yes.

13 21224 And that would be, according to the  
14 documents I showed you earlier, September 12th would be  
15 right around the time where Mr. de Cotret was going to  
16 sign the UIP.

17 21225 MR. F. DOUCET: I have no  
18 recollection of that at all.

19 21226 MR. WOLSON: Okay.

20 21227 Well, it's just shy of 10 minutes on  
21 my watch, Mr. Commissioner, to 11 o'clock. Perhaps  
22 this would be a good time to break.

23 21228 We have covered a fair bit of ground  
24 and I'm going to suggest that we break now.

25 21229 COMMISSIONER OLIPHANT: I think if we

1 do, we will go by the clock on the wall, which is  
2 10:55. We will take a 15-minute break, coming back at  
3 11:10.

4 21230 MR. WOLSON: Thank you, sir.

5 --- Upon recessing at 10:55 a.m. / Suspension à 10 h 55  
6 --- Upon resuming at 11:10 a.m. / Reprise à 11 h 10

7 21231 COMMISSIONER OLIPHANT: Be seated,  
8 please.

9 21232 Mr. Wolson...?

10 21233 MR. WOLSON: Thank you, sir.

11 21234 What, Mr. Doucet, was the name of  
12 your company when you left government and started in  
13 the government relations and lobby business?

14 21235 MR. F. DOUCET: FDCI Inc.

15 21236 MR. WOLSON: All right. I want to  
16 take you to Tab 8 of Book 1.

17 21237 MR. F. DOUCET: I'm sorry...?

18 21238 MR. WOLSON: Book 1, Tab 8.

19 21239 MR. F. DOUCET: Thank you. Yes, I'm  
20 there.

21 21240 MR. WOLSON: You have at Tab 8 an  
22 invoice, or at least part of an invoice which has been  
23 produced: "FDCI, Fred Doucet Consulting International".  
24 That's your company?

25 21241 MR. F. DOUCET: That's correct.

1 21242 MR. WOLSON: The date of the invoice  
2 is November 2, 1988.

3 21243 MR. F. DOUCET: Correct.

4 21244 MR. WOLSON: That would be in  
5 relation to when you left government, about a month and  
6 a half approximately --

7 21245 MR. F. DOUCET: Correct.

8 21246 MR. WOLSON: -- after you left, an  
9 invoice to Bitucan Holdings in Calgary, Alberta?

10 21247 MR. F. DOUCET: Correct.

11 21248 MR. WOLSON: "Attention: Karlheinz  
12 Schreiber".

13 21249 MR. F. DOUCET: Correct.

14 21250 MR. WOLSON: Who is Bitucan Holdings?

15 21251 MR. F. DOUCET: Bitucan Holdings Ltd.  
16 was a company of Mr. Schreiber.

17 21252 MR. WOLSON: Okay. You are sending  
18 an invoice to Bitucan I am assuming for your lobbying  
19 work.

20 21253 MR. F. DOUCET: That's a fair  
21 assumption. I have no recollection of this invoice at  
22 all, but that is a fair assumption.

23 21254 MR. WOLSON: It is an invoice for  
24 \$90,000.

25 21255 MR. F. DOUCET: Correct.

1 21256 MR. WOLSON: November 2, 1988. What  
2 are you invoicing him for?

3 21257 MR. F. DOUCET: I have no  
4 recollection of the invoice. My presumption is that it  
5 was for services pursuant to the project.

6 21258 MR. WOLSON: Pursuant to Bear Head?

7 21259 MR. F. DOUCET: Bear Head Project,  
8 yes.

9 21260 MR. WOLSON: And it does say, I point  
10 out to you, "Professional Services"?

11 21261 MR. F. DOUCET: Correct.

12 21262 MR. WOLSON: It doesn't say retainer?

13 21263 MR. F. DOUCET: Correct.

14 21264 MR. WOLSON: It doesn't say to be  
15 used as a retainer?

16 21265 MR. F. DOUCET: Correct.

17 21266 MR. WOLSON: It just says  
18 "Professional Services".

19 21267 MR. F. DOUCET: Correct.

20 21268 MR. WOLSON: On November 15, 1988  
21 there is a cheque from Bitucan Holdings to your company  
22 for \$90,000.

23 21269 MR. F. DOUCET: Correct.

24 21270 MR. WOLSON: So you invoiced him --  
25 when I say "him", you would agree with me for the

1 purposes of your invoice, Bitucan and Karlheinz  
2 Schreiber can be used interchangeably?

3 21271 MR. F. DOUCET: Correct. May I  
4 contextualize something here?

5 21272 MR. WOLSON: Absolutely.

6 21273 MR. F. DOUCET: The nature of my  
7 business was the one of obtaining retainers with  
8 clients, and the purpose of that was to avoid being in  
9 conflict so that you couldn't switch hats from file to  
10 file for the work that I did.

11 21274 So my business practice was fully  
12 retainers with clients.

13 21275 MR. WOLSON: So you would send them a  
14 statement. You would obtain a retainer and use the  
15 retainer on an ongoing basis by charging so much a  
16 month?

17 21276 MR. F. DOUCET: It was -- as the  
18 retainer amounts came in, it was income into the  
19 company and, as I say, I have no recollection of this  
20 invoice. The cheque, I see it, it looks authentic and  
21 my conclusion on looking at it is that it was a payment  
22 on the retainer.

23 21277 MR. WOLSON: What do you mean it  
24 becomes income of the company? You then deposit the  
25 cheque into your company and the cheque becomes income

1 of the company?

2 21278 MR. F. DOUCET: Correct.

3 21279 MR. WOLSON: And you pay tax on it?

4 21280 MR. F. DOUCET: Correct.

5 21281 MR. WOLSON: So you get the cheque,  
6 it becomes income and you pay tax on it in the year you  
7 get to cheque?

8 21282 MR. F. DOUCET: Correct.

9 21283 MR. WOLSON: And of course there is a  
10 paper trail.

11 21284 MR. F. DOUCET: Of course.

12 21285 MR. WOLSON: Did you ever receive any  
13 money from Mr. Schreiber in cash?

14 21286 MR. F. DOUCET: I did not.

15 21287 MR. WOLSON: Did Mr. Schreiber ever  
16 tell you that he was an international man of business  
17 and he paid only in cash?

18 21288 MR. F. DOUCET: He did not.

19 21289 MR. WOLSON: Did he tell you that?

20 21290 MR. F. DOUCET: He did not.

21 21291 MR. WOLSON: So if you have all of  
22 your files -- and I know there is a problem with some  
23 of your files. They have been destroyed on the advice  
24 of your accountant.

25 21292 MR. F. DOUCET: Correct.

1 21293 MR. WOLSON: Because time has passed  
2 and you didn't need them for tax purposes.

3 21294 MR. F. DOUCET: Correct.

4 21295 MR. WOLSON: But if you were to have  
5 your files, you would have a paper trail of all  
6 payments made to you by Mr. Schreiber?

7 21296 MR. F. DOUCET: Absolutely.

8 21297 MR. WOLSON: Or Bitucan or Bitucan  
9 company?

10 21298 MR. F. DOUCET: Yes. Or Bear Head,  
11 I'm not sure.

12 21299 MR. WOLSON: Okay. So however  
13 Schreiber or his companies paid you, you could have, if  
14 you had had your documents, provide a paper trail?

15 21300 MR. F. DOUCET: Correct.

16 21301 MR. WOLSON: Would you then submit a  
17 statement to Mr. Schreiber when you used the retainer  
18 monies?

19 21302 MR. F. DOUCET: I'm not sure I  
20 understand the question.

21 21303 MR. WOLSON: Would you then report to  
22 Schreiber on the status of his retainer?

23 21304 MR. F. DOUCET: Not in that way. I  
24 would continue to perform the work pursuant to the  
25 mandate he had provided me.



1 21305 MR. WOLSON: Would you charge a  
2 monthly fee? Is that how the retainer works?

3 21306 MR. F. DOUCET: I don't recall how it  
4 was set up, whether -- typically, as I explained  
5 before, I entered into retainerships with clients.  
6 They would either make a front-end payment which would  
7 cover a period of time, beyond which additional  
8 payments would be made to cover the period of the  
9 retainership, or instead of front-end they could be on  
10 a monthly or quarterly or annual basis.

11 21307 MR. WOLSON: I think when I  
12 interviewed you in March of this year you told me that  
13 your arrangement with Schreiber was \$5,000 a month.

14 21308 MR. F. DOUCET: My best recollection  
15 was that if I take the time period when I started  
16 servicing his interests to when I stopped, and if I do  
17 the division over the months of four to five years, and  
18 trying to reconstruct in my mind how much I received  
19 over the duration of the retainership, it would come to  
20 about \$5,000 a month, so \$45,000 to \$50,000 a year.

21 21309 MR. WOLSON: All right. So if you  
22 were at \$5,000 a month, it would be \$60,000 a year.  
23 Five times 12, \$60,000.

24 21310 You started with him in 1988  
25 obviously.

1 21311 MR. F. DOUCET: Correct.

2 21312 MR. WOLSON: When did you work with  
3 him in terms of being paid for your work?

4 21313 MR. F. DOUCET: My best recollection  
5 is that it was either in '92 or '93 that the  
6 retainership ended in terms of pay.

7 21314 I offered some advice and counsel  
8 when he requested it beyond that, but I --

9 21315 MR. WOLSON: Yes...?

10 21316 MR. F. DOUCET: I was going to  
11 conclude and say that my best recollection is that the  
12 retainership terms of payments attached thereto ended  
13 either late in '92 or fairly early in '93.

14 21317 MR. WOLSON: So between five and six  
15 years you had worked with him?

16 21318 MR. F. DOUCET: Around five years, I  
17 would say.

18 21319 MR. WOLSON: So you would have been  
19 paid around \$300,000 ballpark from him?

20 21320 MR. F. DOUCET: I don't recall what  
21 the amount was.

22 21321 MR. WOLSON: Well, \$5,000 a month  
23 times 12 is \$60,000, times five, is \$300,000.

24 21322 MR. F. DOUCET: Yes. I'm not sure  
25 that it went much into '93. My first recollection and

1           when I look at the documents that I do have it would  
2           seem to indicate that by late '92 my activity with Bear  
3           Head or Thyssen was much less than it had been before.

4   21323                   MR. WOLSON:   Okay.   I want you to  
5           look at the second document in Tab 8, please.

6   21324                   MR. F. DOUCET:   That's Book 2?

7   21325                   MR. WOLSON:   No, Book 1, the same  
8           book we are on.

9   21326                   MR. F. DOUCET:   Yes...?

10  21327                   MR. WOLSON:   Tab 8, Book 1 is your  
11           invoice and the cheque payable to you.

12  21328                   MR. F. DOUCET:   Yes.

13  21329                   MR. WOLSON:   Okay.   Go one page over.

14  21330                   MR. F. DOUCET:   Yes...?

15  21331                   MR. WOLSON:   And you will see at  
16           November 2, '88 an invoice from your brother to  
17           Bitucan.

18  21332                   MR. F. DOUCET:   I see that.

19  21333                   MR. WOLSON:   Ninety thousand dollars.

20  21334                   MR. F. DOUCET:   Correct.

21  21335                   MR. WOLSON:   Same amount that you  
22           had; same date that you had sent the invoice, November  
23           2, 1988; right?

24  21336                   MR. F. DOUCET:   Correct.

25  21337                   MR. WOLSON:   Cheque issued \$90,000 to

1           Doucet & Associates. That was your brother's firm?

2   21338                   MR. F. DOUCET: I think that was his

3           law firm, yes.

4   21339                   MR. WOLSON: Yes, \$90,000.

5   21340                   MR. F. DOUCET: Correct.

6   21341                   MR. WOLSON: So the same amount that

7           you invoiced, the same cheque that you got in terms of

8           the value of the cheque?

9   21342                   MR. F. DOUCET: Correct.

10   21343                   MR. WOLSON: One page over, please.

11   21344                   MR. F. DOUCET: Yes...?

12   21345                   MR. WOLSON: Frank Moores. You knew

13           Frank Moores?

14   21346                   MR. F. DOUCET: Very well.

15   21347                   MR. WOLSON: Frank Moores was one of

16           the principals of a company called GCI?

17   21348                   MR. F. DOUCET: Correct.

18   21349                   MR. WOLSON: GCI was a lobbying

19           company?

20   21350                   MR. F. DOUCET: Correct.

21   21351                   MR. WOLSON: Moores was a friend of

22           yours?

23   21352                   MR. F. DOUCET: Correct.

24   21353                   MR. WOLSON: You enjoyed a

25           long-standing friendship with him that included

1 politics; right?

2 21354 MR. F. DOUCET: Correct.

3 21355 MR. WOLSON: A personal friendship?

4 21356 MR. F. DOUCET: Correct.

5 21357 MR. WOLSON: Salmon fishing?

6 21358 MR. F. DOUCET: Absolutely.

7 21359 MR. WOLSON: Fly fishing, that is.

8 Yes...?

9 21360 MR. F. DOUCET: Absolutely.

10 21361 MR. WOLSON: And you and Frank were

11 good friends?

12 21362 MR. F. DOUCET: We were.

13 21363 MR. WOLSON: And if we look at that

14 invoice, that is an invoice by Frank Moores, \$90,000,

15 for services rendered by him. Do you see that?

16 21364 MR. F. DOUCET: I do.

17 21365 MR. WOLSON: Six days after your

18 invoice. This is now November 8th of '88.

19 21366 MR. F. DOUCET: Correct.

20 21367 MR. WOLSON: Amount \$90,000.

21 21368 MR. F. DOUCET: Correct.

22 21369 MR. WOLSON: Paid to Frank Moores,

23 November 15, '88.

24 21370 MR. F. DOUCET: Correct.

25 21371 MR. WOLSON: And this is paid to him

1           personally, not through GCI.

2   21372                   MR. F. DOUCET:  Yes, I see the Frank  
3           and Beth Moores letterhead.

4   21373                   MR. WOLSON:  So it is a personal  
5           cheque for \$90,000.

6   21374                   MR. F. DOUCET:  Correct.

7   21375                   MR. WOLSON:  Okay.  I want you to  
8           skip over the next invoice.  I will come back to it.

9   21376                   The last one in the grouping is  
10          Lemoine Consultants Inc.  Do you see that?

11   21377                   MR. F. DOUCET:  I do.

12   21378                   MR. WOLSON:  This is an invoice,  
13          December 1, '88, to Bitucan?

14   21379                   MR. F. DOUCET:  December 1?  I have,  
15          I think November -- oh yes, yes, yes, correct.

16   21380                   MR. WOLSON:  December 1?  This is an  
17          invoice that precedes -- the cheque precedes the  
18          invoice by two weeks.

19   21381                   MR. F. DOUCET:  I see.

20   21382                   MR. WOLSON:  He invoices the  
21          company -- when I say "he", you know Lemoine  
22          Consultants is Mr. Ouellet?

23   21383                   MR. F. DOUCET:  I have come to that  
24          conclusion.

25   21384                   MR. WOLSON:  All right.

1 21385 MR. F. DOUCET: From the documents,  
2 yes.

3 21386 MR. WOLSON: And Ouellet was also a  
4 principal of GCI?

5 21387 MR. F. DOUCET: Correct.

6 21388 MR. WOLSON: Was your brother Gerry  
7 also a GCI principal?

8 21389 MR. F. DOUCET: Correct.

9 21390 MR. WOLSON: So Lemoine, Gary  
10 Ouellet, receives \$90,000, gets a cheque the same day  
11 as everyone else does, at least dated the same day,  
12 November 15, '88.

13 21391 MR. F. DOUCET: Correct.

14 21392 MR. WOLSON: All for \$90,000.

15 21393 MR. F. DOUCET: Correct.

16 21394 MR. WOLSON: Yours, Moores', Gerry  
17 Doucet's, Ouellet's. Is that just a coincidence, that  
18 everyone sends an invoice within a few weeks of one  
19 another and cheques issue for \$90,000?

20 21395 MR. F. DOUCET: I would have had no  
21 knowledge of when they were sending invoices or for  
22 what purpose or what amounts.

23 21396 MR. WOLSON: And it just happens to  
24 be, of all numbers, it's the same number that you send  
25 an invoice for, everyone does.

1 21397 MR. F. DOUCET: I see that from the  
2 documentation.

3 21398 MR. WOLSON: Well, I can tell you  
4 that Mr. Schreiber has said your \$90,000 was paid  
5 because you received a success fee for your involvement  
6 in getting the UIP signed, the Understanding in  
7 Principle. You know that's what he said.

8 21399 MR. F. DOUCET: I know that's what he  
9 said.

10 21400 MR. WOLSON: Is that true?

11 21401 MR. F. DOUCET: That is not true.

12 21402 MR. WOLSON: You deny that?

13 21403 MR. F. DOUCET: I deny that.

14 21404 COMMISSIONER OLIPHANT: Just to help  
15 me, Mr. Wolson, you have related the evidence. Was it  
16 not the evidence that not only did Mr. Doucet get paid  
17 for having the UIP signed, but it was to have it signed  
18 specifically by Mr. Beatty?

19 21405 MR. WOLSON: Mr. Perrin Beatty, yes.

20 21406 COMMISSIONER OLIPHANT: Yes.

21 21407 MR. WOLSON: You are aware of that?

22 21408 MR. F. DOUCET: I am aware of his  
23 evidence, yes.

24 21409 MR. WOLSON: Yes. Even though you  
25 met with Perrin Beatty, we have been through that in



1           your diary, or at least there is a diary entry of  
2           Perrin Beatty.

3   21410                   MR. F. DOUCET:  Yes, there is a diary  
4           entry.  I have no recollection of meeting with Perrin  
5           Beatty.

6   21411                   MR. WOLSON:  Do you say that you had  
7           no role in Perrin Beatty signing the UIP?

8   21412                   MR. F. DOUCET:  I'm sorry, I didn't  
9           get the first part.

10   21413                   MR. WOLSON:  Do you say that you had  
11           no role in having Perrin Beatty signing the UIP?

12   21414                   MR. F. DOUCET:  I categorically deny  
13           ever asking Perrin Beatty to sign the UIP.

14   21415                   MR. WOLSON:  You remember that?

15   21416                   MR. F. DOUCET:  I remember that.  I  
16           would -- of course, that would have been a remarkable  
17           request on my part, which I would never have done.

18   21417                   MR. WOLSON:  Okay.  The one invoice  
19           that I have left out was the one -- once you are at  
20           Lemoine, go back one and you will see another invoice,  
21           this time from GCI.

22   21418                   Do you have that?  That's after Frank  
23           Moores --

24   21419                   MR. F. DOUCET:  Yes, I see it.

25   21420                   MR. WOLSON:  -- and before Lemoine.

1 21421 MR. F. DOUCET: I have it. I have  
2 it.

3 21422 MR. WOLSON: GCI sends an invoice  
4 November 10, 1988 to Bitucan Holdings for \$250,000.

5 21423 MR. F. DOUCET: I see that.

6 21424 MR. WOLSON: Do you see that?

7 21425 MR. F. DOUCET: I see that.

8 21426 MR. WOLSON: So three of the  
9 principals of GCI -- your brother, Moores and  
10 Ouellet -- send invoices personally and get cheques  
11 personally for \$90,000.

12 21427 MR. F. DOUCET: I think in the case  
13 of my brother, it wasn't personal.

14 21428 MR. WOLSON: Well, his Doucet &  
15 Associates.

16 21429 MR. F. DOUCET: Correct.

17 21430 MR. WOLSON: And then on top of that  
18 GCI -- where the parties that I mentioned, Ouellet,  
19 Gerry Doucet and Frank Moores, who are principals --  
20 they send an invoice for \$250,000, a quarter of a  
21 million dollars.

22 21431 MR. F. DOUCET: I see that from the  
23 documentation.

24 21432 MR. WOLSON: November 10, '88 and  
25 they also get paid -- GCI does, on November 15, 1988,

1 the same day everyone gets their cheques.

2 21433 MR. F. DOUCET: I see that from the  
3 documentation.

4 21434 MR. WOLSON: That's \$610,000 by my  
5 count. Four times \$90,000 is \$360,000, plus \$250,000:  
6 \$610,000.

7 21435 MR. F. DOUCET: Correct.

8 21436 MR. WOLSON: You know nothing about  
9 at least the majority of the \$610,000. You only know  
10 about your \$90,000.

11 21437 MR. F. DOUCET: That is correct.

12 21438 MR. WOLSON: And you don't even  
13 remember your \$90,000.

14 21439 MR. F. DOUCET: I don't recall it.

15 21440 MR. WOLSON: I see.

16 21441 COMMISSIONER OLIPHANT: Mr. Doucet,  
17 your invoice states that the \$90,000 is for  
18 professional services. What professional services did  
19 you render, if any, prior to November -- whatever the  
20 date is, I can't tell.

21 21442 MR. WOLSON: November 2.

22 21443 COMMISSIONER OLIPHANT: November 2 of  
23 1988 to Bitucan Holdings.

24 21444 MR. F. DOUCET: I would have started  
25 my lobbying activity as --

1 21445 COMMISSIONER OLIPHANT: What did you  
2 do?

3 21446 MR. F. DOUCET: Well, I spoke with  
4 various individuals in DND, probably Industry Canada,  
5 and possibly others. I don't specifically recall, but  
6 I would have started my work.

7 21447 But, Mr. Commissioner, my testimony  
8 is that this invoice represents a payment on a  
9 retainership; not necessarily for services provided,  
10 but for services to be provided over the period.

11 21448 COMMISSIONER OLIPHANT: I hear what  
12 you are saying. Unfortunately, that is not what it  
13 says. It says "to professional services".

14 21449 It doesn't say "to be provided", it  
15 doesn't say "by retainer", it says "re: Professional  
16 services."

17 21450 MR. F. DOUCET: Yes.

18 21451 COMMISSIONER OLIPHANT: Now, you said  
19 that you had spoken to a number of people in DND and  
20 elsewhere. What ministers, if any, did you speak to  
21 prior to November 2nd of 1988?

22 21452 MR. F. DOUCET: Well, I would have  
23 spoken with Minister MacKay.

24 21453 Did you say before --

25 21454 COMMISSIONER OLIPHANT: Before you

1 rendered this invoice.

2 21455 MR. F. DOUCET: Minister MacKay. For  
3 sure I spoke with Minister MacKay.

4 21456 I don't recall any other ministers,  
5 but it's a possibility that I could have spoken with  
6 Minister Murray -- Senator Murray.

7 21457 COMMISSIONER OLIPHANT: What about  
8 Mr. Beatty?

9 21458 MR. F. DOUCET: I have no  
10 recollection of speaking with him, and I categorically  
11 deny that I would ever have requested him to sign the  
12 Memorandum of Understanding.

