

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

Wednesday, May 13, 2009

**Tenue à :**

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

le mercredi 13 mai 2009

## APPEARANCES / COMPARUTIONS

|  |                                     |
|--|-------------------------------------|
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| Mr. Robert E. Houston, Q.C.  | Mr. Fred Doucet                     |
| Mr. Richard Wolson<br>Mr. Evan Roitenberg<br>Ms Nancy Brooks<br>Mr. Guiseppe Battista<br>Ms Myriam Corbeil<br>Mr. Peter Edgett<br>Ms Sarah Wolson<br>Mr. Martin Lapner | Counsel for the Commission          |
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| Ms Anne Chalmers<br>Ms Mary O'Farrell  | Commission Staff                    |

**TABLE OF CONTENTS / TABLE DES MATIÈRES**

|   | PAGE |
|---|------|
| Hearing commences at 9:36 a.m. / L'audience débute à 9 h 36   | 3576 |
| Previously sworn: The Right Hon. Brian Mulroney /<br>Sous le même serment : Le Très Hon. Brian Mulroney | 3577 |
| Examination by Mr. Pratte (Cont'd) / Interrogatoire par Me Pratte (suite)                               | 3577 |
| Recess taken at 10:52 a.m. / Suspension à 10 h 52<br>Hearing resumes at 11:14 a.m. / Reprise à 11 h 14  | 3633 |
| Recess taken at 11:58 p.m. / Suspension à 11 h 58<br>Hearing resumes at 2:00 p.m. / Reprise à 14 h 00   | 3669 |
| Recess taken at 3:15 p.m. / Suspension à 15 h 15<br>Hearing resumes at 3:37 p.m. / Reprise à 15 h 37    | 3733 |
| Recess taken at 4:26 p.m. / Suspension à 16 h 26<br>Hearing resumes at 4:47 p.m. / Reprise à 16 h 47    | 3773 |
| Hearing adjourns at 4:59 p.m. / L'audience est ajournée à 16 h 59                                       | 3783 |

**EXHIBITS / PIÈCES JUSTIFICATIVES**

| No.  | Description  | PAGE |
|------|--|------|
| P-48 | Transcript of Brian Mulroney's Examination on Discovery dated April 17, 1996 | 3673 |
| P-49 | Notice of Assessment and amended income tax returns for Brian Mulroney       | 3749 |

1 Ottawa, Ontario / Ottawa (Ontario)  
2 --- Upon resuming on Wednesday, May 13, 2009  
3 at 9:36 a.m. / L'audience reprend le mercredi  
4 13 mai 2009 à 9 h 36

5 34684 COMMISSIONER OLIPHANT: Good morning,  
6 counsel. Be seated, please.

7 34685 Mr. Wolson...?

8 34686 MR. WOLSON: Yes, good morning,  
9 Mr. Commissioner.

10 34687 It has been reported -- and I have  
11 confirmed it -- that Mr. Schreiber has been  
12 hospitalized. He underwent surgery I think last night  
13 and the situation is this. I have talked to Mr. Auger,  
14 his counsel, and while of course he is not looking to  
15 delay this proceeding at all, he does take the position  
16 that, depending on his client's state of health, he  
17 would need to get instructions prior to his  
18 cross-examination.

19 34688 Today is Wednesday and it is a  
20 situation where we are just going to have to wait and  
21 see as to his client's state of health and when he is  
22 able to instruct his counsel.

23 34689 I wanted to put that on the record.  
24 It will explain why Mr. Schreiber is not here. He left  
25 yesterday apparently in a great deal of pain and was

1           hospitalized and operated on, as I noted.

2   34690                            So that said, Mr. Auger will have

3           some comments to make as the hours go by.

4   34691                            COMMISSIONER OLIPHANT: All right.

5           Thank you very much.

6   34692                            Mr. Pratte...?

7           PREVIOUSLY SWORN: THE RIGHT HON. BRIAN MULRONEY /

8           SOUS LE MÊME SERMENT : LE TRÈS HON. BRIAN MULRONEY

9           EXAMINATION: THE RIGHT HON. BRIAN MULRONEY BY MR.

10          PRATTE (Cont'd) / INTERROGATOIRE : LE TRÈS HON. BRIAN

11          MULRONEY PAR Me PRATTE (suite)

12   34693                            MR. PRATTE: Mr. Mulroney, just for

13          convenience, perhaps you could have close by or at hand

14          Binder No. 2, Tab 72.

15   34694                            You will find there -- and we will go

16          into it in a moment, but it is an agenda of a trip you

17          took to Asia and China in particular in September 1993.

18   34695                            We finished yesterday by discussing

19          your knowledge and experience with the UN. You had

20          mentioned the UN in context of some of the documents

21          that Mr. Schreiber had given you at Mirabel.

22   34696                            How did you then propose to start on

23          this watching brief? How did that come about for

24          Mr. Schreiber?

25   34697                            THE RIGHT HON. BRIAN MULRONEY: When

1 a few days after I returned to the cottage and had met  
2 with Mr. Schreiber some time before, I was sitting out  
3 looking at my schedule for the upcoming weeks and  
4 months, such as it was then. I was just starting  
5 again.

6 34698 But one thing that I had very firmly  
7 on my agenda was the agenda of a trip to China and  
8 elsewhere in Asia, from October 1 to October 11. Here  
9 we are probably September 1 or thereabouts.

10 34699 So when I examined more carefully the  
11 documentation that Mr. Schreiber had given me,  
12 including the full photographs of the dépliant  
13 publicitaire, the merchandising documentation with the  
14 United Nations splashed all over it, I am taking a look  
15 at my proposed agenda for China and thought that I  
16 might usefully explore the concept with the leading  
17 members of the United Nations, in particular the P5  
18 countries, to begin the lengthy process of finding out  
19 where they stood generally on something like this.

20 34700 So inasmuch as I was going to China,  
21 I thought that might be a good place to start.

22 34701 China is a member of the P5 and has  
23 always taken a strong interest in the United Nations.  
24 So I figured in the absence of any specific  
25 instructions from Mr. Schreiber, this was a good way to

1 start.

2 34702 MR. PRATTE: Just to be clear,  
3 Mr. Mulroney, your trip to China, was it arranged for  
4 that purpose or did it pre-exist? It's not the correct  
5 word, but --

6 34703 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 34704 MR. PRATTE: But just explain to me  
8 in general.

9 34705 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 34706 MR. PRATTE: We will see that the  
11 names of business people involved are blocked out, but  
12 I wonder, whilst respecting confidentiality, if you  
13 could tell me a bit about how this trip and the  
14 principal purpose of that trip was?

15 34707 THE RIGHT HON. BRIAN MULRONEY: It  
16 was to represent another client but, as you know, when  
17 you travel that distance and are meeting the leadership  
18 of China, if you have any other clients or interests it  
19 is a good opportunity to explore them because of the  
20 nature of the Chinese business approach.

21 34708 It is always done first, if you are  
22 going at this level, in an informal, almost social  
23 setting and then you move on to more precise business  
24 discussions.

25 34709 MR. PRATTE: Okay. Could you go to



1 the agenda now and to the date of October 5, 1993.

2 34710 THE RIGHT HON. BRIAN MULRONEY:

3 Yes...?

4 34711 MR. PRATTE: You see there that there  
5 are various meetings that are set up.

6 34712 Let me ask you, Mr. Mulroney, the  
7 first one is at 8:30 in the morning, a potential  
8 breakfast with the Ambassador, the Canadian Ambassador  
9 in Beijing, Mr. Fred Bild.

10 34713 Did you know Mr. Bild?

11 34714 THE RIGHT HON. BRIAN MULRONEY: I  
12 appointed him.

13 34715 MR. PRATTE: Do you remember whether  
14 or not that breakfast did actually take place or did  
15 you meet him when you were in China?

16 34716 THE RIGHT HON. BRIAN MULRONEY: Oh,  
17 sure, yes.

18 34717 MR. PRATTE: Did you discuss with him  
19 at that time, prior to going there or when you met him  
20 there, whatever business you intended to conduct, if  
21 any, while you were in China?

22 34718 THE RIGHT HON. BRIAN MULRONEY: Well,  
23 perhaps in a general fashion, but it was for private  
24 clients and that's the way you tend to conduct it.

25 34719 The Ambassadors can be very useful,

1 very helpful there, but both my clients with whom I was  
2 travelling and I had our own access and friendships  
3 there. So the embassy provided essentially, to some  
4 extent, some support, ground support, although we  
5 had -- we provided all of our own facilities and our  
6 own vehicles, and so on.

7 34720 MR. PRATTE: Okay. If we go down the  
8 list, Mr. Mulroney, then, there is a meeting at  
9 11:30 -- well, first of all, let me ask you this  
10 specifically: Any of those meetings here, were any of  
11 them -- maybe I have asked you this already --  
12 specifically set up to discuss the watching brief for  
13 Mr. Schreiber?

14 34721 THE RIGHT HON. BRIAN MULRONEY: No.  
15 I had only met him a month before and I had only come  
16 up with the idea how I might usefully set in train a  
17 series of things that would be helpful to him. I  
18 decided to take advantage of the fact that I was going  
19 to be there for 10 or 11 days to find out if something  
20 helpful might be done there.

21 34722 MR. PRATTE: Okay. So let me take  
22 you back, then, to 11:30, the 11:30 to 13:30 slot, a  
23 meeting and lunch with the Chairman of CITIC.

24 34723 Who is that person? I won't try to  
25 pronounce the name, Mr. Mulroney. I'm sure you were

1 better than me at that. Did you know?

2 34724 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 34725 MR. PRATTE: What is the name of the

4 person?

5 34726 THE RIGHT HON. BRIAN MULRONEY: Wei

6 Ming Yi.

7 34727 MR. PRATTE: And what is CITIC?

8 34728 THE RIGHT HON. BRIAN MULRONEY: CITIC

9 is the -- or then was anyway, the largest development

10 Corporation in China.

11 34729 MR. PRATTE: Okay.

12 34730 THE RIGHT HON. BRIAN MULRONEY:

13 Largely controlled by the government and I think

14 established by Rong Yiren and it became a big -- it's

15 like a combination I suppose of the, I don't know, la

16 Caisse de dépôt and Investissement Québec where

17 everything is -- it's a major player in the Chinese

18 economy.

19 34731 MR. PRATTE: Do you know if you

20 discussed your idea, your concept of the P5, with the

21 Chairman of CITIC at that time?

22 34732 THE RIGHT HON. BRIAN MULRONEY: I

23 can't remember about that one.

24 34733 MR. PRATTE: Okay.

25 34734 THE RIGHT HON. BRIAN MULRONEY: I

1 eventually became a Director of this company.

2 34735 MR. PRATTE: All right. Then if you  
3 go down, there is another meeting with the  
4 Vice-Minister, Foreign Affairs of the People's Republic  
5 of China.

6 34736 THE RIGHT HON. BRIAN MULRONEY: Yes.  
7 That is the kind of person with whom I would have -- I  
8 can't specifically recall, but that is the kind of  
9 person that I would have begun informal discussions  
10 with.

11 34737 MR. PRATTE: Did you know that  
12 person?

13 34738 THE RIGHT HON. BRIAN MULRONEY: Yes,  
14 I knew him well.

15 34739 MR. PRATTE: And how did you know him  
16 before?

17 34740 THE RIGHT HON. BRIAN MULRONEY:  
18 Because he often accompanied a -- when I was there in  
19 1986, I made a State visit to China, and Dung Chow Ping  
20 was then running the show and this Mr. Yi was really in  
21 charge of the Foreign Affairs Secretariat. They spoke  
22 excellent English and so I was able to begin a  
23 relationship with him.

24 34741 MR. PRATTE: Okay.

25 34742 THE RIGHT HON. BRIAN MULRONEY: He

1           was very close to the Chairman.

2   34743                   MR. PRATTE:  Now let's get down the  
3           list to "Meeting and Banquet" hosted by the  
4           Vice-Premier of the People's Republic of China.

5   34744                   Tell me about that.  What do you  
6           recall about that meeting and banquet?

7   34745                   First of all, was there a meeting  
8           before the banquet?

9   34746                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
10          there was.  This was Zhu Ronji, who was then the  
11          Vice-Premier and Governor of the Central Bank of China.  
12          And Zhu Ronji, because of our earlier association, had  
13          me in for a private meeting before the banquet which he  
14          gave in our honour.

15   34747                   MR. PRATTE:  When you say your prior  
16          association, what are you referring to?

17   34748                   THE RIGHT HON. BRIAN MULRONEY:  After  
18          Tiananmen Square he came to Canada and I was advised --  
19          and I was really informed that a decision had been made  
20          in the External Affairs area that because of Tiananmen  
21          Square he would not be received by any high-ranking  
22          official of the Government of Canada.

23   34749                   Tiananmen Square had happened I think  
24          possibly two years before, and I felt that was enough  
25          time for anybody in the penalty box; that I did not

1 want to place in jeopardy, long-term jeopardy, Canada's  
2 relationship with China.

3 34750 Mr. Trudeau had been very active on  
4 the file. I was, Mr. Chrétien after me, and so on, and  
5 I didn't want to place that in jeopardy. So I simply  
6 said that I would, irrespective of what the Chinese  
7 government had been informed -- because he was very  
8 disappointed that he couldn't get really to see anybody  
9 in the political system -- that I would see him for  
10 dinner at 24 Sussex.

11 34751 MR. PRATTE: This is while you are  
12 still Prime Minister?

13 34752 THE RIGHT HON. BRIAN MULRONEY: While  
14 I was Prime Minister. So this had to be '90-'91.

15 34753 So he came over for dinner. I was  
16 accompanied by one or two people and so was he. He was  
17 then the Vice-Premier and he was on his way to becoming  
18 Prime Minister and the most influential man in China.

19 34754 So this was a dinner that he was  
20 giving in our honour, and he asked me to come by and  
21 see him for about half an hour before we went to the  
22 dinner.

23 34755 You know, the Chinese, it is said of  
24 the Chinese that they never forget either a sleight or  
25 a friendship. We were friends with China and I wanted

1 to keep it that way.

2 34756 MR. PRATTE: You referred back to  
3 this dinner, Mr. Mulroney.

4 34757 How would you specifically  
5 characterize your relationship with the Vice-Premier of  
6 China by the time you go to China? I mean are you --

7 34758 THE RIGHT HON. BRIAN MULRONEY: Oh,  
8 very friendly.

9 34759 MR. PRATTE: This meeting -- so there  
10 is a meeting before the banquet, just so I am clear.

11 34760 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 34761 MR. PRATTE: Do you recall anything  
13 you might have discussed at that meeting?

14 34762 THE RIGHT HON. BRIAN MULRONEY: I  
15 raised with him in a private general fashion the  
16 main -- the issues involving the main client with whom  
17 I was travelling obviously, and I also took the liberty  
18 of his invitation to discuss with him the situation of  
19 another Canadian, major Canadian corporation, plus this  
20 matter with the United Nations.

21 34763 I may say parenthetically that in the  
22 first two instances the Chinese government, in a timely  
23 manner, responded very favourably and my clients were  
24 able to do that which they sought to do in China.

25 34764 The third one, for reasons that we

1 will -- which was the Thyssen matter. For reasons that  
2 I'm sure we will get into, nothing came to pass at the  
3 time.

4 34765 MR. PRATTE: What did you -- in  
5 respect of the watching brief you had from  
6 Mr. Schreiber, the Thyssen matter, what did you say or  
7 what was the discussion, to the best of your --

8 34766 THE RIGHT HON. BRIAN MULRONEY: Well,  
9 I can't remember the -- I raised three matters with him  
10 before dinner just in chatting. I wasn't expecting any  
11 definitive answers then nor did I get any on anything.

12 34767 We went from there to a very lengthy  
13 banquet where I sat next to him for four hours that  
14 evening and had all kinds of conversations about pretty  
15 well everything that was involved in a bilateral  
16 relationship with Canada, plus the corporate interests  
17 that I was seeking to advance.

18 34768 So I don't remember the specifics,  
19 but I do remember that in the three cases I raised  
20 obviously my interest in it, and in the Thyssen case  
21 what can I usefully do and what would you suggest,  
22 given China's very powerful position at the United  
23 Nations.

24 34769 MR. PRATTE: Why, Mr. Mulroney,  
25 wouldn't you have approached this watching brief by



1 seeking to meet someone in the bureaucracy?

2 34770 I just want to get a sense of why you  
3 are talking to that person as opposed to someone else  
4 or arriving with reams of paper, whatever.

5 34771 THE RIGHT HON. BRIAN MULRONEY: It  
6 doesn't work. You don't deal with the Chinese  
7 leadership that way. It is a series of courtesies. It  
8 is a series of long friendships and long, laborious  
9 discussions in some cases before you get down to the  
10 nitty-gritty.

11 34772 MR. PRATTE: If you flip over the --  
12 well, yes. Ambassador Bild, was he at that meeting?

13 34773 THE RIGHT HON. BRIAN MULRONEY: Oh,  
14 I'm sure he was somewhere at the dinner, but he wasn't  
15 at this meeting.

16 34774 MR. PRATTE: Okay. And where were  
17 you seated at dinner?

18 34775 THE RIGHT HON. BRIAN MULRONEY: Right  
19 on the right hand of Zhu Ronji.

20 34776 MR. PRATTE: Do you recall whether  
21 Ambassador Bild was close by or close to you?

22 34777 THE RIGHT HON. BRIAN MULRONEY: No.  
23 He would have been -- if he was there, he would have  
24 been in the -- he would have been elsewhere in the  
25 hall.

1 34778 MR. PRATTE: Okay.

2 34779 THE RIGHT HON. BRIAN MULRONEY: I  
3 think the dinner was in the Great Hall, wasn't it?

4 34780 MR. PRATTE: Yes.

5 34781 THE RIGHT HON. BRIAN MULRONEY: Yes,  
6 it was in the Great Hall.

7 34782 MR. PRATTE: Okay.

8 34783 THE RIGHT HON. BRIAN MULRONEY: And  
9 so the dining facilities there are, to say the least,  
10 fairly large.

11 34784 MR. PRATTE: All right. Could you  
12 flip over to the next page.

13 34785 There is a name there, Vice-Chairman  
14 of the State, Rong Yiren.

15 34786 MR. PRATTE: Rong Yiren. You  
16 mentioned that name just a moment ago, I think.

17 34787 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 34788 MR. PRATTE: Who is that person?

19 34789 THE RIGHT HON. BRIAN MULRONEY: Rong  
20 Yiren was at the time the Vice-President of China.

21 34790 MR. PRATTE: Did you discuss your  
22 mandates or your watching brief with Mr. Yiren?

23 34791 THE RIGHT HON. BRIAN MULRONEY: In a  
24 general way, the same way I did it with others.

25 34792 Rong Yiren was an original part of

1 the leadership, the long march and all of that. But  
2 like many of them he was badly dealt with, he and his  
3 family, during the cultural revolution.

4 34793 He rebounded from that, as did his  
5 son, as a friend of Dung Chow Ping and he emerged as  
6 the creator of what we identified earlier as CITIC. He  
7 was the -- I don't know if he was the founder, but he  
8 was certainly the boss of CITIC.

9 34794 And he would come to Canada in that  
10 capacity and that's where I met him. And over time he  
11 was persuaded to accept the position of Vice-President  
12 of China, which he did, but he maintained his basic  
13 interest in CITIC.

14 34795 He was a very influential --  
15 obviously very influential man and someone well  
16 acquainted with business obviously. So it was always  
17 informative and instructive to deal with him.

18 34796 MR. PRATTE: Did you, during those  
19 two meetings in particular did you ask whether or not  
20 the Chinese would be interested in buying the vehicles  
21 for which you had the brochures?

22 34797 THE RIGHT HON. BRIAN MULRONEY: No.  
23 I have made the point in other circumstances that once  
24 I engaged in conversation, in the unlikely event that  
25 there or somewhere else they said, by the way, I'm glad

1           you mentioned it because in point of fact we need 500  
2           of those vehicles immediately, could you get them for  
3           us, I would have been on the phone in a New York minute  
4           to Mr. Schreiber and say hey, this thing has gone much  
5           better than I thought, there is and -- but I wasn't  
6           there to do that. I was there simply to begin the  
7           process of sounding out the terrain for a more  
8           comprehensive approach later.

9   34798                   MR. PRATTE: Okay. And when you say  
10           sounding out the terrain, what is the ultimate for  
11           something later on -- I don't want to put words in your  
12           mouth.

13   34799                   THE RIGHT HON. BRIAN MULRONEY: Yes.

14   34800                   MR. PRATTE: I just want you to try  
15           to explain to the Commissioner what you had in mind.

16   34801                   THE RIGHT HON. BRIAN MULRONEY: Well,  
17           when I sat out there and tried to reflect, as I say, on  
18           what I might usefully do in the absence,  
19           Mr. Commissioner, of any specific instructions from the  
20           client, and I came upon the concept of the  
21           standardization and the utilization of this quite  
22           splendid vehicle that Thyssen was producing for the  
23           United Nations, I relied on my own experience with the  
24           United Nations to know of the need and the value of  
25           standardization, and so on.

1 34802                   And the Chinese were particularly  
2           important, not only because of their enormous size and  
3           the enormous size of their military as well, but their  
4           support of the United Nations. China was a member of  
5           the P5.

6 34803                   COMMISSIONER OLIPHANT: May I ask a  
7           question, please.

8 34804                   To your knowledge, has China ever  
9           participated in a peacekeeping mission?

10 34805                  THE RIGHT HON. BRIAN MULRONEY: China  
11          has been very active in Africa in what would be  
12          considered as a developmental and United Nations  
13          supported initiatives, but they tend to avoid specific  
14          engagements that take them outside of China. But they  
15          were a big supporter of this.

16 34806                  And moreover, as a member of the P5,  
17          they had a veto over everything. So it was important  
18          to try to get them onside, or at least find out  
19          initially whether this was a good idea. I mean, if  
20          somebody said this is a lousy idea, you know, we can  
21          never get everybody to agree to standardization or  
22          to -- because the other part of the concept -- so I'm  
23          sorry.

24 34807                  I had planned then to visit with the  
25          members of the P5, go to New York, see the Secretary

1           General and say look, I have met with the members of  
2           the P5 around the world. They seem to be in general  
3           favour of this approach. I would like to flesh it out  
4           and take it further. And if I do that and come back to  
5           you, would you then take it to the P5, to the Security  
6           Council, for the next stage of discussion and debate?

7   34808                    That would have resulted I hoped in a  
8           decision by the Security Council, which was really the  
9           P5, to say look, this makes a lot of sense. We can  
10          save a lot of money doing this.

11   34809                   The other thing I thought of -- I  
12          don't know how, it might have worked out fully -- was  
13          rather than -- as soon as somebody calls what happens  
14          at the United Nations -- it's more sophisticated now,  
15          but then -- there would be a lot of calling around to  
16          the Prime Minister of Canada, to the President of  
17          Bangladesh. Could you send peacekeepers and equipment  
18          to the Congo?

19   34810                   You can imagine how effective that  
20          was.

21   34811                   I thought that the peacekeeping  
22          section of the United Nations, if you could persuade  
23          the P5 to be the acquirer of these and the controller  
24          of this, you could then station a number of these on an  
25          emergency basis, say in Europe, in central Africa, in

1 Sri Lanka, and so on, so that if there was a regional  
2 demand, which there always is, you would have  
3 everything there. You would have your trained -  
4 everyone from the generals down in peacekeeping, and  
5 you would have standardized equipment, so if one got  
6 blown out by a mine, or if there was a flat tire, or  
7 what have you, they are all the same, you can replace  
8 them and move along much more efficiently.

9 34812 That was my concept. That's what I  
10 was trying to do. I don't know - I don't think it was  
11 the greatest idea in the world, but it was one that I  
12 thought might advance Mr. Schreiber's company's  
13 corporate interests.

14 34813 MR. PRATTE: Mr. Mulroney, you come  
15 back from China, then, I guess, if we rely on the  
16 schedule -

17 34814 Do you have a recollection of when  
18 you actually come back to Canada?

19 34815 THE RIGHT HON. BRIAN MULRONEY: Oh, I  
20 am going to say - I think I got back a day or so before  
21 the general election that year, whenever that was.

22 34816 Late October?

23 34817 MR. PRATTE: I think, maybe, a little  
24 earlier than that, if we look at the schedule.

25 34818 THE RIGHT HON. BRIAN MULRONEY:

1 Mid-October?

2 34819 I was in China on the 11th, and I had  
3 to go to Paris, so I am going to say the third week of  
4 October.

5 34820 MR. PRATTE: All right. Did you  
6 report to Mr. Schreiber about this idea, or this trip  
7 to China around that time?

8 34821 THE RIGHT HON. BRIAN MULRONEY: Not  
9 then.

10 34822 When I had left Harrington Lake, I  
11 had made a courtesy call to Fred Doucet, who had  
12 arranged the meetings and so on there, simply to tell  
13 Fred that the meeting had taken place, and that Mr.  
14 Schreiber had retained my services, and that I was  
15 working on a concept that I hoped would be helpful.

16 34823 Fred was - I considered him his  
17 representative, which he was - his lobbyist, which he  
18 was - and he had set up the meeting with Mr. Schreiber,  
19 and I felt it appropriate that I tell him, that I  
20 report to him that Mr. Schreiber had retained my  
21 services to act internationally on his behalf, which  
22 was what I then proceeded to do.

23 34824 I don't know if I called Fred after  
24 coming back from China. I probably did, but I can't  
25 put words in his mouth, and I can't say at that time



1           that anything other than the China thing had been  
2           finished and we were going to move on.

3   34825                   MR. PRATTE: Did you have occasion to  
4           discuss your China trip and concept, as you have  
5           described it, with Mr. Schreiber at any point in 1993?

6   34826                   THE RIGHT HON. BRIAN MULRONEY: Yes.

7   34827                   MR. PRATTE: How did that come about?

8   34828                   THE RIGHT HON. BRIAN MULRONEY: That  
9           came about when Mr. Doucet called me in Montreal and  
10          said, "Look, Mr. Schreiber is back in Canada, and he  
11          would be glad of an opportunity to sit down with you."

12   34829                   That worked out to a meeting in  
13          December sometime, `93, I think.

14   34830                   MR. PRATTE: Yes. Mr. Mulroney, on  
15          the record there are two dates -

16   34831                   First of all, do you remember where  
17          the meeting took place?

18   34832                   THE RIGHT HON. BRIAN MULRONEY: It  
19          took place in the coffee shop of the Queen Elizabeth  
20          Hotel on René Lévesque Boulevard in Montreal.

21   34833                   MR. PRATTE: There are two dates that  
22          have been put forward as possibilities. One is  
23          December 17th, a Friday, and December 18th, 1993.

24   34834                   Do you have a specific recollection  
25          as to the date?

1 34835 THE RIGHT HON. BRIAN MULRONEY: I  
2 don't remember the date, but I think it would have been  
3 the Saturday.

4 34836 MR. PRATTE: Why do you say that?

5 34837 THE RIGHT HON. BRIAN MULRONEY:  
6 Simply because the manner in which everybody were  
7 clothed in the hotel, in a more casual way.

8 34838 MR. PRATTE: Do you remember  
9 approximately what time the meeting might have taken  
10 place?

11 34839 THE RIGHT HON. BRIAN MULRONEY: I  
12 think it was before noon, at around 11 o'clock.

13 34840 MR. PRATTE: When you attend the  
14 meeting - you said that it was a coffee shop. Can you  
15 describe a bit more - how should I say - fulsomely what  
16 you mean by that?

17 34841 Again, is it a public area, a private  
18 area?

19 34842 What is it, as best you can recall?

20 34843 THE RIGHT HON. BRIAN MULRONEY: It  
21 was like a Tim Hortons with more expensive coffee.  
22 --- Laughter / Rires

23 34844 THE RIGHT HON. BRIAN MULRONEY: It  
24 was a coffee shop in a hotel in Montreal.

25 34845 MR. PRATTE: Were there people there

1 when you arrived? Was Mr. Schreiber there?

2 34846 THE RIGHT HON. BRIAN MULRONEY: I  
3 think he was in the coffee shop, yes. I arrived later.  
4 The coffee shop was filled with people, and he had a  
5 table in the middle of the - the table perhaps where  
6 Mr. Doucet's lawyer is down there, and everybody was  
7 around, and I sat there.

8 34847 MR. PRATTE: This was in 1993, Mr.  
9 Mulroney. You had just stepped down a few months  
10 earlier as Prime Minister of Canada for some nine  
11 years. When you arrive in a public place, are you  
12 recognized?

13 34848 THE RIGHT HON. BRIAN MULRONEY: Yes,  
14 and the affection and gratitude was pouring out of the  
15 souls of everyone there.

