

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

Thursday, May 21, 2009

Tenue à :

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

le jeudi 21 mai 2009

APPEARANCES / COMPARUTIONS

Mr. Guy Pratte Mr. Harvey Yarosky, Q.C. Me François Grondin Mr. Jack Hughes Ms Kate Glover	The Right Honourable Brian Mulroney
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1 you do that, there are two issues pertaining to Mr.
2 Schreiber. One is the issue of recalling him
3 potentially.

4 44473 MR. WOLSON: Yes.

5 44474 COMMISSIONER OLIPHANT: The other is
6 the motion that was set to be heard today.

7 44475 MR. WOLSON: And I can tell you about
8 that as well.

9 44476 COMMISSIONER OLIPHANT: Okay.

10 44477 MR. WOLSON: That motion --

11 44478 COMMISSIONER OLIPHANT: Because I
12 have heard nothing as to whether it was going to go or
13 be adjourned or what.

14 44479 MR. WOLSON: I think it is resolved
15 as between Mr. Vickery and Mr. Auger that the matter as
16 well be adjourned to the 3rd of June, and it can be put
17 before you at that time.

18 44480 That is by consent of all parties, I
19 believe.

20 44481 COMMISSIONER OLIPHANT: All right.

21 44482 So that in the event that Mr.
22 Schreiber will be recalled, we will hear evidence from
23 him June 3rd.

24 44483 MR. WOLSON: If that is necessary,
25 yes.

1 44484 COMMISSIONER OLIPHANT: Yes. And the
2 motion by Mr. Schreiber for the order, direction or
3 other relief with respect to his remaining in Canada is
4 set over to June the 3rd at 930 as well.

5 44485 MR. WOLSON: It is. And the subpoena
6 for Mr. Schreiber would be outstanding until that time
7 obviously.

8 44486 COMMISSIONER OLIPHANT: The subpoena
9 remains in force until Mr. Schreiber is excused by the
10 Commission.

11 44487 MR. WOLSON: Yes.

12 44488 COMMISSIONER OLIPHANT: Okay. Thank
13 you very much, Mr. Wolson.

14 44489 MR. WOLSON: Thank you.

15 44490 COMMISSIONER OLIPHANT: Ms Brooks,
16 good morning.

17 44491 MS BROOKS: Good morning,
18 Commissioner.

19 44492 I have a housekeeping matter to take
20 care of before we call Ms Stepanian to the stand.

21 44493 COMMISSIONER OLIPHANT: All right.

22 44494 MS BROOKS: I have two exhibits that
23 I would like to have entered on consent, two exhibits
24 in the cause.

25 44495 The first is a summary of the

1 interview of Jean-Pierre Kingsley and it will be
2 Exhibit P-55.

3 44496 COMMISSIONER OLIPHANT: Yes.

4 44497 MS BROOKS: And the second exhibit
5 that is being entered on consent of the parties is the
6 interview of The Honourable Jean Charest.

7 44498 That will be P-56.

8 44499 COMMISSIONER OLIPHANT: These
9 documents are going in with the consent of all counsel?

10 44500 MS BROOKS: That's correct.

11 44501 COMMISSIONER OLIPHANT: All right,
12 then. The summary of the interview conducted by
13 Commission counsel of Jean-Pierre Kingsley will be
14 received and marked as Exhibit No. P-55.

15 EXHIBIT NO. P-55: Summary of
16 interview conducted by
17 Commission counsel of
18 Jean-Pierre Kingsley

19 44502 COMMISSIONER OLIPHANT: The
20 transcript of the interview by Commission counsel of
21 The Honourable Jean Charest will be received and marked
22 as Exhibit P-56.

23 EXHIBIT NO. P-56: Transcript of
24 interview conducted by
25 Commission counsel of The

1 Honourable Jean Charest

2 44503 MS BROOKS: The third exhibit I would
3 like to deal with is now an exhibit for identification.
4 It is exhibit "I".

5 44504 This is the Canada Border Services
6 Agency handwriting analysis report.

7 44505 I would like to make that, on
8 consent, an exhibit in the cause.