13 21459 COMMISSIONER OLIPHANT: I have  
14 already noted that twice, I think.

15 21460 Thank you.

16 21461 MR. WOLSON: We can leave it at this:  
17 You don't remember the \$90,000 invoice that you sent.  
18 You don't have a memory of that.

19 21462 MR. F. DOUCET: No, I do not.

20 21463 MR. WOLSON: You don't remember,  
21 other than what I have showed to you today, what you  
22 had done for Bear Head prior to the 2nd of November,  
23 1988.

24 21464 Is that a correct statement?

25 21465 MR. F. DOUCET: Correct.

1 21466 MR. WOLSON: And you don't know why  
2 you invoiced -- because that is your invoice, isn't it?

3 21467 MR. F. DOUCET: Correct.

4 21468 MR. WOLSON: You don't know why, or  
5 how it came to be that your invoice, your brother's  
6 invoice, and the other invoices come within a short  
7 period of time of yours.

8 21469 You don't know why. You don't know  
9 anything about that.

10 21470 MR. F. DOUCET: I don't know anything  
11 about their invoices at all.

12 21471 MR. WOLSON: And you don't know why  
13 four invoices are for the same amount, \$90,000.

14 21472 MR. F. DOUCET: I do not.

15 21473 MR. WOLSON: But you can say --  
16 knowing the history as you do today, you can say that  
17 November 2 was within a month and some days of the  
18 Understanding in Principle.

19 21474 MR. F. DOUCET: Correct.

20 21475 MR. WOLSON: While you were running  
21 your FDCI business, I am assuming that you had a very  
22 close relationship with the Prime Minister?

23 21476 MR. F. DOUCET: Yes.

24 21477 MR. WOLSON: You could, if you wanted  
25 to -- and I am not suggesting that you did, but if you

1           wanted to, you could drop in on him from time to time?

2   21478                   MR. F. DOUCET:  I could.  I wouldn't

3           abuse it, but I could, yes.

4   21479                   MR. WOLSON:  You certainly had his

5           contacts, and you could phone him --

6   21480                   MR. F. DOUCET:  Yes.

7   21481                   MR. WOLSON:  -- likely, at his

8           office, at his home, at Harrington Lake?

9   21482                   You had his contacts?

10   21483                   MR. F. DOUCET:  I did.

11   21484                   MR. WOLSON:  You could speak to him

12           when he was travelling.  You had access to him through

13           his office?

14   21485                   MR. F. DOUCET:  Yes.

15   21486                   MR. WOLSON:  He had two offices, one

16           in the Langevin Building --

17   21487                   Is that right?

18   21488                   MR. F. DOUCET:  Correct.

19   21489                   MR. WOLSON:  -- and one at Centre

20           Block.

21   21490                   MR. F. DOUCET:  Correct.

22   21491                   MR. WOLSON:  And if you were so

23           inclined, you had the ability to meet with Prime

24           Minister Mulroney and discuss the Bear Head Project

25           with him, a project that he, by the way, was very much

1 in favour of.

2 21492 MR. F. DOUCET: I could meet with  
3 him. As I say, I wouldn't say that I did frequently,  
4 or that I took it as an automatic arrangement. We were  
5 friends, but we respected each other's distances.

6 21493 MR. WOLSON: You told me when I  
7 interviewed you in March of this year that you called  
8 or met with Prime Minister Mulroney on the Bear Head  
9 Project several times.

10 21494 MR. F. DOUCET: Yes, correct.

11 21495 MR. WOLSON: You told him that you  
12 thought it was a very good project.

13 21496 MR. F. DOUCET: Indeed.

14 21497 MR. WOLSON: In terms of your  
15 closeness to Brian Mulroney, your brother Gerry had  
16 said this about you and Mr. Mulroney on February the  
17 13th, 1987, in a Toronto Star article. He said:

18 "Fred is intensely loyal to  
19 Mulroney. They seem to know  
20 each other's thinking just by  
21 the body language."

22 21498 You agree with that?

23 21499 MR. F. DOUCET: Well, that may be  
24 slightly overstated, but, yes, we had a very good  
25 relationship, a very friendly relationship.



1 21500 MR. WOLSON: And very long-standing?  
2 21501 MR. F. DOUCET: Yes.  
3 21502 MR. WOLSON: Very loyal to him you  
4 are?  
5 21503 MR. F. DOUCET: Correct.  
6 21504 MR. WOLSON: Now, just a small  
7 note -- and you explained this to me when we met. When  
8 you were at St. F. X. -- your true given name is Jean  
9 Alfred Doucet.  
10 21505 Is that right?  
11 21506 MR. F. DOUCET: Correct.  
12 21507 MR. WOLSON: But that is not a name  
13 that you soon went by at St. F. X.  
14 21508 MR. F. DOUCET: In 1956, having a  
15 long name like that, which was quite appropriate in  
16 Grand Étang and Melita possibly, was not acceptable at  
17 St. F. X., you had to have a nickname.  
18 21509 So how I came to be Fred, I think,  
19 relates to the Alfred --  
20 21510 MR. WOLSON: I see.  
21 21511 MR. F. DOUCET: -- but I became Fred,  
22 and I have been ever since.  
23 21512 MR. WOLSON: And you sign documents  
24 by either Fred Doucet --  
25 21513 That is one way you would sign a

1 document?

2 21514 MR. F. DOUCET: Correct.

3 21515 MR. WOLSON: J.A. Doucet.

4 21516 MR. F. DOUCET: Correct.

5 21517 MR. WOLSON: J.A.D.?

6 21518 MR. F. DOUCET: J.A.D. would have  
7 been my initials, yes.

8 21519 MR. WOLSON: Or you might sign by  
9 your full name, Jean Alfred.

10 21520 MR. F. DOUCET: Very rarely.  
11 21521 On official documents.

12 21522 MR. WOLSON: I take it that there is  
13 no question at all that Mr. Mulrone y knew that you were  
14 working for Mr. Schreiber as a lobbyist and consultant  
15 on the Bear Head Project.

16 21523 MR. F. DOUCET: Correct.

17 21524 MR. WOLSON: You had met with Mr.  
18 Schreiber and Mr. Mulrone y on a number of occasions?

19 21525 MR. F. DOUCET: Yes.

20 21526 MR. WOLSON: Would I be correct that  
21 if you were working -- or, I should say, if you were  
22 with Schreiber at a meeting, it would either be on the  
23 Bear Head Project --  
24 21527 Right?  
25 21528 MR. F. DOUCET: Correct.

1 21529 MR. WOLSON: -- or it would be a  
2 meeting of -- a social meeting.

3 21530 MR. F. DOUCET: I don't recall any  
4 social meetings involving myself, Mr. Schreiber and Mr.  
5 Mulroney.

6 21531 MR. WOLSON: So that if there were  
7 meetings with you, Schreiber and Mulroney, they were  
8 business meetings.

9 21532 MR. F. DOUCET: I would conclude  
10 that, yes.

11 21533 MR. WOLSON: And the business was...?

12 21534 MR. F. DOUCET: Bear Head Industries.

13 21535 MR. WOLSON: I want to ask you some  
14 more about Karlheinz Schreiber, because you had a  
15 relationship with him which spanned at least five  
16 years --

17 21536 MR. F. DOUCET: Correct.

18 21537 MR. WOLSON: -- in terms of your  
19 working with him.

20 21538 MR. F. DOUCET: Correct.

21 21539 MR. WOLSON: And the relationship  
22 went on from there, sparsely though, after 1993.

23 21540 MR. F. DOUCET: Correct.

24 21541 MR. WOLSON: You would say that he is  
25 an entrepreneur?

1 21542 MR. F. DOUCET: Yes.

2 21543 MR. WOLSON: You would say that he is  
3 aggressive in nature?

4 21544 MR. F. DOUCET: Yes.

5 21545 MR. WOLSON: That in this project --  
6 he strongly believed in the Bear Head Project?

7 21546 MR. F. DOUCET: As did I.

8 21547 MR. WOLSON: You told me when I  
9 talked to you that, based on his statements, he  
10 appeared to know more, in fact, than he did.

11 21548 MR. F. DOUCET: I'm sorry, that he  
12 appeared to...?

13 21549 MR. WOLSON: Appeared to know more,  
14 in fact, than he really did.  
15 That is, he would often exaggerate.

16 21551 MR. F. DOUCET: I think I may have  
17 said that he tended to drop names and --

18 21552 MR. WOLSON: Yes, we are going to get  
19 to that in a minute.

20 21553 MR. F. DOUCET: Okay.

21 21554 MR. WOLSON: Did the man, in your  
22 opinion, exaggerate?

23 21555 MR. F. DOUCET: I don't want to be  
24 unfair. I think, maybe, here and there, probably.

25 21556 MR. WOLSON: Okay. Now, as to what

1           you just said, he would drop names.

2   21557                   MR. F. DOUCET:  Yes.

3   21558                   MR. WOLSON:  He wouldn't be averse to

4           dropping the Prime Minister's name if he were meeting

5           with people in government.

6   21559                   MR. F. DOUCET:  I think that's a fair

7           assumption.

8   21560                   MR. WOLSON:  Whether or not he

9           dropped it accurately, he did it.

10  21561                   MR. F. DOUCET:  Yes.

11  21562                   MR. WOLSON:  In terms of your

12           relationship with him, in the early years you trusted

13           him?

14  21563                   MR. F. DOUCET:  Yes.

15  21564                   MR. WOLSON:  After the 1994 Pierre

16           Hotel meeting -- and we will get to that in a more

17           fulsome way -- you didn't have a lot to do with him.

18  21565                   MR. F. DOUCET:  After 1994, very

19           sparse involvement with him; maybe the odd phone call.

20  21566                   MR. WOLSON:  You had some involvement

21           with him at the time of the Letter of Request --

22  21567                   MR. F. DOUCET:  Correct.

23  21568                   MR. WOLSON:  -- in 1995.

24  21569                   MR. F. DOUCET:  I received a call

25           from him.

1 21570 MR. WOLSON: Yes. Really, after  
2 that, from 1995 forward, you didn't meet with him at  
3 all, to your memory, until you saw him in 1999, I  
4 understand.

5 21571 MR. F. DOUCET: That is correct.

6 21572 MR. WOLSON: You told me when I  
7 interviewed you that by the time of 1999, when Mr.  
8 Schreiber had been arrested, you had started wondering  
9 about his bona fides.  
10 21573 You started wondering about the man.

11 21574 MR. F. DOUCET: Yes.

12 21575 MR. WOLSON: That you became  
13 concerned in `99, when he seemed to become more  
14 friendly with the media.

15 21576 MR. F. DOUCET: Correct.

16 21577 MR. WOLSON: Particularly the fifth  
17 estate.

18 21578 MR. F. DOUCET: Correct.

19 21579 MR. WOLSON: Is that why -- and we  
20 will get to this in a more fulsome way, as well -- when  
21 you met with him in 1999 -- you met with him on  
22 December 26th, Boxing Day --

23 21580 MR. F. DOUCET: Yes.

24 21581 MR. WOLSON: You met with him January  
25 the 11th --

1 21582 MR. F. DOUCET: Correct.

2 21583 MR. WOLSON: -- 2000.

3 21584 You met with him on February the 4th,  
4 2000?

5 21585 MR. F. DOUCET: Yes. I think it was  
6 the 4th, yeah.

7 21586 MR. WOLSON: Is that why, when you  
8 met with him, you started to make notes?

9 21587 MR. F. DOUCET: Well, I started to  
10 make notes because I was troubled by the fifth estate  
11 program, which --

12 21588 MR. WOLSON: The October `99 fifth  
13 estate program?

14 21589 MR. F. DOUCET: Correct.

15 21590 MR. WOLSON: Okay.

16 21591 MR. F. DOUCET: I was particularly  
17 troubled because he appeared on it, and I had been of  
18 the impression -- and I think he had told me -- that  
19 never in a million years would he appear on such  
20 programs. After all, he was suing them, and so on.

21 21592 So I became -- I became troubled by  
22 the program, and where it appeared to be fishing, and I  
23 decided that I would memorialize my discussions with  
24 him thereafter.

25 21593 MR. WOLSON: Okay. We will get to

1           that in due course today.

2   21594                    I want to go back to the Bear Head  
3           Project and the Understanding in Principle of September  
4           27th, 1988.

5   21595                    I would like you to look at Book 2,  
6           Tab 1, please.

7   21596                    September the 29th, if you will,  
8           please.

9   21597                    MR. F. DOUCET:  Yes, I am there.

10   21598                   MR. WOLSON:  You will see in your  
11          diary for Thursday, September 29th, 1988:  "8 p.m. -  
12          Briefing of Massmann - Delta Hotel."

13   21599                    MR. F. DOUCET:  Correct, I see that.

14   21600                    MR. WOLSON:  Who is Massmann?

15   21601                    MR. F. DOUCET:  Jürgen Massmann  
16          worked with Mr. Schreiber.  I forget what his position  
17          was with Thyssen Bear Head, but --

18   21602                    MR. WOLSON:  He was an executive with  
19          Thyssen Bear Head?

20   21603                    MR. F. DOUCET:  Indeed.

21   21604                    MR. WOLSON:  In Germany?

22   21605                    MR. F. DOUCET:  In Germany, and I  
23          believe, also, as it related to Thyssen Bear Head in  
24          Canada.

25   21606                    MR. WOLSON:  And was this a briefing



1 session?

2 21607 MR. F. DOUCET: I presume, because I  
3 see here "Briefing of Massmann - Delta Hotel".

4 21608 MR. WOLSON: Now, who is briefing  
5 whom?

6 21609 MR. F. DOUCET: Good question.

7 21610 Again, I would presume that it was  
8 Massmann providing a briefing to somebody.

9 21611 MR. WOLSON: Wouldn't you have been  
10 briefing Massmann on the Understanding in Principle,  
11 which had been signed just two days earlier?

12 21612 MR. F. DOUCET: I had no direct  
13 relationship with Mr. Massmann. My relationship was  
14 with Mr. Schreiber, and to a much lesser extent with  
15 Mr. Alford.

16 21613 MR. WOLSON: Did you know about the  
17 UIP?

18 21614 MR. F. DOUCET: I did.

19 21615 MR. WOLSON: Were you well versed in  
20 it.

21 21616 MR. F. DOUCET: I hadn't been  
22 involved in its makeup so I wasn't that well versed on  
23 it, but I knew generally where -- what it purported to  
24 establish.

25 21617 MR. WOLSON: Were you aware that on

1 the signing of the UIP that it wasn't a binding  
2 document, binding on the government?

3 21618 MR. F. DOUCET: I don't recall, but I  
4 think I would. If I had read the document at that  
5 point, I would come to that view, since I read it  
6 since.

7 21619 MR. WOLSON: Were you aware that upon  
8 the signing of the UIP, it triggered a success fee  
9 payment to Mr. Schreiber in the amount of \$4 million?

10 21620 MR. F. DOUCET: I had no knowledge of  
11 that.

12 21621 MR. WOLSON: On a non-binding  
13 document, \$4 million.

14 21622 MR. F. DOUCET: I had absolutely no  
15 knowledge. The first time I heard about that was in  
16 the context of these sessions.

17 21623 MR. WOLSON: It boggles the mind,  
18 doesn't it?

19 21624 MR. F. DOUCET: It probably does,  
20 yes.

21 21625 MR. WOLSON: Signing a document which  
22 is non-binding and you get a success fee of \$4 million.

23 21626 And did you know that aside from the  
24 \$4 million, Mr. Schreiber received \$2.5 million -- or  
25 his companies -- in loans that were never repaid:

1           \$6.5 million altogether.

2   21627                           Did you know that?

3   21628                           MR. F. DOUCET: I did not know that.

4   21629                           MR. WOLSON: Was there ever any

5           discussion with Schreiber or Massmann or anyone at

6           Thyssen Bear Head about those kinds of monies?

7   21630                           MR. F. DOUCET: Not when I was

8           present.

9   21631                           MR. WOLSON: You told me before that

10          there were a number of meetings with Prime Minister

11          Mulroney and Karlheinz Schreiber dealing with the Bear

12          Head Project.

13   21632                           MR. F. DOUCET: Correct.

14   21633                           MR. WOLSON: I would like you to go

15          to Book 2, Tab 2.

16   21634                           MR. F. DOUCET: Yes, I'm there.

17   21635                           MR. WOLSON: October 2nd, if you

18          will, please.

19   21636                           MR. F. DOUCET: I'm there.

20   21637                           MR. WOLSON: Book 2, Tab, 2 October

21          2, 1991, at around 3 o'clock it says "P.M. Karlheinz,

22          1:45".

23   21638                           Do you see that?

24   21639                           COMMISSIONER OLIPHANT: Over on the

25          right-hand side.

1 21640 MR. F. DOUCET: Yes, correct. I see  
2 it, "P.M. 1:45 Karlheinz".

3 21641 MR. WOLSON: "P.M." is Prime Minister  
4 Mulroney?

5 21642 MR. F. DOUCET: I expect, yes.

6 21643 MR. WOLSON: "Karlheinz" is Karlheinz  
7 Schreiber?

8 21644 MR. F. DOUCET: I expect.

9 21645 MR. WOLSON: Now, if you go over,  
10 please, to Book 2, Tab 12 --

11 21646 MR. F. DOUCET: Yes, I'm there.

12 21647 MR. WOLSON: On October 2, we have  
13 1:45 --

14 21648 MR. F. DOUCET: I'm not there yet.

15 21649 MR. WOLSON: I'm sorry.

16 21650 MR. F. DOUCET: Sorry.

17 21651 MR. WOLSON: October 2. Book 2, Tab  
18 12.

19 21652 MR. F. DOUCET: October 2, I'm there.

20 21653 MR. WOLSON: "13:45 Fred"?

21 21654 MR. F. DOUCET: Yes, I see that.

22 21655 MR. WOLSON: That's 1:45, the same  
23 time in your diary that you and Karlheinz are meeting  
24 with the Prime Minister.

25 21656 MR. F. DOUCET: Yes.

1 21657 MR. WOLSON: So we know that at least  
2 on October 2 you, Prime Minister Mulroney and Karlheinz  
3 Schreiber are meeting?

4 21658 MR. F. DOUCET: It certainly appears  
5 that way.

6 21659 MR. WOLSON: As a matter of fact, in  
7 his diary -- in Schreiber's diary on October 1 at the  
8 top it's got "telephone Fred".

9 21660 MR. F. DOUCET: I see that.

10 21661 MR. WOLSON: And at the bottom it's  
11 got maybe "Parliament Brian".

12 21662 MR. F. DOUCET: Yes, I see that.

13 21663 MR. WOLSON: You are aware that apart  
14 from your being with Karlheinz and Brian Mulroney that  
15 Mr. Schreiber had his own contacts, aside from you,  
16 with Mr. Mulroney.

17 21664 You became aware of that? At least  
18 that's what you told me when I interviewed you.

19 21665 MR. F. DOUCET: Yes. I don't recall  
20 discrete occurrences, but yes, he had his own way of  
21 reaching him.

22 21666 MR. WOLSON: Okay. I want to go next  
23 to December 1, '91. Your diary would be Book 2, Tab 2.

24 21667 MR. F. DOUCET: This is mine or  
25 Mr. Schreiber's?

1 21668 MR. WOLSON: Your diary.

2 21669 MR. F. DOUCET: Oh, I'm sorry.

3 21670 MR. WOLSON: We will get to

4 Schreiber's in a moment.

5 21671 MR. F. DOUCET: Yes, okay. This is

6 Book 2, Tab 2?

7 21672 MR. WOLSON: Book 2, Tab 2, 1991

8 December 1.

9 21673 MR. F. DOUCET: Okay, I will get to

10 that. I have that.

11 21674 MR. WOLSON: It says "P.C. Lunch" and

12 then below "K. Schreiber".

13 21675 MR. F. DOUCET: Correct. I see that.

14 21676 MR. WOLSON: And then if you would go

15 over to Mr. Schreiber's diary at Book 2, Tab 12,

16 December 1 --

17 21677 MR. F. DOUCET: Yes, I see that.

18 21678 MR. WOLSON: Book 2, Tab 12, it's got

19 "Brunch Mulroney".

20 21679 MR. F. DOUCET: I see that.

21 21680 MR. WOLSON: Do you remember that?

22 21681 MR. F. DOUCET: I do not remember

23 that.

24 21682 MR. WOLSON: I am now going to go to

25 November 23, '92, Book 2, Tab 3, which would be yours.

1 21683 MR. F. DOUCET: Yes, I'm there.

2 21684 MR. WOLSON: 23rd of November '92.

3 21685 MR. F. DOUCET: Yes, I'm there.

4 21686 MR. WOLSON: So this is '92, November

5 23 -- 23rd of November, 1500 hours "Karlheinz in town".

6 21687 MR. F. DOUCET: I see that.

7 21688 MR. WOLSON: On the next page,

8 November 24, 9 o'clock, "Call K.H.". That would be

9 Karlheinz, I'm assuming?

10 21689 MR. F. DOUCET: Yes.

11 21690 MR. WOLSON: Down the page at

12 11 o'clock "K.S.". That would be Karlheinz Schreiber?

13 21691 MR. F. DOUCET: Correct.

14 21692 MR. WOLSON: And at the bottom of the

15 page at 1600 hours, you have an arrow that says "P.M.".

16 Prime Minister, I'm assuming?

17 21693 MR. F. DOUCET: Correct. I'm

18 assuming the same.

19 21694 MR. WOLSON: So on the 23rd of

20 November where you have "Karlheinz in town", I'm

21 assuming that Mr. Schreiber, in and around '92-'93 was

22 living in Europe, or at least not living in Ottawa.

23 21695 MR. F. DOUCET: I think that's the

24 case, yes.

25 21696 MR. WOLSON: The case is that he was

1 living...?

2 21697 MR. F. DOUCET: In Europe.

3 21698 MR. WOLSON: In Europe.

4 21699 MR. F. DOUCET: Yes.

5 21700 MR. WOLSON: You were living in

6 Ottawa?

7 21701 MR. F. DOUCET: I was.

8 21702 MR. WOLSON: So when it says

9 "Karlheinz in town", that's a pretty good indication

10 that he has come in from out of town?

11 21703 MR. F. DOUCET: Correct.

12 21704 MR. WOLSON: Whether it's Europe or

13 Chicago or whatever. But he's in Ottawa?

14 21705 MR. F. DOUCET: Correct.

15 21706 MR. WOLSON: Then if you look at

16 Mr. Schreiber's diary, Book 2, Tab 3, for the 24th of

17 November...

18 21707 MR. F. DOUCET: Just bear with me.

19 21708 MR. WOLSON: Tab 13.

20 21709 MR. F. DOUCET: Okay, Tab 13.

21 21710 MR. WOLSON: November 24.