16 34849 MR. PRATTE: That's Montreal.  
17 --- Laughter / Rires

18 34850 THE RIGHT HON. BRIAN MULRONEY: Yes,  
19 of course, you are recognized when you go -

20 34851 MR. PRATTE: All right. Then tell  
21 the Commissioner what you recall of the discussion  
22 during that meeting.

23 34852 COMMISSIONER OLIPHANT: I can't  
24 resist this. You made that comment. You should have  
25 come to Winnipeg.

1 --- Laughter / Rires

2 34853 THE RIGHT HON. BRIAN MULRONEY: I  
3 did.

4 34854 You know one of the things I am  
5 proudest of, Mr. Chairman? I think we won almost every  
6 seat in Manitoba in 1984, and we did the same thing in  
7 '88. So I concluded that Manitobans are particularly  
8 forgiving souls.

9 --- Laughter / Rires

10 34855 MR. PRATTE: All right. Mr.  
11 Mulroney, let's travel back from Winnipeg to Montreal,  
12 at the Queen Elizabeth Hotel, in what you have  
13 described as a coffee shop.

14 34856 THE RIGHT HON. BRIAN MULRONEY: Yeah.

15 34857 MR. PRATTE: What do you recall of  
16 the discussion that may have occurred that day with Mr.  
17 Schreiber?

18 34858 THE RIGHT HON. BRIAN MULRONEY:  
19 Pursuant to what you have just alluded to, I sat down  
20 and, not unexpectedly, because I had been in office  
21 recently, people kept coming over to have a picture  
22 taken with their husbands or wives, and autographs and  
23 so on.

24 34859 So there was a little bit of a  
25 commotion.

1 34860                   And then we sat down. I suppose the  
2 meeting lasted half an hour or 40 minutes. We both  
3 ordered a cup of coffee, and the first thing we talked  
4 about, of course, was the results of the election and  
5 Mr. Chrétien's new government.

6 34861                   I filled him in, generally speaking,  
7 on what I had done in China. He expressed thanks for  
8 that, and he acknowledged it, but he didn't appear to  
9 me to be particularly interested in this, which kind of  
10 surprised me, because I thought, given his interest in  
11 exports, and given what we now know, that he stood to  
12 make personally \$1.8 billion if we could have secured  
13 this major export market - I thought he would be much  
14 more enthusiastic at that meeting about China and the  
15 P5 than he was.

16 34862                   MR. PRATTE: All right. Did you  
17 discuss anything else?

18 34863                   THE RIGHT HON. BRIAN MULRONEY: Yeah,  
19 he had fallen in love with the Liberals.

20 34864                   MR. PRATTE: What do you mean?

21 34865                   THE RIGHT HON. BRIAN MULRONEY: Well,  
22 his infatuation with André Ouellet, my old classmate  
23 from Laval, was unbounded. He told me that the  
24 Liberals were in, and contrary to the Conservatives, he  
25 had it figured out about how he was going to get this

1 deal done, now in the east end of Montreal.

2 34866 Now, I knew Mr. Ouellet well -  
3 probably all of my life, since we were students. He is  
4 a very effective political operator, a very tough guy,  
5 very successful in his business, and he was then, after  
6 the election, the Minister of Foreign Affairs and the  
7 senior cabinet representative from Montreal. He had a  
8 lot of influence.

9 34867 He had been introduced to him, I  
10 think, by Mr. Lalonde, and he was very infatuated, both  
11 with him and with the prospects of concluding a deal.

12 34868 So my conversation with him, the  
13 details I provided him about China, seemed to interest  
14 him a lot less.

15 34869 MR. PRATTE: Did you discuss, or did  
16 he ask you anything about invoicing him, or any  
17 discussions of that nature at that meeting?

18 34870 THE RIGHT HON. BRIAN MULRONEY: No.

19 34871 I think he testified here that he  
20 never asked me for an invoice, he never -

21 34872 He said, I think - and it was  
22 probably reflective of his attitude at that time, as  
23 well - that he hoped he would be able -

24 34873 He knew that I couldn't do anything  
25 in those circumstances, but he hoped that he would be

1           able to reactivate me at a later date to do something  
2           major for him.

3   34874                   MR. PRATTE: Did anything else happen  
4           at the Queen Elizabeth Hotel?

5   34875                   First of all, was there any other  
6           subject matter that was discussed?

7   34876                   THE RIGHT HON. BRIAN MULRONEY:  
8           Basically that was it.

9   34877                   MR. PRATTE: Did anything else happen  
10          at that meeting?

11   34878                   THE RIGHT HON. BRIAN MULRONEY: He  
12          said that - he had a travelling bag with - like one  
13          sees often in Europe, with a strap over the shoulder.  
14          It was on the ground. He opened it and said, "I would  
15          like to give you a second payment on your retainer, and  
16          good luck," and off we went.

17   34879                   MR. PRATTE: What was the form of  
18          the -

19   34880                   THE RIGHT HON. BRIAN MULRONEY: It  
20          was the same kind of legal sized envelope. He put it  
21          on the table, in front of everybody in the hotel, in  
22          the coffee shop, and he walked me to the door, and I  
23          left and he went back to Germany.

24   34881                   MR. PRATTE: What did you do with the  
25          envelope?

1 34882 THE RIGHT HON. BRIAN MULRONEY: I  
2 took it home and I put it in the safe.

3 34883 MR. PRATTE: And what was in it?

4 34884 THE RIGHT HON. BRIAN MULRONEY: The  
5 same amount.

6 34885 MR. PRATTE: Seventy-five thousand  
7 dollars?

8 34886 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 34887 MR. PRATTE: In what denomination?

10 34888 THE RIGHT HON. BRIAN MULRONEY: The  
11 same denominations.

12 34889 MR. PRATTE: Did you put this money  
13 in a bank?

14 34890 THE RIGHT HON. BRIAN MULRONEY: No, I  
15 kept it in the safe, as I told you.

16 34891 MR. PRATTE: So that was late 1993,  
17 Mr. Mulroney. Did you carry out any other activities  
18 right then, or subsequently, relating to what you have  
19 described as the watching brief?

20 34892 THE RIGHT HON. BRIAN MULRONEY: Yes,  
21 I did. In '94 President Yeltsin of Russia called and  
22 invited Mila and me and the children to visit with him.  
23 He was arranging a trip for us in Russia, which we  
24 accepted. We went over there, and in essentially  
25 similar circumstances, informal, I began the process of



1 finding out where he stood as a member of the P5.

2 34893 MR. PRATTE: And where was that?

3 34894 Where did he stand?

4 34895 THE RIGHT HON. BRIAN MULRONEY: The  
5 meeting took place in Sochi. He had installed us in a  
6 villa next to his own, and he would come over for  
7 breakfast or lunch or dinner when we were there.

8 34896 One day he brought us out - flew us  
9 up to an area for kind of like a family - his family  
10 and ours, kind of like a family picnic, where we spent  
11 a number of hours in casual conversation.

12 34897 When I raised it with him, he  
13 expressed interest. I think he said that he knew the  
14 company, and that they produced a superior product.

15 34898 I knew that - he alluded to his  
16 problems that were beginning in Chechnya, and elsewhere  
17 in the Urals, and that he needed equipment.

18 34899 He, I think, misunderstood what I was  
19 trying to say, because he said to me, "You know, Brian,  
20 I would love to buy this product, but I don't have any  
21 money." I said to him, "Well, I'm not trying to sell  
22 anything, I just want to know where Russia would stand  
23 if this came to the United Nations," and he led me to  
24 believe that, if that's what it was, he would be  
25 supportive.

1 34900 MR. PRATTE: Could you turn to Tab  
2 74.

3 34901 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 34902 MR. PRATTE: Do you recognize that  
5 document?

6 34903 THE RIGHT HON. BRIAN MULRONEY: Yes,  
7 I do.

8 34904 MR. PRATTE: What is it?

9 34905 THE RIGHT HON. BRIAN MULRONEY: It is  
10 my schedule, and that of the family, for a visit to  
11 Russia, from August 18th to the 30th, 1994.

12 34906 MR. PRATTE: If you go to the last  
13 page of the tab, Mr. Mulroney, and look at the  
14 calendar - you mentioned Sochi. If you look at the  
15 23rd and 24th of August -

16 34907 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 34908 MR. PRATTE: -- it says "Moscow to  
18 Sochi," and then Sochi to - I am not sure how to  
19 pronounce that either.

20 34909 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 34910 MR. PRATTE: Is that the place where  
22 you described the meeting having taken place?

23 34911 THE RIGHT HON. BRIAN MULRONEY: I  
24 suppose so. I think it worked out to be longer than  
25 that, but it was certainly three days, or something

1           like that.

2   34912                   MR. PRATTE:  Did Mr. Yeltsin indicate  
3           any reaction to your suggestion to him about your  
4           concept, and the P5, et cetera?

5   34913                   THE RIGHT HON. BRIAN MULRONEY:  He  
6           indicated at the end -

7   34914                   He misunderstood what I had said.

8   34915                   MR. PRATTE:  Yes.

9   34916                   THE RIGHT HON. BRIAN MULRONEY:  Then,  
10          when I said, "Well, I am not trying to sell anything, I  
11          am trying to explore the possibility of what you might  
12          think of the concept, and whether you think it's a  
13          worthy one," he said, "Yes."

14   34917                   MR. PRATTE:  Why are you  
15          approaching - the same question as with China - why are  
16          you approaching the President of Russia, in that  
17          instance, about that issue?

18   34918                   What role would that person play in  
19          the event that you wanted to take the concept forward,  
20          ultimately, to the United Nations?

21   34919                   THE RIGHT HON. BRIAN MULRONEY:  If  
22          the President of China, unlike, kind of, rough and  
23          tough democracies like ours - if the President of  
24          Russia says, "We are going to support something," you  
25          don't have to have a meeting of the Public Service to

1 find out whether that's okay, it's going to happen.  
2 The same thing in China. The same thing in other  
3 countries, particularly in those countries that do not  
4 have the same kind of sophisticated democratic  
5 development that we have been privileged to have in  
6 Canada, and which exists in the U.K., Australia, and so  
7 on.

8 34920 I guess I could put it this way. If  
9 you were interested in this kind of concept, and I am  
10 confronted with this, and the President of Russia calls  
11 and says, "I would like you to come over with Mila and  
12 the kids for - "

13 34921 We had gotten to know him quite well.  
14 He came to visit with us, and he knew Mila very well,  
15 and so on. If the guy calls and says, "I'd like you to  
16 come over," and you say, "Well, no, I don't think I  
17 would like to meet with you, I want to meet with the  
18 junior assistant deputy minister of procurement," I  
19 think you would be wasting a tremendous opportunity.

20 34922 He was there with his chief of staff,  
21 and so on.

22 34923 Oh, one thing that he did want to  
23 talk about was that he -

24 34924 I was a member of the Board of the  
25 George Herbert Walker Bush Presidential Library, and he

1 had seen that, and after he had told me, "Well, we  
2 don't have the money," thinking that I was trying to  
3 sell it, he told me about how he - he really loved that  
4 American thing about presidential libraries, and he was  
5 going to have one himself.

6 34925 I said, "Well, generally speaking,  
7 not all the time, but in the past a lot of the American  
8 presidents have had to die to have this kind of  
9 library," and he said, "Well, I want one pretty badly,  
10 but not that bad."

11 --- Laughter / Rires

12 34926 THE RIGHT HON. BRIAN MULRONEY: So he  
13 was engaged in all kinds of things in that kind of  
14 meeting.

15 34927 COMMISSIONER OLIPHANT: May I ask a  
16 question, please?

17 34928 MR. PRATTE: Yes, sir.

18 34929 COMMISSIONER OLIPHANT: Mr. Mulroney,  
19 when you conversed with Mr. Yeltsin, what language were  
20 you speaking and what language was he speaking?

21 34930 THE RIGHT HON. BRIAN MULRONEY: I was  
22 speaking English and he was speaking Russian.

23 34931 COMMISSIONER OLIPHANT: Did you have  
24 an interpreter with you, sir?

25 34932 THE RIGHT HON. BRIAN MULRONEY: At

1 all times.

2 34933 COMMISSIONER OLIPHANT: From Canada?

3 34934 THE RIGHT HON. BRIAN MULRONEY: When

4 I was in office?

5 34935 COMMISSIONER OLIPHANT: No, when you

6 were visiting with Mr. Yeltsin at Sochi.

7 34936 THE RIGHT HON. BRIAN MULRONEY: No,

8 they brought in an interpreter from their mission in

9 Geneva.

10 34937 COMMISSIONER OLIPHANT: So it was a

11 Russian person, then.

12 34938 THE RIGHT HON. BRIAN MULRONEY: It

13 was a Russian person, who spoke both English and

14 French.

15 34939 COMMISSIONER OLIPHANT: I see.

16 34940 THE RIGHT HON. BRIAN MULRONEY: They

17 wanted to be certain that if I spoke French, that would

18 be translated as well.

19 34941 COMMISSIONER OLIPHANT: By any

20 chance, do you remember the name of that person?

21 34942 THE RIGHT HON. BRIAN MULRONEY: I'm

22 sorry, I don't, sir.

23 34943 His chief of staff was there, as

24 well, at the meetings.

25 34944 Or one of his chiefs of staff, he had

1 a number of them.

2 34945 MR. PRATTE: Thank you, Mr. Mulroney.

3 34946 Now, this trip takes place in or

4 about August, I guess, 1994.

5 34947 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 34948 MR. PRATTE: Did you conduct any

7 other activities in the pursuit of this initiative in

8 that year?

9 34949 Did you speak to anybody else?

10 34950 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 In - I think it was October, maybe. I was at a Board

12 meeting in Brussels, and had to go to Paris, and Mila

13 and I checked into the hotel, and about 20 minutes

14 later the phone rang and it was President Mitterrand,

15 who was still in office.

16 34951 Me PRATTE : Monsieur Mulroney,

17 peut-être je pourrais vous référer -- puisqu'on est en

18 France, on parlera la langue de la France --

19 34952 LE TRES HON. BRIAN MULRONEY : Oui,

20 absolument. Absolument.

21 34953 Me PRATTE : ...à l'onglet 75.

22 Peut-être vous pourrez prendre une...

23 34954 LE TRES HON. BRIAN MULRONEY : Oui,

24 très bien. Oui.

25 34955 Me PRATTE : ...une minute pour lire

1 le premier document, qui semble être un fax à un  
2 monsieur Bouchard, Benoît Bouchard.

3 34956 LE TRES HON. BRIAN MULRONEY : Oui.

4 34957 Me PRATTE : Prenez un instant pour le  
5 lire. Je veux juste savoir si ça rafraîchit votre  
6 mémoire.

7 34958 LE TRES HON. BRIAN MULRONEY : Oui,  
8 effectivement. C'est une communication de mon  
9 adjointe, madame Francine Colin(ph), à Montréal, qui  
10 communiquait avec l'honorable Benoît Bouchard, alors  
11 ambassadeur du Canada à Paris, pour lui dire que je  
12 serais à Paris du 27 au 30 septembre, et puis il y a  
13 certains arrangements d'usage qui sont faits, et c'est  
14 ça que Francine faisait.

15 34959 Me PRATTE : Alors, juste pour que je  
16 comprenne bien le commentaire que vous avez fait à  
17 propos d'un téléphone...

18 34960 LE TRES HON. BRIAN MULRONEY : Oui.

19 34961 Me PRATTE : ...est-ce que  
20 préalablement à votre voyage, il y avait une rencontre  
21 de prévue avec le Président Mitterrand?

22 34962 LE TRES HON. BRIAN MULRONEY : Non.

23 34963 Me PRATTE : Et donc, la rencontre  
24 s'est produite comment? Peut-être que vous pourriez  
25 juste simplement...



1 34964 LE TRES HON. BRIAN MULRONEY : Je  
2 présume qu'il a... le Président Mitterrand a dû savoir  
3 de la part de ses services secrets que j'étais en  
4 ville, et il m'a appelé à l'hôtel pour m'inviter à me  
5 rendre à l'Élysée avec Mila pour une visite de  
6 courtoisie.

7 34965 Me PRATTE : O.K. Et vous avez  
8 accepté l'invitation?

9 34966 LE TRES HON. BRIAN MULRONEY : Oui.  
10 Effectivement, oui.

11 34967 Me PRATTE : O.K. Et est-ce que vous  
12 avez discuté, notamment, de cette initiative avec le  
13 Président Mitterrand? Décrivez-nous, le cas échéant,  
14 ce qui s'est dit, au meilleur de votre souvenir.

15 34968 LE TRES HON. BRIAN MULRONEY : Oui,  
16 j'ai... bien, c'est-à-dire on est allé le voir, une  
17 visite de courtoisie. C'était un homme remarquable et  
18 quelqu'un avec qui j'avais travaillé intimement.  
19 J'avais beaucoup de respect et d'affection pour lui,  
20 puis on avait travaillé pour la création du Sommet de  
21 la Francophonie ensemble. Puis la France et le Canada  
22 étaient ensemble dans la quasi-totalité des dossiers au  
23 G7, ce qui était important pour lui. Il avait non  
24 seulement un allié mais un allié parlant français, le  
25 seul et unique autre pays.

1 34969                   Moi, j'étais impressionné, hautement  
2           impressionné par le fait que, après le fameux discours  
3           du général de Gaulle à Montréal en 1967, le lendemain  
4           ou le surlendemain, François Mitterrand, alors  
5           président du mouvement socialiste en France, a tenu une  
6           conférence de presse pour dire : Moi, je crois dans un  
7           Canada uni, ou des mots à cet effet. Il était  
8           largement... il supportait le fait français, mais au  
9           sein du Canada. Alors, pour moi, c'est pour ça qu'on a  
10          pu bâtir des relations très fécondes entre la France et  
11          le Canada. Donc, j'étais... c'était un plaisir pour  
12          moi de le retrouver.

13 34970                   Il nous a invités à deux occasions à  
14          Fort de Brégançon, la résidence estivale du président  
15          de la République, dans le sud de la France. On est  
16          allé deux fois à son invitation personnelle. Alors, il  
17          y avait cette relation assez, comme je dis, féconde.  
18          Donc, lorsqu'il m'a invité de me rendre à l'Élysée avec  
19          Mila, bien sûr, on a accepté.

20 34971                   Me PRATTE : Et quels sujets ont été  
21          abordés pendant... lorsque vous avez été à l'Élysée?

22 34972                   LE TRES HON. BRIAN MULRONEY : Tous  
23          les sujets, de la possibilité de Thyssen jusqu'à ses  
24          pensées sur la mort. Je ne savais pas à ce moment-là  
25          qu'il était mourant, mais, bien sûr, lui, il le savait.

1           Alors, c'était une discussion très enrichissante.

2   34973                   Me PRATTE : De quoi avez-vous parlé  
3           afférent au projet de monsieur Schreiber ou au mandat  
4           que vous aviez?

5   34974                   LE TRES HON. BRIAN MULRONEY : Un peu  
6           la même approche que j'avais pris ailleurs, auprès des  
7           chefs d'état, et il m'a dit de façon spécifique que  
8           oui... il dit : Je connais très bien la compagnie,  
9           parce que c'est avec Helmut Kohl qu'il avait créé  
10          l'alliance franco-allemande, le Président Mitterrand.  
11          Alors, il dit : Moi, je connais très bien la compagnie,  
12          et puis ce produit est absolument excellent. Il dit :  
13          Nous aussi, on essaie d'entrer dans ce marché-là. Oui,  
14          mais, j'ai dit, je n'essaie pas de vendre des véhicules  
15          au sein des Nations Unies. Ah, il dit, ça, c'est une  
16          autre paire de manches. Ça, il dit, je pense que cette  
17          idée-là est géniale.

18   34975                   Me PRATTE : Et est-ce que ce que vous  
19          venez de dire résume l'essentiel de votre conversation  
20          avec lui?

21   34976                   LE TRES HON. BRIAN MULRONEY : Oui.  
22          Il m'a laissé croire qu'au moment où le projet pouvait  
23          se concrétiser auprès des Nations Unies qu'il y  
24          donnerait son appui.

25   34977                   Me PRATTE : Avez-vous eu l'occasion

1 de rediscuter de ce projet-là plus tard avec le  
2 Président Mitterrand ou à une autre occasion?

3 34978 LE TRES HON. BRIAN MULRONEY : Oui.

4 34979 Me PRATTE : Quand et où, au meilleur  
5 de votre souvenir?

6 34980 LE TRES HON. BRIAN MULRONEY : Nous  
7 étions à Colorado Springs dans un événement organisé  
8 par le Président Bush père, présidé par Jim Lehrer de "  
9 The MacNeil/Lehrer Report " sur PBS aux États-Unis, et  
10 c'était une procédure historique dirigée par le  
11 Président Bush sur les événements importants entourant  
12 la fin de la guerre froide.

13 34981 Alors, il y avait madame Thatcher, le  
14 Chancelier Kohl, le Président Bush, le Président  
15 Gorbachev, le Président Mitterrand et moi, et il  
16 s'agissait d'un événement où tout a été télévisé pour  
17 l'histoire.

18 34982 Alors, Mitterrand était là. Il  
19 venait... à ce moment-là, il avait quitté le pouvoir.  
20 Il était là, comme moi, comme ancien chef de  
21 gouvernement, et j'ai pris le déjeuner avec lui pendant  
22 nos séances, et je me suis permis de lui en parler.

23 34983 Hey, il dit, est-ce que ça avance ton  
24 affaire? Bien, j'ai dit, ça avance tranquillement, pas  
25 vite, et puis... mais il y a du progrès.

1 34984 Me PRATTE : O.K. Et ça, c'est en  
2 quelle année, Monsieur Mulroney?

3 34985 LE TRES HON. BRIAN MULRONEY : C'est  
4 au mois d'octobre '95.

5 34986 Me PRATTE : '95. Et puisqu'on est en  
6 '95, Monsieur Mulroney... je vais revenir un petit peu  
7 plus tard sur une rencontre qui a eu lieu à New York à  
8 la fin '94. Mais en '95, hormis la discussion que vous  
9 auriez eue avec, je pense, l'ex-Président Mitterrand à  
10 ce moment-là, je pense qu'il n'est plus au pouvoir...

11 34987 LE TRES HON. BRIAN MULRONEY : Oui.

12 34988 Me PRATTE : ...avez-vous eu des  
13 discussions avec d'autres intervenants de d'autres  
14 pays?

15 34989 LE TRES HON. BRIAN MULRONEY : Oui.  
16 Dans cette période-là, j'avais eu des longues  
17 conversations, pour m'informer plus au niveau  
18 technique, avec Cap Weinberger, qui avait été pendant  
19 sept ou huit ans le secrétaire à la défense aux  
20 États-Unis. Alors, j'ai eu des conversations avec lui,  
21 compte tenu d'une vaste expérience qu'il a eue dans ce  
22 domaine militaire.

23 34990 Et j'ai eu des conversations avec  
24 James Baker, qui avait été secrétaire du trésor, chef  
25 de cabinet du Président Reagan, et secrétaire d'état

1           pour les relations étrangères dans le gouvernement du  
2           premier Président Bush.

3   34991                   Avec monsieur Baker, je me souviens  
4           très bien des conversations, mais je ne peux pas vous  
5           affirmer que j'ai soulevé avec lui la question de  
6           l'acquisition par les Nations Unies d'un produit de  
7           cette nature. Je l'ai fait avec Weinberger, mais avec  
8           monsieur Baker, si je me souviens bien, c'était surtout  
9           sa stratégie... pardon, sa perception de comment ça  
10          pouvait fonctionner auprès des Nations Unies.

11   34992                   Me PRATTE : O.K. Revenons pour  
12          quelques instants à vos conversations avec monsieur  
13          Weinberger. Vous dites, je pense, que c'était un peu  
14          plus technique?

15   34993                   LE TRES HON. BRIAN MULRONEY : Oui.

16   34994                   Me PRATTE : Et vous souvenez-vous de  
17          la réaction de monsieur Weinberger aux discussions ou  
18          au concept que vous lui exposiez?

19   34995                   LE TRES HON. BRIAN MULRONEY : Oui.

20          Lui, sa position, c'était... je me dois de vous  
21          signaler qu'il n'y a rien de pire pour l'industrie  
22          américaine de la défense de se faire... de voir une  
23          partie de ça usurpée par d'autres, y compris les  
24          Allemands.

25   34996                   Donc, il dit : Il y aura une

1           opposition farouche de la part de l'industrie  
2           américaine dans ce domaine, de façon générale. Alors,  
3           j'ai dit : Oui, mais est-ce qu'on devrait, d'après toi,  
4           tirer notre référence? Il a dit : Non. Il dit :  
5           Compte tenu de l'excellence des contacts que vous avez  
6           avec le Président Bush et le Président Clinton et les  
7           autres, vous serez peut-être en mesure de les  
8           convaincre, si vous êtes rendu là, d'appuyer le projet,  
9           vu qu'il s'agit d'une initiative des Nations Unies.

10   34997                   MR. PRATTE: I can't help but ask,  
11           Mr. Mulroney, three of the four people we have talked  
12           about - Presidents Yeltsin, Mitterrand, and Mr.  
13           Weinberger - are not with us any more.

14   34998                   Is that right?

15   34999                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
16           they are dead, and four years ago, when I was in the  
17           hospital, I almost died. If that had happened, I  
18           wouldn't be here and you wouldn't have any problems.  
19           There would be no inquiry.

20   35000                   I should say that I was the youngest  
21           head of government in the G7, by far. It just happened  
22           that way.

23   35001                   If President Reagan were still  
24           around, he would be 99 today, and Mitterrand would be  
25           in his late eighties, and so on.

1 35002                   That's just the way it is. We all  
2           get old, and someday we die. It happens to them, it's  
3           going to happen to all of us, as well.

4 35003                   MR. PRATTE: If we go back to 1994,  
5           did you have occasion then to meet with Mr. Schreiber?

6 35004                   I think the last time you had met him  
7           was in 1993 at the Queen E.

8 35005                   Is that right?

9 35006                   THE RIGHT HON. BRIAN MULRONEY:  
10          That's right, yes.

11 35007                  MR. PRATTE: Did you then, in the  
12          course of 1994, have another occasion to meet with him?

13 35008                  THE RIGHT HON. BRIAN MULRONEY: Yes,  
14          I did.

15 35009                  MR. PRATTE: Do you recall how that  
16          came about?

17 35010                  THE RIGHT HON. BRIAN MULRONEY: Yes.  
18          Again, I got a telephone call from my good friend Fred  
19          Doucet.

20 35011                  I actually began as a good friend of  
21          his brother, Gerry, and then got to know the family,  
22          and this evolved with Fred a few years later.

23 35012                  I got a call from Fred, who said that  
24          Mr. Schreiber was going to be in New York for a  
25          German-American banquet of some kind, and would be



1           happy to see me on that occasion, if I were going to be  
2           in New York.

3   35013                   Fred told me, as well, that he was  
4           also - of course, Elmer had just gotten remarried  
5           sometime before, and he was going to give a luncheon  
6           for Elmer, and he would like to invite me and Fred to  
7           go there.

8   35014                   So it was convenient, and Fred and I  
9           went down.

10   35015                  MR. PRATTE:  There is a document, Mr.  
11           Mulroney, if you would turn - I think it's in the same  
12           book that you have, and it's at Tab 76.

13   35016                  I wonder if you could take a look at  
14           that.

15   35017                  THE RIGHT HON. BRIAN MULRONEY:  Yes.

16   35018                  MR. PRATTE:  It appears to be a fax  
17           that was sent to your assistant, whom you have  
18           mentioned, Francine Collins -

19   35019                  THE RIGHT HON. BRIAN MULRONEY:  Yes.

20   35020                  MR. PRATTE:  -- from Mr. Doucet.

21   35021                  THE RIGHT HON. BRIAN MULRONEY:  Yes.

22   35022                  MR. PRATTE:  I wonder if you could  
23           quickly flip through these documents.

24   35023                  Do you recall receiving these  
25           documents?

1 35024 THE RIGHT HON. BRIAN MULRONEY: Yes,  
2 I do.

3 35025 MR. PRATTE: What did you understand  
4 the purpose of your being given those documents to have  
5 been?

6 35026 THE RIGHT HON. BRIAN MULRONEY: The  
7 first is a relevant - is a message to Francine from Mr.  
8 Doucet.

9 "Dear Francine,  
10 Could you kindly put this into  
11 Mr. Mulroney's file for our New  
12 York meeting. Thanks, Fred."

13 35027 Then, part of the file document deals  
14 with the Defence White Paper release and letter that  
15 had taken place on December 1, a few days before. This  
16 was a White Paper, a statement by the new Chrétien  
17 government, of the way that they would like to approach  
18 national defence issues, in whatever way different from  
19 what had taken place under my administration.