9 44506 And I would also -- I don't know how
10 you want to treat this, but this is a curriculum vitae
11 of Samiah Ibrahim who wrote that report. I think it
12 makes sense to make it as part of the same exhibit in
13 the cause, which would be P-57, by my reckoning.

14 44507 COMMISSIONER OLIPHANT: Thank you.

15 44508 These documents again are going in by
16 consent of all counsel.

17 44509 The Canadian Border Services Agency
18 report with respect to the analysis of handwriting,
19 together with the curriculum vitae of -- is it Mr. or
20 Ms Ibrahim?

21 44510 MS BROOKS: I believe it is Ms.

22 44511 COMMISSIONER OLIPHANT: Ms Ibrahim,
23 will be received and marked as Exhibit P-57.

24 EXHIBIT NO. P-57: Canada Border
25 Services Agency handwriting

1 analysis by Samiah Ibrahim
2 (previously Exhibit "I") and
3 Samiah Ibrahim's curriculum
4 vitae

5 44512 MS BROOKS: Madam Registrar, may I
6 hand these exhibits to you? Thank you.

7 44513 I would like to call Ms Stepanian to
8 the stand, please.

9 44514 COMMISSIONER OLIPHANT: Yes. Thank
10 you.

11 44515 Good morning.

12 44516 MS BROOKS: Ms Stepanian would like
13 to be sworn, Mr. Commissioner.

14 44517 COMMISSIONER OLIPHANT: All right,
15 that's fine.

16 44518 Could I just ask you to come up onto
17 the witness stand, please, Ms Stepanian. Good morning.

18 SWORN: SALPIE STEPANIAN
19 ASSERMENTÉE : SALPIE STEPANIAN

20 44519 COMMISSIONER OLIPHANT: Thank you,
21 you can be seated.

22 44520 MS BROOKS: Mr. Commissioner, I will
23 be relying on two exhibits that were filed previously,
24 Exhibit P-15 --

25 44521 COMMISSIONER OLIPHANT: Yes.

1 44522 MS BROOKS: -- which is the report of
2 the PCO, and you should have that. And Ms Stepanian
3 has it, I see.

4 44523 COMMISSIONER OLIPHANT: I have it.

5 44524 MS BROOKS: I will be referring to
6 two appendices that are included in that binder,
7 Appendix 7 and Appendix 8.

8 44525 COMMISSIONER OLIPHANT: Okay.

9 44526 MS BROOKS: And you should also have
10 P-16, which is the report of the PMO.

11 44527 COMMISSIONER OLIPHANT: I have that.

12 44528 MS BROOKS: And we have Ms Stepanian
13 here today because under your Terms of Reference you
14 are charged with investigating and reporting on the
15 following three questions:

16 44529 What steps were taken in processing
17 Mr. Schreiber's correspondence to Prime Minister Harper
18 of March 29, 2007?

19 44530 The next question is: Why was the
20 correspondence not passed on to Prime Minister Harper?

21 44531 The third question is concerning
22 correspondence: Should the Privy Council Office have
23 adopted any different procedures in this case?

24 EXAMINATION: SALPIE STEPANIAN BY MS BROOKS /
25 INTERROGATOIRE : SALPIE STEPANIAN PAR Me BROOKS

1 44532 MS BROOKS: And we have here today --
2 thank you, Ms Stepanian, for being so patient. I know
3 you waited all day yesterday --

4 44533 MS STEPANIAN: No problem.

5 44534 MS BROOKS: -- and unfortunately,
6 just given the events, we weren't able to hear you.
7 But I'm happy that you are here today.

8 44535 Can you tell the Commissioner what
9 your position is now?

10 44536 MS STEPANIAN: I am the
11 Correspondence Manager in the Prime Minister's
12 Correspondence Unit.

13 44537 MS BROOKS: How long have you held
14 that position?

15 44538 MS STEPANIAN: For just over three
16 years now.

17 44539 MS BROOKS: So you were in that
18 position when the documents in question that concern
19 us, Mr. Schreiber's letters, were sent to Prime
20 Minister Harper?

21 44540 MS STEPANIAN: Yes.

22 44541 MS BROOKS: Did you have a role in
23 preparing Exhibit P-16, which is the report of the
24 Prime Minister's Office concerning this correspondence?

25 44542 MS STEPANIAN: Yes, I did.