22 21711 MR. F. DOUCET: Yes, I'm there.

23 21712 MR. WOLSON: November 24 in the

24 morning it says "Telephone Fred".

25 21713 MR. F. DOUCET: Yes.



1 21714 MR. WOLSON: Down at 4:30 it says  
2 "P.M."  
3 21715 MR. F. DOUCET: Correct.  
4 21716 MR. WOLSON: "Centre Block".  
5 21717 MR. F. DOUCET: Correct.  
6 21718 MR. WOLSON: So here it is that  
7 Mr. Schreiber has come in from out of town on the 23rd  
8 of November. On the 24th of November, according to his  
9 diary, he has a 4:30 at Centre Block with the Prime  
10 Minister; right?  
11 21719 MR. F. DOUCET: Correct.  
12 21720 MR. WOLSON: And in your diary for  
13 the 24th there is a 4 o'clock with the Prime Minister.  
14 21721 MR. F. DOUCET: This is on Tab ...?  
15 21722 MR. WOLSON: Tab 3, Book 2 on  
16 November 24.  
17 21723 November 24, Tab 3.  
18 21724 MR. F. DOUCET: I'm getting there.  
19 21725 MR. WOLSON: I'm sorry to take you  
20 all over these books.  
21 21726 MR. F. DOUCET: That's okay. I am at  
22 Tuesday, November 24th, my diary.  
23 21727 MR. WOLSON: You see that you have a  
24 meeting with the Prime Minister at 4 o'clock, 1600  
25 hours?

1 21728 MR. F. DOUCET: Correct. Yes, I see  
2 that. "P.M."

3 21729 MR. WOLSON: Yes. And at 4:30 in  
4 Schreiber's diary he has a "P.M." at 4:30.  
5 21730 We just covered that.

6 21731 MR. F. DOUCET: Yes, right.

7 21732 MR. WOLSON: So he comes in from out  
8 of town. There are some calls between the two of you  
9 and the next thing we know he is seeing Prime Minister  
10 Mulroney.

11 21733 MR. F. DOUCET: Correct.

12 21734 MR. WOLSON: On the 25th of November  
13 of Schreiber's diary -- so that would be Book 2, Tab  
14 13.

15 21735 MR. F. DOUCET: Yes, I'm there.

16 21736 MR. WOLSON: For the 25th of November  
17 it says -- there is a German word which I think is  
18 "frühstück" -- which is breakfast I am advised -- "PM  
19 Mulroney".

20 21737 Do you see that?

21 21738 MR. F. DOUCET: Yes, yes, 9:00 a.m.

22 21739 MR. WOLSON: I stand to be corrected  
23 on my German pronunciation and what I believe that word  
24 means, but nonetheless there is Mulroney?

25 21740 MR. F. DOUCET: Yes. "PM Mulroney",

1           yes.

2   21741                   MR. WOLSON:  So the man appears to  
3           have come into town on the 23rd of November, and on the  
4           24th of November he is seeing Mulroney and on the 25th  
5           of November he is seeing Mulroney.

6   21742                   MR. F. DOUCET:  It would certainly  
7           appear to be that way.

8   21743                   MR. WOLSON:  1992.

9           --- Pause

10   21744                  MR. WOLSON:  Just to make the point  
11           that I made before that he was communicating directly  
12           with Mr. Mulroney, I'm just going to remind you as to  
13           what you said to me when I interviewed you.

14   21745                  At page 108 of your transcript -- I  
15           will read it to you, Mr. Doucet.

16   21746                  MR. F. DOUCET:  Okay.

17   21747                  MR. WOLSON:  Line 12.  I will go back  
18           for a few.

19   21748                  Line 10:

20                           "MR. DOUCET:  But I was aware --

21                           MR. WOLSON, Q.C.:  Yes.

22                           MR. DOUCET:  -- that he was  
23                           communicating with the Prime  
24                           Minister independent of me, for  
25                           instance, and I presume

1 independent of others as well."  
2 21749 MR. F. DOUCET: Correct.  
3 21750 MR. WOLSON: There is no doubt that  
4 while you had contact with Schreiber and met with  
5 Schreiber and Mulroney, he was doing it himself as  
6 well?  
7 21751 MR. F. DOUCET: As represented to me,  
8 yes.  
9 21752 MR. WOLSON: Yes.  
10 21753 COMMISSIONER OLIPHANT: Mr. Wolson,  
11 just while you are at it, I noticed that on November  
12 26th in Mr. Schreiber's diary --  
13 21754 MR. WOLSON: Yes...?  
14 21755 COMMISSIONER OLIPHANT: -- there is a  
15 reference to "PM Office" and "David Mclaughlin".  
16 21756 MR. WOLSON: Yes...?  
17 21757 COMMISSIONER OLIPHANT: Who was David  
18 Mclaughlin?  
19 21758 MR. F. DOUCET: David Mclaughlin was  
20 a political staffer in the Prime Minister's Office. I  
21 think he was there through '93 and I think he was  
22 Deputy Chief of Staff or Deputy Principal Secretary;  
23 I'm not 100 per cent sure. But he was at a fairly high  
24 level.  
25 21759 COMMISSIONER OLIPHANT: Okay.

1 21760 MR. WOLSON: So if that --

2 21761 MR. F. DOUCET: Mr. Wolson...?

3 21762 MR. WOLSON: Yes...?

4 21763 MR. F. DOUCET: Could I just make a  
5 comment on your previous question?

6 21764 MR. WOLSON: Absolutely.

7 21765 MR. F. DOUCET: Just so that it is  
8 not misunderstood.

9 21766 When I say that Mr. Schreiber had  
10 direct contact with Mr. Mulroney, what I am wanting to  
11 say is that he had meetings as represented to me with  
12 Mr. Mulroney independent of me.

13 21767 Whether he got those meetings by  
14 himself or through others, I don't know that.

15 21768 MR. WOLSON: I understand. But we do  
16 know one thing. Through you he was seeing the Prime  
17 Minister?

18 21769 MR. F. DOUCET: Absolutely.

19 21770 MR. WOLSON: He was seeing the Prime  
20 Minister either on his own or through others.

21 21771 MR. F. DOUCET: Correct.

22 21772 MR. WOLSON: The man had a bit of  
23 contact with Prime Minister Mulroney.

24 21773 MR. F. DOUCET: Correct.

25 21774 MR. WOLSON: And with some of

1 Mr. Mulroney's staff, as seen by the November 26th "PM  
2 office, David Mclaughlin".

3 21775 So not just the Prime Minister, but  
4 people in close proximity to the Prime Minister.

5 21776 MR. F. DOUCET: Correct. I have no  
6 knowledge specifically of Mr. Mclaughlin's involvement,  
7 but...

8 21777 MR. WOLSON: To be clear, as you said  
9 before, and as you told me when I questioned you in  
10 March in the Commission offices, if there were  
11 meetings, the meetings were Bear Head?

12 21778 MR. F. DOUCET: Correct, when I was  
13 present.

14 21779 MR. WOLSON: When you were present.

15 21780 Did you know that in terms of Bear  
16 Head Nova Scotia, it is purported that the Prime  
17 Minister killed the project in '90 or '91? Did you  
18 know that?

19 21781 MR. F. DOUCET: I have come to know  
20 that through either the Ethics Committee or this  
21 Commission. I did not know that as the events were  
22 unfurling at the time.

23 21782 MR. WOLSON: But you were advocating  
24 for Bear Head Nova Scotia in 1990, '91, early '92. You  
25 were trying to make that happen.

1 21783 MR. F. DOUCET: Correct. I just want  
2 to make a precision here. What I didn't know was that,  
3 quote/quote, "the project" had been killed, if that was  
4 the case.

5 21784 What I did know was that Nova Scotia  
6 was becoming probably a nonstarter. I came to  
7 understand that through my lobby efforts.

8 21785 MR. WOLSON: But you weren't told by  
9 Prime Minister Mulroney --

10 21786 MR. F. DOUCET: No.

11 21787 MR. WOLSON: -- that it was killed in  
12 '90 or '91 or '92 vis-à-vis Bear Head --

13 21788 MR. F. DOUCET: Correct.

14 21789 MR. WOLSON: -- Nova Scotia.

15 21790 MR. F. DOUCET: Correct.

16 21791 MR. WOLSON: Strait of Canso.

17 21792 MR. F. DOUCET: Correct.

18 21793 MR. WOLSON: Or any other location in  
19 Nova Scotia?

20 21794 MR. F. DOUCET: Yes. That's correct,  
21 yes.

22 --- Pause

23 21795 MR. WOLSON: Consistent with what you  
24 have just said, I want to refer you to Tab 24 of Book  
25 1, please.

1 21796 MR. F. DOUCET: I am there.

2 21797 MR. WOLSON: Tab 24 of Book 1 is a  
3 letter, dated 19 April 1992, on your letterhead.

4 21798 MR. F. DOUCET: Correct.

5 21799 MR. WOLSON: Your signature.

6 21800 MR. F. DOUCET: Yes.

7 21801 MR. WOLSON: You sign it "J.A.  
8 Doucet". We have discussed your --

9 21802 MR. F. DOUCET: Correct.

10 21803 MR. WOLSON: -- methods of signing.  
11 And you write this to Mr. Schreiber in Germany.

12 21804 MR. F. DOUCET: Yes.

13 21805 MR. WOLSON: You say to him, after  
14 the pleasantries that you start with, you say:  
15 "Today is Easter."  
16 21806 And you're working and you'll never  
17 understand why. Well, I can empathize with you in that  
18 respect.

19 21807 But going on, you say in the third  
20 paragraph:  
21 "Needless to say I have given  
22 the matter of the G.M. sole  
23 source contract considerable  
24 pondering and I've now finished  
25 my 'due diligence'. There is



1 little doubt, if any, that  
2 Fowler at the end had his way  
3 with much help from de  
4 Chastelaine and also with some  
5 'whimpy' army generals who could  
6 have been much more daring.  
7 However what's done is done.  
8 In my view the prospect of the  
9 MRCV reappearing are nil in the  
10 short haul (2 to 3 years) and  
11 it's guess work after that. As  
12 much as it breaks my heart to  
13 tell you this I must advise that  
14 we should abandon all further  
15 efforts at this time with DND."

16 21808 MR. F. DOUCET: Correct, I see that.

17 21809 MR. WOLSON: In effect, it is a  
18 summary and conclusion of what I questioned you before  
19 about DND being a thorn in the side and, even more than  
20 that, a hurdle that they couldn't overcome, Bear Head,  
21 and Bear Head and DND were not on the same page.

22 21810 MR. F. DOUCET: Bear Head and a good  
23 number of folks from DND.

24 21811 MR. WOLSON: The folks that had the  
25 power.

1 21812 MR. F. DOUCET: It would appear.

2 21813 MR. WOLSON: You indicate to him:

3 "The last option left is the

4 purchase of G.M. (Diesel)."

5 21814 You say that to him?

6 21815 MR. F. DOUCET: Yes, I do.

7 21816 MR. WOLSON: Then you say to him, at

8 page 2 in the last sentence:

9 "As you know André Scott has

10 told me he will arrange a

11 meeting for you with Minister

12 Masse if you wish it."

13 21817 MR. F. DOUCET: Correct.

14 21818 MR. WOLSON: Minister Masse was

15 involved in Montréal, in Québec, the Province of

16 Québec?

17 21819 MR. F. DOUCET: Yes.

18 21820 MR. WOLSON: No, Minister Masse was

19 the DND Minister, wasn't he?

20 21821 MR. F. DOUCET: I believe he was at

21 that time.

22 21822 MR. WOLSON: Yes, okay. I raised

23 that because you will see in meetings with Minister

24 Masse DND, that there was a movement after this letter

25 to Montréal, the Province of Québec --

1 21823 MR. F. DOUCET: Correct.

2 21824 MR. WOLSON: -- for Bear Head.

3 21825 MR. F. DOUCET: Correct.

4 21826 And this, Mr. Wolson, connects with

5 what I had said before, that while I was aware that the

6 Nova Scotia initiative was dying or dead, that didn't

7 mean that the project per se was dead. There were

8 other avenues being pursued.

9 21827 MR. WOLSON: I've got that.

10 21828 MR. F. DOUCET: Okay.

11 21829 MR. WOLSON: And what I questioned

12 you about, however, was that you were very much

13 involved in advocating Nova Scotia --

14 21830 MR. F. DOUCET: Absolutely.

15 21831 MR. WOLSON: -- in 1990 and '91.

16 21832 MR. F. DOUCET: Absolutely.

17 21833 MR. WOLSON: In 1990 or '91 you were

18 not told that Nova Scotia was dead?

19 21834 MR. F. DOUCET: I was not told that.

20 21835 MR. WOLSON: No. Killed by Prime

21 Minister Mulroney. You weren't told that?

22 21836 MR. F. DOUCET: I was not told that.

23 21837 MR. WOLSON: Tab 25 of Book 1. You

24 obviously came through with your promise to Karlheinz

25 because at Tab 25 of Book 1 you will see a letter from

1 I believe Mr. Schreiber, cc'd to Elmer MacKay.

2 21838 By the way, before I go on, Elmer

3 MacKay -- who is a good friend of yours; right?

4 21839 MR. F. DOUCET: Yes.

5 21840 MR. WOLSON: A fellow Nova Scotian.

6 21841 MR. F. DOUCET: Correct.

7 21842 MR. WOLSON: You have a long-standing

8 relationship with him?

9 21843 MR. F. DOUCET: Dating back to

10 probably the mid-'70s.

11 21844 MR. WOLSON: All right. You are

12 aware that Mr. MacKay stood down and gave Mr. Mulroney

13 his riding in Nova Scotia.

14 21845 MR. F. DOUCET: Correct.

15 21846 MR. WOLSON: There is a good, honest

16 friendship between you and MacKay, Mr. Mulroney and

17 MacKay. You know all that?

18 21847 MR. F. DOUCET: Yes.

19 21848 MR. WOLSON: I'm not telling you

20 anything you don't know.

21 21849 MR. F. DOUCET: That's correct.

22 21850 MR. WOLSON: All right. And

23 Mr. MacKay was a firm advocate for Bear Head Nova

24 Scotia?

25 21851 MR. F. DOUCET: Absolutely.

1 21852 MR. WOLSON: So let's look at Tab 25,  
2 which is the document, a letter to Marcel Masse,  
3 Minister of National Defence, 13th of May 1992.

4 21853 MR. F. DOUCET: Yes, I see that.

5 21854 MR. WOLSON: So this is the following  
6 month of your letter to Schreiber where you tell  
7 Schreiber that you can get him an interview with Masse?

8 21855 MR. F. DOUCET: Correct.

9 21856 MR. WOLSON: He obviously has the  
10 interview, because he is writing Masse saying:  
11 "Following last week's meetings  
12 with the Prime Minister, the  
13 Hon. Elmer McKay and with you,  
14 we proceeded as discussed."

15 21857 You see that?

16 21858 MR. F. DOUCET: Correct, I see it.

17 21859 MR. WOLSON: You will see -- I don't  
18 know that it is necessary to read the whole document --  
19 there now appears to be a slightly different plan to go  
20 with a prototype of a vehicle.

21 21860 You will see that in the last  
22 paragraph of the first page.

23 21861 MR. F. DOUCET: I see that.

24 21862 MR. WOLSON: And you will see that  
25 Mr. Schreiber at page 2 is -- after he is telling the

1 Minister of National Defence about the successful  
2 meeting they had, he is now telling the Minister at the  
3 second-last paragraph:

4 "You must understand that I  
5 cannot proceed as agreed with  
6 the Prime Minister to organize  
7 the necessary funding, nor can a  
8 draft contract be proposed until  
9 you and I have reached agreement  
10 through a Memorandum of  
11 Understanding."

12 21863 MR. F. DOUCET: I see that.

13 21864 MR. WOLSON: So he is moving along  
14 pretty quickly in this letter at least. You see that?

15 21865 MR. F. DOUCET: Yes.

16 21866 MR. WOLSON: Which is à la  
17 Mr. Schreiber, an aggressive, hard-nosed businessman?

18 21867 MR. F. DOUCET: Correct.

19 21868 MR. WOLSON: And what I didn't read  
20 and I should have, on the first page of that letter,  
21 the May 13th, '92 letter, there is in the third  
22 paragraph -- it says:

23 "With respect to our discussions  
24 with the Province of Québec, we  
25 have found a very enthusiastic

1 reception in meetings..."

2 21869 And he goes on. This is the movement  
3 of Thyssen Bear Head to the Province of Québec?

4 21870 MR. F. DOUCET: Correct.

5 21871 MR. WOLSON: Yes.

6 --- Pause

7 21872 MR. WOLSON: It is now about 10  
8 after, a little more than 10 after 12:00. I could go  
9 on or we could break.

10 21873 I am slightly less than halfway  
11 through my examination.

12 21874 COMMISSIONER OLIPHANT: If we broke  
13 now, to what time would you like to break? Two  
14 o'clock?

15 21875 MR. WOLSON: Quarter to 2:00.

16 21876 COMMISSIONER OLIPHANT: Quarter to  
17 2:00. Why not make it 2 o'clock?

18 21877 MR. WOLSON: Sold.

19 21878 COMMISSIONER OLIPHANT: Okay.  
20 Chances are, I take it, that you will complete your  
21 examination of Mr. Doucet this afternoon?

22 21879 MR. WOLSON: I don't know that.

23 21880 COMMISSIONER OLIPHANT: Okay.

24 21881 MR. WOLSON: Mr. Doucet is looking at  
25 me I think wishing that I would finish today. All I

1 can say is I think there is a reasonable likelihood  
2 that we won't need beyond the two days that we have,  
3 not just for me but for all parties.

4 21882 COMMISSIONER OLIPHANT: All right.

5 21883 MR. WOLSON: If I'm not finished  
6 today, I would be probably 80 per cent through.

7 21884 COMMISSIONER OLIPHANT: All right.

8 21885 We will recess, then, for lunch and  
9 come back at 2 o'clock this afternoon.

10 --- Upon recessing at 12:12 p.m. / Suspension à 12 h 12

11 --- Upon resuming at 2:00 p.m. / Reprise à 14 h 00

12 21886 COMMISSIONER OLIPHANT: Good  
13 afternoon.

14 21887 MR. WOLSON: Mr. Commissioner, this  
15 room is becoming a sauna, and not great working  
16 conditions, and certainly not very good for a witness  
17 who is answering questions.

18 21888 I have made some inquiries to try to  
19 get some movement of air in here, aside from lawyers  
20 talking, and I am told that they will do their best,  
21 but these are not very good conditions at all.

22 21889 COMMISSIONER OLIPHANT: I have also  
23 made a request of building management to turn the air  
24 conditioning on to counteract the other type of air  
25 that might be circulating in the building.



1 21890 MR. WOLSON: We may need an order in  
2 council, but we will go on in any event.

3 21891 COMMISSIONER OLIPHANT: I have no  
4 influence with politicians, I'm sorry.  
5 --- Laughter / Rires

6 21892 MR. WOLSON: Mr. Doucet, before we  
7 broke for the lunch hour, you will recall this morning  
8 that I was asking you questions about the \$90,000  
9 invoice that you submitted to Bitucan, and the payment  
10 that came -- you submitted it on November 2, `88, and  
11 the payment came November 15, `88.

12 21893 You indicated that you have no memory  
13 of that.

14 21894 MR. F. DOUCET: Correct.

15 21895 MR. WOLSON: Would I not be correct  
16 that \$90,000, having just left government -- I don't  
17 know what you were paid in government, and it is none  
18 of my business, but \$90,000 in one payment would be  
19 considered a substantial amount of money?

20 21896 MR. F. DOUCET: No doubt that it was  
21 a substantial amount of money. I just have no  
22 recollection of submitting the invoice or receiving the  
23 cheque.

24 21897 MR. WOLSON: Okay. It must have been  
25 a major hike from government, in terms of getting a

1           \$90,000 cheque in one lump sum.

2   21898                   MR. F. DOUCET:  Yes, I would concur.

3   21899                   MR. WOLSON:  But that doesn't jog

4           your memory at all.

5   21900                   MR. F. DOUCET:  It does not.

6   21901                   MR. WOLSON:  Okay.  Your brother and

7           your friends, Frank Moores and Gary Ouellet --

8   21902                   Gary Ouellet was a friend of yours?

9   21903                   MR. F. DOUCET:  Correct.

10  21904                   MR. WOLSON:  He has now passed on.

11  21905                   MR. F. DOUCET:  Correct.

12  21906                   MR. WOLSON:  -- were working on the

13           Bear Head Project, lobbying on behalf of Mr. Schreiber.

14  21907                   You knew that?

15  21908                   MR. F. DOUCET:  I knew that, yeah.

16  21909                   MR. WOLSON:  Did you not have an

17           occasion to talk to them about billing and moneys?

18  21910                   You were both working on the same

19           project, would you not have said to one of them, "What

20           are you charging for this," to have an idea if you were

21           in the same vicinity or ballpark as they were?

22  21911                   MR. F. DOUCET:  I have no

23           recollection of that, and I don't know what their

24           agreements were, separately or collectively, with Mr.

25           Schreiber's companies.  I know what mine was, as best I

1 can recall.

2 21912 MR. WOLSON: All right. I would like  
3 to now take you to `93 -- June of `93. You are aware  
4 today that there was a meeting at Harrington Lake  
5 between the Prime Minister and Karlheinz Schreiber in  
6 June of `93?

7 21913 MR. F. DOUCET: I am.

8 21914 MR. WOLSON: I want to start with the  
9 beginning of June of that year. Were you working for  
10 Mr. Schreiber in terms of a retainer at that time --  
11 June of `93?

12 21915 MR. F. DOUCET: As best I can recall,  
13 that was in the timeframe -- late `92, first part of  
14 `93, I was still working with him actively.

15 21916 MR. WOLSON: June of `93 would be the  
16 middle of `93.

17 21917 MR. F. DOUCET: Correct.

18 21918 MR. WOLSON: Were you with him, in  
19 terms of a retainer basis, in June of `93?

20 21919 MR. F. DOUCET: I can't recollect for  
21 sure, but the best timeframe I can put to it is late  
22 `92, I thought, early `93.

23 21920 MR. WOLSON: All right. I would like  
24 you to --

25 21921 MR. F. DOUCET: I just want to say

1           again that working with him and being on the retainer  
2           is one thing -- and I don't know when that exactly  
3           stopped. My best recollection is late `92, early `93.  
4           But being with him in terms of providing services,  
5           maybe in the hope that, over time, I would remain on  
6           the project, if it ever became a reality, I was  
7           investing in my own time, and therefore I continued to  
8           assist beyond -- even beyond June of `93.