20 35028 This is always an interesting  
21 indication of the government mindset, and for a  
22 supplier like Thyssen, it is vital for them to be aware  
23 of this as time goes on.

24 35029 I think that Mr. Collenette was the  
25 new Minister of Defence, and this was his work.

1 35030 I was sent this. I also got a copy  
2 of the White Paper itself, and I went through it,  
3 because this was just a number of relevant passages,  
4 and this was given to me in preparation for the meeting  
5 with Mr. Schreiber in New York, and I brought it with  
6 me and dealt with it there.

7 35031 MR. PRATTE: If you look at 77, Mr.  
8 Mulroney -

9 35032 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 35033 MR. PRATTE: -- do you recognize that  
11 document?

12 35034 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 35035 MR. PRATTE: What is it?

14 35036 THE RIGHT HON. BRIAN MULRONEY: It is  
15 my schedule for New York, and the event, which is  
16 always tabbed on top, is a meeting with Mr. Karlheinz  
17 Schreiber, at The Pierre Hotel, in New York, at 11  
18 a.m., on December 8.

19 35037 MR. PRATTE: You may have addressed  
20 this already, but just so I am clear, did you ask to  
21 meet with Mr. Schreiber?

22 35038 THE RIGHT HON. BRIAN MULRONEY:  
23 Never, with - and we will come to that - with the  
24 exception of the meeting in Zurich, that we will get  
25 into.

1 35039 MR. PRATTE: Okay. But I am talking  
2 about this meeting now, the meeting in New York.

3 35040 THE RIGHT HON. BRIAN MULRONEY: No.

4 35041 MR. PRATTE: It says here that the  
5 meeting was set for 11 a.m.

6 35042 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 35043 MR. PRATTE: I think The Pierre Hotel  
8 is misspelled.

9 35044 THE RIGHT HON. BRIAN MULRONEY: Yes,  
10 that's right.

11 35045 MR. PRATTE: Do you go to that  
12 meeting alone or with Mr. Doucet?

13 35046 THE RIGHT HON. BRIAN MULRONEY: With  
14 Mr. Doucet.

15 35047 MR. PRATTE: Maybe you could just  
16 describe to the Commissioner what happened, then, upon  
17 your arriving at the hotel.

18 35048 THE RIGHT HON. BRIAN MULRONEY: We  
19 arrived at The Pierre, which, I think, is at the corner  
20 of 61st and Fifth, and we went up to - Mr. Doucet must  
21 have known where, we went up to his suite. Mr.  
22 Schreiber was there. Sat down. He confirmed what a  
23 great event had taken place the night before, this  
24 German-American Friendship Society, or whatever it was.  
25 I think it was at the Metropolitan Club, which is just

1 up the street a couple of blocks. I think that's where  
2 the dinner had taken place.

3 35049 Sat down. I can't remember exactly  
4 how the conversation began, beyond what he said to us  
5 about the great event the night before. That's the way  
6 it began.

7 35050 MR. PRATTE: Can you, then, tell me,  
8 as best as you can recall, how, from that beginning,  
9 the rest of the discussion flowed?

10 35051 THE RIGHT HON. BRIAN MULRONEY: We  
11 got into the White Paper. I gave him my opinion on  
12 what I believed that to be, and any change in the  
13 opportunities.

14 35052 I can't remember - I don't think he  
15 had a copy of it, so I gave him, I think, my copy.

16 35053 I don't believe he had a copy of it,  
17 and I gave him my copy, and drew his attention to some  
18 relevant chapters in the report that I thought would be  
19 of interest to him.

20 35054 Then I debriefed him fully, from A to  
21 Z, on what I had tried to do, and the entire concept of  
22 the United Nations, and I ended it, as it turns out -  
23 we were on a sofa, Mr. Doucet is here, Mr. Schreiber is  
24 there -

25 35055 MR. PRATTE: Just so the record is

1 clear, when you say "here" and "there" -

2 35056 THE RIGHT HON. BRIAN MULRONEY: Mr.  
3 Doucet is sitting next to me, immediately, and Mr.  
4 Schreiber is across the floor, in a chair.

5 35057 When I finished talking about the  
6 United Nations and the Security Council, I said to  
7 him - because that side of The Pierre leads out into  
8 Central Park, really, and I kind of moved toward the  
9 window - motioned toward the window and said, "When I  
10 am through with this, what I would very much like to do  
11 is go over to the East River here and talk to the  
12 Secretary General and begin the process of seeing if he  
13 would carry this forward to the Security Council for  
14 me."

15 35058 That was the manner - and he said, "I  
16 think that's a great idea."

17 35059 That's the way I think that  
18 conversation ended. He had reminded us that he was  
19 giving this private luncheon for Elmer and Sharon  
20 downstairs, and that it was a surprise. I was supposed  
21 to be some kind of surprise. How desirable, I'm not  
22 sure, but I was supposed to be kind of like a friend of  
23 Elmer's that he didn't know was there.

24 35060 At the end of that conversation,  
25 knowing that he wanted to go down for the meeting, he

1 got up and left the room and went into his bedroom  
2 area, and came back with an identical kind of legal  
3 sized envelope, nothing particularly - nothing changed,  
4 and said, in front of Mr. Doucet, words to the effect  
5 that this is the third payment on your retainer. Thank  
6 you very much for your good work.

7 35061 And I think then he said, "If we can,  
8 let's move downstairs to greet Elmer."

9 35062 MR. PRATTE: Did you do so?  
10 35063 Did you go downstairs?

11 35064 THE RIGHT HON. BRIAN MULRONEY: Yes,  
12 we went downstairs, and I think he was probably right  
13 in his testimony - I had forgotten it - when he said  
14 that I was having some - I don't know what he said, but  
15 some kind of stomach problems that day. I wasn't  
16 feeling particularly well. So I took a few minutes  
17 after they - I think I stopped on the way down, in the  
18 lobby, and then joined them at the 61st Street entrance  
19 to The Pierre.

20 35065 That's where the - in the café bar  
21 there, that's where it took place.

22 35066 We went in there, and Mr. and Mrs.  
23 MacKay were there. We sat down and we had a pleasant  
24 chat, and at whatever time it was, Mr. Doucet and I  
25 left.

1 35067 MR. PRATTE: Let's go back upstairs  
2 to the room. I forgot to ask you this question, Mr.  
3 Mulroney.

4 35068 In the discussions that you had with  
5 Mr. Schreiber, did you or did he address the situation  
6 or the project in the Province of Quebec?

7 35069 Or, in Canada, but by that time we  
8 know that he was, more or less, interested - or Thyssen  
9 was, more or less, interested in Quebec.

10 35070 Did that subject arise?

11 35071 THE RIGHT HON. BRIAN MULRONEY: Not a  
12 bit.

13 35072 MR. PRATTE: Just to be crystal  
14 clear, when you say, "Not a bit," sir, did he say: Mr.  
15 Mulroney, I am kind of interested in what you are doing  
16 internationally, but you are supposed to help me in  
17 Quebec, or in Canada?

18 35073 THE RIGHT HON. BRIAN MULRONEY: Not a  
19 bit.

20 35074 MR. PRATTE: All right. Then, after  
21 the lunch and you leave -

22 35075 Could you go back to the agenda?

23 35076 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35077 MR. PRATTE: Do you have a  
25 recollection, first of all, as to how long your meeting



1 was with Mr. Schreiber at The Pierre?

2 35078 THE RIGHT HON. BRIAN MULRONEY: It  
3 was probably about 45 minutes, or an hour maybe.  
4 Something like that.

5 35079 MR. PRATTE: And how long did you  
6 stay at the lunch?

7 35080 THE RIGHT HON. BRIAN MULRONEY: I  
8 can't remember, but it wasn't a lengthy luncheon. I am  
9 going to say maybe an hour.

10 35081 MR. PRATTE: Then, you said that you  
11 and Mr. Doucet left.

12 35082 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 35083 MR. PRATTE: Did you go to the  
14 airport directly at that time, or what did you do?

15 35084 THE RIGHT HON. BRIAN MULRONEY: No.  
16 I think -- I'm not sure exactly how we got there but I  
17 know what I did, and I think that -- I believe this is  
18 a reconstruction of what happened.

19 35085 We went out and Mr. Doucet went to  
20 the airport on his own. I had a driver in New York who  
21 was with us for many years when we were there, because  
22 by this point I had many directorships down there and  
23 business interests, and I asked him -- Sal was our  
24 guy --

25 35086 MR. PRATTE: Just so I'm clear, there

1 is a time there. It says "03:45".

2 35087 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 35088 MR. PRATTE: "Sal will pick you up at

4 the hotel and proceed to the airport".

5 35089 Is that what you are referring to?

6 35090 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 35091 MR. PRATTE: Did you proceed to the

8 airport directly from the hotel?

9 35092 THE RIGHT HON. BRIAN MULRONEY: No.

10 I went to -- I went to the old Chemical Bank on the

11 corner of 50th and Park and deposited what I had been

12 given in a safety deposit box I held in that bank.

13 35093 MR. PRATTE: The safety deposit box,

14 was it open on that day? Did it exist before? Do you

15 have any recollection?

16 35094 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 What I recall is that what it is now -- what the bank

18 is now called, Mr. Commissioner, is JPMorgan Chase.

19 35095 When I began -- left politics, I was

20 invited to join the International Advisory Board of a

21 large bank in New York called the Chemical Bank. The

22 Chemical Bank then absorbed the Chase Manhattan and

23 that new bank subsequently absorbed JPMorgan.

24 35096 So the bank is now called JPMorgan

25 Chase.

1 35097                   The Chemical Bank, when I left  
2           office, had an International Advisory Council and the  
3           Chairman and Chief Executive Officer of the bank called  
4           me and asked me if I would serve on that Board, which I  
5           did.

6 35098                   And then David Rockefeller became the  
7           head of the thing, of the combined banks, replaced  
8           eventually by Henry Kissinger, and they ran the  
9           international advisory apparatus and board.

10 35099                  When I was in one of these  
11          incarnations at a given point in time, it probably  
12          was -- I'm sorry, I just can't tell which exact  
13          timeframe it was. I would have said to the bank I am  
14          going to need a safety deposit box. I am doing all  
15          kinds of confidential business here in New York. I  
16          don't want to lug stuff around, or some documents, a  
17          few documents, and I would like you to arrange for me  
18          to have a safety deposit box in the bank.

19 35100                  And they said what area of town would  
20          you like and I told them where and I got an advice, an  
21          opinion at a given point in time that this has been  
22          ready and when it is convenient just drop by and sign a  
23          piece of paper on the way in and your safety deposit  
24          box is there.

25 35101                  MR. PRATTE: Let me ask you directly,

1 Mr. Mulroney: Did you have this safety deposit box  
2 opened in the anticipation that you would be receiving  
3 monies from Mr. Schreiber at the Pierre Hotel in New  
4 York on December 8, 1994?

5 35102 THE RIGHT HON. BRIAN MULRONEY: No.  
6 I didn't even have a clue that the meeting was going to  
7 take place until Mr. Doucet called me a few days  
8 before.

9 35103 MR. PRATTE: You referred to -- and  
10 maybe you are not in a position to explain that -- some  
11 confidential business. Was there something specific,  
12 documentation that you are concerned about, that you  
13 wanted to secure, if I can use that terminology, in a  
14 safety deposit box?

15 35104 THE RIGHT HON. BRIAN MULRONEY: Yes.  
16 I was representing some important Latin American  
17 interests who are engaged in sensitive transactions in  
18 New York, and we had many meetings that spilled over  
19 into other meetings. There were a couple of documents  
20 on an ongoing basis that I had to secure and that's --  
21 and I may tell you that the reason for that was the  
22 Chairman and Chief Executive Officer of the Latin  
23 American client was on the board of JPMorgan Chase with  
24 me.

25 35105 And it was his comment, you know,

1 look, be careful of these documents because, as you  
2 know, in Latin America, while it is a great place, it  
3 is not always easy to do business. Just look at  
4 Mr. Chávez and that will give you an idea of what can  
5 happen if the wrong information gets in the wrong  
6 hands.

7 35106 So it was as a result of his  
8 suggestion and my need for it that I went ahead.

9 35107 MR. PRATTE: All right. What  
10 happened to the money that you then put in a safety  
11 deposit box at what is now I understand the Chase  
12 Manhattan Bank --

13 35108 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 35109 MR. PRATTE: -- on December 8th. Did  
15 it stay in the United States?

16 35110 THE RIGHT HON. BRIAN MULRONEY: It  
17 stayed in the United States.

18 35111 MR. PRATTE: I didn't ask you. What  
19 was the amount in the envelope?

20 35112 THE RIGHT HON. BRIAN MULRONEY:  
21 Seventy-five.

22 35113 MR. PRATTE: In what denominations?

23 35114 THE RIGHT HON. BRIAN MULRONEY: The  
24 same.

25 35115 MR. PRATTE: \$1000 Canadian bills?

1 35116 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 35117 MR. PRATTE: Mr. Commissioner, that

3 might be a convenient time to break. I am about to

4 move into another area.

5 35118 COMMISSIONER OLIPHANT: All right.

6 35119 It is 10 to 11:00. We will come back

7 perhaps in 15 minutes, at five after.

8 35120 MR. PRATTE: Thank you, sir.

9 --- Upon recessing at 10:52 a.m. / Suspension à 10 h 52

10 --- Upon resuming at 11:14 a.m. / Reprise à 11 h 14

11 35121 COMMISSIONER OLIPHANT: Be seated,

12 please.

13 35122 Mr. Pratte...?

14 35123 MR. PRATTE: Thank you,

15 Mr. Commissioner.

16 35124 Before we move on, Mr. Mulroney, I

17 just want to clarify something.

18 35125 This concept that you were talking

19 about with the P5 and so forth, when did that arise?

20 When did it come to your mind?

21 35126 THE RIGHT HON. BRIAN MULRONEY:

22 Weeks, I suppose, after I met with Mr. Schreiber at

23 Mirabel.

24 35127 MR. PRATTE: Okay. You said in your

25 evidence, as I understood it -- and maybe I

1           misunderstood what you said -- that after you had  
2           developed that thought, you informed Mr. Doucet of that  
3           idea, if I could put it that way.

4   35128                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

5           I informed him after Mirabel that he had retained my  
6           services, and I think I spoke to him generally about  
7           the concept of the UN.

8   35129                   MR. PRATTE:   I think you may have  
9           said at some point earlier -- and maybe I got it  
10          wrong -- that that report was after the meeting you had  
11          with Mr. Schreiber at Harrington Lake.

12   35130                   THE RIGHT HON. BRIAN MULRONEY:   Oh  
13          no, that would be -- if that is on the record, that  
14          would be completely wrong.

15   35131                   MR. PRATTE:   So what is the  
16          correct --

17   35132                   THE RIGHT HON. BRIAN MULRONEY:   After  
18          Mirabel.

19   35133                   MR. PRATTE:   All right.   Would you  
20          turn now to Binder 2.   Do you have that in front of  
21          you?   Tab 79.

22   35134                   THE RIGHT HON. BRIAN MULRONEY:  
23          Yes...?

24   35135                   MR. PRATTE:   In your testimony early  
25          on yesterday you spoke about the impact of Airbus on

1           some of the events that concern this inquiry,  
2           Mr. Mulroney. And we are only dealing with it here in  
3           terms of the impact it had on your conduct, not to  
4           review necessarily the -- well, not to review the  
5           actual merit of the allegations in a sense or the  
6           Airbus matter thoroughly, but we are looking at it  
7           because you alluded yesterday to the fact that it had  
8           some impact on your conduct.

9   35136                    One thing I want to clear up just  
10           right off the bat, Mr. Mulroney, when you spoke about  
11           that yesterday what timeframe or what were you relating  
12           the impact of Airbus on your conduct? Were you talking  
13           about '93-'95 or thereafter or both?

14   35137                    When you found out about the Letter  
15           of Request we will be going through now --

16   35138                    THE RIGHT HON. BRIAN MULRONEY: Yes.

17   35139                    MR. PRATTE: -- you said yesterday  
18           that it had, I think, a searing impact on your conduct  
19           and you wanted to keep it -- it made you wary of making  
20           it public.

21   35140                    I just want to understand what is the  
22           timeframe.

23   35141                    THE RIGHT HON. BRIAN MULRONEY: Well,  
24           yes. Well, it had a devastating effect on me and my  
25           family, and we learned how horrible it can be for



1 Canadian citizen to be caught in that kind of a web  
2 when you are fighting the forces, the powerful forces  
3 of your own Canadian government.

4 35142 And this lasted for about three  
5 years.

6 35143 So that I, of course, knew that I had  
7 an arrangement with Mr. Schreiber completely unrelated  
8 to this, totally unrelated to Airbus, but that having  
9 seen the devastation that they can wreak upon families,  
10 I didn't want the experience that we had as a family  
11 learned in Airbus to be replicated by the divulgation  
12 on an unrelated matter that again would be distorted  
13 the same way the first ones were.

14 35144 That's what it was about.

15 35145 MR. PRATTE: Okay. I just want to be  
16 clear, though. Were you invoking it -- and we will go  
17 through some of that in detail -- to explain how you  
18 dealt with the transaction before Airbus happened, to  
19 put the question directly?

20 35146 THE RIGHT HON. BRIAN MULRONEY: No.  
21 No, just as I said.

22 35147 MR. PRATTE: Okay.

23 35148 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35149 MR. PRATTE: I will get, as I said  
25 yesterday, to the why question when we get closer to

1 the end.

2 35150 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 35151 MR. PRATTE: Now, let's turn now to  
4 this document, Mr. Mulroney, that is called a Letter of  
5 Request, at Tab 79.

6 35152 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 35153 MR. PRATTE: Can you tell me, first  
8 of all, Mr. Mulroney, briefly how you found out that  
9 there was a document titled, I guess, a Letter of  
10 Request that had been forwarded to the Government of  
11 Switzerland?

12 35154 THE RIGHT HON. BRIAN MULRONEY: Mr.  
13 Schreiber.

14 35155 MR. PRATTE: And --

15 35156 THE RIGHT HON. BRIAN MULRONEY: he --  
16 I'm sorry, he -- I'm sorry.

17 35157 I got a call from -- I was at a board  
18 meeting in Toronto, a Horsham board meeting, and I got  
19 a call from Mr. Doucet saying that Mr. Schreiber wanted  
20 to talk to me on a fairly urgent basis, that he had  
21 something that he wanted to share with me.

22 35158 I tried to get him from Toronto,  
23 unsuccessfully, so when I come back to Montréal Mila  
24 and I and the kids were about to have dinner and I said  
25 to Mila I will try and get him, place this call now.

1 35159 So we were down in the family room,  
2 downstairs, and I placed the call and I got  
3 Mr. Schreiber and that's when he told me that this  
4 document had been served upon the directors of the  
5 Swiss bank, I think 24 directors, and it was becoming  
6 common knowledge and he wanted to share it with me.

7 35160 MR. PRATTE: Did you have the  
8 document when you are speaking with him or did he --

9 35161 THE RIGHT HON. BRIAN MULRONEY: No, I  
10 not. The Canadian government sent this to Switzerland  
11 in German and I was not provided the courtesy of any  
12 forewarning or a copy of it, and Mr. Schreiber is the  
13 one who alerted me to its existence.

14 35162 MR. PRATTE: Did you discuss the  
15 contents of the document? Did he have a copy when he  
16 called you?

17 35163 THE RIGHT HON. BRIAN MULRONEY: He  
18 had a copy.

19 35164 MR. PRATTE: I see.

20 35165 THE RIGHT HON. BRIAN MULRONEY: He  
21 was in Switzerland and he had received a copy I think  
22 from his lawyers or something.

23 35166 MR. PRATTE: Okay. If you go,  
24 Mr. Mulroney, to -- what we have, I guess, is now an  
25 English version?

1 35167 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 35168 MR. PRATTE: Did you obtain that --

3 when did you obtain that?

4 35169 THE RIGHT HON. BRIAN MULRONEY: I

5 think we got it as a result of some discovery of a case

6 that Mr. Hladun was trying in Edmonton, I believe.

7 35170 MR. PRATTE: Okay. If you go at page

8 4 there is a title called "Summary of Facts".

9 35171 Do you see that?

10 35172 THE RIGHT HON. BRIAN MULRONEY: I'm

11 sorry, page 4.

12 35173 MR. PRATTE: Page 4, the last

13 paragraph. Well, the title at the very top is "Summary

14 of Facts".

15 35174 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 35175 MR. PRATTE: You see that. I'm going

17 to take you to a few passages or parts of passages,

18 Mr. Mulroney, and ask you a few questions in relation

19 to them.

20 35176 If you go on page 4 to the last

21 paragraph --

22 35177 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 35178 MR. PRATTE: -- and four lines from

24 the bottom. It says, and I will read it to you:

25 "The RCMP has reliable

1 information that Mr. SCHREIBER  
2 was given these commissions in  
3 order to pay Mr. MULRONEY and  
4 Mr. MOORES to ensure that Airbus  
5 Industrie obtained a major  
6 contract with Air Canada for the  
7 planned upgrade of their  
8 aircraft fleet."

9 35179 In respect of you, in any event,  
10 Mr. Mulroney, was that a true statement?

11 35180 THE RIGHT HON. BRIAN MULRONEY: It  
12 was a false statement, like everything else in this  
13 document.

14 35181 MR. PRATTE: Page 5.

15 35182 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 35183 MR. PRATTE:

17 "The RCMP has been advised that  
18 Frank MOORES went to ..."

19 35184 I can't pronounce this, but it is a  
20 bank:

21 "... in Zürich, Switzerland in  
22 1988 or 1987 to open two bank  
23 accounts numbered 34107 and  
24 34117, the latter account using  
25 password 'Devon'. The account



1 confidential source believes  
2 that the payments continued  
3 until Mr. MULRONEY resigned from  
4 office."

5 35190 Is that true or false?

6 35191 THE RIGHT HON. BRIAN MULRONEY: That  
7 is completely false.

8 35192 MR. PRATTE:

9 "The agreement between IAL and  
10 Airbus Industrie..."

11 35193 THE RIGHT HON. BRIAN MULRONEY: The  
12 confidential source being of course Ms Stevie Cameron.

13 35194 MR. PRATTE:

14 "The agreement between IAL and  
15 Airbus Industrie is believed to  
16 have resulted in commissions of  
17 approximately 20 million U.S.  
18 dollars once all 34 aircraft had  
19 been received. A confidential  
20 source has told the RCMP  
21 investigator that 25 percent of  
22 those commissions were to pay  
23 Mr. MULRONEY."

24 35195 Is that true or false?

25 35196 THE RIGHT HON. BRIAN MULRONEY: That

1 is absolutely false.

2 35197 MR. PRATTE: The last line, I guess  
3 it's a new paragraph on that page:

4 "The RCMP believes that Mr.  
5 SCHREIBER and Mr. MOORES  
6 conspired with Mr. MULRONEY to  
7 obtain secret commissions to  
8 ensure that Airbus Industrie  
9 received the contract from Air  
10 Canada to purchase the  
11 aircraft."

12 35198 True or false?

13 35199 THE RIGHT HON. BRIAN MULRONEY:  
14 False.

15 35200 MR. PRATTE: If you go to the  
16 penultimate paragraph of page 6, Mr. Mulroney, you will  
17 see -- and I won't read those, but there are two or  
18 three paragraphs that refer to the Bear Head matter.

19 35201 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 35202 I'm sorry -- oh yes. Yes.

21 35203 MR. PRATTE: Okay. And then on page  
22 7, the penultimate paragraph, and there are also a  
23 couple of paragraphs that refer to Eurocopter.

24 35204 THE RIGHT HON. BRIAN MULRONEY: Yes.

25 35205 MR. PRATTE: And then if you flip



1 over, page 8 --

2 35206 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 35207 MR. PRATTE: -- to the second

4 paragraph:

5 "The above three cases..."

6 35208 I'm reading, quote:

7 "The above three cases

8 demonstrate an ongoing scheme by

9 Mr. MULRONEY, Mr. MOORES, and

10 Mr. SCHREIBER to defraud the

11 Canadian Government of millions

12 of dollars of public funds from

13 the time Mr. MULRONEY took

14 office in September, 1984 until

15 he resigned in June, 1993."

16 35209 Unquote. Is that true or false,

17 Mr. Mulroney?

18 35210 THE RIGHT HON. BRIAN MULRONEY: That

19 is completely and absolutely false.

20 35211 MR. PRATTE: After you find out this

21 information, Mr. Mulroney -- and perhaps I could take

22 you to --

23 35212 You don't have it in the same form as

24 I do, but it is P-46, Mr. Commissioner. This is the

25 additional documents filed by former Prime Minister

1 Mulroney, or on his behalf.

2 35213 THE RIGHT HON. BRIAN MULRONEY: What  
3 number?

4 35214 MR. PRATTE: Tab 4.

5 35215 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 35216 MR. PRATTE: Would you go -- well,  
7 first of all, did you take any steps, after finding out  
8 this information from Mr. Schreiber, to try to deal  
9 with these statements?

10 35217 THE RIGHT HON. BRIAN MULRONEY: Yes  
11 indeed. I assembled a legal team and inasmuch as this  
12 had not yet been rendered public, it was being leaked,  
13 as we now know, from the RCMP to Stevie Cameron and  
14 through her to the fifth estate, placing in peril my  
15 reputation and the security and wellbeing of my  
16 children and my family.

17 35218 But it wasn't -- it wasn't public  
18 then. And so I thought that Roger Tassé -- is this the  
19 point?

20 35219 MR. PRATTE: Yes.

21 35220 THE RIGHT HON. BRIAN MULRONEY: Yes.  
22 I asked --

23 35221 MR. PRATTE: Well, look at the  
24 letter, Mr. Mulroney.

25 35222 THE RIGHT HON. BRIAN MULRONEY:

1           Sorry.

2   35223                   MR. PRATTE:  November 8th -- sorry, I  
3           should have told you.

4   35224                   There is a letter to the Minister of  
5           Justice at Tab 4.

6   35225                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

7   35226                   MR. PRATTE:  If you go to the last  
8           page, it is dated November 8, 1995.

9   35227                   THE RIGHT HON. BRIAN MULRONEY:  
10          November 8, 1995.

11  35228                   MR. PRATTE:  And if you go to the  
12          last page it appears to be signed by Mr. Roger Tassé.

13  35229                   THE RIGHT HON. BRIAN MULRONEY:  
14          That's right.

15  35230                   MR. PRATTE:  This is the name you  
16          just referred to.

17  35231                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

18  35232                   MR. PRATTE:  Did you retain Mr. Tassé  
19          as part of the legal team you just referred to?

20  35233                   THE RIGHT HON. BRIAN MULRONEY:  I  
21          did, yes.

22  35234                   MR. PRATTE:  All right.  And I'm  
23          going to take you to a few paragraphs of this letter in  
24          a moment, but in writing to the Minister of Justice  
25          what had you asked Mr. Tassé to do?  Why was he doing

1           that?

2   35235                   THE RIGHT HON. BRIAN MULRONEY: Well,  
3           I think he was asking the Minister. He said that this  
4           is a travesty of justice and I'm asking you, or the  
5           Minister, to exercise your good judgment and your  
6           judicial -- judicious authority and review this matter  
7           because this is a travesty that is unfolding.

8   35236                   It was not yet made public, but we  
9           knew of the ties between the people involved to whom I  
10          have referred.

11  35237                   MR. PRATTE: Okay.

12  35238                   THE RIGHT HON. BRIAN MULRONEY: And  
13          we knew it was just hours away.

14  35239                   MR. PRATTE: Mr. Mulroney, would you  
15          go to the third paragraph of the first page.

16  35240                   THE RIGHT HON. BRIAN MULRONEY: Yes.

17  35241                   MR. PRATTE: It says, and I will read  
18          it:

19                           "Mr. Mulroney obviously accepts  
20                           that both the RCMP and your  
21                           Department have the  
22                           responsibility, indeed the  
23                           obligation, to investigate  
24                           alleged breaches of our laws  
25                           and, where required, to seek the

1 assistance of foreign countries.  
2 That is not the point. What is  
3 not acceptable are the  
4 statements made on your behalf  
5 in the Request addressed to the  
6 Swiss authorities."  
7 35242 Unquote. Does this reflect your  
8 position at the time?  
9 35243 THE RIGHT HON. BRIAN MULRONEY: Yes.  
10 35244 MR. PRATTE: Then go to the next  
11 page, the fourth paragraph, and it says:  
12 "We emphasize that Mr.  
13 Mulroney's objections do not  
14 relate to the fact that the RCMP  
15 is conducting an investigation,  
16 nor that a Request be made to  
17 the Swiss authorities for  
18 assistance. Rather, his  
19 objections are directed at what  
20 amount to his being  
21 characterized as a criminal by  
22 the Canadian authorities. This  
23 is a manner of proceeding that,  
24 in our view, goes beyond basic  
25 rules of decency and fairness

1 and constitutes a blatant breach  
2 of Mr. Mulroney's fundamental  
3 rights."