1 44543 MS BROOKS: For the purposes of our
2 hearing today, can I take it that you adopt the
3 contents of that report as accurate and part of your
4 testimony?

5 44544 MS STEPANIAN: Yes.

6 44545 MS BROOKS: Very good. What I would
7 like to do is just investigate with you and talk to you
8 about the letter handling processes in the Prime
9 Minister's Correspondence Unit.

10 44546 We heard from two representatives
11 earlier of the Privy Council Office Executive
12 Correspondence Unit. Could you just tell the
13 Commissioner how many people work in the Prime
14 Minister's Correspondence Unit, please.

15 44547 MS STEPANIAN: About between six and
16 eight employees.

17 44548 MS BROOKS: And if you turn to the
18 appendix in the Prime Minister's -- in Exhibit P-16,
19 the PMO report, there is an organization chart.

20 44549 I would like you to look at Appendix
21 2, which is the chart that was applicable between
22 February 2006 and June 2008.

23 44550 Could you describe the functions of
24 those who are within your unit and how many were at the
25 time in those positions?

1 44551 MS STEPANIAN: Well, within our unit
2 there is myself and we have a senior writer/editor, and
3 as well there are four writers, an administrative
4 assistant and a correspondence analyst.

5 44552 MS BROOKS: And what were the
6 functions at this time of the senior writer/editor?

7 44553 MS STEPANIAN: The senior
8 writer/editor would be responsible for responding to
9 correspondence as well as helping with the editing
10 process.

11 44554 MS BROOKS: And how would his or her
12 role differ from that of the four writers?

13 44555 MS STEPANIAN: The writers are
14 strictly responsible for preparing responses. They are
15 not involved in the editing process.

16 44556 MS BROOKS: Very good.

17 44557 And we have heard from those who are
18 representing the Privy Council Office that personal and
19 political mail is treated by them differently in that
20 they send personal and political mail to the PMC, the
21 Prime Minister's Correspondence Unit.

22 44558 Is that correct?

23 44559 MS STEPANIAN: That is correct.

24 44560 MS BROOKS: And how do you define
25 personal and political mail?

1 44561 MS STEPANIAN: Personal and political
2 mail is any kind of correspondence dealing with party
3 political matters or Caucus related issues or any
4 personal interests of the Prime Minister, for example,
5 as well as the Prime Minister's role as a Member of
6 Parliament.

7 44562 MS BROOKS: Very good.

8 44563 And in addition, I understand that
9 the PMC, the Prime Minister's Correspondence Unit,
10 sometimes identifies particular issues that the PMO
11 wants to deal with directly.

12 44564 Is that correct?

13 44565 MS STEPANIAN: Yes.

14 44566 MS BROOKS: And how are those issues
15 identified?

16 44567 MS STEPANIAN: Generally through
17 senior staff would let me know and I would advise the
18 Privy Council Office.

19 44568 MS BROOKS: And by senior staff, who
20 would you mean?

21 44569 MS STEPANIAN: It could be anyone.
22 It could be someone in, for example, in Issues
23 Management. It could be someone through the Chief of
24 Staff's Office. It varies.

25 44570 MS BROOKS: Okay. Does the PMO ever

1 identify writers or issues that it expressly does not
2 want to handle?

3 44571 MS STEPANIAN: No.

4 44572 MS BROOKS: All right. How does
5 the -- once an issue is identified as an issue that the
6 PMO wants to handle directly, how is this communicated
7 to the Executive Correspondence Unit in Privy Council
8 Office?

9 44573 MS STEPANIAN: It would either be
10 done by telephone or by e-mail.

11 44574 MS BROOKS: And that would be you
12 making that call?

13 44575 MS STEPANIAN: Yes.

14 44576 MS BROOKS: And who would you speak
15 to at the ECU?

16 44577 MS STEPANIAN: I would speak to the
17 manager.

18 44578 MS BROOKS: And that is Ms Powell?

19 44579 MS STEPANIAN: No, that is Ms
20 Comtois.

21 44580 MS BROOKS: Comtois, Annie Comtois?

22 44581 MS STEPANIAN: Yes.

23 44582 MS BROOKS: Thank you.