9   21922                   MR. WOLSON: So if you weren't on the  
10           payroll, you were putting your time in, with the hope  
11           that, if Mr. Schreiber had success, you would be  
12           retained for future ventures.

13   21923                   MR. F. DOUCET: That was certainly my  
14           hope.

15   21924                   MR. WOLSON: Look, please, at Book 2,  
16           Tab 4.

17   21925                   MR. F. DOUCET: I am there.

18   21926                   MR. WOLSON: Book 2, Tab 4, June 1.

19   21927                   MR. F. DOUCET: I am there.

20   21928                   MR. WOLSON: Now, June 1, 1993 -- you  
21           have a note: "Schreiber arrives today. Is here 2, 3  
22           and 4."

23   21929                   MR. F. DOUCET: Yes, I see that.

24   21930                   MR. WOLSON: So, again, like we  
25           discussed earlier today, Schreiber was obviously coming

1 to Ottawa. Do you know whether he was coming from  
2 Europe?

3 21931 MR. F. DOUCET: I don't.

4 21932 MR. WOLSON: But he was coming from  
5 some other location, at least, coming to Ottawa -- you  
6 have a note that he is going to be in Ottawa the 2nd,  
7 3rd and 4th of June.

8 21933 MR. F. DOUCET: Correct.

9 21934 MR. WOLSON: If you would flip the  
10 page to the 2nd of June, please --

11 21935 MR. F. DOUCET: Yes, I am there.

12 21936 MR. WOLSON: -- you have, "2nd of  
13 June, 7:30" -- in the morning, at the top --  
14 "Breakfast - Corbeil - 29th Floor."

15 21937 MR. F. DOUCET: I see that.

16 21938 MR. WOLSON: I can tell you that Mr.  
17 Schreiber -- you don't necessarily have to go there  
18 unless you want to -- Mr. Schreiber has a similar note  
19 in his diary, and that can be found at Book 2, Tab 14.  
20 The note says, "7:30 - Minister Corbeil - 29th Floor."

21 21939 Would you agree with me that the two  
22 of you were meeting Minister Corbeil on June 2?

23 21940 MR. F. DOUCET: It would certainly  
24 appear to be that.

25 21941 MR. WOLSON: And Minister Corbeil was

1           one of the ministers involved that you were interested  
2           in talking to regarding Bear Head, Province of Quebec.

3   21942                   MR. F. DOUCET:  Correct.

4   21943                   MR. WOLSON:  So here he is, back in  
5           town, the 2nd, 3rd and 4th of June, and on, at least,  
6           the 2nd of June, you are working with him on the Bear  
7           Head Project.

8   21944                   MR. F. DOUCET:  It would appear to be  
9           that.

10  21945                   MR. WOLSON:  If you would, then, turn  
11           the page -- Book 2, Tab 4, the tab you are in -- to  
12           June 3rd.

13  21946                   MR. F. DOUCET:  I see that.

14  21947                   MR. WOLSON:  June 3rd, 3:30 p.m., "K.  
15           Schreiber - Centre Block."

16  21948                   MR. F. DOUCET:  Correct.

17  21949                   MR. WOLSON:  It says, "PM - K.  
18           Schreiber - Centre Block - 3:30."

19  21950                   MR. F. DOUCET:  Correct.

20  21951                   MR. WOLSON:  So he has now come in  
21           from out of town, you have lobbied Corbeil, and now, at  
22           3:30 in the afternoon, you are meeting with Prime  
23           Minister Mulroney and Karlheinz Schreiber.

24  21952                   MR. F. DOUCET:  Correct.

25  21953                   MR. WOLSON:  By the way, I can tell

1           you that that corresponds to his diary. You don't  
2           necessarily have to turn up that tab. I think we did  
3           this when I interviewed you. But for those who want to  
4           see it, Book 2, Tab 14, June 3rd -- I can tell you  
5           now -- "1530 - PM - meeting".

6   21954                   MR. F. DOUCET: Correct.

7   21955                   MR. WOLSON: So it's obvious from  
8           both of your diaries that you are meeting with the  
9           Prime Minister.

10 21956                   MR. F. DOUCET: Correct.

11 21957                   MR. WOLSON: About what, sir?

12 21958                   MR. F. DOUCET: Sorry?

13 21959                   MR. WOLSON: About what?

14 21960                   MR. F. DOUCET: I can only presume  
15           that it was on Bear Head.

16 21961                   MR. WOLSON: It seems to me -- and we  
17           have seen examples of this -- that when Schreiber comes  
18           in from Germany, where he was living, or at least from  
19           another jurisdiction, he was able to see the Prime  
20           Minister on the project that he was working on.

21 21962                   You were able to facilitate that for  
22           him in many instances.

23 21963                   MR. F. DOUCET: In the instances that  
24           you have identified, yes.

25 21964                   MR. WOLSON: June 4th in your

1 diary -- "See Karlheinz".

2 21965 MR. F. DOUCET: Yes, I see that.

3 21966 MR. WOLSON: June 8th in your

4 diary --

5 21967 MR. F. DOUCET: Yes, I am there.

6 21968 MR. WOLSON: -- "24 Sussex - PM -

7 staff reception."

8 21969 MR. F. DOUCET: I see that.

9 21970 MR. WOLSON: June 10th in your

10 diary -- 6 o'clock -- 6 `til 8 -- "Business attire - 24

11 Sussex".

12 21971 Six to 8 p.m.

13 21972 MR. F. DOUCET: Yes, I see that.

14 21973 COMMISSIONER OLIPHANT: I'm sorry,

15 what date is that?

16 21974 MR. WOLSON: June 10th.

17 21975 MR. F. DOUCET: It is scribbled over.

18 21976 MR. WOLSON: You will see it at 6

19 o'clock --

20 21977 COMMISSIONER OLIPHANT: Yes, I have

21 it now.

22 21978 MR. WOLSON: June 11th -- 7

23 o'clock -- "PM's dinner".

24 21979 MR. F. DOUCET: Correct.

25 21980 MR. WOLSON: Do you know whether you



1           talked to the Prime Minister about the Bear Head  
2           Project on any of those occasions?

3   21981                   MR. F. DOUCET:  I do not, but I can  
4           comment on June the 11th, simply from seeing that it's  
5           the reception at the Civic Centre, and June the 11th,  
6           if my memory serves me right, is the anniversary of Mr.  
7           Mulroney becoming leader of the party.  So this would  
8           have been a reception in honour of that.

9   21982                   MR. WOLSON:  You have a very good  
10          memory about some things.  June the 11th, the  
11          anniversary of him becoming the leader of the party?

12   21983                   MR. F. DOUCET:  Leader of the party.

13   21984                   MR. WOLSON:  But you can't remember a  
14          \$90,000 cheque, having just left government, an amount  
15          that would far exceed any one cheque that you would  
16          have received in government.

17   21985                   MR. F. DOUCET:  Your assertions are  
18          correct.

19   21986                   MR. WOLSON:  All right.  We talked  
20          earlier -- a few moments ago about Harrington Lake.

21   21987                   MR. F. DOUCET:  Yes.

22   21988                   MR. WOLSON:  Harrington Lake is the  
23          summer residence of the Prime Minister.

24   21989                   MR. F. DOUCET:  Correct.

25   21990                   MR. WOLSON:  It is, what, about 25

1           minutes?

2   21991                    I have never been there, but I am  
3           sure you have.   Have you?

4   21992                    MR. F. DOUCET:   Yes, several times.

5   21993                    MR. WOLSON:   How far is it from  
6           Ottawa?

7   21994                    MR. F. DOUCET:   I would say a good  
8           half-hour.

9   21995                    MR. WOLSON:   Half-hour?

10   21996                   MR. F. DOUCET:   Yeah.

11   21997                   MR. WOLSON:   We are told that Mr.  
12           Schreiber and Mr. Mulroney met on the 23rd of June.

13   21998                   MR. F. DOUCET:   Yes.

14   21999                   MR. WOLSON:   Did you arrange that  
15           meeting?

16   22000                   MR. F. DOUCET:   I have no  
17           recollection of arranging that meeting, no.

18   22001                   MR. WOLSON:   You don't deny that you  
19           arranged it, you just don't remember.

20   22002                   MR. F. DOUCET:   I don't deny that I  
21           arranged it.   I don't remember it.

22   22003                   And I think because it was Harrington  
23           Lake, that would have made an imprint on me, but...

24   22004                   That's all I can tell you.

25   22005                   MR. WOLSON:   I want to ask you,

1           then -- you can't deny that you arranged the meeting.  
2           Were you at the meeting?

3   22006                   MR. F. DOUCET:  I was not.

4   22007                   MR. WOLSON:  Were you briefed about  
5           the meeting from Mr. Schreiber?

6   22008                   MR. F. DOUCET:  I was not.

7   22009                   MR. WOLSON:  Were you briefed about  
8           the meeting from the Prime Minister?

9   22010                   MR. F. DOUCET:  I was not.

10  22011                   MR. WOLSON:  So, in terms of what  
11           occurred at the meeting, you would only know what you  
12           have read in the newspaper?

13  22012                   MR. F. DOUCET:  That is correct.

14  22013                   MR. WOLSON:  You have never been  
15           briefed about that meeting?

16  22014                   MR. F. DOUCET:  I have never been  
17           briefed about that meeting.

18  22015                   MR. WOLSON:  Do you know whether an  
19           agreement had been made between the parties?

20  22016                   MR. F. DOUCET:  I have no knowledge  
21           of that at all.

22  22017                   MR. WOLSON:  One way or the other.

23  22018                   MR. F. DOUCET:  One way or the other.

24  22019                   MR. WOLSON:  There is a meeting that  
25           you did arrange between Mulroney and Schreiber, and

1           that was at the Mirabel Hotel, on the 27th of August  
2           1993.

3   22020                   MR. F. DOUCET:   Correct.

4   22021                   MR. WOLSON:   You took part in  
5           arranging that meeting.

6   22022                   MR. F. DOUCET:   I did.

7   22023                   MR. WOLSON:   Were you, in August of  
8           1993, working on Bear Head as a paid lobbyist?

9   22024                   MR. F. DOUCET:   I don't know about as  
10          a paid lobbyist, but I was supporting the Bear Head  
11          Project.

12   22025                   MR. WOLSON:   If you would look,  
13          please, at Tab 30, Book 1 --

14   22026                   Why don't you get some water first,  
15          and then we will take you to the tab.

16   22027                   MR. F. DOUCET:   Thank you very much.

17   22028                   MR. WOLSON:   If you would turn up Tab  
18          30, please, at your convenience.

19          --- Pause

20   22029                   MR. F. DOUCET:   Did you say Tab 30?

21   22030                   MR. WOLSON:   Tab 30, Book 1.

22   22031                   MR. F. DOUCET:   Yes, I am there.

23   22032                   MR. WOLSON:   Tab 30 is a confidential  
24          memorandum.   The date of the memorandum is the 9th of  
25          September of `93, but it refers to a Thyssen visit --

1           in other words, a meeting about Thyssen -- on the 26th  
2           of August 1993.

3   22033                   Do you see that at the top?

4   22034                   MR. F. DOUCET: I do, yeah.

5   22035                   MR. WOLSON: Present at the meeting  
6           are you, F. Doucet --

7   22036                   MR. F. DOUCET: I presume that's me.

8   22037                   MR. WOLSON: They have you as legal  
9           counsel for Bear Head. You weren't legal counsel, but  
10          you were certainly representing Bear Head.

11   22038                   MR. F. DOUCET: Yes.

12   22039                   MR. WOLSON: Mr. Schreiber is  
13          present -- above your name?

14   22040                   MR. F. DOUCET: Yes.

15   22041                   MR. WOLSON: And you are meeting with  
16          Ministers Charest and Corbeil.

17   22042                   MR. F. DOUCET: Correct.

18   22043                   MR. WOLSON: Without going through  
19          the details of the meeting, it is a Thyssen Bear Head  
20          meeting.

21   22044                   MR. F. DOUCET: Correct.

22   22045                   MR. WOLSON: There is no question  
23          about that.

24   22046                   You and Schreiber are there to  
25          promote Thyssen in the Province of Quebec.

1 22047 MR. F. DOUCET: Correct.

2 22048 MR. WOLSON: The 26th of August 1993.

3 22049 MR. F. DOUCET: What tab?

4 22050 MR. WOLSON: We are at that tab right  
5 now, Tab 30, Book 1. It is the meeting with you,  
6 Corbeil and Charest.

7 22051 MR. F. DOUCET: Yes.

8 22052 Sorry, I was looking at the September  
9 9th entry.

10 22053 Correct.

11 22054 MR. WOLSON: If you go back in the  
12 same book, just three tabs back, to Tab 27 --

13 22055 MR. F. DOUCET: Yes, I am there.

14 22056 MR. WOLSON: -- you will see "A  
15 proposal made on the Thyssen project in Canada".

16 22057 That's the heading.

17 22058 MR. F. DOUCET: Correct.

18 22059 MR. WOLSON: If you look at the  
19 bottom of the page, it's the 26th of August 1993.

20 22060 MR. F. DOUCET: Correct.

21 22061 MR. WOLSON: It's the same meeting  
22 that you and Schreiber and Corbeil and Charest are at.

23 22062 MR. F. DOUCET: Correct.

24 22063 MR. WOLSON: Within hours of that --  
25 hours of that -- you had arranged for Mr. Schreiber and

1 the Prime Minister of Canada, Brian Mulroney, to meet.  
2 22064 They met on August 27th, 1993, at  
3 Mirabel Hotel.  
4 22065 MR. F. DOUCET: Correct.  
5 22066 MR. WOLSON: So you have this  
6 meeting -- or you arrange this meeting --  
7 22067 Who asked you to arrange it?  
8 22068 MR. F. DOUCET: Mr. Schreiber.  
9 22069 MR. WOLSON: Did you ask him the  
10 purpose of the meeting?  
11 22070 MR. F. DOUCET: I certainly did.  
12 22071 MR. WOLSON: What was the purpose?  
13 22072 MR. F. DOUCET: The purpose of the  
14 meeting, as he told me, was to discuss with Mr.  
15 Mulroney a retainership arrangement, where he would  
16 promote Thyssen vehicles internationally. He wanted to  
17 have that discussion with him, and it was arranged for  
18 Mirabel for a reason that I can explain, if you wish.  
19 22073 MR. WOLSON: Please do.  
20 22074 MR. F. DOUCET: At the time -- this  
21 was in the interval after Mr. Mulroney left the Prime  
22 Ministership and returned to Montreal, but was not yet  
23 living in his home, where he now resides.  
24 22075 MR. WOLSON: He was a Member of  
25 Parliament?

1 22076 MR. F. DOUCET: I believe that he was  
2 still a Member of Parliament, yes.

3 22077 MR. WOLSON: All right.

4 22078 MR. F. DOUCET: He took a cottage in  
5 a small community very close to Mirabel. I believe  
6 it's called L'Esterel.

7 22079 MR. WOLSON: How far from Mirabel?

8 22080 MR. F. DOUCET: I really don't know,  
9 but it is within an easy commute, maybe half an hour.

10 22081 Somebody else would know, I'm not  
11 sure --

12 22082 MR. WOLSON: All right.

13 22083 MR. F. DOUCET: -- but it was closer  
14 than, say, from downtown Montreal.

15 22084 And Mr. Schreiber told me that he  
16 wanted to have this meeting. I knew that Mr. Mulroney  
17 was in the vicinity. Mr. Schreiber told me that he was  
18 leaving for Europe either the night of or the day after  
19 the Mirabel meeting, so I put the two together, and I  
20 suggested to Mr. Mulroney that it might be appropriate  
21 to meet at the -- I don't think at the airport, I think  
22 at the hotel that was part of the airport.

23 22085 MR. WOLSON: Did you tell Mr.  
24 Mulroney the purpose of the meeting?

25 22086 MR. F. DOUCET: I certainly did.



1 22087 MR. WOLSON: What did you tell him?

2 22088 MR. F. DOUCET: Exactly what I said

3 before -- to Mr. Schreiber -- after he told me what he

4 wanted the meeting to be.

5 22089 MR. WOLSON: And the meeting was to

6 promote Thyssen vehicles internationally?

7 22090 MR. F. DOUCET: Correct.

8 22091 MR. WOLSON: Wasn't it the idea that

9 Thyssen vehicles would be built in Canada?

10 22092 MR. F. DOUCET: Correct.

11 22093 MR. WOLSON: Of course, if they

12 weren't built in Canada, what was there to do

13 internationally if they didn't have a vehicle.

14 22094 MR. F. DOUCET: I think the

15 presumption was that they would be built in Canada, but

16 that was not part of what Mr. Schreiber said to me.

17 22095 MR. WOLSON: All right. So the

18 presumption was that the vehicles would be built in

19 Canada, and we will see that in a short while, when we

20 look at a document that you prepared.

21 22096 The idea was that Thyssen would build

22 these peacekeeping vehicles, or some modification of

23 vehicle -- they would build them in Canada, and they

24 would be sold worldwide.

25 22097 MR. F. DOUCET: Worldwide, with some

1           limitations, as I recall.

2   22098                   MR. WOLSON:  What were the  
3           limitations?

4   22099                   MR. F. DOUCET:  I think the  
5           limitations were a function of government policy in  
6           respect of exports of such products.

7   22100                   MR. WOLSON:  So not being able to  
8           export to certain countries.

9   22101                   MR. F. DOUCET:  Correct.

10  22102                   MR. WOLSON:  Communist countries.

11  22103                   MR. F. DOUCET:  Yes.

12  22104                   MR. WOLSON:  Let me, then, as you --  
13           you tell Mr. Mulroney the purpose of Mr. Schreiber  
14           wanting to meet.

15  22105                   True?

16  22106                   MR. F. DOUCET:  Correct.

17  22107                   MR. WOLSON:  Schreiber has told you  
18           why he wanted to meet.

19  22108                   MR. F. DOUCET:  Correct.

20  22109                   MR. WOLSON:  And you facilitate the  
21           two of them meeting.

22  22110                   MR. F. DOUCET:  Correct.

23  22111                   MR. WOLSON:  The meeting takes place  
24           on the 27th of August.  You know that.

25  22112                   MR. F. DOUCET:  Correct.

1 22113 MR. WOLSON: The Mirabel Hotel.

2 22114 MR. F. DOUCET: Yes. Well --

3 22115 MR. WOLSON: The airport hotel.

4 22116 MR. F. DOUCET: Yes.

5 22117 MR. WOLSON: And you are not at the

6 meeting.

7 22118 MR. F. DOUCET: I am not.

8 22119 MR. WOLSON: Did Mr. Schreiber give

9 you a briefing of the meeting when it had concluded?

10 22120 MR. F. DOUCET: No.

11 22121 MR. WOLSON: As a matter of fact, he

12 went off to Europe.

13 22122 MR. F. DOUCET: I am not sure if it

14 was the same night or the day after, but shortly --

15 22123 MR. WOLSON: But within a short time

16 after that he went off to Europe.

17 22124 MR. F. DOUCET: Correct.

18 22125 MR. WOLSON: Did Mr. Mulroney give

19 you a briefing of the meeting?

20 22126 MR. F. DOUCET: He reported to me on

21 the meeting, yes.

22 22127 MR. WOLSON: What did he tell you?

23 22128 MR. F. DOUCET: He told me that the

24 meeting had been purposeful, helpful I think, and not

25 much else.

1 22129 MR. WOLSON: Did he tell you that the  
2 two were going to work together?

3 22130 MR. F. DOUCET: He mentioned, yes,  
4 that they had discussed a working arrangement whereby  
5 he would carry out what had been the purpose of the  
6 meeting, as his mandate going forward.

7 22131 MR. WOLSON: As a matter of fact, you  
8 told me when I interviewed you that Mr. Mulroney did  
9 brief you, that he told you that it looked like they  
10 would go on together to have a project, which would be  
11 the Thyssen project.

12 22132 MR. F. DOUCET: Correct.

13 22133 MR. WOLSON: Did he tell you that he  
14 had been retained with a specific amount of money --  
15 Mr. Mulroney?

16 22134 MR. F. DOUCET: No.

17 22135 MR. WOLSON: That the money was in  
18 cash?

19 22136 MR. F. DOUCET: No.

20 22137 MR. WOLSON: Did you know?

21 22138 MR. F. DOUCET: I did not know.

22 22139 MR. WOLSON: That's not how you had  
23 ever dealt with Mr. Schreiber, in any event. You had  
24 always, as you told the Commissioner this morning,  
25 dealt with him by way of cheque paid to invoice.

1 22140 MR. F. DOUCET: Correct.

2 22141 MR. WOLSON: So, going forward, you  
3 knew, then, that a meeting had occurred between  
4 Schreiber and Mulronev.

5 22142 Yes?

6 22143 MR. F. DOUCET: Correct.

7 22144 MR. WOLSON: You knew that they were  
8 going forward on a project for Thyssen.

9 22145 MR. F. DOUCET: Correct.

10 22146 MR. WOLSON: The project for Thyssen,  
11 as you know, because you were working on it, was the  
12 Bear Head Project.

13 22147 MR. F. DOUCET: Correct.

14 22148 MR. WOLSON: And vehicles.

15 22149 MR. F. DOUCET: Correct.

16 22150 Bear Head, sir, even though the  
17 reference is accurate because it was used that way --  
18 once it moved to Quebec, Bear Head, being a location in  
19 Nova Scotia, was a bit of a misnomer. But the project  
20 was the military vehicles.

21 22151 MR. WOLSON: So when I refer to the  
22 Bear Head Project, whether it's Quebec or Nova Scotia,  
23 we are talking about Thyssen's military vehicles.

24 22152 MR. F. DOUCET: Absolutely.

25 22153 MR. WOLSON: Whether they be

1           peacekeeping, whether they be more than that, that's  
2           what we are talking about.

3   22154                   MR. F. DOUCET:   Correct.

4   22155                   MR. WOLSON:   And you don't remember  
5           whether you were on the payroll then or not.

6   22156                   MR. F. DOUCET:   I do not remember.

7   22157                   MR. WOLSON:   All right.   Let's go  
8           forward.   You are aware of another meeting that the two  
9           had in December of 1993.

10  22158                   MR. F. DOUCET:   Correct.

11  22159                   MR. WOLSON:   Mr. Mulroney and Mr.  
12           Schreiber met in Montreal at the Queen Elizabeth Hotel.

13  22160                   MR. F. DOUCET:   Yes.

14  22161                   MR. WOLSON:   Take a look in your  
15           diary -- Book 2, Tab 4.   I would ask you to turn to  
16           November the 8th.

17  22162                   Book 2, Tab 4, November the 8th.

18  22163                   MR. F. DOUCET:   Yes, I am there.

19  22164                   MR. WOLSON:   There is a notation,  
20           "November 8th - 14th - Florida".