4 35245 Again, let me ask you the same  
5 question. Did that reflect your position at the time?

6 35246 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 35247 MR. PRATTE: Then you go to the  
8 penultimate paragraph, the fourth line.

9 35248 It says:

10 "Furthermore, the RCMP has been  
11 informed that Mr. Mulroney is  
12 prepared to cooperate with them  
13 in their investigation. Indeed,  
14 he is astonished that the RCMP  
15 has not even chosen to meet with  
16 him before making such grave  
17 accusations."

18 35249 Then the very last line of the page:

19 "We are prepared to meet with  
20 you at your convenience should  
21 you wish to discuss the matter."

22 35250 Does that or did that at the time  
23 reflect your position, Mr. Mulroney?

24 35251 THE RIGHT HON. BRIAN MULRONEY: Yes.

25 35252 MR. PRATTE: Were you prepared then

1 to meet with the RCMP, before the letter came public?

2 35253 THE RIGHT HON. BRIAN MULRONEY: Roger  
3 Tassé was the Deputy Solicitor General under  
4 Mr. Trudeau and the Deputy Minister of Justice, I  
5 believe when Mr. Chrétien was there. He is the  
6 effective author in large part of the Charter of Rights  
7 and Freedoms, a highly skilled and respected Deputy  
8 Minister for many years.

9 35254 When he left office, when he retired,  
10 he went to a law firm in town and we retained his  
11 services as legal counsel in the constitutional files.

12 35255 I had worked with him. I had known  
13 him over the years.

14 35256 And I suppose, Mr. Commissioner, the  
15 instructions that I gave Roger, who was a remarkably  
16 talented man: This is right out of Kafka. This is  
17 nuts, what the Canadian government and the Justice  
18 Department were up to. Surely somebody up there has a  
19 head on his or her shoulders. Go up there and tell  
20 them this: There is not a word of truth, nothing, in  
21 this thing.

22 35257 I would be ready to go to Ottawa you.  
23 I will need anybody that they want. I will bring my  
24 bank accounts with me, statement of net worth, anything  
25 they want, and I will answer any question that they

1           have about me in any area of my life.

2   35258                   And why would I do such an unusual  
3           thing? Because we were aware by now that this was the  
4           document that the Canadian government had circulated to  
5           Switzerland, and this had the capacity to destroy me,  
6           my family, my father's good name and the legacy of my  
7           government.

8   35259                   Let me just read a concluding line in  
9           this atrocity that the Canadian government sent out,  
10          and which, by the way, Mr. Commissioner, they qualified  
11          as an allegation.

12   35260                   On page 11:

13                            "This investigation is of  
14                            serious concern to the  
15                            Government of Canada as it  
16                            involves criminal activity on  
17                            the part of a former Prime  
18                            Minister."

19   35261                   You can just imagine the impact of  
20          that.

21   35262                   If you, sir, or anybody, woke up in  
22          Manitoba after a lifetime of public service and read an  
23          eight-column headline in the Winnipeg Free Press saying  
24          this thing about you, you and your wife and your family  
25          would be not only devastated but you knew that you



1 would have to fight to save your reputation.

2 35263 This is what happened to me. I  
3 thought that it would be important that we give the  
4 government the opportunity to take a look at this  
5 before it was made public with all of the damage and  
6 say hey, you know, to the RCMP, who are our informants  
7 in this? Who is telling us this?

8 35264 The answer would have been Stevie  
9 Cameron and a convicted felon, Giorgio Pelossi.

10 35265 Somebody would have said, are you  
11 guys nuts? Stevie Cameron is the biggest Mulroney  
12 hater in Canada. Everybody knows that. She  
13 fabricates, prevaricates and has spent a lifetime  
14 consumed with hatred, ill will towards the Mulroney  
15 family. Everybody knows that.

16 35266 And then Giorgio Pelossi is a  
17 convicted felon.

18 35267 You mean based on this, you are  
19 telling the world that the Prime Minister of Canada was  
20 a criminal from the day he took office until the day he  
21 left?

22 35268 What we were trying to do was to  
23 preempt some of the publicity that could have such a  
24 terrible effect, not only on my family but on any  
25 Canadian family that this had been visited upon.

1           That's what I was trying to do.

2   35269                   MR. PRATTE:  How were your attempts,  
3           as you describe them, received at the time?

4   35270                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
5           here you have a -- they wouldn't give us the time of  
6           day.

7   35271                   The former Deputy Minister of Justice  
8           and Deputy Solicitor General of Canada was reduced to  
9           being directed from pillar to post.

10  35272                   MR. PRATTE:  That is Mr. Tassé you  
11          are referring to.

12  35273                   THE RIGHT HON. BRIAN MULRONEY:  That  
13          was Mr. Tassé, being misled and delayed with no  
14          response until I think he heard a couple of days later  
15          from the famous Sergeant Fiegenwald, who was one of the  
16          authors of this thing with Ms Kimberly Prost of the  
17          Justice Department, he heard something from Sergeant  
18          Fiegenwald to the effect that no, no, no, these are not  
19          statements; these are just allegations.  There is  
20          nothing proved here.

21  35274                   And anybody, Mr. Commissioner,  
22          anybody in his right mind could understand that this is  
23          not an accusation.

24                            "This investigation is of  
25                            serious concern to the

1 Government of Canada as it  
2 involves criminal activity on  
3 the part of a former Prime  
4 Minister."

5 35275 This is not serious, don't worry  
6 about it. If this gets on the front page of all the  
7 Canadian papers, oh, ask them to give me a call and  
8 I'll tell them that it is just an allegation. I will  
9 look after it.

10 35276 So with that, we realized that this  
11 thing was going to hit and I was in for one hell of a  
12 fight.

13 35277 COMMISSIONER OLIPHANT: Mr. Mulroney,  
14 you said they wouldn't give us the time of day. I know  
15 what you mean, but would you care to identify who you  
16 meant with the word "they"?

17 35278 THE RIGHT HON. BRIAN MULRONEY: Yes.  
18 I think there is correspondence somewhere here. I know  
19 that he visited -- let me put it this way. I know that  
20 he communicated with the RCMP, that he communicated  
21 with the Justice Department, and he saw -- I haven't  
22 refreshed my memory with the file on that, sir, but I  
23 know that he saw or spoke to at least two inspectors in  
24 the RCMP, I think the Commissioner of the RCMP, the  
25 Acting Deputy Minister of the Department of Justice.

1 35279                   And there may have been a  
2           communication with the Minister of Justice.

3 35280                   And in all cases we were turned down  
4           and they really told us to get lost. They were going  
5           ahead with this travesty, as Paul Martin once said,  
6           come hell or high water, and indeed they did.

7 35281                   MR. PRATTE: I might be of  
8           assistance, Mr. Commissioner and Mr. Mulroney.

9 35282                   If you go to Tab 5 there is a  
10          response from --

11 35283                   COMMISSIONER OLIPHANT: Are you at  
12          P-46?

13 35284                   MR. PRATTE: Yes. The same volume we  
14          were at, Mr. Commissioner. I apologize. The  
15          Additional Documents.

16 35285                   You will see that there is a response  
17          from a lawyer at the Criminal Section of the Justice  
18          Department responding to Mr. Tassé's letter.

19 35286                   THE RIGHT HON. BRIAN MULRONEY: Yes.

20 35287                   MR. PRATTE: The first line of which  
21          is saying the Minister of Justice has been directed --  
22          the correspondence has been directed to me for my  
23          reply.

24 35288                   And then just following that there is  
25          another letter to Sergeant Fraser Fiegenwald that

1 Mr. Mulroney referred to, November 16th, and a reply  
2 the next day from Sergeant Fiegenwald to Mr. Tassé.

3 35289 If you go to page 2 of the Sergeant  
4 Fiegenwald letter -- Mr. Mulroney, we are in Tab 7 --  
5 it says, Mr. Commissioner -- it is in response to  
6 Mr. Tassé's earlier letter and it is by Sergeant  
7 Fiegenwald.

8 35290 Just so that I'm clear, who was  
9 Sergeant Fiegenwald, Mr. Mulroney? What role did he  
10 play in this matter?

11 35291 THE RIGHT HON. BRIAN MULRONEY: He  
12 was the -- as I gather, he was the fellow who was  
13 assigned to -- what we now know of course is that they  
14 were told there was nothing there, and they were told  
15 by the Commissioner to go to Toronto and see Ms Stevie  
16 Cameron and to examine some of the files that she had  
17 volunteered on the radio.

18 35292 They went down there and they got  
19 files from her. She had information from the fifth  
20 estate where she used to work, a close friend of  
21 Mr. Harvey Cashore of the fifth estate.

22 35293 Sergeant Fiegenwald and one of his  
23 colleagues got together with them.

24 35294 She fed them the false information  
25 and they went back and said Eureka, we have a case and

1           it is sustained by this felon and this is how it  
2           happened.

3   35295                   MR. PRATTE:  There is a -- sorry,  
4           Mr. Mulroney.

5   35296                   THE RIGHT HON. BRIAN MULRONEY:  And  
6           if I may, just to -- I have read you some of the things  
7           that are so destructive of one's reputation and family.

8   35297                   And then Mr. Tassé gets this from  
9           Sergeant Fiegenwald:

10                           "We are sensitive to your  
11                           client's need to protect his  
12                           reputation and the ramifications  
13                           any negative public attention  
14                           may have on his career.  We  
15                           assure you that this  
16                           investigation will be conducted  
17                           with the utmost discretion."

18   35298                   This is now in the hands, by the time  
19           he wrote that, of most of the international media who  
20           are checking these things out pretty soon, and  
21           Ms Cameron is writing me letters saying I understand.  
22           I have learned from sources that Mr. Tassé visited with  
23           so and so, and I have learned that your name is  
24           mentioned in a Letter of Request to Switzerland.

25   35299                   Can you confirm that you are

1 identified in this?

2 35300 I think she had a bit of an advantage  
3 on me. I didn't know at the time that Ms Cameron had  
4 accepted to become a secret police informant for the  
5 RCMP. Garbage in/garbage out was the style.

6 35301 But I can assure you, sir, it was  
7 extremely reassuring to learn that Sergeant Fiegenwald  
8 gave me the assurance that this investigation will be  
9 conducted with the utmost discretion.

10 35302 When he wrote that, it was just ready  
11 to explode around the world and some of the information  
12 had been funnelled to his friends, and I just named a  
13 couple of them.

14 35303 MR. PRATTE: All right. So,  
15 Mr. Mulroney, after these responses then, what action  
16 did you take?

17 35304 THE RIGHT HON. BRIAN MULRONEY: Well,  
18 confronted with this thing, we knew full well it was  
19 just a matter of time. Everybody had access to it by  
20 this time and we knew it was going to hit, hit like a  
21 ton of bricks. So I said to hell with this, I want you  
22 guys to initiate a preemptive action. I am going to  
23 sue the Government of Canada and the RCMP, and I am  
24 going to establish clearly that this thing is a  
25 criminal hoax; that there is no evidence whatsoever to

1 sustain anything that they have said.

2 35305 And my legal team went ahead, filed  
3 the Statement of Claim. The Government of Canada hired  
4 nine lawyers to stall this matter as long as they  
5 could, and finally we got access to a court date and  
6 the night before we got a call saying we want to  
7 settle.

8 35306 MR. PRATTE: Before you launched the  
9 action, Mr. Mulroney, perhaps I could just direct your  
10 attention to Tab 8.

11 35307 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 35308 Me PRATTE : C'est en français,  
13 Monsieur Mulroney.

14 35309 LE TRES HON. BRIAN MULRONEY : Oui.

15 35310 Me PRATTE : C'est en date... c'est  
16 des notes sténographiques, qu'il appert, d'une  
17 conférence de presse.

18 35311 LE TRES HON. BRIAN MULRONEY : Oui.

19 35312 Me PARENT : C'est intitulé : "  
20 Conférence de presse des avocats de Brian Mulroney. "

21 35313 LE TRES HON. BRIAN MULRONEY : M'hmm.

22 35314 Me PRATTE : Est-ce qu'il y a eu une  
23 conférence de presse à cette époque-là, le 19 novembre  
24 '95? Pouvez-vous simplement décrire ce qui y a mené?

25 35315 LE TRES HON. BRIAN MULRONEY : Oui.



1 Je peux vous dire tout simplement qu'on savait à ce  
2 moment-là que cet événement allait être coulé, par la  
3 police ou d'autres, aux journaux, et le mot d'ordre que  
4 j'avais donné à mes avocats, c'était que l'instant que  
5 ça paraît quelque part au monde, vous allez tenir une  
6 conférence de presse et vous allez dénoncer ouvertement  
7 le gouvernement et la GRC et indiqué que nous avons  
8 déjà une action en dommages en libelle contre le  
9 gouvernement, la GRC, Sergent Fiegenwald et ses  
10 collègues.

11 35316 Or, je pense que c'est le matin du 18  
12 ou 19 novembre, quelques jours à peine après la lettre  
13 tellement rassurante de la GRC, de Sergeant Fiegenwald,  
14 voilà qu'on est prévenu que Der Spiegel est en train de  
15 mijoter tout cela et que, au Canada, le journal The  
16 Financial Post avait publié quelque chose le lendemain  
17 matin. C'est déjà publié.

18 35317 Or, ça arrive, effectivement... ça  
19 relate toutes les accusations de la GRC. Mes avocats  
20 ont tenu une conférence de presse, dont le texte de  
21 verbatim constitue le document officiel.

22 35318 Me PRATTE : Est-ce que vous étiez  
23 présent à la conférence de presse, Monsieur Mulroney?

24 35319 LE TRES HON. BRIAN MULRONEY : Non.

25 35320 Me PRATTE : L'avez-vous écoutée?

1 35321 LE TRES HON. BRIAN MULRONEY : Oui,  
2 bien sûr.

3 35322 Me PRATTE : Juste vous poser quelques  
4 questions puisque certains des propos, notamment, de  
5 maître Yarosky, ont fait l'objet de témoignages  
6 antérieurs tirés de cette conférence de presse.

7 35323 Si vous regardez la première page,  
8 l'animateur, dans le deuxième paragraphe, dit ceci...  
9 Ça commence : " Ses avocats... "

10 35324 LE TRES HON. BRIAN MULRONEY : Oui.

11 35325 Me PRATTE : Vous voyez ça. Alors, je  
12 vais lire la phrase. Ça dit :  
13 « Ses avocats s'apprêtent à  
14 démentir toute implication de  
15 l'ex-premier-ministre dans une  
16 présumée affaire de pots-de-vin,  
17 à l'occasion de la vente d'une  
18 trentaine d'Airbus à Air Canada  
19 en 1988. »

20 35326 Et là, si vous allez à la page  
21 suivante, au premier paragraphe, maître Yarosky  
22 s'exprime. J'imagine que c'était en anglais, mais  
23 c'est traduit, parce qu'il parlait parfois en anglais  
24 et en français. Il dit :  
25 « Il suffit d'examiner... »

1 35327 Me suivez-vous, Monsieur Mulroney?

2 35328 LE TRES HON. BRIAN MULRONEY : Oui, je

3 vous suis.

4 35329 Me PRATTE : O.K.

5 « Il suffit d'examiner ce qui

6 s'est produit, ces dernières

7 semaines, dans cette affaire.

8 C'est très simple, les données

9 sont claires; le gouvernement du

10 Canada et c'est indiqué sur

11 papier à lettre à son en-tête,

12 écrit à un autre gouvernement,

13 dans ce cas-ci, le gouvernement

14 de la Suisse, et dit :

15 « Nous croyons que monsieur

16 Mulroney était impliqué dans un

17 complot de nature criminelle, en

18 vue d'accepter de l'argent pour

19 influencer sur la décision d'Air

20 Canada, en vue d'acheter des

21 avions de la part d'Airbus. » »

22 35330 Allez au troisième paragraphe :

23 « Ces affirmations sont faites

24 d'abord, sans preuve aucune,

25 deuxièmement, en sachant que des

1                   dirigeants d'Air Canada ont  
2                   souvent, et de façon publique,  
3                   affirmé que monsieur Mulroney  
4                   n'avait absolument rien à voir  
5                   avec la décision d'Air Canada  
6                   d'acheter des avions d'Airbus,  
7                   et, troisièmement, sans donner à  
8                   monsieur Mulroney, quelque  
9                   occasion que ce soit de réfuter  
10                  ces allégations. »

11   35331                   Est-ce que les propos de monsieur  
12                  Yarosky reflétaient votre pensée ou la façon dont vous  
13                  voyiez les choses à ce moment?

14   35332                   LE TRES HON. BRIAN MULRONEY :  
15                  Parfaitement.

16   35333                   Me PRATTE : Comment se fait-il qu'on  
17                  a une référence, et je ne crois pas qu'il y en ait  
18                  ailleurs, qu'on ne parle que d'Airbus dans la  
19                  conférence de presse?

20   35334                   LE TRES HON. BRIAN MULRONEY : Parce  
21                  que, Monsieur le Commissaire, dans le fond, cette  
22                  affaire-là portait... il y avait quelques noms de  
23                  mentionnés dans d'autres dossiers, mais ça portait sur  
24                  Airbus parce qu'on disait que j'avais reçu une  
25                  ristourne en ce qui concerne principalement et presque

1 exclusivement la vente des avions Airbus, et c'était ce  
2 montant d'argent qui était caché dans un compte de  
3 banque en Suisse.

4 35335 C'est devenu... ça été appelé, à  
5 partir de ce moment-là, l'affaire Airbus. Vous allez  
6 regarder dans les archives, et depuis le début, c'était  
7 ça, puis ça l'est toujours. On parle aujourd'hui de la  
8 cause ou l'affaire Airbus, comme on parlait dans le  
9 temps de Sir John A. Macdonald du CPR Scandal ou on  
10 parle de l'affaire des commandites au Québec, et  
11 caetera, sauf que, dans ce cas-ci, c'était complètement  
12 faux, entièrement fabriqué, puis il n'y avait aucune  
13 preuve de quelque nature que ce soit dans ce  
14 dossier-là.

15 35336 Donc, lorsque monsieur Yarosky  
16 parlait de l'affaire Airbus, il parlait effectivement  
17 de toute cette tractation entre la GRC, les  
18 informateurs, les journalistes impliqués dans ce  
19 dossier-là pour essayer de démolir ma réputation, ma  
20 famille, mes enfants et moi. C'était l'objectif de ces  
21 faussetés. Ça s'appelle l'affaire Airbus.

22 35337 Me PRATTE : Et de toutes les  
23 allégations dans la letter of request, certaines  
24 concernant l'affaire Airbus, certaines plus brèves,  
25 Eurocopter et Bear Head, lesquelles, pour vous, étaient

1 les plus diffamatoires, si je peux m'exprimer ainsi,  
2 les plus sérieuses?

3 35338 LE TRES HON. BRIAN MULRONEY : Je  
4 pense qu'il y a... je ne l'ai pas devant moi, mais, de  
5 mémoire, je pense qu'il y a une affirmation -- pas une  
6 supposition, pas un commentaire banal -- une  
7 affirmation directe que du jour de mon assermentation  
8 comme premier ministre, le 17 septembre 1984, jusqu'au  
9 jour de mon départ, le 25 juin 1993, que j'étais un  
10 criminel.

11 35339 Alors, j'avais à ce moment-là, en  
12 devenant premier ministre, à peu près 45 ans. J'avais  
13 vécu toute ma vie sans la moindre accusation de quelque  
14 nature que ce soit. J'étais et je suis un homme  
15 intègre, ma famille la même chose.

16 35340 Et là, je me fais dire, et le monde  
17 se fait dire, sans preuve, sans consultation préalable  
18 avec moi, sans occasion de me donner, à ma famille et  
19 moi, l'opportunité, soit de s'expliquer ou au moins  
20 d'être informé quant au contenu de cela, je me fais  
21 accuser d'être un criminel. Alors, ça été lourd de  
22 conséquences. Ça été extrêmement pénible.

23 35341 Me PRATTE : Juste pour terminer avec  
24 la transcription, Monsieur...

25 35342 LE TRES HON. BRIAN MULRONEY : Oui.

1 35343 Me PRATTE : Si vous allez au bas de  
2 la page 2, c'est encore une fois maître Yarosky, que  
3 j'aime citer. Il dit... je le cite, donc :

4 « Quand on a eu découvert  
5 ça... »

6 35344 Et il parle du fait que l'approche de  
7 monsieur Tassé a été rejetée.

8 « Quand on a eu découvert ça,  
9 monsieur Mulroney a demandé à  
10 monsieur Tassé de communiquer  
11 avec les autorités, de protester  
12 contre son comportement,  
13 d'offrir sa pleine et entière  
14 collaboration, et qui plus est,  
15 d'offrir de s'asseoir avec ces  
16 gens-là, de répondre à leurs  
17 questions et de donner sa  
18 version de ce qui, sensément,  
19 s'est produit. Mais, ça ne les  
20 intéressait pas, ils ont  
21 refusé. »

22 35345 Est-ce ce à quoi vous faisiez  
23 référence tantôt quand on parlait des lettres de  
24 monsieur Tassé et des approches faites? C'est exact,  
25 ça correspond à votre compréhension des choses?

1 35346 LE TRES HON. BRIAN MULRONEY :

2 Justement.

3 35347 Me PRATTE : O.K. Monsieur Yarosky

4 dit après :

5 « Normalement, en vertu de la

6 loi criminelle, c'est la police

7 qui coure après les personnes

8 qui subissent les enquêtes, et

9 non pas l'inverse. Cette

10 fois-ci, c'est monsieur Mulroney

11 qui coure après eux, pour qu'ils

12 puissent l'écouter mais ils ne

13 veulent rien savoir. »

14 35348 Et enfin :

15 « Monsieur Mulroney affirme de

16 façon catégorique qu'il n'avait

17 absolument rien à voir avec

18 cette décision d'Air Canada,

19 d'acheter chez Airbus. Il n'a

20 rien reçu, pas un cent, de qui

21 que ce soit. Il n'a absolument

22 pas participé à un complot. »

23 35349 LE TRES HON. BRIAN MULRONEY : Oui.

24 35350 Me PRATTE : Est-ce que ces propos

25 sont exacts?



1 35351 LE TRES HON. BRIAN MULRONEY : Exacts.  
2 35352 MR. PRATTE: Could I just have a  
3 moment, Mr. Commissioner?  
4 --- Pause  
5 35353 MR. PRATTE: Mr. Mulroney, it is  
6 self-evident that this is not easy for you, so I am  
7 just going to ask you if you feel that it is  
8 appropriate to describe in any greater detail the  
9 impact on your family and if you don't feel like that,  
10 that will be fine.  
11 35354 THE RIGHT HON. BRIAN MULRONEY: Well,  
12 you would think that this kind of thing would be  
13 limited to the parents, the incredible impact on us,  
14 Mila and me, but --  
15 35355 COMMISSIONER OLIPHANT: Mr. Pratte --  
16 I understand how difficult this is for you, Mr.  
17 Mulroney. Let me just say I think I have a pretty good  
18 understanding of the impact that the letter of request  
19 had not only on you but Ms Mulroney and your children.  
20 I think I understand.  
21 35356 THE RIGHT HON. BRIAN MULRONEY:  
22 Commissioner, Nicholas was 10 years old and he would --  
23 merci.  
24 35357 MR. PRATTE: I wonder, Mr.  
25 Commissioner, if we might break for lunch.

1 35358 COMMISSIONER OLIPHANT: Yes.

2 35359 MR. PRATTE: If you want to come back  
3 earlier or whatever suits you, Mr. Commissioner.

4 35360 COMMISSIONER OLIPHANT: Are you  
5 suggesting that you would prefer to start earlier when  
6 you say that?

7 35361 MR. PRATTE: Not really, I misspoke  
8 but we are in your hands, obviously.

9 35362 COMMISSIONER OLIPHANT: No. No, no,  
10 no. No, look, you have been hard at work for the  
11 morning. Mr. Mulroney has been on the stand since  
12 9:30, with a break. What would you like?

13 35363 MR. PRATTE: I think maybe 2:00 today  
14 would be appropriate, Mr. Commissioner.

15 35364 COMMISSIONER OLIPHANT: All right.  
16 We will break until 2:00 this afternoon.

17 35365 MR. PRATTE: Thank you.

18 35366 THE REGISTRAR: All rise. Veuillez  
19 vous lever.

20 --- Upon recessing at 11:58 a.m. / Suspension à 11 h 58  
21 --- Upon resuming at 2:00 p.m. / Reprise à 14 h 00

22 35367 COMMISSIONER OLIPHANT: Counsel, be  
23 seated, please.

24 35368 Mr. Pratte...?

25 35369 MR. PRATTE: Good afternoon,

1 Mr. Mulroney.

2 35370 THE RIGHT HON. BRIAN MULRONEY: Good  
3 afternoon.

4 35371 MR. PRATTE: I am now going to move  
5 into an area of questioning having to do with the  
6 examination before plea in the context of the lawsuit  
7 which you mentioned in the Airbus matter.

8 35372 You have in front of you the  
9 transcript of that examination. I think there are two  
10 volumes, but the one I'm going to be referring to,  
11 Mr. Mulroney, is dated April -- 17 avril '96.

12 35373 LE TRÈS HON. BRIAN MULRONEY : Oui.

13 35374 MR. PRATTE: Would you turn first to  
14 page 80.

15 35375 COMMISSIONER OLIPHANT: Which page?

16 35376 MR. PRATTE: Eighty, 8-0.

17 35377 COMMISSIONER OLIPHANT: I'm sorry,  
18 Mr. Pratte, but the transcript that I have jumps from  
19 page 75 to 81.

20 35378 MR. PRATTE: Oh? I wonder if we have  
21 an administrative issue. I thought everyone would  
22 expect to have a full transcript.

23 35379 Could you give us a moment,

24 Mr. Commissioner, and we will sort that out.

25 35380 COMMISSIONER OLIPHANT: Oh sure. Of

1 course.

2 35381 Do you have a page 80 there,  
3 Mr. Mulroney?

4 35382 THE RIGHT HON. BRIAN MULRONEY: Yes,  
5 I do, Commissioner.

6 35383 COMMISSIONER OLIPHANT: Okay.

7 35384 MR. WOLSON: It is the pagination  
8 that I think is the problem.

9 35385 COMMISSIONER OLIPHANT: Oh, I see.  
10 Just a minute, I see. It's not page 80 of 182 at the  
11 very bottom. It is page 80 higher up?

12 35386 MR. PRATTE: Yes. I don't have it.  
13 I guess I don't have precisely the same version of the  
14 transcript, but you should have -- let's do it this  
15 way, Mr. Commissioner.

16 35387 Question 229 is the last question?

17 35388 COMMISSIONER OLIPHANT: Yes.

18 35389 MR. PRATTE: I'm looking at the  
19 number. I don't know if you have a rectangle box there  
20 but there is a page --

21 35390 COMMISSIONER OLIPHANT: No, I don't.  
22 Yes, I do.

23 35391 MR. PRATTE: Okay.

24 35392 COMMISSIONER OLIPHANT: And then at  
25 the very bottom of the page I have 76 of 182. That is

1           what caused the confusion.

2   35393                   MR. PRATTE:  Okay.  I am going to be

3           referring throughout, then, simply to the --

4   35394                   COMMISSIONER OLIPHANT:  To the number

5           within the rectangle?

6   35395                   MR. PRATTE:  Correct.

7   35396                   COMMISSIONER OLIPHANT:  That's fine.

8   35397                   MR. PRATTE:  Okay.

9   35398                   COMMISSIONER OLIPHANT:  Okay, I have

10          it now.

11   35399                   This is an exhibit, is it?

12   35400                   MR. PRATTE:  Well, not -- I don't

13          know if it needs to be marked.  I don't think it was

14          marked as such, but perhaps we should mark it.

15   35401                   COMMISSIONER OLIPHANT:  Mr.

16          Wolson...?

17   35402                   MR. WOLSON:  We marked early on in

18          the proceedings "B" for identification.

19   35403                   COMMISSIONER OLIPHANT:  Yes.

20   35404                   MR. WOLSON:  It should go into the

21          cause, I believe, and it could be the next exhibit in

22          the cause.

23   35405                   COMMISSIONER OLIPHANT:  All right.

24   35406                   Is there anyone at the counsel table

25          who objects to the transcript going in?

1 35407 Mr. Vickery...?

2 35408 MR. VICKERY: No objection, thank  
3 you.

4 35409 COMMISSIONER OLIPHANT: Mr.  
5 Houston...?

6 35410 MR. HOUSTON: No, sir. Thank you.