24 44583 When the mail is sent to the Prime
25 Minister's Office by Privy Council Office, what are the

1 steps in processing that mail? I'm speaking here of
2 mail that they have identified as personal or political
3 or one of those types of mail that has fallen into that
4 category of an issue that is handled directly by PMO.

5 44584 How is it handled?

6 44585 MS STEPANIAN: Well, once it arrives
7 at our office, the administrative assistant or the
8 analyst would sort the letters according to the writers
9 issue portfolios that they are handling, and once it is
10 sorted I will take a quick look over the sorted letters
11 and then it will go back to the administrative
12 assistant or the analyst to be entered into the WebCIMS
13 tracking database.

14 44586 MS BROOKS: Just for the benefit of
15 the Commissioner, the WebCIMS tracking database, how
16 would you describe that?

17 44587 What is its function?

18 44588 MS STEPANIAN: I guess it is exactly
19 that. It is a tracking database of all the
20 correspondence that is sent to the Prime Minister.

21 44589 Firsthand, the letters are entered
22 through ECU and then they send them to us once they
23 have been entered and then we assign them through
24 WebCIMS.

25 44590 MS BROOKS: Speaking about the volume

1 of the mail, can you tell me -- and I know that if -- I
2 will draw your attention to page one of your report.

3 44591 It states that in 2006-2007 there
4 were 30,000 items of correspondence that were handled
5 by the PMC, and it says that in 2007-2008 there were
6 37,000 items of correspondence handled.

7 44592 Do you have any idea what proportion
8 of that would be mail that is sent to you from the ECU
9 that is identified as personal or political?

10 44593 MS STEPANIAN: I think they had
11 identified that in their report. There is a percentage
12 that comes from ECU, but there is also a percentage
13 that comes internally through either staff or Senators
14 or Ministers, MPs.

15 44594 MS BROOKS: These two figures include
16 both?

17 44595 MS STEPANIAN: It does, yes.

18 44596 MS BROOKS: Both categories. All
19 categories, I could say?

20 44597 MS STEPANIAN: That is correct.

21 44598 MS BROOKS: Would you say that given
22 this volume and the number of staff that you have
23 described that are dealing with it, that the review
24 must need be rather cursory?

25 44599 Well, tell me, how would you describe

1 the review process with respect to the depth that you
2 can give each piece of mail that comes to you?

3 44600 MS STEPANIAN: The Administrative
4 Assistant would read through the letter. Once it is
5 assigned to the writer, the writer is responsible for
6 again reading it in depth and prioritizing and deciding
7 what kind of a response needs to be prepared.

8 44601 MS BROOKS: All right. When we had
9 the Privy Council Office representatives here, they
10 described the volumes of mail that they had to deal
11 with and, given the person-years I suppose -- I don't
12 want to use the word manpower necessarily. But given
13 the number of staff they had to review the mail, they
14 said that it had to be rather cursory in the sense that
15 just given the many thousands of documents that they
16 were receiving on a weekly basis, they couldn't spend a
17 lot of time on each letter.

18 44602 Would you describe the same process
19 for the PMO, the PCU?

20 44603 MS STEPANIAN: Well, I think we spend
21 a bit more time on each piece.

22 44604 MS BROOKS: You would have less mail?

23 44605 MS STEPANIAN: Yes, we have less mail
24 than them, yes.

25 44606 MS BROOKS: Okay. Is there a

1 response given to every letter that comes into the PMC?

2 44607 MS STEPANIAN: No.

3 44608 MS BROOKS: And how is the
4 determination made whether a response is given or not?

5 44609 MS STEPANIAN: We refer to the list
6 that PCU uses for letters that don't receive a
7 response. Generally that is what we would base our
8 decision on.

9 44610 MS BROOKS: All right.

10 44611 We have looked at Appendix 2 of your
11 report and I notice that there is an Appendix 1 that
12 describes the structure of the PMO Correspondence Unit
13 from July 2008 onwards.

14 44612 The only change that I note is
15 that -- or the principal change I might say is that
16 instead of a Deputy Chief Of Staff, which there was in
17 the period February 2006 to June 2008, there is now a
18 Principal Secretary. But it appears to me that the
19 Correspondence Unit itself remains unchanged.