21  22165                   MR. F. DOUCET:   Correct.

22  22166                   MR. WOLSON:   A good place to be in  
23           November.

24  22167                   Was that you or the Prime Minister?

25  22168                   MR. F. DOUCET:   It's in my diary, I

1           would have to conclude that it was me.

2   22169                   MR. WOLSON: All right. Even so, you

3           have a note in your diary, at around 10:30, on the

4           left-hand side. One line says "Brian", the line below

5           it says "Karlheinz".

6   22170                   MR. F. DOUCET: Correct.

7   22171                   MR. WOLSON: Was this a phone call?

8   22172                   MR. F. DOUCET: I have no

9           recollection of that.

10   22173                   MR. WOLSON: If you were in Florida,

11           you wouldn't be meeting with them.

12   22174                   MR. F. DOUCET: That's for sure.

13   22175                   MR. WOLSON: If there is a note in

14           your diary, it would have to mean something.

15   22176                   MR. F. DOUCET: There is no doubt

16           that it means something; whether it meant a phone call,

17           I don't know.

18   22177                   MR. WOLSON: All right. You don't

19           say that it wasn't a phone call.

20   22178                   MR. F. DOUCET: I don't say that it

21           wasn't.

22   22179                   MR. WOLSON: November 15th in your

23           diary, `93 -- it's the same tab --

24   22180                   MR. F. DOUCET: The same tab.

25   22181                   MR. WOLSON: Tab 4, Book 2.

1 22182 MR. F. DOUCET: Yes.

2 22183 MR. WOLSON: You were at November  
3 8th, just go ahead to November 15th.

4 22184 MR. F. DOUCET: Okay, I am there.

5 22185 MR. WOLSON: November 15th, "Call  
6 Brian. Karlheinz is here."

7 22186 MR. F. DOUCET: Correct.

8 22187 MR. WOLSON: It seems to me that  
9 whenever Karlheinz is in town, at least of the last  
10 number that we have looked at, there is something  
11 happening with Karlheinz and Brian.

12 22188 MR. F. DOUCET: That's a fair  
13 observation.

14 22189 MR. WOLSON: Go ahead, please, to  
15 December 6th, in the same tab.

16 22190 COMMISSIONER OLIPHANT: If I could  
17 just have a second, Mr. Wolfson, sorry.

18 22191 Do you remember -- when you say  
19 "Karlheinz is here" -- on November 8th you have a note  
20 that from November the 8th to the 14th --

21 22192 Oh, you're in Florida, so you are  
22 back in Ottawa on the 15th.

23 22193 MR. F. DOUCET: I presume.

24 22194 COMMISSIONER OLIPHANT: Okay. I'm  
25 sorry, Mr. Wolson.



1 22195 MR. WOLSON: Are you on the 6th of  
2 December?  
3 22196 MR. F. DOUCET: Yes, I am.  
4 22197 MR. WOLSON: The 6th of December,  
5 "Call Montreal - arrange for a meeting with Brian."  
6 22198 Do you see that at the top of the  
7 page?  
8 22199 MR. F. DOUCET: "Meeting re Brian,"  
9 yes, I see that.  
10 22200 MR. WOLSON: Then, if you go ahead to  
11 December the 13th --  
12 22201 MR. F. DOUCET: Yes, I see that.  
13 22202 MR. WOLSON: Eight-thirty in the  
14 morning, "Karlheinz is here".  
15 22203 MR. F. DOUCET: Correct.  
16 22204 MR. WOLSON: One page further,  
17 December 14th --  
18 22205 MR. F. DOUCET: Yes, I am there.  
19 22206 MR. WOLSON: -- "Thyssen meeting" --  
20 middle of the page.  
21 22207 MR. F. DOUCET: Correct, I see that.  
22 22208 MR. WOLSON: December 16th, 1  
23 o'clock, "Brian Mulroney".  
24 22209 MR. F. DOUCET: Yes, I see that.  
25 22210 MR. WOLSON: And, most importantly,

1 December 17th -- you have 2 o'clock "to Montreal". So,  
2 obviously, you are going to Montreal. Right?

3 22211 MR. F. DOUCET: Correct, yes.

4 22212 MR. WOLSON: Four o'clock "Brian"?

5 22213 MR. F. DOUCET: Yes.

6 22214 MR. WOLSON: Five o'clock "K.  
7 Schreiber, Queen Elizabeth"?

8 22215 MR. F. DOUCET: Correct.

9 22216 MR. WOLSON: You have "Queen E.".

10 22217 MR. F. DOUCET: Correct.

11 22218 MR. WOLSON: And 6 o'clock  
12 "Mulroney's", there is an address, "dark suit & tie".

13 22219 MR. F. DOUCET: Correct.

14 22220 MR. WOLSON: Obviously there is some  
15 kind of reception.

16 22221 MR. F. DOUCET: It would appear, yes.

17 --- Pause

18 22222 MR. WOLSON: one moment please,  
19 Mr. Commissioner.

20 --- Pause

21 22223 MR. WOLSON: You don't have to go  
22 there, but I can tell you that at Tab 14 of Book 2 is  
23 Mr. Schreiber's diary, and it on the 17th of December,  
24 at about -- I can't make out the time, but "Queen  
25 Elizabeth 2710". That's the Queen Elizabeth Hotel, I

1           assume.

2   22224                   MR. F. DOUCET:  Correct.

3   22225                   MR. WOLSON:  And on the 18th it has

4           "Brian home" and to the left there is an address for

5           Brian Mulroney, the same address that you attended.

6   22226                   I needn't put that on the record, but

7           the same address that you attended to the party or

8           reception on the night of the 17th.

9   22227                   MR. F. DOUCET:  Yes, I'm not looking

10          at his tab, but I take it you have made a comparison.

11   22228                   MR. WOLSON:  So can you say, then,

12          that on December 17th, based on your diary, that there

13          was a meeting between the two at the Queen Elizabeth

14          Hotel?

15   22229                   MR. F. DOUCET:  I would say on the

16          basis of the diaries that that was the case.

17   22230                   MR. WOLSON:  You arranged that

18          meeting?

19   22231                   MR. F. DOUCET:  I have no

20          recollection that I in fact arranged that meeting.

21          It's in my diary.  Whether I put it there because I was

22          aware of the meeting or whether I arranged it, but I

23          have no specific recollection of arranging it.

24   22232                   MR. WOLSON:  As a matter of fact, if

25          you turn to Book 1, Tab 38 --

1 22233 MR. F. DOUCET: Yes, I'm there.

2 22234 MR. WOLSON: You will see a message  
3 to Schreiber from you. Do you see that?

4 22235 MR. F. DOUCET: From my office, yes.

5 22236 MR. WOLSON: Providing -- and this is  
6 on the 14th of December.

7 22237 MR. F. DOUCET: Yes.

8 22238 MR. WOLSON: Do you see that?  
9 Providing Mr. Mulroney's address in  
10 Montréal.

11 22240 MR. F. DOUCET: Correct.

12 22241 MR. WOLSON: So obviously you were in  
13 the position of arranging for the two of them to get  
14 together?

15 22242 MR. F. DOUCET: That's a fair  
16 deduction, but I have no recollection of it.

17 22243 MR. WOLSON: Okay.

18 --- Pause

19 22244 MR. WOLSON: Did you attend the  
20 meeting on the 17th of December?

21 22245 MR. F. DOUCET: I did not.

22 22246 MR. WOLSON: Did you get a briefing  
23 after the meeting from Karlheinz Schreiber?

24 22247 MR. F. DOUCET: No.

25 22248 MR. WOLSON: When I look at Tab 47 of

1 Book 1 --

2 22249 MR. F. DOUCET: Yes...?

3 22250 MR. WOLSON: We are going to come to  
4 this document in a few moments, but this is a document  
5 you created, is it not?

6 22251 MR. F. DOUCET: Correct.

7 22252 MR. WOLSON: Tab 47, Book 1.

8 22253 MR. F. DOUCET: Correct. I'm there.

9 22254 MR. WOLSON: At the top it says "Aug  
10 27/00, Summary of Events".

11 22255 MR. F. DOUCET: Correct.

12 22256 MR. WOLSON: And what you are doing  
13 is you are summarizing -- we will go over this in  
14 detail --

15 22257 MR. F. DOUCET: Sure.

16 22258 MR. WOLSON: -- in a while. But what  
17 you are doing is you are summarizing events that were  
18 important to Mr. Mulroney; are you?

19 22259 MR. F. DOUCET: I'm sorry...?

20 22260 MR. WOLSON: You are summarizing  
21 events that had potential importance for Mr. Mulroney.

22 22261 For instance, events post-92 you are  
23 talking about a meeting in the summer of 1993 between  
24 Mulroney and Schreiber?

25 22262 MR. F. DOUCET: Yes.

1 22263 MR. WOLSON: Your point number two:  
2 "Following my discussions with  
3 B.M. a meeting was arranged in  
4 late summer/early Fall of 1993  
5 between K.S. and B.M. to be held  
6 at the Mirabel Hotel."  
7 22264 MR. F. DOUCET: Correct.  
8 22265 MR. WOLSON: So what you are doing  
9 is -- and, as I say, we will go into this document in  
10 great detail shortly, but you are making notes that  
11 were important?  
12 22266 MR. F. DOUCET: Correct.  
13 22267 MR. WOLSON: Memory aids.  
14 22268 MR. F. DOUCET: Correct.  
15 22269 MR. WOLSON: If you look at point  
16 4 --  
17 22270 MR. F. DOUCET: Yes...?  
18 22271 MR. WOLSON: -- you say:  
19 "I am aware that a meeting was  
20 held in Montreal in early  
21 1994..."  
22 22272 My suggestion to you is that is  
23 December of 1993.  
24 22273 MR. F. DOUCET: I think you are  
25 right.

1 22274 MR. WOLSON: And you say in there:  
2 "I am aware of a meeting that  
3 was held in Montreal in early  
4 1994 between K.S. and B.M.  
5 pursuant to the above  
6 consultancy. (I do not recall  
7 if I had arranged this meeting  
8 but I recall B.M.'s report on it  
9 to me.)"

10 22275 MR. F. DOUCET: Correct.

11 22276 MR. WOLSON: So while Schreiber never  
12 reported to you on the Queen Elizabeth meeting,  
13 Mulroney did?

14 22277 MR. F. DOUCET: Yes.

15 22278 MR. WOLSON: At least that's your  
16 note.

17 22279 MR. F. DOUCET: That's my note.

18 22280 I want to make a statement on that,  
19 if I may.

20 22281 MR. WOLSON: Certainly.

21 22282 MR. F. DOUCET: I believe that what I  
22 am saying there is that he reported to me that the  
23 meeting had been held. If I had looked at my diary  
24 before I wrote these notes, I would have been more  
25 correct than I was in effect, because I say early '94

1           and we have just agreed that it was '93, because it was  
2           in my diary.

3   22283                    But the report that I believe I am  
4           referring to here is that he said to me that the  
5           meeting was held or before he went to the meeting --  
6           because we met, I believe, at 4 o'clock that same day.  
7           He may have said I am going to be meeting with  
8           Mr. Schreiber.

9   22284                    That is the report that I'm thinking  
10          I meant to say here.

11   22285                   MR. WOLSON: But you were told, I am  
12          assuming, that the meeting was regarding the  
13          consultancy arrangement that you had put them together  
14          on back at Mirabel.

15   22286                   MR. F. DOUCET: Well, I presumed that  
16          that was the meeting, yes. That was the purpose -- I  
17          presumed that that was the purpose of the meeting, yes.

18   22287                   MR. WOLSON: So what you can say  
19          is -- and we will get to the Pierre Hotel shortly.  
20          What you can say is that you were aware and arranged  
21          the meeting at Mirabel on the 27th of August 1993?

22   22288                   MR. F. DOUCET: Correct.

23   22289                   MR. WOLSON: You can say that you  
24          knew the subject matter that was to be discussed at the  
25          meeting?



1 22290 MR. F. DOUCET: At Mirabel?

2 22291 MR. WOLSON: Yes.

3 22292 MR. F. DOUCET: Correct.

4 22293 MR. WOLSON: You can say that that  
5 dealt with Thyssen and the promotion of Thyssen  
6 vehicles.

7 22294 MR. F. DOUCET: Correct.

8 22295 MR. WOLSON: You can say that you  
9 were aware of that. Not only did you arrange the  
10 meeting and knew the subject matter, Mr. Mulroney  
11 confirmed that after the meeting?

12 22296 MR. F. DOUCET: That is correct on  
13 both counts.

14 22297 MR. WOLSON: You can say that you  
15 probably arranged the Queen Elizabeth meeting.

16 22298 MR. F. DOUCET: That I probably  
17 arranged the Queen Elizabeth Hotel meeting?

18 22299 MR. WOLSON: Yes.

19 22300 MR. F. DOUCET: No, I can't say that.

20 22301 MR. WOLSON: All right. But you can  
21 say that you knew of it?

22 22302 MR. F. DOUCET: Correct.

23 22303 MR. WOLSON: You can say that you  
24 talked to Brian Mulroney at 4 o'clock that afternoon,  
25 the 17th of December.

1 22304 MR. F. DOUCET: That's what is in my  
2 daybook.

3 22305 MR. WOLSON: You can say that you  
4 talked to Schreiber at 5 o'clock. At least that's in  
5 your daybook.

6 22306 MR. F. DOUCET: That I spoke with  
7 Schreiber at 5 o'clock?

8 22307 MR. WOLSON: Well, if you look at  
9 December 17th at 4 o'clock, there is an arrow saying  
10 Brian at 5 o'clock; there is a mark saying "K.  
11 Schreiber Queen E".

12 22308 MR. F. DOUCET: Yes. But I wouldn't  
13 conclude that I spoke with Mr. Schreiber at 5 o'clock.

14 22309 MR. WOLSON: How do you know you  
15 spoke to Mulroney at 4:00?

16 22310 MR. F. DOUCET: Well, I think  
17 traditionally whenever I went to Montréal, if I entered  
18 something in my daybook it was because we would meet.

19 22311 MR. WOLSON: Why would you enter  
20 Schreiber in your daybook at 5 o'clock?

21 22312 MR. F. DOUCET: Well, because  
22 obviously I knew that there was a meeting, that there  
23 was going to be a meeting. Who told me, I don't know.

24 22313 I have no recollection of arranging  
25 the meeting.

1 22314 MR. WOLSON: But you do know from  
2 talking to Mr. Mulroney that it was in furtherance of  
3 their consultancy agreement? You can say that?  
4 22315 MR. F. DOUCET: I am presuming that  
5 that was the subject of the meeting, yes.  
6 22316 MR. WOLSON: I talked about the  
7 Pierre Hotel. Let's pursue that.  
8 22317 MR. F. DOUCET: Okay.  
9 22318 MR. WOLSON: You were at a meeting at  
10 the Pierre Hotel?  
11 22319 MR. F. DOUCET: Yes.  
12 22320 MR. WOLSON: Between Mr. Mulroney and  
13 Mr. Schreiber?  
14 22321 MR. F. DOUCET: Correct.  
15 22322 MR. WOLSON: You can say definitely  
16 what was discussed at that meeting. You were there.  
17 22323 MR. F. DOUCET: Absolutely.  
18 22324 MR. WOLSON: How did that meeting  
19 come about and when was it?  
20 22325 MR. F. DOUCET: It was in December of  
21 1994.  
22 22326 MR. WOLSON: Yes. December the 8th.  
23 Is that date --  
24 22327 MR. F. DOUCET: That rings a bell.  
25 22328 MR. WOLSON: -- acceptable to you?

1 22329 MR. F. DOUCET: Yes.

2 22330 MR. WOLSON: December 8, 1994 there  
3 is a meeting at the Pierre Hotel. Who arranged it?

4 22331 MR. F. DOUCET: I arranged it.

5 22332 MR. WOLSON: At whose request?

6 22333 MR. F. DOUCET: Mr. Schreiber's  
7 request.

8 22334 MR. WOLSON: Why did he want to meet?

9 22335 MR. F. DOUCET: He wanted to get an  
10 ongoing report on Mr. Mulroney's work for him.

11 22336 MR. WOLSON: Why at the Pierre Hotel  
12 as opposed to Ottawa or Montréal or Winnipeg or Melita?

13 22337 MR. F. DOUCET: The meeting came  
14 about as a result of Mr. Schreiber's call to me -- and  
15 I think that is in the daybooks -- where he indicated  
16 that he was going to be in New York, I believe the day  
17 before, to attend another meeting and that he knew  
18 that -- or he was inviting Mr. and Mrs. Elmer MacKay,  
19 who had recently married, to lunch with him at the  
20 Pierre Hotel and that he felt it would be a wonderful  
21 surprise if Mr. Mulroney were to appear at that  
22 luncheon.

23 22338 That being so, could he use that  
24 occasion to meet with Mr. Mulroney in furtherance of  
25 their arrangement?

1 22339 MR. WOLSON: If you look in your  
2 diary in Book 2, Tab 5, December 7th --

3 22340 MR. F. DOUCET: Yes, I'm there.

4 22341 MR. WOLSON: You have an entry  
5 December 7, 9 o'clock "K.S. in New York".

6 22342 MR. F. DOUCET: Correct.

7 22343 MR. WOLSON: Consistent with what you  
8 have just told the Commissioner?

9 22344 MR. F. DOUCET: Yes. I don't want to  
10 imply that Mr. Schreiber was there on that day. My  
11 best recollection is that he had a meeting probably the  
12 day before. It could have been the day after; I'm not  
13 certain.

14 22345 MR. WOLSON: Okay. Then if you turn  
15 one over to the 8th of December --

16 22346 MR. F. DOUCET: Yes...?

17 22347 MR. WOLSON: You have "7:40 Delta to  
18 N.Y".

19 22348 MR. F. DOUCET: Yes.

20 22349 MR. WOLSON: "1, East 60th St". Do  
21 you know where that is?

22 22350 MR. F. DOUCET: I think that's the  
23 address for the Pierre Hotel.

24 22351 MR. WOLSON: Okay. We will cover  
25 that in a minute.

1 22352 MR. F. DOUCET: Yes.

2 22353 MR. WOLSON: You have "Brian and  
3 K.H." 12:00.

4 22354 MR. F. DOUCET: Yes.

5 22355 MR. WOLSON: An arrow pointing up to  
6 "11".

7 22356 MR. F. DOUCET: Correct.

8 22357 MR. WOLSON: And above that, "move it  
9 up".

10 22358 MR. F. DOUCET: Yes. I think the  
11 "moving up" has to do with not being certain what time  
12 we would arrive there, this being New York, and it was  
13 left flexible as to whether the start time would be 11  
14 or somewhat before.

15 22359 MR. WOLSON: Okay. You have "Lunch  
16 with Elmer" at 12:30.

17 22360 MR. F. DOUCET: Yes.

18 22361 MR. WOLSON: So consistent with what  
19 you have just said to me, you were going to New York.  
20 You were going to have a meeting in advance of lunch  
21 with Elmer and his wife.

22 22362 MR. F. DOUCET: Correct.

23 22363 MR. WOLSON: You were going to have  
24 the meeting to have the former Prime Minister give an  
25 account of what he had done for Mr. Schreiber vis-à-vis

1           the retainer that he had.

2   22364                   MR. F. DOUCET:  Correct.

3   22365                   MR. WOLSON:  Your answer, please?

4   22366                   MR. F. DOUCET:  Correct.

5   22367                   MR. WOLSON:  And you were then going

6           to go to that lunch and Mr. Mulroney was going to

7           surprise Elmer and his wife?

8   22368                   MR. F. DOUCET:  That's correct.

9   22369                   MR. WOLSON:  At the behest or the

10          request at least of Mr. Schreiber?

11   22370                   MR. F. DOUCET:  That is correct.

12   22371                   MR. WOLSON:  It would be a coup for

13          Schreiber to have arranged that?

14   22372                   MR. F. DOUCET:  Yes.

15   22373                   MR. WOLSON:  And it would be a nice

16          thing for Elmer, old friend of Mr. Mulroney's?

17   22374                   MR. F. DOUCET:  I would say so.

18   22375                   MR. WOLSON:  Okay.  Now you are at

19          the meeting.

20   22376                   MR. F. DOUCET:  Yes.

21   22377                   MR. WOLSON:  At the Pierre Hotel.

22   22378                   MR. F. DOUCET:  Correct.

23   22379                   MR. WOLSON:  You have first-hand

24          vision and you are able to hear what they are talking

25          about?

1 22380 MR. F. DOUCET: Yes.

2 22381 MR. WOLSON: What are they talking  
3 about?

4 22382 MR. F. DOUCET: What I remember is  
5 Mr. Mulroney and Mr. Schreiber sharing documents back  
6 and forth and I remember, as well, Mr. Mulroney walking  
7 him through his international travels, notably China,  
8 Russia and France -- I'm not sure if it was in that  
9 order or some other order -- and reporting on those  
10 meetings that he had had in those locations and paying  
11 particular attention to the importance of those  
12 countries because they were members of the P5 Group,  
13 which is the Permanent Five Membership of the Security  
14 Council of the UN, and the influence that those  
15 countries typically have over the operations of the UN  
16 when the P5 supports it.

17 22383 MR. WOLSON: You couldn't sell  
18 Thyssen equipment to Russia, could you?

19 22384 MR. F. DOUCET: Not that I'm aware  
20 of.

21 22385 MR. WOLSON: Or to China?

22 22386 MR. F. DOUCET: That's correct.

23 22387 MR. WOLSON: But he is meeting in  
24 Russia and China. Did he say with whom?

25 22388 MR. F. DOUCET: In the case of China,



1 I remember him talking about the leadership of China.  
2 In the case of Russia he mentioned President Yeltsin.  
3 22389 MR. WOLSON: Any other countries that  
4 he visited?  
5 22390 MR. F. DOUCET: France.  
6 22391 MR. WOLSON: And who did he see in  
7 France?  
8 22392 MR. F. DOUCET: President Mitterrand.  
9 22393 MR. WOLSON: All right. Was there  
10 any talk of Air Canada?  
11 22394 MR. F. DOUCET: Absolutely not.  
12 22395 MR. WOLSON: Airbus?  
13 22396 MR. F. DOUCET: No.  
14 22397 MR. WOLSON: The conversation was  
15 about Thyssen Bear Head?  
16 22398 MR. F. DOUCET: The conversation was  
17 about Mr. Mulroney's report, which I took to be part of  
18 his ongoing assignment, and the results of his meetings  
19 with those representatives of those countries.  
20 22399 MR. WOLSON: I'm going to ask you  
21 some more about the meeting, but if you could turn to  
22 Tab 39, please, Book 1?  
23 22400 Not the diary book, the other book,  
24 sir. Tab 39.  
25 22401 Just for purposes of description, Tab

1           39 is a cover page. If you go in one page you will see  
2           a memo to Fred Doucet from Greg Alford.