7 35411 COMMISSIONER OLIPHANT: All right.

8 35412 Mr. Auger...?

9 35413 MR. AUGER: No objection.

10 35414 COMMISSIONER OLIPHANT: All right.

11 35415 The transcript, then, for the  
12 examination on discovery, I think you call it in  
13 Québec, from the 17th of April 1996, will be received  
14 and marked as Exhibit P-48.

15 EXHIBIT NO. P-48: Transcript of  
16 Brian Mulroney's Examination on  
17 Discovery dated April 17, 1996

18 35416 MR. PRATTE: Thank you,  
19 Mr. Commissioner.

20 35417 So let me start over, Mr. Mulroney.

21 35418 Are you then at page 80, as I assume  
22 everyone else is, of the transcript?

23 35419 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35420 MR. PRATTE: And just before I ask  
25 you specific questions about various questions you were

1           asked and answers you gave, I would like to ask you a  
2           few questions of context, if I can put it that way.

3   35421                   From your point of view,  
4           Mr. Mulroney, what were the issues or what were the  
5           facts at issue in the lawsuit which then gave rise to  
6           this examination?

7   35422                   THE RIGHT HON. BRIAN MULRONEY: Well,  
8           it was a Letter of Request that had been sent by the  
9           Government of Canada and the RCMP to Switzerland. It  
10          was the dealing with the Airbus matter almost entirely  
11          and that it occurred while I was Prime Minister of  
12          Canada.

13   35423                   MR. PRATTE: Okay. And from your  
14          perspective, in terms of I guess I could call it the  
15          legal context of this -- we have loosely referred to it  
16          as an examination on discovery for discovery, but it is  
17          an examination before a plea in Québec.

18   35424                   What did you understand, as the  
19          plaintiff in this action, that to involve?

20   35425                   THE RIGHT HON. BRIAN MULRONEY: Well,  
21          the examination before plea in Québec is, as I  
22          understand it, different from the examination on  
23          discovery in common law provinces. One can avail  
24          himself -- a defendant can avail himself of this  
25          procedure uniquely in Québec and request and obtain the

1 permission to examine a plaintiff prior to the  
2 production of the defence.

3 35426 But to obtain that privilege and  
4 avail yourself of that procedure you have to limit your  
5 interrogation exclusively to the areas contained in the  
6 Statement of Claim.

7 35427 So given that, I was informed that  
8 the manner in which we would proceed, that this would  
9 be exclusively limited to those areas, namely the ones  
10 I mentioned, Airbus and the matters contained in the  
11 statement; not to respond to any questions beyond that,  
12 not to volunteer any information beyond that and to  
13 answer questions truthfully, which of course is normal  
14 for anything in the courts.

15 35428 MR. PRATTE: All right. Let's then  
16 look at some of the questions and answers that you were  
17 asked and that you gave, Mr. Mulroney.

18 35429 Let's start again, as I said, at page  
19 80.

20 35430 Mr. Commissioner, just so that you  
21 and the parties know, I will with the witness look at  
22 some of these at some length simply for the purpose of  
23 having the full context.

24 35431 Now, Mr. Mulroney, if you look just  
25 before question 229 at page 80 -- I don't think we need



1 to read those, but you see at 227 you are asked about  
2 when you found out about the Letter of Request which we  
3 discussed this morning.

4 35432 Do you see that?

5 35433 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 35434 MR. PRATTE: And then if you go to  
7 229, you explain how you found out about that and you  
8 say:

9 35435 Answer:

10 "I was left a telephone number.  
11 I was able to place one (1)  
12 telephone call after the board  
13 meeting, unsuccessfully. I then  
14 returned to Montreal, and when I  
15 came in at home, I said to...  
16 before we could have dinner, I  
17 said to Mila, 'Mr. Schreiber has  
18 been calling me and asking me if  
19 I would call him at this number,  
20 I'll... let me try and get a  
21 hold of him before we have  
22 dinner, because it's already  
23 quite late there'. And I called  
24 him."

25 35436 Then you say:

1 "And that's when I heard for the  
2 first time the horror of what  
3 had been inflicted on me."  
4 35437 Question:  
5 "So, I take it you knew who Mr.  
6 Karl-heinz Schreiber was when  
7 you received the message?"  
8 35438 Answer:  
9 "Yes, I did."  
10 35439 Question:  
11 "You know him?"  
12 35440 Answer:  
13 "I know him, yes."  
14 35441 So now I will read the question 232,  
15 Mr. Mulroney, and then perhaps you could read your  
16 answer and we will proceed as if I am Mr. Sheppard and  
17 you are who you are.  
18 35442 So at question 232 you are asked, and  
19 you will see -- what we will do, so you know, is I will  
20 go right to question 235 and then I will ask you a  
21 question.  
22 "Can you describe your  
23 relationship with him?"  
24 35443 May I have your answer, Mr. Mulroney?  
25 35444 THE RIGHT HON. BRIAN MULRONEY: Would

1           you like me to...?

2   35445                   MR. PRATTE:  Yes, please.

3   35446                   THE RIGHT HON. BRIAN MULRONEY:

4   35447                   Answer:

5                            "He... it was a businessman from  
6                            Germany who moved, apparently,  
7                            to Alberta, where he was  
8                            involved in business and I was  
9                            introduced to him, I... believe,  
10                           although I have no specific  
11                           recollection of this, that it  
12                           must have been in the beginning  
13                           of the early eighties (80's).  
14                           He was a successful business  
15                           person in Alberta, and I was  
16                           president of the Iron Ore  
17                           Company of Canada, and I would  
18                           have been introduced to him  
19                           in... in, I believe, a business  
20                           context.  Although I did know  
21                           that he was a very strong  
22                           supporter of the Government, of  
23                           Premier Peter Lougheed, whom I  
24                           admired a great deal.  That was  
25                           my knowledge of him at the

1 time."  
2 35448 MR. PRATTE: Question:  
3 "You were introduced to him in  
4 Alberta or in Québec?"  
5 35449 THE RIGHT HON. BRIAN MULRONEY:  
6 Answer:  
7 "I... I don't remember."  
8 35450 MR. PRATTE: Question:  
9 "Okay. And you don't remember  
10 in what connection?"  
11 35451 THE RIGHT HON. BRIAN MULRONEY:  
12 Answer:  
13 "I don't remember in what  
14 connection because three (3)  
15 years later or... three (3)  
16 years later, at about that time,  
17 I ran for the Leadership of the  
18 Conservative Party. I then  
19 became leader of the opposition  
20 and Prime Minister, all in rapid  
21 succession.  
22 And, as you know, you encounter  
23 all kinds of people in those  
24 activities. I cannot be more  
25 specific than that, although I



1           associate him with one project  
2           in particular, and it's the one  
3           that's become known as the  
4           'Tissen(sic) Project'.  
5           He had a project which dealt  
6           with Canadian Exports. He  
7           believed - and he was quite  
8           knowledgeable about the capacity  
9           and the need for Canada to  
10          export.  
11          He had a project which called  
12          for the building of vehicles  
13          that would be either sold to the  
14          NATO armies or eventually, as  
15          time went on, a new vehicle that  
16          would be sold to the United  
17          Nations Peacekeepers.  
18          This project, when it first came  
19          to my attention, was to have  
20          been built in Cape Breton. When  
21          I was first elected to the House  
22          of Commons, I was elected from  
23          Central Nova in Nova Scotia, and  
24          I had been educated in... in  
25          that area as well. I'd gone to

1 college there. I was well  
2 familiar with the area and  
3 unemployment rates that ranged  
4 as high as fifty percent (50%).  
5 And so a project that would  
6 create, say, a thousand (1,000)  
7 jobs and bring new technology,  
8 it's always attractive to the  
9 Government of Canada. And so I  
10 tended to associate him with  
11 that specific project on  
12 which..."

13 35459 MR. PRATTE: Question:

14 "That's what you call the  
15 'Tissen(sic) Project'?"

16 35460 THE RIGHT HON. BRIAN MULRONEY:

17 Answer:

18 "That's what I call the  
19 'Tissen(sic) Project'."

20 35461 MR. PRATTE: Question:

21 "Why? What... what does that  
22 name mean?"

23 35462 THE RIGHT HON. BRIAN MULRONEY:

24 Answer:

25 "Because the name... the name

1 Tissen(sic), in Canada, was a...  
2 a German employer that had  
3 already purchased... as I  
4 understood it, Tissen(sic) had  
5 made investments in Canada and  
6 at that time had approximately  
7 three thousand (3,000) employees  
8 in other areas of endeavour.  
9 Mr. Schreiber's principal  
10 interest, to the extent that I  
11 was aware of one, was the idea  
12 of persuading the Government of  
13 Canada and Provincial government  
14 to locate in an area of high  
15 unemployment an industry that  
16 would create high technology  
17 vehicles for sale initially to  
18 NATO military forces...  
19 But eventually, in the ninety...  
20 in the early nineteen nineties  
21 (1990s), when we dispatched our  
22 troops to Yugoslavia - because  
23 Canada was one of the first  
24 countries to do so and you'll  
25 remember there were great



1 difficulties about the safety of  
2 our... of our troops - and the  
3 idea was then that perhaps this  
4 new vehicle that had been  
5 devised by Tissen(sic) could be  
6 built at that time in the east  
7 end of Montreal.  
8 So the concept throughout was a  
9 vehicle which was... which had a  
10 high job creation component, a  
11 high technology that required  
12 infrastructure funds by either  
13 Provincial or Federal  
14 Governments, and that's what he  
15 was interested in."  
16 35463 MR. PRATTE: Question:  
17 "He was promoting it on behalf  
18 of Tissen(sic) or...?"  
19 35464 THE RIGHT HON. BRIAN MULRONEY:  
20 Answer:  
21 "I believe so."  
22 35465 MR. PRATTE: Question:  
23 "And can you go on to describe  
24 your relationship over the  
25 years?"

1 35466 THE RIGHT HON. BRIAN MULRONEY: Yes.  
2 And I am speaking about when I was in office.

3 35467 MR. PRATTE: Well, we will continue  
4 just -- Mr. Mulroney, just so you know, we will  
5 continue in this vein answering to question 252.

6 35468 If you could just go that way, we  
7 will just do -- and I will ask you a question then.

8 35469 Question 252 asks you:  
9 "Did you maintain contact with  
10 Mr. Schreiber after you ceased  
11 being Prime Minister?"  
12 "Up until that time I was simply  
13 ..."

14 35470 Do it the way we have been doing it,  
15 okay?

16 35471 THE RIGHT HON. BRIAN MULRONEY: All  
17 right.

18 35472 MR. PRATTE: All right.  
19 35473 So question 239 now.  
20 35474 That is page 84, Mr. Commissioner.

21 35475 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 35476 MR. PRATTE: Question:  
23 "And can you go on to describe  
24 your relationship over the  
25 years?"

1 35477 Answer...?

2 35478 THE RIGHT HON. BRIAN MULRONEY:

3 "Well, it was a... he lived...  
4 he lived in Germany and he  
5 visited Canada... as I could  
6 see, he visited Canada  
7 infrequently. He went to  
8 Alberta, I think, from time to  
9 time to Ottawa, to... as I say,  
10 work on this particular project.  
11 He was... I came to know him  
12 as a... and the people in  
13 Alberta who had been his  
14 partners described him as a... a  
15 hard working, diligent,  
16 successful business person who  
17 was very interested in this  
18 particular project and worked  
19 very hard to try and secure its  
20 realization.

21 I can tell you that I... I  
22 suppose it's the same thing  
23 today, any serious multinational  
24 company comes to see the Prime  
25 Minister or the Minister of

1 Industry and says, 'I can create  
2 a thousand (1,000) jobs in the  
3 east end of Montreal or in Cape  
4 Breton', you can bet your bottom  
5 dollar there is going to be  
6 interest in that.  
7 So Mr. Schreiber was also, as a  
8 German Canadian, he was  
9 extremely well informed...  
10 extremely well informed on  
11 questions such as German  
12 reunification which was  
13 beginning in the... after  
14 nineteen eighty-nine (1989) to  
15 acquire a degree of importance.  
16 And on the infrequent occasions  
17 when I would see him on  
18 business, when he was promoting  
19 the Tissen(sic) Project, he  
20 would raise this German  
21 reunification issue and speak  
22 very knowledgeably about it."  
23 35479 MR. PRATTE: Can I just stop you  
24 there, Mr. Mulroney.  
25 35480 When you say infrequent occasions I

1           would see him on business, what period of time are you  
2           referring to?

3   35481                   THE RIGHT HON. BRIAN MULRONEY:  I  
4           think the context there is -- I think that's while I  
5           was in office.

6   35482                   MR. PRATTE:  Okay.

7   35483                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

8   35484                   MR. PRATTE:  Let's go on.

9   35485                   THE RIGHT HON. BRIAN MULRONEY:  I'm  
10          sorry, where did I drop off there?

11   35486                   MR. PRATTE:  Page 85 at the very  
12          bottom, the last two lines.

13                            "And on the infrequent  
14                            occasions..."

15   35487                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

16          And I read that he would raise the German --

17   35488                   MR. PRATTE:

18                            "He would raise the German  
19                            reunification issue..."

20   35489                   THE RIGHT HON. BRIAN MULRONEY:

21                            "... and speak very  
22                            knowledgeably about it.  
23                            It was something that interested  
24                            me a great deal, as a question  
25                            of Canadian foreign policy, and

1 as you may remember, ultimately,  
2 when Chancellor Kohl reported to  
3 the... to the Commission of the  
4 Bundestag on the... the  
5 achievements of the... of the  
6 realization... of the  
7 unification, he particularly  
8 thanked the United States,  
9 Russia and Canada for our  
10 contributions to that objective.  
11 And so I was... I was of course  
12 impressed by anyone with good  
13 knowledge... a good knowledge  
14 base and the capacity to  
15 articulate it. My  
16 association... he was interested  
17 in that, he was interested in  
18 Canadian exports, and the  
19 project I associated with him  
20 was this one that I've described  
21 to you."

22 35490

MR. PRATTE: Question:

23 "Did you visit with him at any  
24 of his homes in Europe and  
25 Canada?"

1 35491 THE RIGHT HON. BRIAN MULRONEY:

2 Answer:

3 "No."

4 35492 MR. PRATTE: Question:

5 "When you met him, where would  
6 the meetings take place?"

7 35493 THE RIGHT HON. BRIAN MULRONEY:

8 Answer:

9 "In my office in Ottawa. There  
10 may have been... he may have  
11 been at a fund-raising dinner or  
12 he may have shown up in other  
13 circumstances. I... I mean I  
14 can't swear to that, but I have  
15 vivid recollections of a few  
16 meetings on this project in..."

17 35494 MR. PRATTE: Question:

18 "The Tissen(sic) Project?"

19 35495 THE RIGHT HON. BRIAN MULRONEY:

20 Answer:

21 "Yes, sir. In my office in  
22 Ottawa with senior public  
23 servants."

24 35496 MR. PRATTE: Question:

25 "Was he a political

1 contributor?"

2 35497 THE RIGHT HON. BRIAN MULRONEY:

3 Answer:

4 "I have no idea."

5 35498 MR. PRATTE: And, Mr. Commissioner, I

6 am going to skip the next question. It goes into the

7 German reunification issue again and I'm not sure that

8 it adds much.

9 35499 Question 245:

10 "And he was known to you as a

11 friend of Franz Josef Strauss?"

12 35500 THE RIGHT HON. BRIAN MULRONEY:

13 Answer:

14 "He was not known to me as that,

15 but I subsequently read that he

16 was known to Mr. Strauss. I did

17 not know Mr. Strauss myself, nor

18 did I know any of his family."

19 35501 MR. PRATTE: Question:

20 "You talk about Schreiber's

21 family?"

22 35502 THE RIGHT HON. BRIAN MULRONEY:

23 Answer:

24 "Strauss' family... This is

25 Strauss like in the waltz."



1 35503 MR. PRATTE: Question:  
2 "The Tissen(sic) Project came to  
3 not(sic) a number of years ago.  
4 Is that correct?"  
5 35504 Obviously misspelled,  
6 Mr. Commissioner, N-A-U-G-H-T.  
7 35505 THE RIGHT HON. BRIAN MULRONEY:  
8 Answer:  
9 "Well, the..."  
10 35506 MR. PRATTE: Go ahead, sir.  
11 35507 THE RIGHT HON. BRIAN MULRONEY:  
12 "... I indicated to you that it  
13 tended to graduate, but the  
14 original project in Cape Breton  
15 was unsuccessful. This  
16 document, even the R.C.M.P.  
17 acknowledged in their document  
18 that when the costs were  
19 reported to be in excess of a  
20 hundred million dollars  
21 (\$100,000,000) in  
22 infrastructure, I cancelled the  
23 project."  
24 35508 MR. PRATTE: Are you at 248 there? I  
25 lost you.

1 35509 THE RIGHT HON. BRIAN MULRONEY: Yes,  
2 I just finished 247.

3 35510 MR. PRATTE: All right.  
4 "M'hm."

5 35511 THE RIGHT HON. BRIAN MULRONEY:  
6 Answer:  
7 "The Cape Breton Project of  
8 Tissen(sic) that Mr. Schreiber  
9 was promoting failed because I  
10 cancelled it. My Government  
11 cancelled it."

12 35512 MR. PRATTE: Question:  
13 "Yes."

14 35513 THE RIGHT HON. BRIAN MULRONEY:  
15 Answer:  
16 "Put it that way. That's more  
17 accurate. My Government  
18 cancelled it. This is according  
19 to... this same document.  
20 Subsequently, Mr... Mr.  
21 Schreiber, a determined,  
22 resolved guy, I can remember  
23 meeting with him. By this time,  
24 it is now, say, nineteen  
25 ninety-one (1991) or nineteen

1                   ninety-two (1992).  
2                   And at this point in time the  
3                   Tissen(sic) Project had evolved  
4                   into one where vehicles would be  
5                   made for the United Nations  
6                   Peacekeeping Forces around the  
7                   world to protect our  
8                   Peacekeepers.  
9                   The United Nations had issued a  
10                  report saying the vehicles were  
11                  no longer safe to protect  
12                  Canadians and others from  
13                  snipers. And he had what  
14                  appeared to be a perfect vehicle  
15                  that could do this.  
16                  And so I met with him, and  
17                  Mr. Paul Tellier, who was the  
18                  clerk of the Privy Council and  
19                  the Secretary of the Cabinet, I  
20                  met with him in his presence.  
21                  We listened to him. I asked Mr.  
22                  Tellier to refer this matter to  
23                  the Defence Department.  
24                  There was a subsequent  
25                  meeting with the Department of

1 National Defence in the presence  
2 of the Deputy Minister. I  
3 believe Mr. Fowler, who is now  
4 our ambassador to the United  
5 Nations, Mr. Tellier and I and  
6 Mr. Schreiber, he made his case  
7 and... and left.

8 Sometime later, the  
9 Department of National Defence  
10 decided in favour of another  
11 company in Ontario to supply  
12 that project. I believe it was  
13 in London, Ontario, and he was  
14 turned down again, and he kept  
15 working at the project. He  
16 didn't quit. He kept working at  
17 it in...(1992),...(1993), and so  
18 on."

19 35514

MR. PRATTE: Question:

20 "All these meetings were... that  
21 you described were with him,  
22 were representatives of Tissen  
23 (sic) in attendance?"

24 35515

THE RIGHT HON. BRIAN MULRONEY:

25 "No. He was there."

1 35516 MR. PRATTE: "He was..."

2 35517 THE RIGHT HON. BRIAN MULRONEY:

3 "There may have been somebody

4 else, but he was... I can't...

5 you know, there was Mr. Tellier

6 and I and Mr. Schreiber and

7 perhaps a secretary in his

8 company or something."

9 35518 MR. PRATTE: All right. Now, Mr.

10 Mulroney, up to the time, then, that you were asked the

11 question that just follows, which I will review in a

12 second with you -- "Did you maintain contact with Mr.

13 Schreiber after you ceased being Prime Minister" -- up

14 until that time, what we have reviewed, does that

15 describe your relationship with Mr. Schreiber while you

16 were Prime Minister accurately?

17 35519 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 35520 MR. PRATTE: Let's move then to

19 Question 252:

20 "Did you maintain contact with

21 Mr. Schreiber after you ceased

22 being Prime Minister?"

23 35521 THE RIGHT HON. BRIAN MULRONEY:

24 "Well, from time to time, not

25 very often. When he was going

1 through Montreal, he would give  
2 me a call. We would have a cup  
3 of coffee, I think, once or  
4 twice. And he told me that he  
5 continued to work on his  
6 project, that he was pushing a  
7 new government.

8 35522 And he told me that the idea of the  
9 project at that point was the same project, but the  
10 desirability at the time was to work with the  
11 Provincial Government of Quebec and the Federal  
12 Government, the new Federal Government, to establish  
13 this new project in the east end of Montreal where the  
14 jobs were badly required. And he told me that he had  
15 hired Marc Lalonde to represent his interests before  
16 the new Liberal government. And the Honourable  
17 Lalonde... I wasn't..."

18 35523 MR. PRATTE: "Of Stikeman Elliott?"

19 35524 THE RIGHT HON. BRIAN MULRONEY:

20 35525 "Pardon me?"

21 35526 MR. PRATTE: "Of Stikeman Elliott?"

22 35527 THE RIGHT HON. BRIAN MULRONEY:

23 "Of Stikeman Elliott. I wasn't  
24 really surprised because the  
25 word in Ottawa is that Mr.

1 Schreiber and Mr. Lalonde had  
2 had a... had had a long  
3 relationship in the past. And  
4 so he also expressed the dismay  
5 with me that my Government had  
6 not agreed or could not  
7 include..."

8 35528 -- "include", it should be  
9 "conclude", I think --  
10 "...the contract that he liked.  
11 So he... he said that he had  
12 hired Mr. Lalonde and he hoped  
13 that this would give rise to...  
14 to an agreement."

15 35529 MR. PRATTE:  
16 "When he passes through Montreal  
17 and visits you, is it at your  
18 office or at your home?"

19 35530 THE RIGHT HON. BRIAN MULRONEY:  
20 "Well, he doesn't pass through  
21 Montreal and visit me. He  
22 comes... when he's on his way  
23 to Montreal, he called me and  
24 asked me and I say perhaps once  
25 or twice, if I could come to a

1 cup... have a cup of coffee with  
2 him at a hotel. I think I had  
3 one in the Queen Elizabeth Hotel  
4 with him."

5 35531 MR. PRATTE:  
6 "Oh. So it's at his..."

7 35532 THE RIGHT HON. BRIAN MULRONEY:  
8 "I had one in the..."

9 35533 MR. PRATTE:  
10 "Yeah."

11 35534 THE RIGHT HON. BRIAN MULRONEY:  
12 "... in the... in the... the  
13 coffee bar of the Queen  
14 Elizabeth Hotel."

15 35535 MR. PRATTE: Okay, let me just stop  
16 you there, Mr. Mulroney. The question we started with,  
17 at page 90, 252, if you go back to it, was:  
18 "Did you maintain contact with  
19 Mr. Schreiber after you ceased  
20 being Prime Minister?"

21 35536 THE RIGHT HON. BRIAN MULRONEY: Yeah,  
22 "Did you maintain contact with Mr. Schreiber," and I  
23 gave my answer.

24 35537 MR. PRATTE: And was it accurate?

25 35538 THE RIGHT HON. BRIAN MULRONEY:



1 Fully.

2 35539 MR. PRATTE: Then, at 258, where we  
3 just left off, it says:

4 "Did you know during those years  
5 of any other business interests  
6 that Mr. Schreiber might have  
7 had in Canada besides the Tissen  
8 (sic) project?"

9 35540 THE RIGHT HON. BRIAN MULRONEY:  
10 "No, I did not."

11 35541 MR. PRATTE: In what years are you  
12 understanding this to be referring to?

13 35542 THE RIGHT HON. BRIAN MULRONEY: In  
14 the years of the context of the question.

15 35543 MR. PRATTE: Which is 252 -- Question  
16 252?

17 35544 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 35545 MR. PRATTE: Okay. Now, let's skip  
19 ahead to page 170, and I am going to start, Mr.  
20 Mulroney --

21 35546 It is page 170, within the box, Mr.  
22 Commissioner, just to make sure.

23 35547 It is Question 427:

24 "Apart from the communications  
25 that took place by telephone

1                   between Schreiber and yourself  
2                   in November of...(1995), have  
3                   you had further contacts with  
4                   him in the last few months?"  
5   35548            THE RIGHT HON. BRIAN MULRONEY:  
6                    "Sure."  
7   35549            MR. PRATTE:  And then Mr. Tremblay  
8            intervenes and he says --  
9   35550            Was Mr. Tremblay one of your lawyers,  
10           Mr. Mulroney?  
11   35551            THE RIGHT HON. BRIAN MULRONEY:  Yes.  
12   35552            MR. PRATTE:  
13                    "You asked that question this  
14                    morning."  
15   35553            THE RIGHT HON. BRIAN MULRONEY:  
16                    "Yes, I..."  
17   35554            MR. PRATTE:  Question:  
18                    "And you got the answer."  
19   35555            THE RIGHT HON. BRIAN MULRONEY:  
20                    "I said, 'Yes'."  
21   35556            MR. PRATTE:  Mr. Sheppard says,  
22                    "I don't remember asking that  
23                    but you may be right."  
24   35557            Mr. Tremblay then says,  
25                    "Of course, and the... the Queen

1 Elizabeth meeting..."

2 35558 Go on...

3 35559 THE RIGHT HON. BRIAN MULRONEY:

4 "But also I got... I told you, I

5 got the document, the only...

6 the document from... from Mr.

7 Schreiber, that the Canadian

8 Government refused to give me; I

9 got it on the...(20th) of

10 March...(1995)."

11 35560 MR. PRATTE: Let's skip to 432,

12 because it's an exchange between -- not directly

13 relevant, I don't think.

14 35561 But then Mr. Sheppard says, at

15 Question 432:

16 "But the... so I... perhaps I

17 misunderstood. When you talked

18 about having coffee with Mr.

19 Schreiber at the Queen

20 Elizabeth, it was in the period

21 subsequent to

22 November...(1995)?"

23 35562 THE RIGHT HON. BRIAN MULRONEY:

24 "No. No, it was after I left

25 office in...(1993), and that's

1 when he told me, as I indicated  
2 to you, that... that he was  
3 dismayed that my Government had  
4 not allowed him to proceed with  
5 his desire to build this Tissen  
6 (sic) Project.

7 And that's when he told me  
8 that he had hired Marc Lalonde  
9 to represent him, because he  
10 figured that Mr. Lalonde could  
11 prevail upon Mr. Chrétien and  
12 the Government to have this done  
13 in the East end of Montreal.  
14 Which, by the way, had they been  
15 able to do it, I... I... I  
16 thought it was a good project,  
17 and so I wouldn't have been  
18 critical of anything.

19 He told me he had hired Mr.  
20 Lalonde to do that, he told me  
21 he was contemplating legal  
22 action against my Government,  
23 that he had hired a prominent  
24 law firm in Ottawa, I think Ian  
25 Scott's law firm, a very

1 distinguished lawyer, to take  
2 action against the... the  
3 bureaucrats in my Government  
4 who, he alleged, had frustrated  
5 the fact that he was never able  
6 to get a deal through. This  
7 deal."  
8 35563 MR. PRATTE: And you have one more  
9 line.  
10 35564 THE RIGHT HON. BRIAN MULRONEY: Oh.  
11 "That was the kind of  
12 conversation we had."  
13 35565 MR. PRATTE:  
14 "M'hm."  
15 35566 THE RIGHT HON. BRIAN MULRONEY:  
16 "He expressed the hope that Mr.  
17 Lalonde would be successful in  
18 persuading the new Liberal  
19 Government to agree to  
20 conditions that would enable him  
21 to proceed with the project.  
22 That was it."  
23 35567 MR. PRATTE:  
24 "But... so I understood you  
25 well, this morning. Have you

1 had meetings with him, since  
2 November..."

3 35568 THE RIGHT HON. BRIAN MULRONEY:  
4 "No."

5 35569 MR. PRATTE:  
6 "...of...(1995)?  
7 I am moving on to another  
8 subject."

9 35570 Mr. Mulroney, when you were asked in  
10 that section about the meetings you had referred to  
11 earlier in the discovery, or the meeting at the Queen  
12 Elizabeth Hotel, at Question 432, page 171, Mr.  
13 Sheppard -- if you are there, at 432, at the third line  
14 of his question he says: "...it was in the period  
15 subsequent to November...(1995)?"

16 35571 And then you correct him in the way  
17 we have just described.

18 35572 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 35573 MR. PRATTE: What you describe later  
20 on, until he interrupts you again at 433, does it  
21 accurately depict the kind of contact that you had with  
22 Mr. Schreiber thereafter?