20 44613 Is my understanding correct?

21 44614 MS STEPANIAN: That is correct.

22 44615 MS BROOKS: Mr. Schreiber's letters,
23 as you know, were sent to the Prime Minister, Prime
24 Minister Harper, between June 16, 2006 and September
25 26, 2007 and my understanding is that the Privy Council

1 Office forwarded four letters to the PMC.

2 44616 Can you confirm that?

3 44617 MS STEPANIAN: Yes, that is correct.

4 44618 MS BROOKS: Can you just tell us what

5 the dates of those four letters were?

6 44619 MS STEPANIAN: The first one was June

7 2006 -- June 16, 2006; the second one was August 23,

8 2006; May 3, 2007 and September 26, 2007.

9 44620 MS BROOKS: So the March 29, 2007

10 letter was not forwarded from the PMC -- excuse me,

11 from the Privy Council Office to PMC.

12 44621 Is that correct?

13 44622 MS STEPANIAN: It wasn't forwarded to

14 us for response. I believe we received an information

15 copy, but the original went to -- I believe to the

16 Clerk's office.

17 44623 MS BROOKS: Yes. I will note -- and

18 you can confirm this -- that the September 26, 2007

19 letter includes the March 29, 2007 letter as one of a

20 number of attachments.

21 44624 MS STEPANIAN: Yes.

22 44625 MS BROOKS: Yes. The June 16, 2006

23 letter, the first one that was forwarded by Privy

24 Council Office to your office, how was it treated and

25 what was the outcome?

1 44626 MS STEPANIAN: Well, the first letter
2 we recognized the name, so we decided to forward it on
3 to senior staff for input.

4 44627 MS BROOKS: And at that point the
5 senior staff that you sent it to was the Executive
6 Assistant to the Deputy Chief of Staff, as I
7 understand.

8 44628 MS STEPANIAN: That's right. Yes.

9 44629 MS BROOKS: And what were his
10 instructions to you?

11 44630 MS STEPANIAN: His instructions were
12 to file it without response.

13 44631 MS BROOKS: And did you discuss with
14 him the reasons for why that would be the outcome --

15 44632 MS STEPANIAN: No, we didn't.

16 44633 MS BROOKS: -- with this particular
17 letter?

18 44634 MS STEPANIAN: No.

19 44635 MS BROOKS: With respect to the
20 August 23, 2006 and May 3, 2007 letters, who were those
21 ones sent to?

22 44636 MS STEPANIAN: The August 23rd and
23 the May 3rd letters were forwarded to the Executive
24 Assistant to the Chief of Staff for review.

25 44637 MS BROOKS: And what was the outcome

1 in both cases?

2 44638 MS STEPANIAN: It was the same. Both
3 were returned to me with directions to just file them.

4 44639 MS BROOKS: And the final letter,
5 September 26, 2007, this is the letter that included a
6 copy of the March 29th letter, how was this letter
7 treated?

8 44640 MS STEPANIAN: That one was just
9 filed in our unit.

10 44641 MS BROOKS: And who made that
11 determination?

12 44642 MS STEPANIAN: I did.

13 44643 MS BROOKS: And what was the basis on
14 which you made that determination?

15 44644 MS STEPANIAN: It was based on the
16 previous three letters, the direction we got to file
17 them, so I handled it the same way.

18 44645 MS BROOKS: I have just one other
19 question for you and that is whether there was any
20 communication back to the Privy Council Office by PMC
21 with respect to any of these four letters advising them
22 of what you had decided as a unit to do with these
23 letters?

24 44646 MS STEPANIAN: No, there wasn't.

25 44647 MS BROOKS: And is that the situation

1 with all correspondence that is treated by PMC?

2 44648 MS STEPANIAN: Yes, generally that is
3 the decision.

4 44649 MS BROOKS: All right. Those are my
5 questions.

6 44650 MS STEPANIAN: Okay.

7 44651 MS BROOKS: Just a moment, please.

8 --- Pause

9 44652 COMMISSIONER OLIPHANT: All right.
10 Thank you.

11 44653 MS BROOKS: Just a moment, please.

12 44654 COMMISSIONER OLIPHANT: Fine.