3   22402                    Do you see that?

4   22403                    Your answer, please?

5   22404                    MR. F. DOUCET: I'm sorry, yes, I do.

6   22405                    MR. WOLSON: The date of the memo or  
7           the fax -- it is a fax, because you can see at the top  
8           there is a fax.

9   22406                    MR. F. DOUCET: Yes.

10   22407                   MR. WOLSON: Is December 1, 1994.

11   22408                   MR. F. DOUCET: Correct.

12   22409                   MR. WOLSON: That is the date of the  
13           document. It was faxed on that date as well.

14   22410                   The subject matter is "White Paper  
15           Release and Letter".

16   22411                   MR. F. DOUCET: Correct.

17   22412                   MR. WOLSON: It is, I can tell you, a  
18           white paper that talks about a number of things, but  
19           one of the issues is NATO and the possibility of NATO  
20           countries, the emphasis being, perhaps buying Thyssen  
21           products.

22   22413                   MR. F. DOUCET: Correct.

23   22414                   MR. WOLSON: You get this memo, and  
24           if you go back to the front page, you fax it to  
25           "Francine Colin".

1 22415 MR. F. DOUCET: Francine Collins,  
2 yes.

3 22416 MR. WOLSON: Who is that?

4 22417 MR. F. DOUCET: That is  
5 Mr. Mulroney's secretary.

6 22418 MR. WOLSON: And you fax it to him --

7 22419 MR. F. DOUCET: To her.

8 22420 MR. WOLSON: I'm sorry, you fax it to  
9 her on the 5th of December.

10 22421 MR. F. DOUCET: Yes.

11 22422 MR. WOLSON: If you look at the  
12 bottom of the document on the right-hand side. Do you  
13 see that?

14 22423 MR. F. DOUCET: Yes, I do.

15 22424 MR. WOLSON: And you say:  
16 "Dear Francine:  
17 Could you kindly put this into  
18 Mr. Mulroney's file for our New  
19 York meeting. Thanks."

20 22425 MR. F. DOUCET: Right.

21 22426 MR. WOLSON: Now, this is on the 5th  
22 of December and you are meeting on the 8th of December.

23 22427 MR. F. DOUCET: Correct.

24 22428 MR. WOLSON: The white paper I'm  
25 assuming you thought had some relevance to the meeting.

1 22429 MR. F. DOUCET: Yes. As I recall,  
2 this was freshly out of DND and it addressed aspects  
3 that would have had an impact, real or potential, on  
4 the project, on the Bear Head Project.

5 22430 MR. WOLSON: Was it discussed at the  
6 meeting?

7 22431 MR. F. DOUCET: I'm sorry...?

8 22432 MR. WOLSON: Was that topic discussed  
9 at the meeting?

10 22433 MR. F. DOUCET: I remember that the  
11 white paper was discussed, the elements of which I do  
12 not particularly remember.

13 22434 MR. WOLSON: Okay.

14 22435 Now, you told the Commissioner that  
15 Mr. Mulroney made a presentation to Mr. Schreiber about  
16 what he had done and where he had been --

17 22436 MR. F. DOUCET: Yes.

18 22437 MR. WOLSON: -- and mentioned the  
19 names of some leaders, two of them who are now passed  
20 on, and gave him a briefing; right?

21 22438 MR. F. DOUCET: Correct.

22 22439 MR. WOLSON: How long was the meeting  
23 between Mr. Mulroney and Mr. Schreiber?

24 22440 MR. F. DOUCET: My best recollection  
25 is that it started somewhat before 11:00, not much,

1           maybe a quarter to, and ended somewhere around noon,  
2           maybe 12:15, but I'm not exactly sure.

3   22441                            So I would guess that the meeting was  
4           around an hour and a half.

5   22442                            MR. WOLSON:  Were you at the meeting  
6           the entire time?

7   22443                            MR. F. DOUCET:  I was, yes.

8   22444                            MR. WOLSON:  Were you in a position  
9           to see and hear what was occurring and what was said?

10  22445                            MR. F. DOUCET:  Absolutely.

11  22446                            MR. WOLSON:  Was everything said in  
12           the open?  That is, did Mr. Mulroney and Mr. Schreiber  
13           go to a corner and talk beyond your ability to hear,  
14           beyond earshot?

15  22447                            MR. F. DOUCET:  No.  I don't think  
16           this was a suite.  I think this was a room.

17  22448                            MR. WOLSON:  Yes.

18  22449                            MR. F. DOUCET:  And we were sitting  
19           across from each other.  As I recall, Mr. Mulroney and  
20           I were sitting on either separate chairs or a couch and  
21           he was sitting exactly opposite from us with a little  
22           table in between.

23  22450                            MR. WOLSON:  What was the demeanour  
24           of things?

25  22451                            MR. F. DOUCET:  The demeanour in

1 terms of interpersonal relations was very warm, very  
2 cordial, very appreciative on the part of Mr. Schreiber  
3 and very eloquent on the part of Mr. Mulroney.

4 22452 MR. WOLSON: What was the reaction of  
5 Mr. Schreiber to what he was hearing from Mulroney?  
6 Could you tell?

7 22453 MR. F. DOUCET: As best I could tell,  
8 he was responding favourably to the discussions.

9 22454 MR. WOLSON: Was there a payment of  
10 monies made?

11 22455 MR. F. DOUCET: There was a payment  
12 made at the end of the meeting.

13 22456 MR. WOLSON: In your presence?

14 22457 MR. F. DOUCET: In my presence.

15 22458 MR. WOLSON: Yes...?

16 22459 MR. F. DOUCET: I recall  
17 Mr. Schreiber getting up and Mr. Mulroney and I, and as  
18 we were ready to -- becoming ready to exit,  
19 Mr. Schreiber giving Mr. Mulroney an envelope, a legal  
20 sized envelope as I recall, and saying "there, this is  
21 in payment of your ongoing expenses and fees", I  
22 believe. And Mr. Mulroney took the envelope and put it  
23 in his briefcase.

24 22460 MR. WOLSON: He didn't say that the  
25 money was for a loan?

1 22461 MR. F. DOUCET: No, I don't recall  
2 that at all.

3 22462 MR. WOLSON: You heard for expenses  
4 and what else?

5 22463 MR. F. DOUCET: Fees.

6 22464 MR. WOLSON: Fees and expenses?

7 22465 MR. F. DOUCET: Yes.

8 22466 MR. WOLSON: Not a loan, not an  
9 advance, but for fees and expenses?

10 22467 MR. F. DOUCET: Correct.

11 22468 MR. WOLSON: What was in the  
12 envelope?

13 22469 MR. F. DOUCET: I have no idea. I  
14 presumed it was a payment at the time. I didn't know.

15 22470 MR. WOLSON: Did you presume it was a  
16 cheque?

17 22471 MR. F. DOUCET: I think my logical  
18 presumption would have been that.

19 22472 MR. WOLSON: Yes...?

20 22473 MR. F. DOUCET: I had no reason to  
21 believe otherwise.

22 22474 MR. WOLSON: Did you ask Mr. Mulroney  
23 what was in the envelope?

24 22475 MR. F. DOUCET: I did not.

25 22476 MR. WOLSON: Did you ever ask him?

1           Let's say up until the meeting in the hotel in 1994 at  
2           The Pierre, December 8, had you ever asked him how much  
3           he was being paid?

4   22477                   MR. F. DOUCET:  I did not.

5   22478                   MR. WOLSON:  Or the form of payment?

6   22479                   MR. F. DOUCET:  I did not.

7   22480                   MR. WOLSON:  Whether it was cheque or  
8           cash.

9   22481                   MR. F. DOUCET:  I did not.

10  22482                   MR. WOLSON:  Or some other form?

11  22483                   MR. F. DOUCET:  I did not.

12  22484                   MR. WOLSON:  You would have assumed  
13           it was cheque?

14  22485                   MR. F. DOUCET:  It wasn't in my mind  
15           at all.  Looking back, I guess I would have assumed  
16           that, yes.

17  22486                   MR. WOLSON:  Well, based on how he  
18           paid you at least.

19  22487                   MR. F. DOUCET:  Sure.

20  22488                   MR. WOLSON:  By the way, if you turn  
21           to Tab 40, Book 1, you will see the "Schedule for the  
22           Right Honourable Brian Mulroney, December 8, 1994", the  
23           itinerary.

24  22489                   MR. F. DOUCET:  I'm there.

25  22490                   MR. WOLSON:  You will see that the



1 "Event: Meeting with Mr. Karlheinz Schreiber".

2 22491 MR. F. DOUCET: Correct.

3 22492 MR. WOLSON: "Ground Transportation"

4 by a certain vehicle in New York.

5 22493 MR. F. DOUCET: Correct.

6 22494 MR. WOLSON: "Thursday, December 8,

7 1994 06:45 AM", it indicates that Mulrone y will be

8 picked up at the residence and proceed to the airport.

9 22495 MR. F. DOUCET: Correct.

10 22496 MR. WOLSON: "07:40 MBM and Mr. A.

11 Doucet..."

12 22497 That would be you?

13 22498 MR. F. DOUCET: Yes.

14 22499 MR. WOLSON:

15 "... depart Montreal/Dorval

16 Airport - Delta"

17 22500 On a Delta flight to New York?

18 22501 MR. F. DOUCET: Correct.

19 22502 MR. WOLSON: Arrived in New York at 9

20 o'clock in the morning?

21 22503 MR. F. DOUCET: Correct.

22 22504 MR. WOLSON:

23 "Sal will pick you up at the

24 airport and proceed to the

25 hotel".

1 22505 MR. F. DOUCET: Correct.

2 22506 MR. WOLSON: "Sal" I am assuming is  
3 the name of a driver?

4 22507 MR. F. DOUCET: I have no  
5 recollection of that.

6 22508 MR. WOLSON: 11 o'clock,  
7 "Meeting with Karlheinz  
8 Schreiber, Le Pier Hotel".

9 22509 MR. F. DOUCET: Correct.

10 22510 MR. WOLSON:  
11 "03:45 Sal will pick you up at  
12 the hotel and proceed to the  
13 airport".

14 22511 MR. F. DOUCET: I see that.

15 22512 MR. WOLSON:  
16 "04:58 MEB and Mr. A. Doucet  
17 depart New York/La Guardia  
18 Airport"

19 22513 Arrive in Montréal at 6:14.

20 22514 MR. F. DOUCET: Correct.

21 22515 MR. WOLSON: Pretty detailed  
22 schedule.

23 22516 MR. F. DOUCET: Yes, a typical  
24 schedule for Mr. Mulroney.

25 22517 MR. WOLSON: I have never travelled

1 with that kind of schedule, so to me it's --

2 22518 MR. F. DOUCET: As a matter of fact,  
3 it's much condensed to what it would have been when he  
4 was travelling for the government.

5 22519 MR. WOLSON: All time seems to be  
6 accounted for.

7 22520 MR. F. DOUCET: I'm sorry?

8 22521 MR. WOLSON: Time seems to be  
9 accounted for.

10 22522 MR. F. DOUCET: Yes. As best I can  
11 recall, that fits with reality.

12 --- Pause

13 22523 MR. WOLSON: Were you getting paid  
14 for this?

15 22524 MR. F. DOUCET: I'm sorry?

16 22525 MR. WOLSON: Were you getting paid  
17 for this?

18 22526 MR. F. DOUCET: I don't believe at  
19 that point for certain that I was on the payroll of  
20 Mr. Schreiber, no.

21 22527 MR. WOLSON: Yes, go ahead.

22 22528 MR. F. DOUCET: And I was going to  
23 say and I certainly wasn't getting paid through other  
24 sources.

25 22529 MR. WOLSON: All right.

1 22530 MR. F. DOUCET: I was honoured to go  
2 with Mr. Mulroney because I was asked by Mr. Schreiber  
3 to attend, and it was an honour for me to be there,  
4 particularly to honour my good friend Mr. MacKay and  
5 his new wife.

6 22531 MR. WOLSON: All right. After the  
7 meeting what happened?

8 22532 MR. F. DOUCET: We went down to the  
9 luncheon. I'm not sure if we went directly from the  
10 room to the luncheon. I seem to remember that  
11 Mr. Mulroney went to the washroom downstairs to freshen  
12 up and that Mr. Schreiber went off by himself to the  
13 luncheon, because I seem to recall that when we arrived  
14 there, Mr. Mulroney and I, Mr. Schreiber was already at  
15 the table with his wife Baerbel, and Mr. and Mrs.  
16 Mackay.

17 22533 So we joined the luncheon and  
18 Mr. McKay and his wife were duly surprised at the  
19 appearance of Mr. Mulroney and then the luncheon began.

20 22534 MR. WOLSON: Until what time, please?

21 22535 MR. F. DOUCET: I think probably for  
22 an hour and a half, so 12:30 maybe to 3:00, or  
23 somewhere around there, maybe 2:30. I'm not sure.

24 22536 MR. WOLSON: Around 2:30, 3 o'clock?

25 22537 MR. F. DOUCET: I would say, yes.

1 22538 MR. WOLSON: And I note the address  
2 that we talked about before that was in your diary and  
3 I'm looking again -- I will read it to you; you needn't  
4 go there.

5 22539 December 8th. For anyone who wanted  
6 to go there, it is Book 2, Tab 5.

7 22540 The address is "1, East 60th St."

8 22541 MR. F. DOUCET: Yes.

9 --- Pause

10 22542 MR. WOLSON: I have had the occasion  
11 to have that address checked and 1, East 60th Street is  
12 a place called The Metropolitan Club.

13 22543 You can see that at Tab 57 of Book 1.  
14 It's not a club I have ever been to.

15 22544 Do you know anything about that club?

16 22545 MR. F. DOUCET: The only thing that I  
17 recall about The Metropolitan Club was that I think  
18 Mr. Schreiber told me that he was attending a meeting  
19 at The Metropolitan Club. Whether it was the day  
20 before or the day after, I'm not too sure, but it seems  
21 to me that is how The Metropolitan Club rings.

22 22546 I obviously mistakenly concluded that  
23 that was the address of The Pierre.

24 22547 MR. WOLSON: Oh, I'm not at all  
25 challenging you on the address; it doesn't much matter.

1 22548 MR. F. DOUCET: No.

2 22549 MR. WOLSON: But why I'm wondering  
3 why you have written that down, and my thought was that  
4 perhaps after the lunch with Mr. MacKay you and  
5 Mr. Mulroney went to the Metropolitan Club. It seems  
6 to be quite an impressive club.

7 22550 MR. F. DOUCET: I have no memory of  
8 that at all. I'm not even sure that after the luncheon  
9 and between the time that it ended and that we left for  
10 the airport that Mr. Mulroney and I were together all  
11 the time. I have no recollection of that.

12 22551 MR. WOLSON: Did you go anywhere with  
13 him other than the airport?

14 22552 MR. F. DOUCET: No, I did not.

15 22553 MR. WOLSON: Okay.

16 22554 MR. F. DOUCET: I did not.

17 22555 MR. WOLSON: You didn't make any  
18 stops to your recall?

19 22556 MR. F. DOUCET: No.

20 22557 MR. WOLSON: And I am assuming that  
21 according to the schedule we saw before, 3:45 Sal  
22 picked you and Mr. Mulroney up and drove you to La  
23 Guardia?

24 22558 MR. F. DOUCET: Yes. There wouldn't  
25 have been much time.

1 22559 MR. WOLSON: Right.

2 22560 Now, I understand that after the 1994  
3 Pierre Hotel meeting you had little contact with  
4 Mr. Schreiber after that.

5 22561 MR. F. DOUCET: True. That's  
6 correct.

7 22562 MR. WOLSON: You did have, as we said  
8 before, calls around the letter of request time, which  
9 was 1995.

10 22563 MR. F. DOUCET: Correct.

11 22564 MR. WOLSON: So if I can then  
12 summarize what you have told us about these meetings,  
13 you are aware of the nature of the Mirabel meeting?

14 22565 MR. F. DOUCET: Correct.

15 22566 MR. WOLSON: You are aware that it  
16 was to promote Thyssen products?

17 22567 MR. F. DOUCET: Internationally,  
18 correct.

19 22568 MR. WOLSON: Yes. You are aware of  
20 the second meeting, that it was along the lines of the  
21 consultancy agreement?

22 22569 MR. F. DOUCET: That's my best  
23 recollection.

24 22570 MR. WOLSON: At the third meeting you  
25 were there and you can absolutely tell the Commissioner

1 the discussions, the nature of the meeting and the fact  
2 that this was a meeting regarding international  
3 consultancy?

4 22571 MR. F. DOUCET: Correct.

5 22572 MR. WOLSON: Regarding Thyssen  
6 products?

7 22573 MR. F. DOUCET: Correct.

8 22574 MR. WOLSON: No mention, to your  
9 knowledge, at any meeting regarding Air Canada Airbus?

10 22575 MR. F. DOUCET: Absolutely not.

11 22576 MR. WOLSON: Mr. Commissioner, I am  
12 now going to move to an area regarding documents that  
13 were sent purportedly by Fred Doucet to Karlheinz  
14 Schreiber involving Air Canada Airbus matters.

15 22577 I have advised all my friends -- all  
16 my friends; all my friends here who are counsel for the  
17 parties. It's not a matter that I broadcast beyond  
18 this room.

19 22578 COMMISSIONER OLIPHANT: I don't know  
20 how many friends you have in any event, Mr. Wolson.

21 22579 MR. WOLSON: Fewer than I had before  
22 since I have been secluded here in Ottawa, but I should  
23 tell you that I am mindful of your opening remarks  
24 where you sent the following:

25 "Having reviewed the Terms of



1 Reference carefully, I have  
2 concluded that this Inquiry is  
3 to focus upon the financial and  
4 business dealings of Messrs.  
5 Mulroney and Schreiber in  
6 relation to the Bear Head  
7 Project and the payments made to  
8 Mr. Mulroney by Mr. Schreiber in  
9 1993 and 1994."

10 22580 So clearly you put the focus of this  
11 inquiry on the Bear Head Project, which we have  
12 followed, and the payments of '93-'94.

13 22581 I have reviewed the Order in Council  
14 and when I look to the questions that you must answer,  
15 I focus on two questions in particular:

16 22582 What payments were made? Question  
17 six. We know the nature of the payments so far.

18 22583 When were they made? We know the  
19 dates.

20 22584 How were they made? We know and we  
21 expect to determine that they were in cash. We haven't  
22 heard of course from Mr. Mulroney, but that is my  
23 expectation in any event.

24 22585 And most importantly: Why were these  
25 payments made? It's the why that I emphasize.

1 Question six.

2 22586 Question seven: What was the source  
3 of the funds for the payments? As to the source of the  
4 funds I can tell you, sir, that Navigant will be  
5 testifying in due course. They are in the process of  
6 finalizing a report and they will be in a position to  
7 tell you about the source of those funds that were  
8 paid.

9 22587 I come back to the question: Why  
10 were the payments made. We have heard from  
11 Mr. Schreiber clearly, unequivocally, the payments were  
12 made. We have identified the dates the payments were  
13 made regarding Bear Head. Regarding a consultancy  
14 there certainly is an issue (a) as to the amount; (b)  
15 whether it is a domestic retainer or a retainer  
16 internationally, as I expect we may hear from other  
17 witnesses and have just heard from Mr. Doucet.

18 22588 Those two issues remain to be probed.

19 22589 But nonetheless we have heard from  
20 Mr. Schreiber as to the nature as to why he made  
21 certain payments.

22 22590 We will hear that from Mr. Mulroney  
23 when he testifies.

24 22591 But this witness is in a unique  
25 situation in that he was at one of the meetings that

1           you have just heard. He knows of the first meeting,  
2           having discussed the matters in advance with both  
3           parties and having discussed the matter with  
4           Mr. Mulroney afterwards, and believes that the second  
5           meeting, the Queen Elizabeth meeting, Queen Elizabeth  
6           Hotel meeting, that he was given some information from  
7           Mr. Mulroney.

8   22592                            But there are three documents which  
9           require some explanation. They are documents --

10 22593                            COMMISSIONER OLIPHANT: What book are  
11           you in, please?

12 22594                            MR. WOLSON: Book 1, Tab 58. The  
13           documents you will find in Book 1, Tabs 58, 59 and 60.

14 22595                            Tab 58 is a letter on Mr. Doucet's  
15           stationery signed by J.A. Doucet, March 24, 1992, which  
16           can be interpreted as a document regarding --

17 22596                            COMMISSIONER OLIPHANT: Oh, okay.  
18           This refers to "the Birds".

19 22597                            MR. WOLSON: Regarding the birds,  
20           which can be interpreted as airplanes.

21 22598                            Tab 59, which is clearly a document  
22           that refers to airplanes and the purchase of Airbus  
23           airplanes by Air Canada.

24 22599                            And of greatest concern,  
25           Mr. Commissioner, is the date, 27th of August 1993. We

1           have heard a lot of evidence of meetings with Ministers  
2           Corbeil and Charest on the 26th, clearly regarding Bear  
3           Head. Here we have a letter or a memo regarding Air  
4           Canada Airbus, the same day as the first meeting and  
5           payment at the Mirabel hotel.

6   22600                   Then a concluding letter, the 28th of  
7           April 1994, clearly regarding matters of airplanes.

8   22601                   I am not in any way seeking to expand  
9           the mandate of this inquiry. I agree with your ruling  
10          that this is an inquiry which is focused on Bear Head  
11          and the payments of '93-'94, but I believe I have to  
12          ask this witness about these documents in answering the  
13          question why were the payments made, because this  
14          witness is in a unique position that he was at one of  
15          the three meetings where monies passed hands and has  
16          peculiar knowledge of the other two, having arranged  
17          one of the meetings for sure and having discussed both  
18          before and after.

19   22602                   I would only ask these questions if  
20          permitted. A very narrow area for the purposes of  
21          reviewing documents that may or may not be relevant and  
22          may answer or may in some respect assist you in why  
23          were these payments made.

24   22603                   That is my submission to you on that.

25   22604                   I have raised this with counsel here

1           today. I plan to then ask those questions, but I  
2           wanted to put on the record the limited way in which I  
3           would proceed if you would permit me, subject to  
4           questions or comments of my friends.

5   22605                            COMMISSIONER OLIPHANT: Thank you,  
6           Mr. Wolson.

7   22606                            Mr. Pratte...?

8   22607                            MR. PRATTE: Given the context which  
9           was set out by Commission counsel and the limited  
10          purpose he described, I have no objection to his asking  
11          the questions he proposes to ask.

12   22608                            Thank you, sir.

13   22609                            COMMISSIONER OLIPHANT: Thank you,  
14          Mr. Pratte.

15   22610                            Mr. Vickery...?