23 35574 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35575 MR. PRATTE: Let's go back now to  
25 page 114. I am at the bottom of page 114, line 22.

1 35576 Mr. Sheppard says:  
2 "I am not referring to  
3 November...(2nd), I am referring  
4 to the subsequent calls which  
5 Mr. Mulroney described to us  
6 this morning.  
7 Q. Did you, in the course of  
8 these conversations in November,  
9 discuss with Mr. Schreiber  
10 whether or not he had been paid,  
11 he or his companies had been  
12 paid commissions by Airbus?"  
13 35577 Answer?  
14 35578 THE RIGHT HON. BRIAN MULRONEY:  
15 "I never knew... first, prior to  
16 this, I had never heard, I never  
17 knew and I do not know to this  
18 day what arrangements, if any,  
19 had been made by Mr. Schreiber  
20 or anyone else in respect of any  
21 commercial transaction."  
22 35579 MR. PRATTE: Let me stop you there.  
23 What period of time, when you answered this way, do you  
24 have in mind?  
25 35580 THE RIGHT HON. BRIAN MULRONEY: Well,

1           it's in the Airbus period.

2   35581                   MR. PRATTE:  Then the question is:

3                            "No, but when you speak to Mr.

4                            Schreiber after

5                            November...(3rd)..."

6   35582                   THE RIGHT HON. BRIAN MULRONEY:

7                            "Yes."

8   35583                   MR. PRATTE:

9                            "...you have the translation

10                           prepared by Blum & Partner..."

11   35584                   THE RIGHT HON. BRIAN MULRONEY:

12                            "Yes."

13   35585                   MR. PRATTE:

14                            "...of a good part of the

15                            Canadian request."

16   35586                   THE RIGHT HON. BRIAN MULRONEY:

17                            "As best we could."

18   35587                   MR. PRATTE:

19                            "Yeah.  And you have an idea, at

20                            that stage, of what the Canadian

21                            Government is alleging?"

22   35588                   THE RIGHT HON. BRIAN MULRONEY:

23                            "Yes."

24   35589                   MR. PRATTE:

25                            "And it concerns you, but it



1 also concerns some other  
2 individuals, one of whom is  
3 Schreiber?"

4 35590 THE RIGHT HON. BRIAN MULRONEY:  
5 "M'hm. M'hm."

6 35591 MR. PRATTE: Question 324:  
7 "And the Canadian Government  
8 alleges that very substantial  
9 sums were paid to Mr. Schreiber  
10 by Airbus Industries, and you  
11 didn't discuss with Mr.  
12 Schreiber whether it was true or  
13 not?"

14 35592 THE RIGHT HON. BRIAN MULRONEY:  
15 "Mr. Sheppard, the document  
16 said, among other things, this,  
17 'This investigation is of  
18 serious concern to the  
19 Government of Canada, as it  
20 involves criminal activity on  
21 the part of a former Prime  
22 Minister'. This is not an  
23 allegation, this is a statement  
24 of fact where the Government of  
25 Canada is judge, jury and

1 executioner.

2 And what preoccupied me,  
3 inasmuch as I had never heard of  
4 the Airbus matter in my life,  
5 what preoccupied me were the  
6 extraordinary falsehoods and  
7 injustices as they involve me.  
8 And I wondered with my family  
9 and my friends, quite frankly,  
10 how in the name of God could  
11 this come about? How could this  
12 happen in Canada? How can  
13 something like this actually  
14 take place?

15 And the fact that Mr.  
16 Schreiber may or may not have  
17 had any business dealings was  
18 not my principal... my principal  
19 preoccupation. I had never had  
20 any dealings with him."

21 35593 MR. PRATTE: What are you referring  
22 to when you make that statement,

23 "I had never had any dealings with him,"

24 35594 Mr. Mulroney?

25 35595 THE RIGHT HON. BRIAN MULRONEY:

1           Precisely the context in which I was being interrogated  
2           by the government's lawyers, Airbus. Fully Airbus.

3   35596                   MR. PRATTE: Did you take -- or  
4           threaten any litigation over the reports of these words  
5           in newspapers thereafter?

6   35597                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
7           I did. I threatened the Globe and Mail and I  
8           threatened the National Post, both of which had made  
9           major errors in regard to this transcript.

10   35598                   MR. PRATTE: Could you take the  
11           volume of documents marked P-46 and go to Tab 14?

12   35599                   THE RIGHT HON. BRIAN MULRONEY: Yes.

13   35600                   MR. PRATTE: We have there an excerpt  
14           from a Globe and Mail correction, I guess, dated  
15           November 21, 2003.

16   35601                   THE RIGHT HON. BRIAN MULRONEY: Yes.

17   35602                   MR. PRATTE: Could you read that, Mr.  
18           Mulroney?

19   35603                   You should have a relatively short  
20           statement.

21   35604                   THE RIGHT HON. BRIAN MULRONEY: This  
22           is from --

23   35605                   MR. PRATTE: The Globe and Mail.

24   35606                   THE RIGHT HON. BRIAN MULRONEY: --  
25           the Globe and Mail, yes.

1 35607 MR. PRATTE: Could you read the part  
2 under the rubric "Body"?

3 35608 THE RIGHT HON. BRIAN MULRONEY: Yes.  
4 "In a column in yesterday's  
5 Comment pages, former prime  
6 minister Brian Mulroney was  
7 quoted as saying in 1996 that,  
8 'I had never any dealings with  
9 him.' It was a reference to  
10 businessman Karlheinz Schreiber  
11 from whom Mr. Mulroney received  
12 a payment for consultant's work  
13 after stepping down as prime  
14 minister.

15 The quote should have read,  
16 'I had never had any dealings  
17 with him.' The oversight in  
18 leaving out the second 'had' in  
19 the sentence changed the context  
20 and made it appear that Mr.  
21 Mulroney was making a misleading  
22 statement.

23 The full testimony from  
24 which the quote was taken made  
25 it clear that Mr. Mulroney



1 of former prime minister Brian  
2 Mulroney in his libel action  
3 against the government of Canada  
4 in 1996 was quoted. The column  
5 did not set the full context of  
6 a quote from the transcript  
7 where Mr. Mulroney said he had  
8 not had any dealings with  
9 Karlheinz Schreiber. The column  
10 did not report that Mr. Mulroney  
11 was answering a question about  
12 the purchase by the federal  
13 government of the Airbus product  
14 and stated that he had no  
15 dealings with Mr. Schreiber in  
16 that context. Elsewhere in the  
17 examination, Mr. Mulroney  
18 testified about conversations  
19 and meetings he had with  
20 Schreiber after Mr. Mulroney was  
21 out of the prime minister's  
22 office.

23 The National Post sincerely  
24 regrets any false impression it  
25 created about the testimony of

1 Mr. Mulroney and apologizes to  
2 him for any embarrassment or  
3 concern it has caused."

4 35619 MR. PRATTE: Thank you.

5 35620 Having reviewed these various  
6 passages, Mr. Mulroney, what do you say to the  
7 suggestion that has been made, in particular by Mr.  
8 Kaplan, when he was here and in his book, that while  
9 your answers were accurate legally, or strictly  
10 speaking, as a former Prime Minister you may have  
11 had -- or, in his view, you do have an obligation to  
12 volunteer the information -- or the nature of your  
13 commercial relationship with Mr. Schreiber after you  
14 left office?

15 35621 THE RIGHT HON. BRIAN MULRONEY: The  
16 fact of the matter is, as the evidence adduced today, I  
17 think, indicates, we tried to volunteer. I instructed  
18 Roger Tassé to go to Ottawa to meet with the Ministry  
19 of Justice and to meet with the RCMP and to volunteer  
20 that I would come to Ottawa, with all of the documents,  
21 and they could interrogate me on anything they wished.  
22 They turned us down cold, and proceeded, as we know  
23 now, in a very hostile and aggressive and extremely  
24 costly manner for the taxpayers of Canada.

25 35622 So we tried to volunteer,

1           unsuccessfully.

2   35623                   Moreover, as Mr. Kaplan properly  
3           points out, never -- as he commented, never once, in  
4           the hundreds of questions asked by those nine lawyers  
5           hired by the Government of Canada to present a case  
6           against me, not one of them ever asked at any time the  
7           key question.

8   35624                   And, moreover, this was not in any  
9           way related to the allegations of my lawsuit.

10   35625                   So my own judgment of it is that we  
11           had responded to all of the requirements, that I had  
12           been more than forthcoming, and --

13   35626                   Look, Mr. Commissioner, this  
14           morning -- not yesterday morning or ten years ago, this  
15           morning, in a major Canadian daily, I am being  
16           reproached by a political columnist for misleading the  
17           Court in respect of this particular thing. The  
18           columnist says that I said that I have never had a  
19           relationship with Mr. Schreiber, the same thing that we  
20           have been dealing with -- the myth we have been dealing  
21           with for 15 years -- this morning in a column.

22   35627                   And he suggests, I think, to you that  
23           you should reprimand me very severely for this.

24   35628                   This is what we are up against. This  
25           is what we are up against.



1 35629 I won't comment on Mr. Kaplan's  
2 theory of responsibility for judges and prime ministers  
3 and governors general and chief justices of the Supreme  
4 Court, or whatever. All I can do is, if he says that I  
5 didn't volunteer -- we tried to volunteer in the most  
6 fulsome and thoughtful way, and we got thrown out by  
7 the justice department and the RCMP.

8 35630 MR. PRATTE: Following the  
9 Examination for Discovery, Mr. Mulroney -- and I think  
10 you may have alluded to this perhaps yesterday -- the  
11 litigation proceeded to the eve of trial.

12 35631 Is that correct?

13 35632 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 35633 MR. PRATTE: What happened?

15 35634 Did the trial happen in the end?

16 35635 THE RIGHT HON. BRIAN MULRONEY: No,  
17 the night before, or a few nights before, we got word  
18 that the Government of Canada and the RCMP wanted to  
19 collapse their case on the courthouse steps and settle,  
20 and I said, "Over my dead body. The only thing that  
21 they are going to settle with is not an apology, not  
22 any money -- "

23 35636 I didn't want any money from the  
24 Canadian taxpayers.

25 "-- I want an acknowledgement

1                                   that they do not have, nor have  
2                                   they ever had, any information  
3                                   of any kind to justify what they  
4                                   wrote about me."

5   35637

                                  And I said,

6                                    "If they don't sign, they will  
7                                   be introduced to the beauties  
8                                   and the challenges of the  
9                                   Montreal courthouse on the 6th  
10                                  of January."

11   35638

                                  They signed on the dotted line. Why?

12                                  Because, as you know -- we all know now, Mr.  
13                                  Commissioner, it was a hoax, a hoax perpetrated by  
14                                  Pelossi and Ms Cameron and the fifth estate, and all of  
15                                  these people who rushed to judgment with such  
16                                  implacable hostility that it's difficult to understand.  
17                                  It blinded them to the facts.

18   35639

                                  Because they wanted so much to  
19                                  conduct a successful vendetta against me, it blinded  
20                                  them to what was obvious for anybody who was taking a  
21                                  look at it.

22   35640

                                  MR. PRATTE: Just to close that loop,  
23                                  Mr. Mulroney, and identify a document before I move on,  
24                                  could you go to Tab 81 in Volume 2 of 3 of the big  
25                                  binders.

1 35641 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 35642 MR. PRATTE: I want you to identify a  
3 document at Tab 81.

4 35643 THE RIGHT HON. BRIAN MULRONEY: Yes.  
5 It's the Settlement Agreement.

6 35644 MR. PRATTE: That's the document that  
7 you were referring to?

8 35645 THE RIGHT HON. BRIAN MULRONEY:  
9 That's precisely it.

10 35646 And here it is right here, No. 4 --  
11 part of it, it's quite a document:

12 "Based on the evidence received  
13 to date, the RCMP acknowledges  
14 that any conclusions of  
15 wrongdoing by the former Prime  
16 Minister were - and are -  
17 unjustified."

18 35647 MR. PRATTE: Would you also read, Mr.  
19 Mulroney, No. 6.

20 35648 THE RIGHT HON. BRIAN MULRONEY:  
21 "The parties have always  
22 acknowledged that the RCMP must  
23 continue investigating any  
24 allegations of illegality or  
25 wrongdoing brought to its

1 attention."

2 35649 MR. PRATTE: Ultimately, did this  
3 investigation conclude?

4 35650 THE RIGHT HON. BRIAN MULRONEY: Yes,  
5 the full -- this was in 1997. It went on -- the RCMP  
6 conducted their investigation, Mr. Commissioner,  
7 pursuant to this, for another seven years, I believe.

8 35651 MR. PRATTE: Let me take you, Mr.  
9 Mulroney, to Tab 99 in the same binder.

10 35652 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 35653 MR. PRATTE: There is no need to read  
12 it, I just want you to identify this document.

13 35654 THE RIGHT HON. BRIAN MULRONEY: Yes,  
14 this is a letter I received from the Commissioner of  
15 the RCMP on April 17th, 2003.

16 35655 MR. PRATTE: And what did you  
17 understand this letter to do?

18 35656 THE RIGHT HON. BRIAN MULRONEY: The  
19 Commissioner concluded by saying:

20 "On April 22, 2003, the RCMP  
21 will announce that after an  
22 exhaustive investigation in  
23 Canada and abroad, the remaining  
24 investigation into the 1995  
25 allegations of wrongdoing

1                   involving MBB Helicopters,  
2                   Thyssen and Airbus has concluded  
3                   that the outstanding allegations  
4                   cannot be substantiated, and  
5                   that no charges will be laid,  
6                   beyond the charge of fraud  
7                   [which is unrelated] which is  
8                   already before the courts.  
9                   Sincerely...the Commissioner."

10   35657                   So here I am -- 1995 -- what was  
11                   that, eight years later? Eight years later, having  
12                   spent millions of dollars, countless days and months of  
13                   my wife's and my children's intense discomfort and  
14                   concern, and I am informed by the Commissioner of the  
15                   RCMP that, notwithstanding the best efforts of the  
16                   police informants and Ms Cameron and the fifth estate,  
17                   and the crowd of them: Hey, by the way, there was  
18                   never anything there in the first place. Sorry to have  
19                   put you through this. We regret the inconvenience, but  
20                   we just want to write and let you know that, hey, we're  
21                   still friends. Let's just forget this. We are going  
22                   to turn the page. You never did anything wrong, and we  
23                   are sorry that we said you did.

24   35658                   MR. PRATTE: Mr. Mulroney, during the  
25                   period of time after 1995, in the next few years when

1           this litigation was going on, did you keep contact with  
2           Mr. Schreiber?

3   35659                           THE RIGHT HON. BRIAN MULRONEY:  In  
4           `95?

5   35660                           MR. PRATTE:  Yes, `95 and thereafter,  
6           because you explained that he called you.

7   35661                           THE RIGHT HON. BRIAN MULRONEY:  He is  
8           the one who -- the truth of the matter is, without him  
9           calling me, I would not have known until, obviously,  
10          later about this.  He was in Switzerland and --

11   35662                           They didn't even know, these great  
12          investigators, that under Swiss law, if you send that  
13          kind of thing, it has to be distributed, automatically,  
14          to all members of the board of the bank.  The thing was  
15          floating around Switzerland and selling like hotcakes,  
16          and we were getting assurances from the dutiful  
17          Sergeant Fiegenwald, "Don't worry, everything is being  
18          done with enormous discretion."

19   35663                           MR. PRATTE:  To understand your  
20          evidence, Mr. Mulroney, did you keep in contact with  
21          Mr. Schreiber in the years following --

22   35664                           THE RIGHT HON. BRIAN MULRONEY:  
23          Throughout.

24   35665                           MR. PRATTE:  Okay.  And did you come  
25          to see him at some point later in the 1990s?

1 35666 THE RIGHT HON. BRIAN MULRONEY: Yes,  
2 I did.

3 35667 MR. PRATTE: And how did that come  
4 about?

5 35668 THE RIGHT HON. BRIAN MULRONEY: That  
6 came about because in 1998 -- 1998, I think -- I had  
7 been retained by the World Gold Council for a major  
8 project, and in the course of this, one of the things I  
9 had to do was to visit with the governors of all of the  
10 major central banks of Europe and the world.

11 35669 So I had scheduled some meetings  
12 whereby I would begin, I think in Switzerland on that  
13 leg and visit with the Governor of the Central Bank of  
14 Switzerland, then Bundesbank, then the Bank of Italy,  
15 Bank of France, and so on. I was going to do that.

16 35670 And inasmuch as I was going to be in  
17 Switzerland, in Zürich, for the first time in years, I  
18 had -- I think my office called Mr. Schreiber and  
19 invited him to lunch.

20 35671 I had not seen him face to face since  
21 he left Canada. We had worked together. He was in  
22 regular communication with me, as was I during the time  
23 that this Airbus matter was going down because he, too,  
24 was falsely charged in that, inasmuch as it applied to  
25 me.

1 35672 So we had remained on good terms in  
2 our communications, helped along, I may say, by his,  
3 Mr. Schreiber's excellent attorney out in Edmonton,  
4 Mr. Hladun, who would keep me informed and provided  
5 translations for documents in German, and so on.

6 35673 So yes, I called him -- or had  
7 someone call him and ask him if he was interested in  
8 having lunch.

9 35674 MR. PRATTE: Let's go to Tab 82,  
10 Mr. Mulroney.

11 35675 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 35676 MR. PRATTE: There is some  
13 information that is blanked out as being confidential,  
14 but it should be entitled, if we are in the same page,  
15 "Schedule for the Right Honourable Brian Mulroney,  
16 January 30-February 6, 1998".

17 35677 Do you see that at the very top?

18 35678 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 35679 MR. PRATTE: There is a reference at  
20 the bottom, well, at the bottom and at the top, to  
21 "Klosters". Do you see that?

22 35680 THE RIGHT HON. BRIAN MULRONEY: "Trip  
23 to Klosters".

24 35681 MR. PRATTE: Klosters.

25 35682 THE RIGHT HON. BRIAN MULRONEY: "Trip



1 to Frankfurt", "Trip to Rome".

2 35683 I guess that was the first leg of the  
3 trip.

4 35684 MR. PRATTE: Okay. And then you go  
5 to February 2nd. You leave on the 30th but the next  
6 thing down is February 2nd.

7 35685 THE RIGHT HON. BRIAN MULRONEY: Yes.  
8 I went to Klosters, the residence of Peter Munk, and  
9 Peter and I went to the Davos conference for a day, I  
10 think, for some business and I overnighted in the  
11 Klosters and then I went down to Zürich, on my way from  
12 Zürich to either Frankfurt or Rome.

13 35686 MR. PRATTE: Did you travel alone?

14 35687 THE RIGHT HON. BRIAN MULRONEY: No.  
15 I travelled with Paul Terrien, who was my former speech  
16 writer and was then freelancing in Ottawa. And he had  
17 been a very congenial travelling partner for me when I  
18 did many of my Washington Speaking Bureau trips around  
19 the world, and he would travel with me and help me out  
20 a great deal. And so he was along.

21 35688 I particularly needed him on that one  
22 because I had come down with what the doctors told me  
23 was a frozen shoulder, and I was in pretty bad shape.  
24 So Paul helped me in a number of ways, so I was able to  
25 function fairly effectively.

1 35689 MR. PRATTE: Did Mr. Terrien  
2 accompany you to Klosters?  
3 35690 THE RIGHT HON. BRIAN MULRONEY: No.  
4 He stayed in Zürich. I came back down and I met him in  
5 Zürich.  
6 35691 MR. PRATTE: And where were you --  
7 where was -- where did you meet him in Zürich?  
8 35692 THE RIGHT HON. BRIAN MULRONEY: I  
9 think we were staying at the Savoy in Zürich, yes.  
10 35693 MR. PRATTE: Okay. If you look  
11 actually at Tab 5.  
12 35694 THE RIGHT HON. BRIAN MULRONEY: Yes.  
13 35695 MR. PRATTE: At the very bottom it  
14 says "MBM will arrive the Savoy Hotel".  
15 35696 THE RIGHT HON. BRIAN MULRONEY: Yes.  
16 35697 MR. PRATTE: And there is a note  
17 then:  
18 "Paul will meet you upon arrival  
19 and will take care of your  
20 luggage."  
21 35698 Paul referred to is whom?  
22 35699 THE RIGHT HON. BRIAN MULRONEY: Yes,  
23 that refers to my briefcase which I couldn't carry at  
24 all because of my problem.  
25 35700 MR. PRATTE: But Paul, is that --

1 35701 THE RIGHT HON. BRIAN MULRONEY: Paul  
2 is Paul Terrien.

3 35702 MR. PRATTE: Okay. Then flip over  
4 "Lunch in your room".

5 35703 THE RIGHT HON. BRIAN MULRONEY:  
6 That's right.

7 35704 MR. PRATTE: Why were you having  
8 lunch in the room of the hotel as opposed to in the  
9 restaurant?

10 35705 THE RIGHT HON. BRIAN MULRONEY: Well,  
11 because Paul had stayed at the hotel waiting for me,  
12 and I took advantage of every pit stop that I could  
13 because of my shoulder.

14 35706 There were things I had to take and  
15 do, and I would change as well for the trip. So I went  
16 in and I think we were there an hour, an hour and  
17 something, and then we got on the plane and went off  
18 to -- as I say, I don't know if it was Rome or  
19 Frankfurt we went.

20 35707 MR. PRATTE: Okay. Did Mr. Schreiber  
21 accept your invitation?

22 35708 THE RIGHT HON. BRIAN MULRONEY: Yes,  
23 he did. I was told that he did. I didn't speak to  
24 him, but I was told that he was pleased to come to  
25 lunch.

1 35709 MR. PRATTE: And did he come to  
2 lunch?

3 35710 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 35711 MR. PRATTE: And what happened at the  
5 lunch?

6 35712 THE RIGHT HON. BRIAN MULRONEY: Well,  
7 obviously we, not having been able to discuter de vive  
8 voix, not having been able to speak except by the phone  
9 for a number of years and having been involved in this  
10 Airbus thing, I'm sure we had a chat about that,  
11 unquestionably.

12 35713 But the thing that sticks with me  
13 about that meeting was that he had -- his principal  
14 preoccupation was that he had come up with a new idea  
15 and he discussed that with me at great length.

16 35714 MR. PRATTE: And what was that?

17 35715 THE RIGHT HON. BRIAN MULRONEY: The  
18 idea was this new product for the anti-obesity pasta  
19 machines and products that he was going to get into big  
20 time.

21 35716 MR. PRATTE: Did Mr. Schreiber tell  
22 you why he was in Switzerland at the time?

23 35717 THE RIGHT HON. BRIAN MULRONEY: No,  
24 he did not. I really was surprised. I thought we  
25 would locate him in Germany, but he turned out to have

1 told Francine he was in Switzerland.

2 35718 MR. PRATTE: Did you ask

3 Mr. Schreiber or express any view as to whether or not  
4 the commercial relationship you had with him was  
5 documented in one way or the other?

6 35719 Was there any discussion of that?

7 35720 THE RIGHT HON. BRIAN MULRONEY: No.

8 35721 MR. PRATTE: when he discussed the  
9 issue of the pasta machines, I think you referred to,  
10 what was the exchange? How did you react to that?

11 35722 THE RIGHT HON. BRIAN MULRONEY: I  
12 thought that he was going to say something to me, but  
13 he really didn't, except we chatted about -- I was a  
14 director of Archer Daniels Midland, and one of the  
15 requirements apparently for this is a special strain of  
16 durum wheat, which of course Archer Daniels has a lot  
17 to say in in the North American market.

18 35723 He knew I was a director of ADM and  
19 we talked about that, but he didn't ask me at that time  
20 to do anything. I would have been happy to do  
21 something had he said, well look, I would like you to  
22 do -- would you do A, B and C specifically? Could you  
23 look at that? I would have been happy to do it, but he  
24 didn't raise it.

25 35724 MR. PRATTE: Archer Daniels Midland,

1           maybe not everyone is familiar with that company, but  
2           just in a sentence, why would that be related to his  
3           interest in this pasta?

4   35725                   THE RIGHT HON. BRIAN MULRONEY:  I  
5           suppose if this project took off, it would be one of  
6           the principal suppliers.

7   35726                   MR. PRATTE:  Okay.

8   35727                   THE RIGHT HON. BRIAN MULRONEY:  There  
9           would be two main ones available, as I understood it,  
10          in North America, Cargill and ADM.

11   35728                   MR. PRATTE:  Subsequent to -- well,  
12          first of all, was anything else discussed,  
13          Mr. Mulroney, that you recall?

14   35729                   THE RIGHT HON. BRIAN MULRONEY:  No.

15   35730                   MR. PRATTE:  Subsequent to that  
16          meeting and discussion, did the subject of pasta or was  
17          there anything else that occurred relating to this in  
18          the following year or two?

19   35731                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
20          not so much as between Mr. Schreiber and me, but the  
21          answer to your question is yes.

22   35732                   I don't remember all of the  
23          circumstances, the genesis of it, but I do remember two  
24          specific things that occurred and that I did.  I was  
25          invited, and I can't say who initiated the meeting, but

1 I was invited to meet with Greg Alford in Toronto who  
2 was an excellent guy working for Mr. Schreiber, who  
3 took me to a laboratory and/or display area about the  
4 construction of these machines.

5 35733 I was aware at the time that  
6 Mr. Schreiber was interested in the production of this  
7 and he had an association with a company in Seattle, in  
8 which company Elmer McKay was an investor.

9 35734 So the activity seemed to me to be  
10 going on mostly there, but it looked like Mr. Schreiber  
11 was going to acquire certainly the Canadian and perhaps  
12 part of the North American rights for the construction  
13 and distribution of this new machine that would  
14 specialize in the anti-obesity pasta production.

15 35735 MR. PRATTE: Very well. And I  
16 thought you referred to two instances you went to visit  
17 these laboratories.

18 35736 Is there anything else connected with  
19 it?

20 35737 THE RIGHT HON. BRIAN MULRONEY: Yes.  
21 Then I made it my business. Inasmuch as you couldn't  
22 really tell that much from the laboratory, I asked if  
23 there was a facility available that I can go and see,  
24 find out what it looked like and what it did and he  
25 said yes.

1 35738                   And there is one, I think it was in  
2           Commerce Court West in Toronto. A friend and I went  
3           there and there it was. There was quite a large  
4           facility where you pushed some buttons and out came  
5           this pasta, which I tried, this anti-obesity thing, and  
6           by God, it was good. It was hot and good and so I  
7           tried it again. And it was still good.

8 35739                   So the next thing that happened was  
9           that my friend Elmer called me and said do you think  
10          that we could -- you could put us in touch with  
11          McDonald's, because they might be interested in adding  
12          this to their impressive agenda that they have, this  
13          food agenda that they have. This would be great for  
14          them because it would be different from what they  
15          are -- and I can't tell you with certainty,  
16          Mr. Commissioner, who I phoned.

17 35740                   I can't remember if it was my old  
18          friend George Cohon or -- I wouldn't want to put words  
19          in his mouth. But I phoned someone in McDonald's to  
20          ensure that Elmer and/or Mr. Schreiber or their  
21          representative in Seattle, someone could meet with  
22          them, and McDonald's I believe said that they would be  
23          delighted to do that.

24 35741                   I don't know how that panned out.

25 35742                   MR. PRATTE: Mr. Commissioner, given



1           that I believe at some point in time McDonald's slogan  
2           was you need a break today or something like that,  
3           perhaps it would be an appropriate time to break.

4   35743                    COMMISSIONER OLIPHANT:  Just for the  
5           record, Mr. Cohon was the holder of the Canadian  
6           franchise for McDonald's, I believe.

7   35744                    THE RIGHT HON. BRIAN MULRONEY:  
8           That's right.  He was the President and Chief --  
9           Chairman and Chief Executive Officer of the company in  
10          Canada.

11   35745                    But, as I say, I can't be certain  
12          that I spoke with -- I certainly knew him and might --  
13          he might have been the guy, but perhaps not.

14   35746                    COMMISSIONER OLIPHANT:  So you  
15          thought that for the first time in history McDonald's  
16          might sell something that wasn't fattening?

17   35747                    THE RIGHT HON. BRIAN MULRONEY:  
18          Exactly.

19   35748                    COMMISSIONER OLIPHANT:  We will take  
20          a 15-minute break.

21   35749                    THE RIGHT HON. BRIAN MULRONEY:  
22          Precisely.  That's why I thought, Mr. Commissioner, it  
23          would appeal to them.

24   35750                    COMMISSIONER OLIPHANT:  Fifteen  
25          minutes.

1 --- Upon recessing at 3:15 p.m. / Suspension à 15 h 15

2 --- Upon resuming at 3:37 p.m. / Reprise à 15 h 37

3 35751 COMMISSIONER OLIPHANT: Be seated,  
4 please.