13 44655 MS BROOKS: My colleague, Mr. Wolson,
14 has pointed out that a fruitful question might be: Are
15 there any changes that you have implemented since these
16 letters were received from Mr. Schreiber in your
17 office?

18 44656 MS STEPANIAN: No.

19 44657 MS BROOKS: Have you carried out any
20 review of procedures in that period?

21 44658 MS STEPANIAN: No, we haven't.

22 44659 MS BROOKS: Okay. Thank you.

23 44660 MS STEPANIAN: Okay.

24 44661 MS BROOKS: My colleagues may have
25 some questions.

1 44662 COMMISSIONER OLIPHANT: Mr.
2 Pratte...?
3 44663 MR. PRATTE: I have no questions, Mr.
4 Commissioner, but I guess now I understand why my
5 letters aren't being answered. They are being filed.
6 44664 Thank you.
7 44665 COMMISSIONER OLIPHANT: Mr.
8 Houston...?
9 44666 MR. HOUSTON: No questions, thank
10 you. I haven't been sending letters.
11 44667 COMMISSIONER OLIPHANT: Mr. Auger...?
12 44668 MR. AUGER: I have no questions.
13 44669 COMMISSIONER OLIPHANT: Mr.
14 Vickery...?
15 44670 MR. VICKERY: No, I have no
16 questions, thank you.
17 44671 COMMISSIONER OLIPHANT: Thank you
18 very much.
19 44672 Is there any reason, then, why Ms
20 Stepanian cannot be excused?
21 44673 MS BROOKS: No, Mr. Commissioner.
22 44674 COMMISSIONER OLIPHANT: Thank you.
23 44675 Ms Stepanian, thank you very much for
24 coming to assist us. I will let you get back to work
25 now because the volume of mail that you get demands

1 your presence there.

2 44676 MS STEPANIAN: Thank you.

3 44677 COMMISSIONER OLIPHANT: Thank you

4 very much.

5 44678 And if you get a letter from me,

6 would you see it gets through, please?

7 --- Laughter / Rires

8 44679 MR. BATTISTA: Good morning, Mr.

9 Commissioner. Our next witness is going to be Madame

10 Christiane Sauvé. Avancez là.

11 44680 MR. VICKERY: Excuse me, just a

12 moment. My apologies.

13 --- Pause

14 44681 MR. BATTISTA: Mr. Commissioner, Mr.

15 Vickery brought to my attention that Mr. Yannick Landry

16 is the attorney who has been working on this aspect and

17 he is not in the room right now.

18 44682 Would it be appropriate if we maybe

19 just suspend for a few minutes and wait for his return?

20 44683 MR. VICKERY: Yes. He is involved in

21 assisting Mr. Roitenberg in preparing Mr. Bild, the

22 next witness.

23 44684 COMMISSIONER OLIPHANT: Okay.

24 44685 MR. VICKERY: So that if I can simply

25 replace him, I will leave the room and Mr. Landry will

1 come back.

2 44686 COMMISSIONER OLIPHANT: You are
3 welcome to stay, Mr. Vickery.

4 44687 MR. VICKERY: Thank you.

5 44688 COMMISSIONER OLIPHANT: Can you tell
6 me, just before we adjourn, is the evidence of this
7 witness going to be in English or en français?

8 44689 Me BATTISTA : En français.

9 44690 COMMISSAIRE OLIPHANT : En français.

10 44691 Me BATTISTA : Et je n'anticipe pas
11 que ça sera très long, Monsieur le Commissaire.

12 44692 COMMISSAIRE OLIPHANT : Oui. Merci.
13 44693 Quinze minutes?

14 44694 Me BATTISTA : Oui, certainement.

15 44695 COMMISSAIRE OLIPHANT : Oui.

16 44696 All right. Fifteen minutes, then.

17 --- Upon recessing at 10:07 a.m. / Suspension à 10 h 07

18 --- Upon resuming at 10:32 a.m. / Reprise à 10 h 32

19 44697 COMMISSIONER OLIPHANT: Be seated,
20 please.

21 44698 Me BATTISTA : Alors, bonjour,
22 Monsieur le Commissaire. Alors, madame Sauvé va être
23 assermentée.

24 44699 COMMISSAIRE OLIPHANT : Oui.