16   22611                            MR. VICKERY: I have no objection to  
17          the questions, sir. Thank you.

18   22612                            COMMISSIONER OLIPHANT: Mr.  
19          Houston...?

20   22613                            MR. HOUSTON: Mr. Commissioner, given  
21          Mr. Wolson's comments, I have no comment to make.

22   22614                            COMMISSIONER OLIPHANT: Mr. Auger...?

23   22615                            MR. AUGER: Thank you, Commissioner.

24   22616                            I have no objection in principle to  
25          Mr. Wolson's proposal. That is point number 1.

1 22617 Point number two, it strikes me that  
2 it may -- because I don't want to run afoul of any of  
3 your rulings --

4 22618 COMMISSIONER OLIPHANT: You won't.

5 22619 MR. AUGER: -- in going forward with  
6 my questions, it strikes me that as a practical matter  
7 or for clarity, at a minimum, it might assist me at  
8 least, to the extent that these questions and answers  
9 are permitted, that you I suppose confirm, if I can put  
10 it that way, whether or not there is any expansion of  
11 your mandate.

12 22620 COMMISSIONER OLIPHANT: Thank you.

13 22621 MR. AUGER: Thank you.

14 22622 COMMISSIONER OLIPHANT: As counsel  
15 are all well aware -- and Maître Pratte made this point  
16 in his submission on the standards of conduct -- the  
17 authority of this Commission of Inquiry goes no further  
18 than the mandate granted in the Order in Council that  
19 created the inquiry, and I take no issue with that  
20 whatsoever.

21 22623 We have a situation here where  
22 Commission counsel wishes to explore certain documents,  
23 the author of which is the witness on the stand,  
24 Mr. Doucet.

25 22624 One of the questions that I am called

1           upon to answer is why certain payments were made to  
2           Mr. Mulroney by Mr. Schreiber, as alleged, in the years  
3           1993 and 1994. There is evidence before the Commission  
4           now that a meeting occurred on August 27, 1993 at which  
5           time a payment of monies was made. The amount of the  
6           payment is yet to be determined with finality.

7   22625                   One of the documents that  
8           Mr. Wolson wishes to explore with Mr. Doucet is a  
9           document dated the same day, and that is the document  
10          found at Tab 59, in Book 1, in which reference is made  
11          to 34 Airbus aircraft having been purchased and  
12          delivered to Air Canada.

13   22626                   In an earlier letter, March 24th of  
14          1992, at Tab 58 reference is made to, and I quote:

15                           "... the matter of the Birds..."

16   22627                   In light of the proximity in time as  
17          between the document at Tab 59 in particular and one of  
18          the payments made to Mr. Mulroney, allegedly made at  
19          the Mirabel Hotel, it seems to me that the Commission  
20          would be remiss if it failed to examine what is behind  
21          these letters.

22   22628                   That examination, however, must be  
23          done within the mandate of the Commission and must  
24          therefore be confined to determining, if possible, why  
25          that payment on August 27th and others were made.

1 22629 So I will permit you, Mr. Wolson, to  
2 proceed to question Mr. Doucet with respect to the  
3 documents, but always bearing in mind that your  
4 examination will be confined to responding to question  
5 6 and, to a lesser degree perhaps, question 7.

6 22630 MR. WOLSON: It is now 3:20.  
7 Although I hear noise from above, it doesn't seem to me  
8 to be getting any cooler in here. But it is 3:20 so...

9 22631 COMMISSIONER OLIPHANT: Maybe if we  
10 take a break, it will.

11 22632 MR. WOLSON: Well, let's perhaps do  
12 that.

13 22633 COMMISSIONER OLIPHANT: That is what  
14 you were going to suggest, I take it?

15 22634 MR. WOLSON: It was my monologue, but  
16 yes, that is what I was going to suggest.

17 22635 COMMISSIONER OLIPHANT: We will break  
18 for 15 minutes and come back at about 25 to 4:00.  
19 --- Upon recessing at 3:20 p.m. / Suspension à 15 h 20  
20 --- Upon resuming at 3:40 p.m. / Reprise à 15 h 40

21 22636 COMMISSIONER OLIPHANT: Be seated,  
22 please.

23 22637 Mr. Wolson, just before you proceed  
24 to continue with your questions of Mr. Doucet, I want  
25 to make it clear, having ruled as I did, moments before



1           we adjourned for the break, that it is most certainly  
2           not my intention, because I have no authority to do  
3           so -- not my intention to turn this inquiry into an  
4           investigation of Airbus.

5   22638                   MR. WOLSON:  And that isn't the  
6           purpose of my asking these questions.

7   22639                   Mr. Doucet, could you please turn up  
8           Tab 58 in Book 1.

9   22640                   MR. F. DOUCET:  Yes.

10  22641                   MR. WOLSON:  This is a document on  
11          your letterhead?

12  22642                   MR. F. DOUCET:  Correct.

13  22643                   MR. WOLSON:  This is your signature  
14          at the bottom?

15  22644                   MR. F. DOUCET:  Correct.

16  22645                   MR. WOLSON:  "J.A. Doucet, President  
17          and C.E.O."

18  22646                   MR. F. DOUCET:  Correct.

19  22647                   MR. WOLSON:  You are sending this  
20          document to Mr. Karlheinz Schreiber in Germany.

21  22648                   MR. F. DOUCET:  Correct.

22  22649                   MR. WOLSON:  You say:  
23                          "Dear Karlheinz,  
24                          I do not want to bother you with  
25                          the matter of the Birds, but

1 since you insisted when we last  
2 spoke that I raise this matter  
3 with you by March 15, I decided  
4 to drop you a note on it.

5 As I recall, you felt that  
6 by now I would have heard from  
7 F.M. and that if not I should  
8 let you know. I have not heard  
9 from him."

10 22650 "FM", we saw before in a note in your  
11 diary -- "FM" refers to Frank Moores?

12 22651 MR. F. DOUCET: Yes.

13 22652 MR. WOLSON: The last paragraph is of  
14 little importance to this discussion.

15 22653 What is this letter about, please?

16 22654 MR. F. DOUCET: I have absolutely no  
17 recollection of this letter.

18 22655 MR. WOLSON: It's your signature.

19 22656 MR. F. DOUCET: It appears to be my  
20 signature.

21 22657 MR. WOLSON: You sent it?

22 22658 MR. F. DOUCET: I'm sorry?

23 22659 MR. WOLSON: You sent the letter?

24 22660 MR. F. DOUCET: I presume I did,  
25 yeah.

1 22661 MR. WOLSON: And you can't tell the  
2 Commissioner what it refers to, at all?

3 22662 MR. F. DOUCET: Seventeen years  
4 ago -- 16 years ago -- whatever -- I have no memory at  
5 all of this letter.

6 22663 MR. WOLSON: "Birds", would that  
7 refer to airplanes?

8 22664 MR. F. DOUCET: I would say that in  
9 our -- "birds" would refer to airplanes, fixed-wing or  
10 helicopters or whatever. It's a generic word that is  
11 used.

12 22665 MR. WOLSON: You are not into the  
13 nature of birds; that is, an ornithologist or something  
14 along those lines. That is not a hobby of yours?

15 22666 MR. F. DOUCET: No.

16 22667 MR. WOLSON: You can't remember  
17 anything about that.

18 22668 MR. F. DOUCET: I do not remember  
19 anything about that.

20 22669 MR. WOLSON: All right. August 27th,  
21 1993 -- Tab 59.

22 22670 MR. F. DOUCET: Yes, I am there.

23 22671 MR. WOLSON: Of significance, as you  
24 have heard, because you were sitting here, is the date.  
25 August 27th, 1993 is the date of the first meeting

1           between Mr. Schreiber and Mr. Mulroney where money is  
2           paid.

3   22672                   MR. F. DOUCET:   Correct.

4   22673                   MR. WOLSON:    At the Mirabel Hotel.

5   22674                   MR. F. DOUCET:  As I discovered from  
6           the public place.

7   22675                   MR. WOLSON:   Memorandum to Karlheinz  
8           Schreiber from Fred Doucet --

9   22676                   By the way, there is a fax date on  
10          top.  Do you see that?

11   22677                   MR. F. DOUCET:  Yes.

12   22678                   MR. WOLSON:   It seems to be the 30th  
13          of August `93.

14   22679                   MR. F. DOUCET:  Yeah, that's right.

15   22680                   MR. WOLSON:   But you don't know  
16          anything about that.

17   22681                   MR. F. DOUCET:  About the fax number?

18   22682                   MR. WOLSON:   Yes.

19   22683                   MR. F. DOUCET:  No.

20   22684                   MR. WOLSON:   Do you know anything  
21          about this memorandum?

22   22685                   MR. F. DOUCET:  I have no memory of  
23          this memorandum at all.

24   22686                   MR. WOLSON:   To Karlheinz Schreiber  
25          from Fred Doucet:

1 "Dear Karlheinz,  
2 Mr. Biro..."

3 22687 Who is Mr. Biro, do you know?  
4 22688 MR. F. DOUCET: Well, if I flip over,  
5 I get the answer to that.

6 22689 MR. WOLSON: Do you know who Mr. Biro  
7 is --

8 22690 MR. F. DOUCET: No.  
9 22691 MR. WOLSON: -- without referring to  
10 another document?

11 22692 MR. F. DOUCET: No.  
12 22693 MR. WOLSON: We will go to the other  
13 document in a minute.

14 "Mr. Biro has confirmed that 34  
15 Airbus have been purchased and  
16 delivered to Air Canada  
17 according to the enclosed  
18 schedule.

19 I sincerely hope that this  
20 evidence, many times stated  
21 before, is emphatically and  
22 categorically relayed to F. M.  
23 I hope you..."

24 22694 The rest of the letter is of no  
25 value.

1 22695 It is not signed, but there is your  
2 name typed, "J.A. Doucet, Chief Executive Officer."  
3 22696 MR. F. DOUCET: Correct.  
4 22697 MR. WOLSON: What can you tell me  
5 about that document?  
6 22698 MR. F. DOUCET: I have no memory of  
7 that document either.  
8 22699 MR. WOLSON: How is it that you can  
9 remember setting up a meeting for the 27th of August  
10 `93 between Mr. Mulroney and Mr. Schreiber, but you  
11 don't know anything about this document?  
12 22700 MR. F. DOUCET: Well, the setting up  
13 of the meeting with Mr. Mulroney for that date was  
14 quite purposeful, and I remember it.  
15 22701 MR. WOLSON: Okay, but you don't  
16 remember this document.  
17 22702 MR. F. DOUCET: Not at all.  
18 22703 MR. WOLSON: The second page of this  
19 document is, "Air Canada Investor Relations."  
20 22704 Do you see that?  
21 22705 MR. F. DOUCET: I do.  
22 22706 MR. WOLSON: Also with the date of  
23 August 27, `93, but above it a fax date of the 30th of  
24 August `93.  
25 22707 MR. F. DOUCET: Correct, I see that.

1 22708 MR. WOLSON: So those two, in terms  
2 of the fax dates -- the first and second page seem to  
3 correspond, the 30th of August.

4 22709 MR. F. DOUCET: Correct.

5 22710 MR. WOLSON: This "Air Canada  
6 Investor Relations" note has the date August 27 --  
7 782-2428.

8 22711 Do you know that number at all?  
9 22712 Is that your fax?

10 22713 MR. F. DOUCET: I think that was my  
11 fax number at the time. It is not my fax now, but I  
12 think it was the fax number at that time, yeah.

13 22714 MR. WOLSON: So this document is  
14 faxed to your fax number.

15 22715 MR. F. DOUCET: Correct.

16 22716 MR. WOLSON: On August 27.

17 22717 MR. F. DOUCET: Correct.

18 22718 MR. WOLSON: Your name, "J.A.  
19 Doucet" --

20 22719 MR. F. DOUCET: I think that's -- I  
21 think that's me. That was intended.

22 22720 MR. WOLSON: Transmitted from "Denis  
23 A. Biro".

24 22721 MR. F. DOUCET: Correct.

25 22722 MR. WOLSON: "Manager, Investor

1 Relations, Air Canada."

2 22723 MR. F. DOUCET: Correct.

3 22724 MR. WOLSON: At the bottom, "Airbus

4 A320 deliveries: 1990 - 7."

5 22725 Seven planes, obviously; right?

6 22726 Do you know?

7 22727 MR. F. DOUCET: I have no idea. I

8 presume that's a listing of the airplanes that were

9 purchased by Air Canada.

10 22728 MR. WOLSON: It refers to the first

11 page of the memorandum, which says, "Biro has confirmed

12 34 Airbus..."

13 22729 MR. F. DOUCET: Correct.

14 22730 MR. WOLSON: And at the bottom here

15 it says, "Airbus deliveries", and they add up to 34.

16 22731 MR. F. DOUCET: Correct.

17 22732 MR. WOLSON: "1990 - 7" must be

18 Airbus; right?

19 22733 That would make sense, sir?

20 22734 MR. F. DOUCET: Correct.

21 22735 MR. WOLSON: "1991 - 12; 1992 - 12;

22 1993 - 3; Total 34."

23 22736 MR. F. DOUCET: Correct.

24 22737 MR. WOLSON: But you don't know

25 anything about that.



1 22738 MR. F. DOUCET: I have no memory of  
2 this at all.

3 22739 MR. WOLSON: It's a complete mystery.

4 22740 MR. F. DOUCET: Well, if I take it at  
5 face value, I write this letter -- if I did --  
6 22741 As you say, it's not signed, but I  
7 don't contest it -- and I get an answer.

8 22742 But I have no memory of it.

9 22743 COMMISSIONER OLIPHANT: What was your  
10 secretary's name at that time?

11 22744 MR. F. DOUCET: Oh, boy.

12 22745 COMMISSIONER OLIPHANT: Somebody with  
13 the initials "B.H."?

14 22746 MR. F. DOUCET: I don't remember.

15 --- Pause

16 22747 MR. F. DOUCET: I don't remember.

17 22748 MR. WOLSON: Would I be correct in  
18 stating -- maybe I am not, having regard to the fact  
19 that you couldn't remember the \$90,000 Bear Head  
20 payment --

21 22749 MR. F. DOUCET: Yes.

22 22750 MR. WOLSON: Would I be correct that  
23 if you were getting money for involvement with these  
24 airplanes, you would remember?

25 22751 MR. F. DOUCET: Well, the premise is

1 wrong.

2 22752 MR. WOLSON: What premise is wrong?

3 22753 MR. F. DOUCET: That I was getting  
4 money for these Airbus planes, if that's your premise.

5 22754 MR. WOLSON: I want to ask you, if  
6 you were getting money --

7 22755 MR. F. DOUCET: Yes.

8 22756 MR. WOLSON: -- to do something with  
9 Airbus, would you have remembered that?

10 22757 MR. F. DOUCET: That's hypothetical,  
11 but I --

12 22758 All I can tell you is, I don't  
13 remember the letters.

14 22759 MR. WOLSON: Sir, I don't know  
15 anything about these letters. I don't know if you had  
16 some kind of relationship that way with someone else.  
17 But I am asking you, if you had a financial  
18 relationship with someone regarding Airbus, would you  
19 remember that?

20 22760 MR. F. DOUCET: It possibly could  
21 help with the memory, but I can't say for sure.

22 22761 MR. WOLSON: Tab 60. April 28th,  
23 1994, "The Government Business Consulting Group Inc.,  
24 Ottawa."

25 22762 Do you see that?

1 22763 MR. F. DOUCET: Yes, I do.

2 22764 MR. WOLSON: It's a letter to  
3 Karlheinz Schreiber in Ottawa.

4 22765 Do you see that?

5 22766 MR. F. DOUCET: Yes.

6 22767 MR. WOLSON: Signed by "J.A. Doucet".  
7 22768 Is that your signature?

8 22769 MR. F. DOUCET: Correct.

9 22770 MR. WOLSON:  
10 "I have now been able to carry  
11 out (once again) my assignment  
12 to find out accurately how many  
13 A320s were bought and fully paid  
14 by Air Canada directly from the  
15 Airbus Company.

16 The answer today is the same  
17 provided to me the last time I  
18 sought this information. The  
19 answer is 34 and this number is  
20 two more than was originally  
21 contracted."

22 22771 You go into an explanation about --  
23 or the author of this letter goes into an explanation  
24 about a confusion and about some Airbuses which were  
25 purchased and then sold.

1 22772 Do you see that?

2 22773 MR. F. DOUCET: Yes.

3 22774 MR. WOLSON: Then you say:

4 "For our purpose, Karlheinz, we

5 now have what we need and it is

6 accurate beyond any doubt.

7 I truly hope this removes

8 the confusion. In fact it is

9 even better than I had hoped

10 because the total sale was 34,

11 not 32, as we have on our pieces

12 of paper from last summer."

13 22775 Do you see that?

14 22776 MR. F. DOUCET: I do.

15 22777 MR. WOLSON:

16 "For me, settling this matter is

17 so very important for reasons I

18 will tell you about in person.

19 Thanks very much.

20 P.S. I did not ask anything

21 about the recent order for the

22 large Airbus by Air Canada."

23 22778 What can you tell me about this

24 document?

25 22779 MR. F. DOUCET: All I can tell you,

1           sir, is that I have no memory of this letter at all.

2   22780                    When I look at the third paragraph of  
3           this letter, as I have before, when it surfaced back in  
4           the days of the Ethics Committee, my first reaction --  
5           and it remains that today -- was that the third  
6           paragraph, in particular, is not the way I write. That  
7           is not typical of my paragraph construction.

8   22781                    MR. WOLSON: Which paragraph is that?

9   22782                    MR. F. DOUCET: The third paragraph.

10  22783                    MR. WOLSON: Which page?

11  22784                    MR. F. DOUCET: Starting with, "Now I  
12           can tell you the rest of the story..."

13  22785                    MR. WOLSON: Yes.

14  22786                    MR. F. DOUCET: That very line  
15           doesn't ring right with me, in terms of my expressions.

16  22787                    The other part that doesn't ring  
17           right is, if you go down five -- "...did an internal  
18           arrangement which was quite smart." That is not an  
19           expression that I would typically use.

20  22788                    When I first read the letter -- and I  
21           want to convey this to you, sir -- when I first read  
22           this letter back around the Ethics Committee event, my  
23           reaction was, not only did I not remember this letter,  
24           but I found the paragraph striking in its construction.  
25           It didn't strike me that it was my construction.

1           That's all I can tell you about the letter.

2   22789                   MR. WOLSON:  That said, you don't

3           remember this letter.

4   22790                   MR. F. DOUCET:  I'm sorry?

5   22791                   MR. WOLSON:  That said, you don't

6           remember this letter.

7   22792                   MR. F. DOUCET:  I do not remember

8           this letter.

9   22793                   MR. WOLSON:  It may not be your

10          typical construction, but it is your signature.

11   22794                   MR. F. DOUCET:  No doubt about it.

12   22795                   MR. WOLSON:  Are you suggesting that

13          you didn't write that letter?

14   22796                   MR. F. DOUCET:  I can't really

15          suggest that; I am just telling you my reaction when I

16          saw it.

17   22797                   MR. WOLSON:  Let me ask you this.

18          You were a party to one meeting between Mulroney and

19          Schreiber.

20   22798                   MR. F. DOUCET:  Yes.

21   22799                   MR. WOLSON:  When I am talking about

22          a meeting, I am talking about a meeting where money

23          passed hands.

24   22800                   MR. F. DOUCET:  Yes.

25   22801                   MR. WOLSON:  The Pierre Hotel.

1 22802 MR. F. DOUCET: Correct.

2 22803 MR. WOLSON: You set up the first  
3 meeting at the Mirabel Hotel.

4 22804 MR. F. DOUCET: Correct.

5 22805 MR. WOLSON: You knew of the second  
6 meeting.

7 22806 MR. F. DOUCET: Correct.

8 22807 MR. WOLSON: Would I be correct in  
9 stating -- at least summarizing your evidence -- that  
10 none of those meetings had anything to do with Airbus?

11 22808 MR. F. DOUCET: Absolutely.

12 22809 MR. WOLSON: Absolutely correct?

13 22810 MR. F. DOUCET: Absolutely correct.

14 22811 MR. WOLSON: But you can't tell me  
15 about these letters, one of which is on a day of a  
16 payment. You can't do it. You can't tell me anything  
17 about it.

18 22812 MR. F. DOUCET: I do not recollect  
19 the letter, and I take it that that was the day of the  
20 meeting. I was not present at that Mirabel meeting.

21 22813 MR. WOLSON: I am talking about the  
22 27th of August now.

23 22814 MR. F. DOUCET: Correct.

24 22815 MR. WOLSON: All right. I am  
25 assuming that you have had some time to think about

1           these three letters --

2   22816                   MR. F. DOUCET:  Yes.

3   22817                   MR. WOLSON:  -- because these are

4           matters that made their way to the media.

5   22818                   MR. F. DOUCET:  Correct.

6   22819                   MR. WOLSON:  Before you came here

7           today, you had an opportunity to think about those

8           letters.

9   22820                   MR. F. DOUCET:  Correct.

10  22821                   MR. WOLSON:  I am not catching you by

11           surprise asking you about them.

12  22822                   MR. F. DOUCET:  You are not.

13  22823                   MR. WOLSON:  You knew they were

14           coming, these types of questions.

15  22824                   MR. F. DOUCET:  Well, I found that

16           out yesterday.

17  22825                   MR. WOLSON:  Yes.  I advised your

18           counsel that I was going to question you on these.

19  22826                   MR. F. DOUCET:  Correct, yes.

20  22827                   MR. WOLSON:  So it's not as if you

21           haven't had time to think about it.

22  22828                   MR. F. DOUCET:  Well, I found that

23           out yesterday around --

24  22829                   Sorry, maybe the day before

25           yesterday.



1 22830 MR. WOLSON: The day before  
2 yesterday, I would think.

3 22831 MR. F. DOUCET: The day before  
4 yesterday, yeah.

5 22832 MR. WOLSON: But the point I am  
6 making, Mr. Doucet: (a) you knew about the letters --

7 22833 MR. F. DOUCET: Yes.

8 22834 MR. WOLSON: You knew about them for  
9 many months now.

10 22835 MR. F. DOUCET: Yes.

11 22836 MR. WOLSON: You would have expected  
12 that they may be the subject of further comment. That  
13 was certainly a possibility.

14 22837 MR. F. DOUCET: Sure, although I  
15 thought not, from what had been said at the start of  
16 these proceedings, but it came as no shock or surprise  
17 to me.

18 22838 MR. WOLSON: All right. So having  
19 thought about the letters, having had a couple of  
20 sleeps on these letters --

21 22839 MR. F. DOUCET: Yes.

22 22840 MR. WOLSON: -- thinking about them,  
23 you can't shed any more light on them than you already  
24 have?