5 35752 Mr. Pratte...?

6 35753 MR. PRATTE: Thank you,  
7 Mr. Commissioner.

8 35754 Mr. Mulroney, on or about August 31,  
9 1999 Mr. Schreiber was arrested in Toronto. How did  
10 you find out about that?

11 35755 THE RIGHT HON. BRIAN MULRONEY: In  
12 the television or the newspapers.

13 35756 MR. PRATTE: What was your reaction?

14 35757 THE RIGHT HON. BRIAN MULRONEY: I was  
15 stunned.

16 35758 MR. PRATTE: Why was that?

17 35759 THE RIGHT HON. BRIAN MULRONEY:  
18 Because, as I have indicated before, a fellow that I  
19 thought was a successful entrepreneur is arrested on an  
20 Interpol warrant, charged with bribery, corruption,  
21 fraud and income tax evasion on a massive scale. This  
22 was certainly a big surprise to me.

23 35760 I had known nothing, absolutely  
24 nothing of this and of the developments that had led  
25 him to leave Germany to Switzerland and then to come

1           into Canada until he got arrested in Toronto.

2   35761                   MR. PRATTE:  Could you take the

3           volume that is right in front of you and go to Tab 15,

4           Mr. Mulroney?

5   35762                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

6   35763                   MR. PRATTE:  There is a letter

7           there --

8   35764                   THE RIGHT HON. BRIAN MULRONEY:

9           Fifteen?

10  35765                   MR. PRATTE:  It should be 15.

11  35766                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

12  35767                   COMMISSIONER OLIPHANT:  Are we

13           looking at P-46?

14  35768                   MR. PRATTE:  Oh, I'm sorry,

15           Mr. Commissioner, we are.

16  35769                   COMMISSIONER OLIPHANT:  Okay, that's

17           fine.

18  35770                   MR. PRATTE:  Yes, the Additional --

19  35771                   COMMISSIONER OLIPHANT:  Tab 15 is the

20           CBC letter?

21  35772                   MR. PRATTE:  Right.

22  35773                   COMMISSIONER OLIPHANT:  Okay.

23  35774                   MR. PRATTE:  So do you see that

24           letter, Mr. Mulroney, addressed to you, dated October

25           8, 1999?

1 35775 THE RIGHT HON. BRIAN MULRONEY: Yes.  
2 35776 MR. PRATTE: From Mr. Cashore of the  
3 CBC?  
4 35777 THE RIGHT HON. BRIAN MULRONEY: Yes.  
5 35778 MR. PRATTE: Could you read the first  
6 two paragraphs?  
7 35779 THE RIGHT HON. BRIAN MULRONEY: It  
8 says:  
9 "Dear Mr. Mulroney:  
10 The Canadian Broadcasting  
11 Corporation's programme the  
12 fifth estate is gathering  
13 research for a story concerning  
14 Karlheinz Schreiber and some of  
15 his business activities in  
16 Canada and abroad.  
17 In the course of the research we  
18 have come across some new  
19 information which we would like  
20 to discuss with you in an  
21 interview. It is our sincere  
22 objective to understand the  
23 facts as best we can, and it is  
24 for this reason we are hoping to  
25 speak with you."

1 35780 MR. PRATTE: Did you agree to speak  
2 with the fifth estate?

3 35781 THE RIGHT HON. BRIAN MULRONEY: No.

4 35782 MR. PRATTE: Did anyone on your  
5 behalf speak to the fifth estate?

6 35783 THE RIGHT HON. BRIAN MULRONEY: I  
7 don't know. Perhaps.

8 35784 MR. PRATTE: Well, was Mr. Lavoie  
9 acting or representing you in any way at that time?

10 35785 This is in 1999.

11 35786 THE RIGHT HON. BRIAN MULRONEY: It's  
12 possible. He was good enough to represent me even when  
13 he had left National to help me out, and so it is very  
14 possible he did that.

15 35787 MR. PRATTE: Okay. Can I then take  
16 you to Tab 92 of Binder 2.

17 35788 THE RIGHT HON. BRIAN MULRONEY: Yes,  
18 sir.

19 35789 MR. PRATTE: Ninety-two should be a  
20 letter dated January 26, 2000.

21 35790 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 35791 MR. PRATTE: From Mr. Hladun's firm.

23 35792 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35793 MR. PRATTE: And it appears to be  
25 signed by him, and I think he has confirmed his

1 signature when he was here before the Commissioner a  
2 little earlier. Page 2.

3 35794 THE RIGHT HON. BRIAN MULRONEY: Page  
4 2?

5 35795 MR. PRATTE: Just that is where his  
6 signature is --

7 35796 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 35797 MR. PRATTE: -- but I wanted to take  
9 you first of all to the first page, Mr. Mulroney.

10 35798 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 35799 MR. PRATTE: He says in the bottom  
12 paragraph:

13 "... received a call from Mr.  
14 Mulroney who advised that he had  
15 instructed Mr. Tremblay to issue  
16 a letter to CBC's Fifth Estate  
17 indicating that if there was the  
18 slightest implication that Mr.  
19 Schreiber, Mr. Moores and Brian  
20 Mulroney were involved in anyway  
21 (I assumed as alleged in Letter  
22 of Request) then there would be  
23 terrible consequences (I assumed  
24 that to mean a lawsuit)."

25 35800 Let me just stop you there.

1 35801 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 35802 MR. PRATTE: Do you have any

3 recollection, first of all, of speaking to Mr. Hladun

4 on or about that time?

5 35803 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 35804 MR. PRATTE: Had you instructed

7 Mr. Tremblay -- and again, Mr. Tremblay was acting --

8 35805 THE RIGHT HON. BRIAN MULRONEY: My

9 lawyer.

10 35806 MR. PRATTE: Right. Had you given

11 instructions to Mr. Tremblay to call Mr. Hladun?

12 35807 THE RIGHT HON. BRIAN MULRONEY: Very

13 possible -- very probably, yes.

14 35808 MR. PRATTE: Okay. And when he says

15 that the letter involving the fifth estate and the

16 suggestion of the possible implication that you might

17 be involved in any way as he says, and I quote:

18 "... (I assumed as alleged in

19 the Letter of Request)..."

20 35809 Unquote. Is Mr. Hladun's assumption

21 correct?

22 35810 THE RIGHT HON. BRIAN MULRONEY: That

23 it was about Airbus?

24 35811 MR. PRATTE: Yes. When he says:

25 "... (I assumed as alleged in

1 Letter of Request)..."

2 35812 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 35813 MR. PRATTE: What did you have in

4 mind I guess is the better question?

5 35814 THE RIGHT HON. BRIAN MULRONEY:

6 Airbus. Look, the fifth estate has been on a mission

7 for 15 or 20 years to prove that I got Airbus money.

8 Then they changed their mind. When that was exploded

9 in their face, they changed their mind and said oh, we

10 made a little mistake. Now we are going to prove that

11 he did something else.

12 35815 When that's finished, they will be on

13 to something else. I mean after all, they operate

14 100 per cent with taxpayers' money, and once they set

15 out on these vendettas, such as the one that I have had

16 the pleasure to witness, if you are spending taxpayers'

17 money it's hard for the guy on the other side.

18 35816 So they were on another one of their

19 events there, and I thought this would be important for

20 us to make it very clear from Mr. Hladun that there had

21 never ever been a request for anything other than that.

22 35817 MR. PRATTE: So when he goes on to

23 say in the rest of the paragraph, I quote:

24 "He would issue..."

25 35818 That is obviously Mr. Tremblay:



1 "He would issue the letter but  
2 first wanted an assurance or  
3 comfort in writing from Mr.  
4 Schreiber saying that he would  
5 confirm what he had said  
6 publicly on many occasions, that  
7 at no time did Brian Mulroney  
8 solicit or receive compensation  
9 of any kind from Schreiber."  
10 35819 THE RIGHT HON. BRIAN MULRONEY: Yes.  
11 35820 MR. PRATTE: What is that referring  
12 to?  
13 35821 THE RIGHT HON. BRIAN MULRONEY:  
14 Airbus, as Mr. Hladun confirmed.  
15 35822 MR. PRATTE: Now, subsequent to  
16 this -- well, did you hear or watch a fifth estate  
17 program later on, Mr. Mulroney, on or about the 20th of  
18 October?  
19 35823 THE RIGHT HON. BRIAN MULRONEY: No.  
20 35824 MR. PRATTE: Were you apprised of it?  
21 35825 THE RIGHT HON. BRIAN MULRONEY: I was  
22 outside of the country. Yes, I was.  
23 35826 MR. PRATTE: Okay. And what were you  
24 told about it?  
25 35827 THE RIGHT HON. BRIAN MULRONEY: I was

1 told that it was a typical fifth estate hatchet job and  
2 that Mr. Schreiber, his arrest and what have you, was  
3 involved in this. I haven't seen it or even read all  
4 of the transcript.

5 35828 I was told, as well, that Mr. Lavoie  
6 was quoted in the program referring to Mr. Schreiber in  
7 somewhat unflattering terms.

8 35829 And the matter that I,  
9 Mr. Commissioner, found of interest and subsequently  
10 inquired about, was that on the day of the program  
11 Mr. Greenspan, Mr. Schreiber's lawyer, had written to  
12 the fifth estate saying in the letter I want to state  
13 categorically and for the record, we understand that  
14 the fifth estate is going to suggest that Britan is  
15 Brian, and Brian Mulroney, trying to draw me in.

16 35830 This is the object of the whole  
17 exercise of the fifth estate is that.

18 35831 Greenspan says it is not Brian. I am  
19 writing to you to tell you that the Britan account  
20 is -- this is in 1999, October 1999, Mr. Commissioner.  
21 He is saying I am Schreiber's lawyer. You are telling  
22 me that -- I hear that you are going to produce this  
23 program in which you are going to make this allegation.

24 35832 I am telling you on behalf of my  
25 client it's false, and if you air this program tonight

1 without including me, Eddie Greenspan, in your lineup,  
2 you are going to be doing an enormous disservice to  
3 Mr. Mulroney and to the truth.

4 35833 They just ignored it. They throw it  
5 in the waste paper basket and off they go typically and  
6 do whatever they want, which is why I assume,  
7 Mr. Commissioner, that Mr. Douglas Cunningham of the  
8 Ontario Superior Court of Justice eviscerated,  
9 eviscerated the fifth estate crowd and their manner of  
10 doing business for the slander and libel that they  
11 perpetrated on a doctor from Ottawa, and awarded in  
12 excess of \$1 million against them for their lies and  
13 their unprofessionalism in the most vigorous language.

14 35834 This was the modus operandi.

15 35835 MR. PRATTE: Did you --

16 35836 THE RIGHT HON. BRIAN MULRONEY: This  
17 is what was going on, and so obviously I was interested  
18 in knowing if Mr. Greenspan's formal request for  
19 objectivity would be honoured. It was not.

20 35837 MR. PRATTE: So that --

21 35838 THE RIGHT HON. BRIAN MULRONEY:  
22 That's what I knew about that program.

23 35839 MR. PRATTE: At that time, I'm  
24 talking about the fall of 1999, Mr. Mulroney, did you  
25 have communications with Mr. Schreiber?

1 35840 THE RIGHT HON. BRIAN MULRONEY: No.

2 35841 MR. PRATTE: Did you hear anything

3 about him or from him indirectly?

4 35842 THE RIGHT HON. BRIAN MULRONEY: Yes,

5 I did. I heard from Elmer McKay that he, Elmer, had

6 picked up that Mr. Schreiber was musing that perhaps I

7 had an income tax problem. I had no -- I had no income

8 tax problem, but I got the impression that

9 Mr. Schreiber was going to try and see if he

10 couldn't -- couldn't create one for me.

11 35843 MR. PRATTE: At this juncture,

12 Mr. Commissioner, I would like to file a few documents,

13 if I can find them, and refer to others that deal with

14 a voluntary disclosure that I will come to in a moment.

15 35844 Some of them are already found at Tab

16 26 of the Additional -- P-46, Tab 26.

17 35845 THE RIGHT HON. BRIAN MULRONEY: What

18 tab number?

19 35846 COMMISSIONER OLIPHANT: These are

20 documents emanating out of Ogilvy Renault?

21 35847 MR. PRATTE: That's right. And I

22 will take you to one of them presently, or the witness.

23 35848 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35849 MR. PRATTE: And then I'm here to

25 file as well additional documents, which I'm assuming

1 the registrar has copies of, to be marked as P-49.

2 35850 Just before I do so and also advise  
3 the Commission of an agreed statement of facts in terms  
4 of the basis upon which some of this information is  
5 going in, I just want to put on the record,  
6 Mr. Commissioner, that on behalf of Mr. Mulroney we  
7 have in mind the ruling that you issued about, as you  
8 will recall, the standard ruling and references to the  
9 Income Tax Act.

10 35851 So I'm filing this at the moment with  
11 the proviso that I'm dealing with these issues because  
12 they are part of the factual narrative, but not in  
13 order to open the door to issues of tax compliance with  
14 the Income Tax Act.

15 35852 So I will ask a few questions just to  
16 fill in the factual narrative, nor either of course to  
17 waive any solicitor-client privilege that Mr. Mulroney  
18 might have had with the people who acted on his behalf.

19 35853 So I understand when you made your  
20 ruling -- I'm not saying that others are agreed on the  
21 basis of those filings, but that's what I'm going to  
22 do.

23 35854 And when they have questions, when I  
24 hear those questions, as you said, at the time we may  
25 have to wait and see what the questions -- specific

1           questions are and then you may have to rule as to their  
2           propriety.

3   35855                            But that's the limited extent to  
4           which I am proposing to use those documents.

5   35856                            COMMISSIONER OLIPHANT:  Mr. Wolson, I  
6           am looking at you and I can see you looking with some  
7           concern.

8   35857                            MR. WOLSON:  Well, there is no  
9           agreement regarding the nature of the questions that  
10          others will put to the witness, and that is something  
11          you will have to deal with, as my friend said, at the  
12          time.  But it shouldn't be construed that there is any  
13          agreement or consensus.

14   35858                            COMMISSIONER OLIPHANT:  I understand.  
15          Depending on the nature of questions that may be asked,  
16          there may be an objection and I will have to rule on  
17          it.

18   35859                            MR. PRATTE:  Indeed.  That's all I  
19          was wanting to make you --

20   35860                            COMMISSIONER OLIPHANT:  Sure.  Okay.

21   35861                            MR. PRATTE:  So in terms of the  
22          additional documents that should be marked as P-43,  
23          they are -- I don't know what the terminology is in  
24          English, but the Avis Cotisation.

25   35862                            Perhaps you will know what I'm

1 talking about, Mr. Commissioner, when the Registrar  
2 puts them in front of you.

3 35863 COMMISSIONER OLIPHANT: This is a new  
4 exhibit coming in?

5 35864 MR. PRATTE: It is, sir.

6 35865 COMMISSIONER OLIPHANT: And this will  
7 be P-49, I believe.

8 35866 MR. PRATTE: You are correct.

9 35867 MR. YAROSKY: Notice of Assessment.

10 35868 MR. PRATTE: Notice of assessment,  
11 Mr. Yarosky.

12 35869 COMMISSIONER OLIPHANT: Oh, I have  
13 seen these before.

14 35870 MR. PRATTE: All right.  
15 35871 In a different case, I'm sure.

16 35872 COMMISSIONER OLIPHANT: Yes, my own.  
17 --- Laughter / Rires

18 35873 MR. PRATTE: Well, we won't expand  
19 the boundaries of the inquiry to go that far.

20 35874 COMMISSIONER OLIPHANT: I won't be  
21 subject to cross-examination, okay. Just keep going  
22 with your filing.

23 35875 MR. PRATTE: Thank you, sir.  
24 35876 So I just want to make -- you will  
25 see, Mr. Commissioner, as you look at these that the

1 documents, the information has been blacked out and it  
2 is pursuant to a joint statement of facts that I'm  
3 going to read into the record.

4 35877 I understand that Commission Counsel  
5 and Mr. Vickery do not object to the filing of those  
6 documents in that form.

7 35878 I'm talking about P-49, if I have  
8 that correctly.

9 35879 They don't consent either, but they  
10 don't object. The agreement between --

11 35880 COMMISSIONER OLIPHANT: If they don't  
12 consent and they don't object, I would like to know  
13 what the position is.

14 35881 MR. PRATTE: Sorry. Well, they don't  
15 object, so I'm asking you to receive them on the basis  
16 there are no objections to their being filed in that  
17 form.

18 35882 COMMISSIONER OLIPHANT: All right.

19 35883 Would you confirm that, Mr. Vickery?

20 35884 MR. VICKERY: Yes, Commissioner. We  
21 do not object to the filing of the documents in the  
22 form proposed.

23 35885 COMMISSIONER OLIPHANT: All right.

24 35886 Mr. Wolson, I take it that that is  
25 the position of Commission counsel? Okay.



1 35887 MR. PRATTE: And then what I would  
2 like to read, Mr. Commissioner, as a joint statement of  
3 facts, though, is that counsel for the parties have  
4 received and reviewed partially redacted copies of  
5 Mr. Mulroney's Avis de Nouvelle Cotisation and amended  
6 income tax returns for the years '96, '97 and '98.

7 35888 Having examined the documents,  
8 counsel for the parties can confirm that the amended  
9 returns increased Mr. Mulroney's "Revenus d'entreprise"  
10 by \$37,500 in each of those years.

11 35889 So those are the facts to which  
12 everyone agrees.

13 35890 COMMISSIONER OLIPHANT: Are you going  
14 to file -- is it a written agreed statement of facts or  
15 the agreed statement is just what you have read?

16 35891 MR. PRATTE: I have just read it,  
17 but --

18 35892 COMMISSIONER OLIPHANT: As part of  
19 the evidence.

20 35893 MR. PRATTE: Yes, sir. Or if you  
21 wish, we could simply have it typed up and mark it as  
22 an exhibit if you wish.

23 35894 COMMISSIONER OLIPHANT: Well, it is  
24 not necessary from my perspective. I have heard what  
25 you had to say. It is on the record.

1 35895 MR. PRATTE: All right. Thank you,  
2 sir.

3 35896 COMMISSIONER OLIPHANT: The Notice of  
4 Assessment and amended income tax returns, then, will  
5 be received and marked as Exhibit P-49.

6 EXHIBIT NO. P-49: Notice of  
7 Assessment and amended income  
8 tax returns for Brian Mulroney

9 35897 COMMISSIONER OLIPHANT: Go ahead,  
10 please, Mr. Pratte.

11 35898 MR. PRATTE: Mr. Mulroney, I just  
12 have --

13 35899 MR. WOLSON: When you asked counsel,  
14 you asked only two counsel. You neglected to ask  
15 Mr. Houston and Mr. Auger and perhaps their position  
16 should be on the record as well.

17 35900 COMMISSIONER OLIPHANT: I actually  
18 didn't neglect. Mr. Pratte moved on a little quicker  
19 than I anticipated.

20 35901 Mr. Houston, what is your position  
21 with respect to Exhibit P-49?

22 35902 MR. HOUSTON: I consent to them being  
23 filed.

24 35903 COMMISSIONER OLIPHANT: You consent.  
25 You are not only not objecting, you are consenting.

1 35904 MR. HOUSTON: Correct, sir.

2 35905 COMMISSIONER OLIPHANT: All right.

3 35906 Mr. Auger...?

4 35907 MR. AUGER: Not opposed,

5 Commissioner.

6 35908 COMMISSIONER OLIPHANT: Thank you.

7 35909 MR. PRATTE: So, Mr. Mulroney,

8 subject to the caveats I have put on the record, I have

9 a few questions on the issue of the income tax

10 treatment of the monies.

11 35910 When you received the payments we

12 have discussed in the years you received them, in

13 1993-1994, can you tell me how you conceived them

14 yourself from an income tax point of view?

15 35911 THE RIGHT HON. BRIAN MULRONEY: As a

16 retainer.

17 35912 MR. PRATTE: Which meant what to you?

18 35913 THE RIGHT HON. BRIAN MULRONEY: Which

19 meant that the amounts were not declarable as income

20 until they were taken into one's income stream as their

21 own money.

22 35914 MR. PRATTE: And when did you do

23 that?

24 35915 THE RIGHT HON. BRIAN MULRONEY: In

25 1999.

1 35916 MR. PRATTE: Did you -- I don't want  
2 to know what might have been discussed, but at the time  
3 you formed that view, did you consult any tax advisors?  
4 35917 THE RIGHT HON. BRIAN MULRONEY: Yes.  
5 35918 MR. PRATTE: At the time you made  
6 that determination in '93-'94?  
7 35919 THE RIGHT HON. BRIAN MULRONEY: No.  
8 35920 MR. PRATTE: The conception you said  
9 about the retainer, I just want to know --  
10 35921 THE RIGHT HON. BRIAN MULRONEY: Oh,  
11 no, no. I had practised law for 13 years and I had  
12 been in business. I wasn't a tax lawyer, but my  
13 understanding of the tax law was exactly what I have  
14 given you; that a retainer is not declarable as income  
15 until it is used that way, and therefore I treated it  
16 in that manner.  
17 35922 MR. PRATTE: Okay. And the monies we  
18 have talked about and that were I guess in your safe at  
19 home -- and there was also some money in New York?  
20 35923 THE RIGHT HON. BRIAN MULRONEY:  
21 That's right.  
22 35924 MR. PRATTE: You told us about. So  
23 when did you use that money for your own purposes?  
24 35925 THE RIGHT HON. BRIAN MULRONEY: After  
25 the amounts had been declared to the Québec and federal

1 income tax departments and approvals had been received.  
2 The cheques were paid, the taxes fully paid and the  
3 money became mine, having been declared as income.  
4 Only then --

5 35926 MR. PRATTE: Can I just take you --  
6 35927 THE RIGHT HON. BRIAN MULRONEY: --  
7 did I use any of it.

8 35928 MR. PRATTE: Can I just take you,  
9 Mr. Mulroney, to Tab 26.

10 35929 THE RIGHT HON. BRIAN MULRONEY: Yes.  
11 35930 MR. PRATTE: You will see it is a  
12 letter, a fax transmission from Ogilvy Renault.

13 35931 THE RIGHT HON. BRIAN MULRONEY: Yes.  
14 35932 MR. PRATTE: And if you go to the  
15 first page, there are a number of points there, one and  
16 two. Do you see that?

17 35933 THE RIGHT HON. BRIAN MULRONEY: Yes.  
18 35934 MR. PRATTE: Firstly, Mr. Mulroney,  
19 this is a letter sent by Wilfrid Lefebvre of Ogilvy  
20 Renault?

21 35935 THE RIGHT HON. BRIAN MULRONEY: Yes.  
22 35936 MR. PRATTE: And it refers, if you go  
23 to the "Objet: Divulgation Volontaire" --  
24 35937 You have to say yes or no for the  
25 record.

- 1 35938 THE RIGHT HON. BRIAN MULRONEY: I'm  
2 sorry, yes.
- 3 35939 MR. PRATTE: Did you get involved in  
4 any of the discussions that Mr. Lefebvre might have had  
5 with the Québec or federal authorities in terms of the  
6 Divulgation Volontaire?
- 7 35940 THE RIGHT HON. BRIAN MULRONEY: Not  
8 at all.
- 9 35941 MR. PRATTE: Were you shown copies of  
10 this document -- and there are two that follow that  
11 actually precede it in time. The last one is February  
12 2, 2000.
- 13 35942 Were you shown copies of these  
14 documents, as best you can recall, at the time?
- 15 35943 THE RIGHT HON. BRIAN MULRONEY: No.
- 16 35944 MR. PRATTE: If you go to, again  
17 paragraph 2, it refers to :  
18 « les montants décrits dans ma  
19 lettre ... impliquent des sommes  
20 de 75 000 \$ pour chacune des  
21 années d'imposition 1993, 1994  
22 et 1995.»
- 23 35945 LE TRÈS HON. BRIAN MULRONEY : Oui.
- 24 35946 Me PRATTE : Vous voyez ça?
- 25 35947 LE TRÈS HON. BRIAN MULRONEY : Oui.

1 35948 Me PRATTE : Donc, trois années...

2 35949 LE TRÈS HON. BRIAN MULRONEY : Voilà!

3 35950 Me PRATTE : ...pour un total de...?

4 35951 LE TRÈS HON. BRIAN MULRONEY : Deux

5 cents vingt-cinq mille dollars.

6 35952 Me PRATTE : Est-ce que ce montant

7 correspond aux sommes qui vous avaient été données par

8 monsieur Schreiber?

9 35953 LE TRÈS HON. BRIAN MULRONEY :

10 Parfaitement.

11 35954 Me PRATTE : Encore une fois, Monsieur

12 Mulroney, sans violer de secret professionnel, quelle

13 était votre conception ou compréhension, devrais-je

14 dire, de la divulgation volontaire?

15 35955 LE TRÈS HON. BRIAN MULRONEY : Eh

16 bien, la divulgation volontaire, c'est un instrument,

17 une espèce de véhicule, disponible à tout citoyen

18 canadien pour une foule de raisons, de régler ou de

19 mettre un terme à une question qui implique le fisc.

20 35956 Alors, j'ai demandé, de façon

21 spéciale, pour m'assurer, et on me dit : Mais il n'y a

22 aucune implication de responsabilité négative qui en

23 découle. Il y a toute sorte de raisons qui peuvent

24 être utilisées, et dans votre cas, c'est... c'est ça.

25 Il n'y avait pas de... je pense que la phrase, c'était

1 : No culpability whatever attaches to any Canadian  
2 citizen by using a vehicle made available for the tax  
3 department, quelque chose comme ça.

4 35957 MR. PRATTE: Did you care in terms of  
5 specifically how the matter would be negotiated or  
6 resolved in terms of the mechanics of the settlement  
7 ultimately?

8 35958 THE RIGHT HON. BRIAN MULRONEY: No.  
9 I simply said this matter ought to be resolved in a  
10 fair and expeditious manner. Québec is the only place  
11 in Canada where there are two such revenue departments,  
12 because Québec collects its own such taxes. So it has  
13 to be done to the satisfaction of both, pursuant to the  
14 customs and traditions and the law of the area. And I  
15 said just resolve it.

16 35959 Any doubt, resolve in favour of the  
17 government and let me know what the cost is and I will  
18 send you a cheque.

19 35960 MR. PRATTE: I have referred,  
20 Mr. Mulroney, to the agreement where everyone confirmed  
21 that amount of \$37,500 per year was added to the tax  
22 that you owed.

23 35961 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 35962 MR. PRATTE: Did you pay those  
25 amounts, to the best of your knowledge?



1 35963 THE RIGHT HON. BRIAN MULRONEY: Yes,  
2 I did.

3 35964 MR. PRATTE: Can you -- this is a  
4 sensitive area, Mr. Mulroney, and I don't want to pry  
5 in your personal life, financial life or otherwise  
6 obviously. But can you give the Commission a general  
7 idea of the significance of those amounts to you.

8 35965 You have already talked about the  
9 Washington Bureau in that context, but I wonder if you  
10 just could put a little bit of greater context in terms  
11 of the significance, relative or otherwise, of these  
12 additional amount you had to pay.

13 35966 THE RIGHT HON. BRIAN MULRONEY: Well,  
14 you know, I remember the Commissioner saying to someone  
15 that \$100,000 was a lot of money to him and it is to  
16 me, obviously. But at that time, and in the context I  
17 suppose of my gross revenues, this was readily handled,  
18 accommodated.

19 35967 I explained to you some of the  
20 financial inflows that I had and I was extremely  
21 fortunate, thank the Lord, and this is the result.

22 35968 MR. PRATTE: A question in the same  
23 vein, Mr. Mulroney, again respecting your privacy as  
24 best we can: There was a question in the  
25 Commissioner's mandate that says what happened to the

1 money.

2 35969 You said that you considered it to  
3 become income at that point in time roughly. Can you  
4 give the Commissioner an indication of what you did  
5 with the money that you said you felt you had earned by  
6 then?

7 35970 THE RIGHT HON. BRIAN MULRONEY: Well,  
8 it was my -- it was my money at the time. It was my  
9 private income. And I am no more thrilled at the  
10 prospect of dealing -- of talking about that than  
11 anybody in this room would be, in terms of the privacy  
12 of our lives and so on, particularly in light of the  
13 Commissioner's ruling in regard to the respect for my  
14 private life and my private business dealings.

15 35971 But that being said, the answer to  
16 the question is the answer to just about any question  
17 you could ask me in this area, but particularly this:  
18 I dispersed it to members of my immediate and extended  
19 family in Canada and the United States -- after it was  
20 mine. After it was mine.