25 22841 MR. F. DOUCET: I cannot.

1 22842 MR. WOLSON: All right. I am going  
2 to move on, Mr. Commissioner, to another area.

3 22843 I may come back to this, but I am  
4 going to move on to Tab 43.

5 22844 MR. F. DOUCET: Book 1?

6 22845 MR. WOLSON: Book 1.

7 22846 MR. F. DOUCET: Yes.

8 22847 MR. WOLSON: For the most part, my  
9 questions to you will be out of Book 1 for the  
10 remainder of my questioning, perhaps with the odd  
11 reference to your diary.

12 22848 Tab 43 is a memo to your file, dated  
13 Thursday, October 28, `99.

14 22849 MR. F. DOUCET: Correct.

15 22850 MR. WOLSON: These are your notes  
16 regarding, having watched the fifth estate on the 28th  
17 of October `99, you say, on the CBC, "dealing with  
18 K.S., I decided to write down my recollection of an  
19 event that took place on Dec. 8, 1994."

20 22851 Do you see that?

21 22852 MR. F. DOUCET: I do.

22 22853 COMMISSIONER OLIPHANT: Is it  
23 conceded that he recalls that this is a memo that he  
24 wrote?

25 22854 Do you remember doing this?

1 22855 MR. F. DOUCET: Yes.

2 22856 COMMISSIONER OLIPHANT: Okay. I just  
3 wanted to check.

4 22857 MR. F. DOUCET: I didn't do the typed  
5 version, Mr. Commissioner, I did it longhand and my  
6 wife transcribed it.

7 22858 MR. WOLSON: I am going to get to  
8 that area in one second.

9 22859 You had made some memos as memory  
10 aids.

11 22860 MR. F. DOUCET: Yes.

12 22861 MR. WOLSON: And you did that by  
13 writing in your own hand notes of certain events, which  
14 you kept. Is that so?

15 22862 MR. F. DOUCET: Correct.

16 22863 MR. WOLSON: So that, if you turn, in  
17 Tab 43, past the first page, you will see, "Memo to  
18 File" in your own handwriting.

19 22864 MR. F. DOUCET: That is correct.

20 22865 MR. WOLSON: And this is a document  
21 that you do recall making.

22 22866 MR. F. DOUCET: I do.

23 22867 MR. WOLSON: The 28th of October  
24 1999.

25 22868 How it became typed is that, after

1 making it in your own hand, you had your wife take the  
2 handwritten document and type it for ease of reading.

3 22869 MR. F. DOUCET: Much later.

4 22870 MR. WOLSON: Nonetheless, you asked  
5 her to type your handwriting --

6 22871 MR. F. DOUCET: Correct.

7 22872 MR. WOLSON: -- so it could be read  
8 more easily --

9 22873 MR. F. DOUCET: That is correct.

10 22874 MR. WOLSON: -- by someone other than  
11 you, for instance.

12 22875 MR. F. DOUCET: That is correct.

13 22876 MR. WOLSON: All right.

14 22877 MR. F. DOUCET: Given my handwriting,  
15 even me.

16 22878 MR. WOLSON: All right. But,  
17 fortunately, your wife could read your handwriting --

18 22879 MR. F. DOUCET: Yes.

19 22880 MR. WOLSON: -- and you are satisfied  
20 that she typed it diligently, and that the typing is  
21 fairly accurate?

22 22881 MR. F. DOUCET: There are a couple of  
23 errors of transcription, and I think I noted them in my  
24 interview with you.

25 22882 MR. WOLSON: Okay, but other than

1           that, you are content with these notes --

2   22883                   MR. F. DOUCET:  Correct.

3   22884                   MR. WOLSON:  -- as being a memory

4           aid.

5   22885                   MR. F. DOUCET:  Correct.

6   22886                   MR. WOLSON:  What caused you to make

7           this note at Tab 43?

8   22887                   MR. F. DOUCET:  I was troubled after

9           watching the fifth estate program, and I suppose, given

10          a bit of experience in politics, when you see something

11          coming down the road from the media, you can anticipate

12          that more is coming.  I was troubled by what I had

13          heard, so I decided to record my thoughts at that time.

14   22888                   MR. WOLSON:  You told me earlier in

15          my examination of you that one of your concerns was

16          that Mr. Schreiber, by 1999, was getting chatty with

17          the media.

18   22889                   MR. F. DOUCET:  Yes.

19   22890                   MR. WOLSON:  And your concern was

20          that he may say something which was not in accord with

21          your recall of what happened.

22   22891                   MR. F. DOUCET:  Correct.

23   22892                   MR. WOLSON:  The fifth estate show

24          that aired, and the only one that I know of that aired

25          in October, is found at Tab 42.

1 22893 MR. F. DOUCET: Yes, I am there.

2 22894 MR. WOLSON: October 20, 1999.

3 22895 Do you see that?

4 22896 MR. F. DOUCET: I do.

5 22897 MR. WOLSON: I can tell you -- and I

6 don't mind if you wish to look through this, and take

7 whatever time you need -- that Mr. Schreiber did not

8 talk on this show. As a matter of fact, if you turn to

9 page 7 of the transcript of that show, you will see, in

10 the third little brief sentence -- the third paragraph,

11 just a brief sentence, where the author says:

12 "We wanted to speak directly to

13 the man best positioned to

14 explain those transactions -

15 Karlheinz Schreiber."

16 22898 MR. F. DOUCET: Correct.

17 22899 MR. WOLSON:

18 "(to Mr. Schreiber) Have you

19 anything at all to say about the

20 'Britan' account? Anything at

21 all to say about the 'Britan'

22 account, Mr. Schreiber? Can you

23 tell us why you had code-named

24 accounts naming Canadians, Mr.

25 Schreiber? You don't want to

1 speak to us?  
2 But who is 'Britan' supposed to  
3 represent?"  
4 22900 Schreiber wouldn't talk. You see  
5 that?  
6 22901 MR. F. DOUCET: I see that. I see  
7 that, yes.  
8 22902 MR. WOLSON: What in there in terms  
9 of Schreiber being chatty with the media? I must have  
10 missed that, because I don't see him talking to the  
11 media in '99.  
12 22903 MR. F. DOUCET: Well, it was the  
13 context of The Fifth Estate program and the reference  
14 to Schreiber that I am referring to here.  
15 22904 MR. WOLSON: But you just told me you  
16 were concerned that Mr. Schreiber was getting chatty  
17 with the media.  
18 22905 MR. F. DOUCET: Correct.  
19 22906 MR. WOLSON: And you referenced 1999  
20 Fifth Estate, but I tell you that he wasn't speaking to  
21 the media Fifth Estate on air in 1999.  
22 22907 MR. F. DOUCET: Well, I'm not sure  
23 that he was talking on air, but it was my conclusion  
24 that he was talking to people from The Fifth Estate.  
25 22908 MR. WOLSON: Based on what?

1 22909 MR. F. DOUCET: Based on what was in  
2 the public press.

3 22910 MR. WOLSON: So you thought that he  
4 was doing an end run, not talking on television but  
5 talking underneath or behind the scenes?

6 22911 MR. F. DOUCET: Well, certainly that  
7 was a concern.

8 22912 MR. WOLSON: Because if you see who  
9 is talking on that show, it is your good friend Pat  
10 MacAdam who is doing the talking.

11 22913 Do you see that?

12 22914 MR. F. DOUCET: Can you bring me to  
13 that paragraph, please?

14 22915 MR. WOLSON: Page 2, talking about  
15 Mr. Schreiber.

16 22916 MR. F. DOUCET: Yes. Yes, I see  
17 that.

18 22917 MR. WOLSON:  
19 "PAT MACADAM (former associate  
20 of Brian Mulroney): They knew  
21 each other long before Mr.  
22 Mulroney became an MP and leader  
23 of the opposition - I don't know  
24 where they met, maybe through  
25 the Strausses - and he'd pay a



1                   courtesy call on Mr. Mulroney in  
2                   the Office of the Leader of the  
3                   Opposition. I was the  
4                   gatekeeper then and kept the  
5                   appointments, and he'd come in  
6                   with Max Strauss and say hello  
7                   and leave."  
8   22918                   He refers to him as an aggressive  
9                   businessman without being pushy.  
10   22919                   So it's Mr. MacAdam who is doing the  
11                   talking.  
12   22920                   MR. F. DOUCET: Yes, I see that.  
13   22921                   MR. WOLSON: I can tell you that  
14                   Mr. Lavoie was doing some talking. You may be familiar  
15                   with the comment that he uttered --  
16   22922                   MR. F. DOUCET: Yes.  
17   22923                   MR. WOLSON: -- on The Fifth Estate  
18                   regarding Mr. Schreiber.  
19   22924                   MR. F. DOUCET: I am.  
20   22925                   MR. WOLSON: Calling him an expletive  
21                   liar.  
22   22926                   MR. F. DOUCET: Correct.  
23   22927                   MR. WOLSON: I won't say everyone is  
24                   talking but Schreiber, but certainly people from the  
25                   Mulroney camp are talking, not Schreiber.

1 22928 MR. F. DOUCET: Mr. Wolson, my  
2 conclusions were based on my having heard and seen the  
3 program where frequent references to Mr. Schreiber were  
4 made in rather specific terms.

5 22929 MR. WOLSON: Refusing to comment.  
6 Schreiber refusing to comment.

7 22930 MR. F. DOUCET: Well, possibly  
8 refusing to comment, but certainly there seemed to be  
9 information flowing to them that came from sources  
10 which I attributed coming from him.

11 22931 MR. WOLSON: You thought he might be  
12 leaking information to The Fifth Estate?

13 22932 MR. F. DOUCET: I certainly came to  
14 that view.

15 22933 MR. WOLSON: I see.  
16 22934 So you watched the show, which was  
17 the 20th of October '99, and you decide to make notes.

18 22935 MR. F. DOUCET: Yes. And I think I  
19 made a mistake on --

20 22936 MR. WOLSON: On the date.  
21 22937 MR. F. DOUCET: -- on the date, yes.  
22 22938 MR. WOLSON: Nothing much turns on  
23 that.

24 22939 MR. F. DOUCET: By one week. I think  
25 I -- yes.

1 22940 MR. WOLSON: Nothing much turns on  
2 that, but this is what you write:  
3 "Having watched last night (Oct.  
4 28/99)..."  
5 22941 So we know that that would be October  
6 20, '99.  
7 22942 MR. F. DOUCET: Correct. I was off  
8 by a week.  
9 22943 MR. WOLSON: Sure.  
10 "... the fifth estate program on  
11 CBC dealing with K.S., I decided  
12 to write down my recollection of  
13 an event that took place on Dec.  
14 8, 1994."  
15 22944 You are talking obviously about the  
16 New York meeting; right?  
17 22945 MR. F. DOUCET: Correct.  
18 22946 MR. WOLSON: And you are doing this  
19 in '99, some five years after the event.  
20 22947 MR. F. DOUCET: Correct.  
21 22948 MR. WOLSON: But closer in time --  
22 22949 MR. F. DOUCET: Yes.  
23 22950 MR. WOLSON: Obviously you didn't  
24 know you would be here today, but certainly not going  
25 back to 15 years ago.

1 22951 MR. F. DOUCET: That is correct.

2 22952 MR. WOLSON: Okay.

3 22953 So you notes then are an aide to your  
4 memory --

5 22954 MR. F. DOUCET: That's correct.

6 22955 MR. WOLSON: -- when things would  
7 have been fresher certainly than they are today?

8 22956 MR. F. DOUCET: Absolutely.

9 22957 MR. WOLSON: You say:  
10 "On that date, (Dec. 8/94) I  
11 traveled to New York to meet up  
12 with MBM for the purpose of  
13 attending a lunch at the  
14 invitation of K.S. on the  
15 occasion of Elmer MacKay's  
16 recent wedding."

17 22958 That's what you say; right?

18 22959 MR. F. DOUCET: Correct.

19 22960 MR. WOLSON: But that is inaccurate.  
20 You didn't travel to New York to meet up with  
21 Mr. Mulroney; you went with him.

22 22961 MR. F. DOUCET: That's absolutely  
23 right. That is a -- that is a mistake which I can't  
24 explain. My memory, I guess.

25 22962 Certainly the tickets indicate that I

1           traveled with him.

2   22963                   MR. WOLSON:  Now, I want to raise an  
3           issue with you that is sensitive in nature, and I have  
4           raised it with your counsel before I ask you this.

5   22964                   You have suffered some heart  
6           problems.

7   22965                   MR. F. DOUCET:  Yes.

8   22966                   MR. WOLSON:  You have had some  
9           surgery --

10   22967                   MR. F. DOUCET:  Yes.

11   22968                   MR. WOLSON:  -- on your heart,  
12           sometime when you were back working with government.

13   22969                   MR. F. DOUCET:  Correct.

14   22970                   MR. WOLSON:  And I want to ask you  
15           this because I want to be fair to you in every respect.

16   22971                   Have you had some memory deficit that  
17           you have seen since that heart surgery?

18   22972                   MR. F. DOUCET:  Yes.

19   22973                   MR. WOLSON:  And has it affected your  
20           memory, to your knowledge?

21   22974                   MR. F. DOUCET:  Yes.

22   22975                   MR. WOLSON:  So when you write aide  
23           memoires, notes, you do so because you are familiar  
24           with your issues of memory?  That's part of the reason  
25           why you do these things?

1 22976 MR. F. DOUCET: I can't truly tell  
2 you that that's what motivated me to do that, no.

3 22977 MR. WOLSON: Okay. And I don't ask  
4 you that to embarrass you --

5 22978 MR. F. DOUCET: No.

6 22979 MR. WOLSON: -- but I know that it's  
7 an issue and you should tell the Commissioner about  
8 that because that is just a fact of life.

9 22980 MR. F. DOUCET: Correct.

10 22981 MR. WOLSON: This typewritten  
11 document, October 28, '99, is 16 pages long -- 16 lines  
12 long.

13 22982 MR. F. DOUCET: Yes.

14 22983 MR. WOLSON: It is actually 15-1/2  
15 lines. I have counted them. You could accept my word  
16 on that.

17 22984 MR. F. DOUCET: I accept that.

18 22985 MR. WOLSON: In 16 lines you have  
19 mentioned the word "international" in relation to the  
20 retainer of Mr. Mulroney on at least two occasions, in  
21 about the sixth or seventh line and in about the tenth  
22 line.

23 22986 Do you see that?

24 22987 I will read them to you.

25 22988 MR. F. DOUCET: No. I see the first

1           one, the "oversight internationally".

2   22989                   MR. WOLSON:  Yes...?

3   22990                   MR. F. DOUCET:  And...

4   22991                   MR. WOLSON:  "international arena".

5   22992                   MR. F. DOUCET:  Yes, I see that as

6           well.

7   22993                   MR. WOLSON:  In reference to the

8           discussions at the Pierre Hotel.

9   22994                   MR. F. DOUCET:  Correct.

10  22995                   MR. WOLSON:  It seems to be something

11           that was important enough to write twice in this memo.

12  22996                   MR. F. DOUCET:  I don't think I

13           looked at it that way when I constructed this, but --

14  22997                   MR. WOLSON:  So be it.

15  22998                   MR. F. DOUCET:  -- certainly the

16           essence of the meeting weighed heavily on that.

17  22999                   MR. WOLSON:  All right.  Now, what

18           you say is:

19                           "... I traveled to New York to

20                           meet up with MBM for the purpose

21                           of attending a lunch at the

22                           invitation of K.S. on the

23                           occasion of Elmer MacKay's

24                           recent wedding.  Elmer and his

25                           wife along with Barbell..."

1 23000 Who is Mr. Schreiber's wife.

2 23001 MR. F. DOUCET: Yes.

3 23002 MR. WOLSON:

4 "... and others were in

5 attendance. It was understood

6 that ahead of the lunch K.S.

7 wanted MBM to provide a report

8 to him on his ongoing assignment

9 of oversight internationally on

10 behalf of K.S. corporate

11 interests. At approximately

12 11:00 a.m., MBM and I proceeded

13 to K.S.'s room for approximately

14 1 1/2 hrs. the two of them

15 discussed various aspects about

16 MBM's assignment as well as a

17 number of matters where MBM saw

18 opportunities in the

19 international arena. K.S.

20 provided some materials to MBM

21 about some projects he was

22 pursuing. At the end of the

23 discussion K.S. handed over an

24 envelope indicating that a

25 payment for services and



1 expenses were included. I was  
2 present throughout the  
3 discussion period. At the end  
4 of the 1 1/2 hrs (approx) we all  
5 went down to the restaurant  
6 together to join the other  
7 guests at the Elmer MacKay  
8 luncheon. Lunch lasted for  
9 about 1 1/2 hrs and MBM and I  
10 left together."

11 23003 Do you see that?

12 23004 MR. F. DOUCET: I do.

13 23005 MR. WOLSON: Not a word in there  
14 about Thyssen being the product which was the subject  
15 matter of the consultancy arrangement, at least  
16 according to Mr. Schreiber, and I expect according to  
17 Mr. Mulroney.

18 23006 MR. F. DOUCET: Correct.

19 23007 MR. WOLSON: Why not?

20 23008 MR. F. DOUCET: Well, I guess because  
21 it was so implicit that I didn't -- I didn't feel I had  
22 to make it explicit.

23 23009 I mean it was -- that was the  
24 subject. That was the assignment. That was what  
25 brought them to the meeting in New York. And I suppose

1           it would have been better if I had put it down, but --

2   23010                   MR. WOLSON:  So the obvious was just

3           that --

4   23011                   MR. F. DOUCET:  Exactly.

5   23012                   MR. WOLSON:  -- it's so obvious that

6           you didn't need a memory aid in that respect.

7   23013                   MR. F. DOUCET:  I'm sorry...?

8   23014                   MR. WOLSON:  It was so obvious that

9           you didn't need a memory aid in that respect.

10  23015                   MR. F. DOUCET:  That is correct.

11  23016                   MR. WOLSON:  It's clear that when the

12           envelope was handed over, four lines from the bottom,

13           there was an indication that "payment for services and

14           expenses were included".

15  23017                   MR. F. DOUCET:  Correct.

16  23018                   MR. WOLSON:  So it's clear it wasn't

17           a loan, it wasn't an advance; it was payment?

18  23019                   MR. F. DOUCET:  Correct.

19  23020                   MR. WOLSON:  Not one mention of

20           China, Russia, France, Yeltsin, Mitterrand, not once?

21  23021                   MR. F. DOUCET:  Correct.

22  23022                   MR. WOLSON:  How could you remember

23           today those kinds of details when, for instance, you

24           write a letter about "the Birds" and have no knowledge

25           about it?

1 23023 How is it that you can today, 19  
2 years later, tell the Commissioner about names?

3 23024 I mean, it's hard to understand how  
4 19 or so years ago -- 15. I'm sorry, I'm out by four  
5 years. Fifteen years ago you could recall specific  
6 countries, specific leaders. How is that?

7 23025 MR. F. DOUCET: Well, it was very  
8 vivid in my mind and when you talk about the Chinese  
9 leadership, when you talk about personages like  
10 President Yeltsin and President Mitterrand, it  
11 registers.

12 23026 MR. WOLSON: An Airbus airplanes  
13 don't?

14 23027 MR. F. DOUCET: No.

15 23028 COMMISSIONER OLIPHANT: Can you tell  
16 us names of the Chinese leaders like you told us about  
17 the Head of State in Russia and the President of  
18 France?

19 23029 MR. F. DOUCET: I cannot. I only  
20 recall his referencing the Chinese leadership as, you  
21 know, the Chinese government certainly at the time and  
22 possibly to this day, has a much more diffused  
23 leadership than, say, Russia and France would have and  
24 referencing to Chinese leadership is a common  
25 expression.

1 23030 COMMISSIONER OLIPHANT: All right.  
2 --- Pause  
3 23031 MR. WOLSON: You had not seen  
4 Karlheinz Schreiber from the Pierre Hotel '94, the 8th  
5 of December, for a number of years.  
6 23032 MR. F. DOUCET: Correct.  
7 23033 MR. WOLSON: You were sort of keeping  
8 some distance from him, given your concerns that we  
9 have just discussed and you have articulated.  
10 23034 You thought perhaps he was feeding  
11 the media behind the scenes with information. That  
12 wouldn't be something that would sit well with you.  
13 23035 MR. F. DOUCET: Yes. I want to be  
14 fair, though, and say that I only came to that view  
15 around 1999.  
16 23036 MR. WOLSON: Well, certainly by the  
17 time of October '99 when you prepared your memo.  
18 23037 MR. F. DOUCET: Absolutely.  
19 23038 MR. WOLSON: It is 4:15, Mr. Doucet.  
20 I can tell you, sadly from both our perspectives, I'm  
21 sure, I'm not going to finish with my questions with  
22 you today. I don't think I'm going to be more than an  
23 hour, maybe an hour 15 tomorrow.  
24 23039 It has been a long day. It is 4:15.  
25 23040 MR. F. DOUCET: I feel remarkably

1 well.

2 23041 MR. WOLSON: You are fresh.

3 23042 MR. F. DOUCET: If you wish to  
4 proceed, I'm at your service.

5 23043 COMMISSIONER OLIPHANT: Mr. Wolson,  
6 you have introduced the subject of stopping today and I  
7 take it you had a reason for doing so. Despite the  
8 fact that Mr. Doucet feels remarkably fresh, that may  
9 not be the case with you. I don't know.

10 23044 MR. WOLSON: Some say that I'm fresh  
11 all the time, but I could go on to December 26, '99.  
12 That would take me about 20 or so minutes, half an  
13 hour. I could do that or we could come back and we  
14 could all be fresh in the morning.

15 23045 Whatever would please you and my  
16 colleagues who are sitting around watching me examine  
17 this witness.

18 23046 COMMISSIONER OLIPHANT: I have asked  
19 that they keep the air on overnight in here so that it  
20 will cool off and be not quite so dead tomorrow  
21 morning. And that is no reflection on the questions of  
22 counsel that are to be questioning tomorrow, believe  
23 me.

24 23047 I think it might be appropriate to  
25 break at this time. We will do so, coming back

1 tomorrow morning at 9:30.

2 23048 Good afternoon.

3 --- Whereupon the hearing adjourned at 4:20 p.m.,  
4 to resume on Tuesday, April 28, 2009 at 9:30 a.m. /  
5 L'audience est ajournée à 16 h 20, pour reprendre  
6 le mardi 28 avril 2009 à 09 h 30

7

8 We hereby certify that we have accurately  
9 transcribed the foregoing to the best of  
10 our skills and abilities.

11

12 Nous certifions que ce qui précède est une  
13 transcription exacte et précise au meilleur  
14 de nos connaissances et de nos compétences.

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