21 35972 And having been assured -- insured --  
22 assured rather, Mr. Pratte, that the manner in which I  
23 had treated this as a retainer was appropriate and  
24 proper, my view, which was sustained, was that -- so in  
25 other words, until I paid the -- when I paid the taxes,

1           that's when they became due and exigible.

2   35973                        So when I sometimes see things in the  
3           media that I was late in my taxes, I know someone who  
4           will disagree with that.

5   35974                        MR. PRATTE:  Could I ask you a few  
6           questions -- thank you, Mr. Mulroney.

7   35975                        One last question in this area:  When  
8           you decided to take this money into your income in the  
9           way that you have just explained, what was your  
10          understanding of this watching brief that you had?

11   35976                       Was it still alive or what happened  
12          to it?

13   35977                       THE RIGHT HON. BRIAN MULRONEY:  Yes,  
14          it was.  The watching brief was for Mr. Schreiber's  
15          corporate interests.  He spoke to me -- he didn't  
16          terminate anything, nor did I, in Switzerland.  I was  
17          clearly trying to function to help him with his new  
18          pasta products.  I just thought it was ongoing and that  
19          one day it would either succeed formally or fail  
20          formally and that would be the end of it.

21   35978                       We had not reached that time, but I  
22          felt it was appropriate to do what I did.  As I say, it  
23          was in keeping with my understanding of the retainer  
24          provisions of the statutes and I treated it that way.  
25          And when it became exigible, I paid the taxes on it.

1 35979 MR. PRATTE: Mr. Doucet testified  
2 about a number of notes he made, a set of notes he made  
3 from time to time starting, if memory serves, in the  
4 wake of the fifth estate program.

5 35980 I am a bit out of sequence there. I  
6 should have asked you about that before.

7 35981 Just for your reference,  
8 Mr. Mulroney, I'm not going to take you necessarily in  
9 any detail through these but just so that the  
10 Commissioner and everyone else can follow through, go  
11 to Tab 89.

12 35982 Now we are back in one of the big  
13 books, Tab 2.

14 35983 Sorry, Volume 2, Tab 89.

15 35984 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 35985 MR. PRATTE: It has been identified  
17 as a note that was typed up. It is actually originally  
18 handwritten by Mr. Doucet in the wake of his watching  
19 the fifth estate program.

20 35986 The only question I have for you in  
21 respect to that, Mr. Mulroney, is: Were you aware at  
22 the time that Mr. Doucet was making such a note?

23 35987 THE RIGHT HON. BRIAN MULRONEY: No.

24 35988 MR. PRATTE: Did you ask him on your  
25 behalf to watch the show --

1 35989 THE RIGHT HON. BRIAN MULRONEY: No.  
2 35990 MR. PRATTE: -- and record any  
3 thoughts he may have?  
4 35991 THE RIGHT HON. BRIAN MULRONEY: No.  
5 35992 MR. PRATTE: If you flip to the next  
6 tab, Tab 90 --  
7 35993 THE RIGHT HON. BRIAN MULRONEY: Yes.  
8 35994 MR. PRATTE: There is another note  
9 that Mr. Doucet made. It is dated December 26, 1999  
10 and it refers to, as he explained, a meeting that he  
11 had at his house, I believe, on Boxing Day in 1999.  
12 35995 You have to say yes or no for the  
13 record.  
14 35996 THE RIGHT HON. BRIAN MULRONEY: I'm  
15 sorry, yes. Yes.  
16 35997 MR. PRATTE: First of all, let me  
17 just ask you this: Did you know that Mr. MacKay -- not  
18 Mr. MacKay, Mr. Doucet and Mr. Schreiber were supposed  
19 to meet on that day before the meeting happened?  
20 35998 THE RIGHT HON. BRIAN MULRONEY: I  
21 don't believe I did.  
22 35999 MR. PRATTE: Okay. When did you find  
23 out about the fact that such a meeting did take place?  
24 36000 THE RIGHT HON. BRIAN MULRONEY: I can  
25 only assume that Mr. Doucet must have called me after

1           it had taken place.

2   36001                   MR. PRATTE:   Okay.   Do you recall  
3           anything he might have told you as a result of that  
4           meeting, Mr. Doucet?

5   36002                   THE RIGHT HON. BRIAN MULRONEY:   Not  
6           that meeting.   I think he called me after another  
7           meeting, and perhaps that rings a bell more than  
8           anything here.

9   36003                   MR. PRATTE:   Well, let's go,  
10          Mr. Mulroney, then to the next meeting, or another  
11          meeting, I should say.

12   36004                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

13   36005                   MR. PRATTE:   Tab 91.

14   36006                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

15   36007                   MR. PRATTE:   If you go to the --  
16          there is a paragraph -- first of all, just to situate  
17          you, these are notes that are made by Mr. Doucet  
18          recording a meeting of Mr. Doucet and Mr. Schreiber at  
19          the Royal York in Toronto.

20   36008                   You will see that at the very top of  
21          the page, at Tab 91?

22   36009                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

23   36010                   MR. PRATTE:   On January 11, 2000.

24   36011                   Did you know that such a meeting was  
25          going to take place beforehand?

1 36012 THE RIGHT HON. BRIAN MULRONEY: This  
2 one, no.

3 36013 MR. PRATTE: If you go to paragraph  
4 3 --

5 36014 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 36015 MR. PRATTE: I wonder if you might  
7 just read that paragraph to yourself and then I will  
8 have a question for you.

9 --- Pause

10 36016 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 36017 COMMISSIONER OLIPHANT: Are we  
12 looking at paragraph number three or the third full  
13 paragraph on that page?

14 36018 MR. PRATTE: I'm looking at number  
15 three, which starts -- a good question, sir. Thank you  
16 for that.

17 36019 It starts "Now on our friend B.M.  
18 ..."

19 36020 COMMISSIONER OLIPHANT: Okay, I have  
20 it. Thanks.

21 36021 MR. PRATTE: Okay. Have you read  
22 that paragraph, Mr. Mulroney?

23 36022 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 36023 MR. PRATTE: Does that revive any  
25 memory in terms of a discussion you might have had with

1 Mr. Doucet?

2 36024 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36025 MR. PRATTE: And what is that?

4 36026 THE RIGHT HON. BRIAN MULRONEY: He

5 called me. He had to have called me after that earlier

6 meeting.

7 36027 MR. PRATTE: On December 26th.

8 36028 THE RIGHT HON. BRIAN MULRONEY: Yes,

9 after, because it is very clear that he is talking

10 about this transcript. He is talking about this

11 transcript.

12 36029 And it is clear that Mr. Schreiber

13 had told...

14 36030 MR. PRATTE: Thank you.

15 36031 Mr. Wolson helpfully points out that

16 the transcript you are holding in your hand is the

17 transcript of the discovery --

18 36032 THE RIGHT HON. BRIAN MULRONEY: Yes,

19 I'm sorry.

20 36033 MR. PRATTE: -- in your claim on

21 Airbus.

22 36034 I think we gave it an exhibit number,

23 Mr. Commissioner, I forget which, but the discovery

24 transcript of --

25 36035 THE RIGHT HON. BRIAN MULRONEY:



1 Nineteen ninety-six.

2 36036 MR. PRATTE: Nineteen ninety-six,  
3 April 17th.

4 36037 THE RIGHT HON. BRIAN MULRONEY: The  
5 examination before plea in Montréal.

6 36038 MR. PRATTE: Thank you.

7 36039 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 36040 MR. PRATTE: P-49? P-48.

9 36041 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 36042 MR. PRATTE: Thank you, sir. Sorry.

11 36043 So you were saying it is very clear  
12 that he is talking about this transcript, P-48.

13 36044 THE RIGHT HON. BRIAN MULRONEY: Yes.  
14 And what I remember about it is when Mr. Doucet called  
15 me and he said that Mr. Schreiber raised this. So now  
16 I have Mr. Schreiber, my apparent friend and ally in  
17 this fight against the government, all of a sudden he  
18 is worried about the wording in the document that we  
19 examined earlier.

20 36045 So I talked to Fred and I sent him a  
21 couple of pages I think of this thing. And what I  
22 remember about it is that Mr. Doucet took him through  
23 the document and it was very clear that Mr. Schreiber  
24 had made the same mistake that the National Post made  
25 and the Globe and Mail and many others, including the

1           columnist to whom I referred earlier, and it was on  
2           that final matter you raised with me about having had  
3           earlier relationships with them in the Airbus thing.

4   36046                    What I remember about this, because  
5           Mr. Doucet told me that Mr. Schreiber, during the  
6           meeting, asked him to call me to kind of report on the  
7           meeting. Mr. Doucet described it that when he  
8           explained and showed this to Mr. Schreiber and drew his  
9           attention clearly to the fact that this related to  
10          Airbus and it wasn't Mr. Mulroney saying I have never  
11          had any relationship with Mr. Schreiber -- on the  
12          contrary, I had not had a relationship in regard to  
13          Airbus.

14   36047                    Mr. Doucet told me that at that point  
15          Mr. Schreiber, having had this pointed out to him, does  
16          this.

17   36048                    Ah, Fred, now I understand. Good.

18   36049                    COMMISSIONER OLIPHANT: The record  
19          should perhaps indicate that Mr. Mulroney slapped  
20          himself on the forehead.

21   36050                    THE RIGHT HON. BRIAN MULRONEY: Hard.  
22          Hard, Mr. Commissioner.

23   36051                    So that's the -- that's why I  
24          remember that particular conversation.

25   36052                    But I shouldn't -- I should not be,

1 as I say, too hard on Mr. Schreiber for that. It is a  
2 mistake that has crept into the -- into the lexicon of  
3 a lot of people in a lot of instances.

4 36053 MR. PRATTE: Would you then go to Tab  
5 93?

6 36054 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 36055 MR. PRATTE: There are several pages  
8 there, Mr. Mulroney, the first one of which is a  
9 document simply entitled "Mandate", and it has some  
10 typewriting but no handwritten notes.

11 36056 When did you first see this document?  
12 I'm not going to hold you to an hour of the day or a  
13 specific day.

14 36057 THE RIGHT HON. BRIAN MULRONEY: I  
15 think I saw it when it was produced at the Ethics  
16 Committee.

17 36058 MR. PRATTE: Mr. Doucet testified  
18 that this is a document that he discussed with  
19 Mr. Schreiber on or about February 4, 2000.

20 36059 You have to say yes or no for the  
21 record, Mr. Mulroney.

22 36060 THE RIGHT HON. BRIAN MULRONEY: Yes.  
23 Yes.

24 36061 MR. PRATTE: Thank you. Did you have  
25 anything to do with the drafting of the document? Did

1           you ask Mr. Doucet to do that for you?

2   36062                           THE RIGHT HON. BRIAN MULRONEY:  Not  
3           at all.

4   36063                           MR. PRATTE:  Do you have any  
5           recollection of Mr. Doucet reading or communicating to  
6           you the contents of this blank document before the  
7           meeting on February the 4th?

8   36064                           THE RIGHT HON. BRIAN MULRONEY:  
9           Before?

10  36065                           MR. PRATTE:  Before.

11  36066                           THE RIGHT HON. BRIAN MULRONEY:  No.

12  36067                           MR. PRATTE:  Then if you go to the  
13          next page in the same tab, Mr. Mulroney --

14  36068                           THE RIGHT HON. BRIAN MULRONEY:  Yes.

15  36069                           MR. PRATTE:  You see in the second  
16          paragraph there is a figure there inserted in a blank  
17          space.

18                                   "The fee to cover services and  
19                                   expenses is set at \$250,000 for  
20                                   the period."

21  36070                           Do you see that?

22  36071                           THE RIGHT HON. BRIAN MULRONEY:  Yes.

23  36072                           MR. PRATTE:  Do you know where this  
24          figure comes from?  Did you give it to Mr. --

25  36073                           THE RIGHT HON. BRIAN MULRONEY:  No.

1 36074 MR. PRATTE: No? After Mr. Doucet  
2 met with Mr. Schreiber on or about that day, did you  
3 hear from him in relation to this meeting?

4 36075 THE RIGHT HON. BRIAN MULRONEY: Yes,  
5 I did. I don't know the date, but I did.

6 36076 MR. PRATTE: Do you recall what he  
7 told you about it?

8 36077 THE RIGHT HON. BRIAN MULRONEY: I  
9 think he told me in general terms that he had met with  
10 Mr. Schreiber and that he had been seeking to  
11 memorialize the agreement, largely as a result of his  
12 concern that his nose was telling him there might be  
13 difficulty with this man, because the magic word now  
14 was extradition.

15 36078 This was the new word that entered  
16 the vocabulary.

17 36079 MR. PRATTE: What do you mean?

18 36080 THE RIGHT HON. BRIAN MULRONEY: Mr.  
19 Schreiber was under an order to be extradited back to  
20 Germany for the offences, bribery, corruption, fraud,  
21 and so on.

22 36081 MR. PRATTE: For the alleged  
23 offences.

24 36082 THE RIGHT HON. BRIAN MULRONEY: I'm  
25 sorry, alleged in Germany, yes.

1 36083 MR. PRATTE: Thank you.

2 36084 THE RIGHT HON. BRIAN MULRONEY: But  
3 the -- so it's clear that his strategy in Canada --  
4 everything was devoted and dedicated to avoiding  
5 extradition to Germany. And he has spent the last 10  
6 years doing that.

7 36085 So he was bound and determined  
8 apparently to do this, no matter what.

9 36086 MR. PRATTE: Do you know why  
10 Mr. Doucet would take it upon himself to seek what you  
11 have referred to as memorialization of your  
12 relationship with Mr. Schreiber?

13 36087 THE RIGHT HON. BRIAN MULRONEY: I  
14 don't beyond the fact that, you know, Mr. Doucet was  
15 one of the people who -- he was an old friend of mine,  
16 a valued friend of mine and worked with me in difficult  
17 circumstances and he in the private sector  
18 introduced -- I shouldn't say formally introduced me,  
19 but introduced me in a more sustained way to Mr.  
20 Schreiber, and perhaps he felt some responsibility for  
21 what happened.

22 36088 Mr. Schreiber was not the man  
23 Mr. Doucet thought he was either and now he was doing  
24 and saying -- you know, making some hints that he was  
25 ready to do and say anything to avoid extradition.

1 36089 That clearly involved me. I was the  
2 guy that was the most prominent of the crowd, and he  
3 was apparently bound and determined that he was going  
4 to do and say anything that he could about me if that  
5 gave him an advantage in remaining in Canada.

6 36090 He said, if I may say, I think he  
7 said it in another forum I will do and say anything and  
8 I will sign anything that will help me stay in Canada.

9 36091 MR. PRATTE: When was the last time  
10 you spoke or met with Mr. Schreiber?

11 36092 In 2000 did you meet or speak to  
12 Mr. Schreiber?

13 36093 THE RIGHT HON. BRIAN MULRONEY: I  
14 don't think so. I don't know the last day.

15 36094 Well, it was -- I will tell you. It  
16 would have been sometime around 2000.

17 36095 MR. PRATTE: And what was the  
18 occasion of that?

19 36096 THE RIGHT HON. BRIAN MULRONEY: Well,  
20 I think that is referred -- and Mr. Schreiber can  
21 correct me if I'm wrong. But I think,  
22 Mr. Commissioner, that this is what Mr. Schreiber has  
23 referred to, I think, as a very sinister sounding Royal  
24 York meeting between him and me.

25 36097 I think that was the last time.

1 36098 MR. PRATTE: What was that meeting?

2 Was that a business meeting or what was it?

3 36099 THE RIGHT HON. BRIAN MULRONEY: I

4 came out of the can in the Royal York and I ran into  
5 Schreiber, who was standing there. And he shook my  
6 hand and said hi and I said hi, and I went back to my  
7 place.

8 36100 That was the -- I don't know if it  
9 was -- I don't know if it was reported on the fifth  
10 estate that he had arrived in a black limousine with  
11 rocks flying all over the place. I'm not sure about  
12 that.

13 36101 But I know that I was coming out of  
14 the can and I ran into him. That's how sinister it  
15 was.

16 36102 MR. PRATTE: Mr. Commissioner, I have  
17 an indulgence to ask you, if I might, sir.

18 36103 I am very close to the end of my  
19 questions and if possible, and if my friends were to  
20 agree, and with your indulgence, if we could take a  
21 short break, no more than 15 minutes, I could review my  
22 questions and I believe conclude my examination of  
23 Mr. Mulroney by 5 o'clock or so.

24 36104 I would appreciate my friends and you  
25 considering that request.



1 36105 COMMISSIONER OLIPHANT: Well, I have  
2 no problem with that, but I perhaps should canvass  
3 other counsel.

4 36106 Mr. Vickery...?

5 36107 MR. VICKERY: No problem.

6 36108 COMMISSIONER OLIPHANT: Mr. Houston?

7 36109 MR. HOUSTON: I'm fine with it.

8 36110 COMMISSIONER OLIPHANT: You are okay  
9 with it?

10 36111 Mr. Auger...?

11 36112 MR. AUGER: That's agreeable.

12 36113 COMMISSIONER OLIPHANT: Fine.

13 36114 Mr. Wolson...?

14 36115 MR. WOLSON: Of course.

15 36116 COMMISSIONER OLIPHANT: All right.  
16 You want 15 minutes now?

17 36117 MR. PRATTE: That would be  
18 convenient. I can review my notes and then --

19 36118 COMMISSIONER OLIPHANT: Sure.  
20 36119 This sometimes is a way of avoiding a  
21 lot more questions, if you have a chance to look over  
22 your notes and speak to Mr. Yarosky, who we are still  
23 waiting to see at the podium.

24 36120 MR. YAROSKY: I was just going to  
25 volunteer, but maybe the greatest service I could do

1           you is to review his questions with him now.

2   36121                    COMMISSIONER OLIPHANT: All right.

3   36122                    We will come back at 20 to 5:00.

4   36123                    Will that be good enough for you?

5   36124                    Quarter to 5:00. We will be back at

6           quarter to 5:00.

7   36125                    MR. PRATTE: Quarter to 5:00 would be

8           great.

9   36126                    COMMISSIONER OLIPHANT: Okay.

10   36127                   MR. PRATTE: Thank you, sir.

11           --- Upon recessing at 4:26 p.m. / Suspension à 16 h 26

12           --- Upon resuming at 4:47 p.m. / Reprise à 16 h 47

13   36128                    COMMISSIONER OLIPHANT: Be seated,

14           please.

15   36129                    Mr. Pratte...

16   36130                    MR. PRATTE: Thank you, Mr.

17           Commissioner.

18   36131                    We will need one last binder, Mr.

19           Commissioner. It's P-7, documents in support of Mr.

20           Schreiber's testimony, Binder 4. It is the

21           correspondence binder, and I will start with Tab 22,

22           Mr. Mulroney.

23   36132                    THE RIGHT HON. BRIAN MULRONEY: Yes.

24   36133                    MR. PRATTE: If you go to the first

25           page of the letter --

1 36134 This is a letter that is addressed to  
2 you?

3 36135 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 36136 MR. PRATTE: Could you read the  
5 second paragraph, the one that starts "Fate..."

6 36137 THE RIGHT HON. BRIAN MULRONEY: "Dear  
7 Brian," the first paragraph -- the second paragraph:  
8 "Fate plays an important role in  
9 the life of human beings. We  
10 know this. Nobody can escape  
11 fate. Fate has put you in my  
12 opinion in a position, where you  
13 are able to help the human  
14 beings, especially the children  
15 of North America and around the  
16 world, in a dramatic way and  
17 your skill may put you in a  
18 special historical place and win  
19 a Nobel Prize."

20 36138 MR. PRATTE: Then, I would ask you to  
21 go to Tab 23.

22 36139 THE RIGHT HON. BRIAN MULRONEY: That  
23 is signed, "Karlheinz Schreiber".

24 36140 MR. PRATTE: Then, would you go to  
25 Tab 23 --

1 36141 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 36142 MR. PRATTE: -- and read the first

3 two paragraphs of that letter.

4 36143 THE RIGHT HON. BRIAN MULRONEY:

5 "Dear Brian,

6 Friends from around the

7 world called and told me, that

8 they never understood better

9 than now, why I like the man

10 Brian Mulroney even more than

11 the Prime Minister Brian

12 Mulroney.

13 It is the quality of the

14 human being which counts most in

15 life. Your performance at

16 president Ronald Reagan's

17 funeral `I say "au revoir" today

18 to a gifted leader, historic

19 president and gracious human

20 being' has put you to the top of

21 respect and admiration around

22 the world."

23 36144 Signed, "Karlheinz Schreiber".

24 36145 MR. PRATTE: If you go to Tab 26,

25 there is another letter addressed to you by Mr.

1 Schreiber, dated July 20th, 2006, Mr. Mulroney.

2 36146 I am going to ask you to refer to a  
3 couple of paragraphs, but may I ask you first whether  
4 or not you were involved in any way, directly or  
5 indirectly, in procuring or initiating the writing of  
6 this letter from Mr. Schreiber to you?

7 36147 THE RIGHT HON. BRIAN MULRONEY: Not  
8 at all.

9 36148 MR. PRATTE: Would you go to page 2  
10 and read, firstly, the third paragraph.

11 36149 THE RIGHT HON. BRIAN MULRONEY: The  
12 third paragraph?

13 36150 MR. PRATTE: Let's start with the  
14 third paragraph.

15 36151 THE RIGHT HON. BRIAN MULRONEY: All  
16 right.

17 "May I state for the record,  
18 that my testimony under oath in  
19 prior legal proceedings is the  
20 only correct description of our  
21 business arrangement. You,  
22 after returning to private life,  
23 at my request, agreed to advise  
24 and consult me in certain  
25 business affairs."

1 36152 MR. PRATTE: Could you go on, sir?

2 36153 THE RIGHT HON. BRIAN MULRONEY:

3 "I still believe that my  
4 statements in the book 'The  
5 Secret Trial,' together with my  
6 testimony under oath at the  
7 Eurocopter trial and my  
8 statements to Bob Fife, have  
9 made it crystal clear what my  
10 position is.

11 There is no 'Airbus Affair'  
12 involving Brian Mulroney and  
13 furthermore there is nothing to  
14 hide."

15 36154 MR. PRATTE: Go on to read the last  
16 two paragraphs before the salutation.

17 36155 THE RIGHT HON. BRIAN MULRONEY:

18 "It is far too long since we had  
19 lunch together. I think it is  
20 wrong not to speak to each  
21 other. Too many people talk too  
22 much. I have not changed. I  
23 have always been your friend,  
24 even though I was irritated for  
25 some time, which I regret. For

1 the sake of objectivity and  
2 fairness, I ask you to accept my  
3 apology.

4 I am happy that your health  
5 is fine again: so let us clear  
6 the air and bring peace to our  
7 families and ourselves.

8 Yours sincerely, Karlheinz  
9 Schreiber."

10 36156 MR. PRATTE: There is one last  
11 letter, Mr. Mulroney. Would you go to Tab 43.

12 36157 Could you read that letter? It is  
13 dated May 8th, 2007.

14 36158 THE RIGHT HON. BRIAN MULRONEY: Yes,  
15 this is a letter addressed to me.

16 "Dear Brian,

17 The conspiracy and cover-up  
18 action of Prime Minister Stephen  
19 Harper, Brian Mulroney, Robert  
20 Douglas Nicholson, the Attorney  
21 General of Canada and the IAG of  
22 the Department of Justice are  
23 responsible for the Proceedings  
24 at the Ontario Court of Appeal  
25 concerning my extradition case.

1                   Please find attached a copy  
2 of the letter April 3, 2007 from  
3 my Lawyer Robert Hladun Q.C. to  
4 The Hon. Robert D. Nicholson,  
5 Minister of Justice and Attorney  
6 General of Canada and the copy  
7 of the letter April 27, 2007  
8 from the International Legal  
9 Assistance Group of the  
10 Department of Justice.

11                   The Minister missed his  
12 chance to bring back Fundamental  
13 Justice to the Department of  
14 Justice and stop the improper  
15 and illegal extradition case  
16 against me.

17                   The time has come that you  
18 bring the whole battle with me  
19 to a peaceful and satisfying  
20 end. This is my last warning.  
21 I am prepared to disclose: that  
22 you received payments from GCI,  
23 Frank Moores, Fred Doucet, Gary  
24 Ouellet, that I was asked by  
25 Fred Doucet to transfer funds to

**StenoTran**



1                   your Lawyer in Geneva, (Airbus),  
2                   what the reason was for your  
3                   trip to Zuerich in 1998, that  
4                   you asked me through my lawyers  
5                   to commit perjury to protect  
6                   you, that you supported fraud  
7                   related to the Thyssen project  
8                   and more.

9                   It is in your hands what is  
10                  going to happen. My patience  
11                  comes to an end.

12                  Yours truly, Karlheinz  
13                  Schreiber."

14   36159                   MR. PRATTE: What did you understand  
15                  by the words "It is in your hands what is going to  
16                  happen"?

17   36160                   THE RIGHT HON. BRIAN MULRONEY: This  
18                  is the letter of a blackmailer, and what he was  
19                  threatening me with was this litany of crimes, that he  
20                  alleged, that would be exposed if I did not intervene  
21                  with Prime Minister Harper or Attorney General Rob  
22                  Nicholson to halt or affect his extradition case.

23   36161                   It was a clear case of extortion and  
24                  blackmail, and it was very clear what he was going to  
25                  do -- what he was going to do with the false statements

1           that brought us here today.

2   36162                   And I knew, when I read that letter,  
3           that this was clearly what he was up to. I knew that  
4           my family and I would pay a price. I took the letter  
5           and sent it to my lawyer, but I was ready to pay that  
6           price and much more, rather than succumb to the demands  
7           of a blackmailer.

8   36163                   He was asking me to do something not  
9           improper, absolutely illegal, in interfering with the  
10          judicial system to stop his extradition to Germany.

11  36164                   He said publicly that he would do  
12          anything to avoid going back to Germany, where he was  
13          going to jail. He said that, and this proved it.

14  36165                   So I set it aside, gave it to my  
15          lawyer, and I knew full well -- I didn't know how or  
16          when, but it was coming, how he was going to put this  
17          together to fulfil his desire for blackmail and  
18          extortion.

19  36166                   Rather than ever submit to that, I  
20          ignored it totally.

21  36167                   MR. PRATTE: Mr. Mulroney, let me ask  
22          you one last question. You have had a chance now to  
23          reflect on the events that have brought you here. Let  
24          me ask you directly, why did you accept cash payments  
25          from Mr. Schreiber, and why did you handle them in the

1 way that you did?

2 36168 THE RIGHT HON. BRIAN MULRONEY: Mr.  
3 Commissioner, I wish I could say more, but all I can  
4 tell you is that what transpired represented a  
5 significant error in judgment, one that I deeply  
6 regret, and it's one for which I have paid dearly. It  
7 would be my hope one day to encounter a Canadian who,  
8 in the course of a long and busy life, has not made  
9 some error of judgment of some kind. I haven't yet;  
10 perhaps I will one day.

11 36169 I am not to be found, unfortunately,  
12 with those who can say, at the end of their days, that  
13 I have lived a full life that has been error free.

14 36170 My error is publicized. It was  
15 threatened by Mr. Schreiber with his blackmail and  
16 extortion. I would much rather have it come out the  
17 way it has than ever succumb to this kind of threat.

18 36171 So it is one, as I say, Mr.  
19 Commissioner, for which I have paid dearly, and I am  
20 afraid that at the end of my testimony here I will have  
21 very little to add to that.

22 36172 MR. PRATTE: Those are my questions,  
23 Mr. Commissioner.

24 36173 Thank you, Mr. Mulroney.

25 36174 COMMISSIONER OLIPHANT: Thank you,

1           Mr. Pratte.

2   36175                   Mr. Wolson...

3   36176                   MR. WOLSON:  May it please you, Mr.

4           Commissioner, I will start my cross-examination

5           tomorrow, if you would allow.

6   36177                   I would like to start at 10:30 in the

7           morning.  I want to review my notes and the transcript,

8           and adjust my questions accordingly.

9   36178                   COMMISSIONER OLIPHANT:  All right.

10          That sounds reasonable to me.

11   36179                   We will adjourn for the day, then,

12          and we will commence tomorrow morning at 10:30.

13   36180                   Good afternoon.

14          --- Whereupon the hearing adjourned at 4:59 p.m., to

15          resume on Thursday, May 14, 2009 at 10:30 a.m. /

16          L'audience est ajournée à 16 h 59, pour reprendre

17          le jeudi 14 mai 2009 à 10 h 30

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We hereby certify that we have accurately  
transcribed the foregoing to the best of  
our skills and abilities.

Nous certifions que ce qui précède est une  
transcription exacte et précise au meilleur  
de nos connaissances et de nos compétences.

\_\_\_\_\_  
Lynda Johansson                      Jean Desaulniers

\_\_\_\_\_  
Fiona Potvin                              Sue Villeneuve