25 ASSERMENTÉE: CHRISTIANE SAUVÉ /

1 SWORN: CHRISTIANE SAUVÉ

2 44700 Me BATTISTA : Alors, bonjour, Madame
3 Sauvé.

4 44701 MME SAUVÉ : Bonjour.

5 44702 Me BATTISTA : Monsieur le
6 Commissaire, madame Sauvé rendra un témoignage pour
7 expliquer le fonctionnement du Programme des
8 divulgations volontaires tel qu'il était appliqué en
9 l'an 2000 au Québec.

10 44703 Nous présentons cette preuve non pas
11 pour vous inviter à tirer des conclusions quant au
12 respect des diverses dispositions de la Loi sur
13 l'impôt, mais bien pour vous permettre de comprendre le
14 Programme des divulgations volontaires et l'effet de
15 l'application du programme sur le contribuable qui y
16 est assujetti.

17 INTERROGATOIRE : CHRISTIANE SAUVÉ PAR Me BATTISTA /

18 EXAMINATION: CHRISTIANE SAUVÉ BY MR. BATTISTA /

19 44704 Me BATTISTA : Alors, Madame Sauvé, je
20 vais vous poser des questions d'ordre générale, et je
21 ne vous demanderai pas de commenter les faits
22 particuliers de l'affaire qui ont été présentés devant
23 le Commissaire.

24 44705 Alors, en tout début, Madame Sauvé,
25 parlez-nous de votre formation et de votre expérience

1 de travail dans le domaine des divulgations
2 volontaires.

3 44706 MME SAUVÉ : J'ai un Bac en sciences
4 comptables ainsi que le titre de Comptable CGA. J'ai
5 travaillé cinq ans au Programme des divulgations
6 volontaires.

7 44707 Me BATTISTA : Pendant quelles années?

8 44708 MME SAUVÉ : De septembre 2001 à
9 septembre 2006.

10 44709 Me BATTISTA : D'accord. Et
11 aujourd'hui, vous faites quoi à l'Agence du revenu?

12 44710 MME SAUVÉ : Je suis chef d'équipe au
13 Programme des enquêtes criminelles au bureau de
14 Montréal.

15 44711 Me BATTISTA : D'accord. Vous avez
16 toujours travaillé au bureau de Montréal?

17 44712 MME SAUVÉ : Absolument, sauf une
18 année où je suis venue travailler à l'administration
19 centrale.

20 44713 Me BATTISTA : D'accord. Vous étiez à
21 la division qui s'occupait des divulgations volontaires
22 à partir de septembre 2001, si je comprends bien?

23 44714 MME SAUVÉ : Absolument.

24 44715 Me BATTISTA : Alors, je vais vous
25 demander de nous parler des pratiques en matière de

1 divulgations volontaires pour l'année 2000 et en
2 particulier les pratiques en vigueur au Québec pendant
3 cette même période-là.

4 44716 Alors, vous êtes arrivée après, mais
5 vous êtes familière avec les politiques qui étaient en
6 vigueur à l'époque?

7 44717 MME SAUVÉ : Absolument.

8 44718 Me BATTISTA : Et leur application?

9 44719 MME SAUVÉ : Absolument.

10 44720 Me BATTISTA : Alors, en tout premier
11 lieu, parlez-nous du but du Programme des divulgations
12 volontaires aujourd'hui, et était-il différent en l'an
13 2000?

14 44721 MME SAUVÉ : Le but est resté le même
15 : C'est de permettre aux contribuables qui ont omis de
16 divulguer, soit volontairement ou de façon
17 involontaire, une partie de leurs revenus.

18 44722 Me BATTISTA : D'accord. Alors, c'est
19 une façon de corriger des omissions fiscales, de façon
20 générale?

21 44723 MME SAUVÉ : Absolument, et de
22 conformer à la Loi de l'impôt sur le revenu.

23 44724 Me BATTISTA : D'accord.

24 44725 Et je vais simplement... pour le
25 bénéfice du Commissaire, je vous ai mis devant vous

1 P-46. Je vais vous demander d'aller au dernier onglet,
2 qui est l'onglet 26, et le dernier document que nous
3 trouvons à cet onglet-là. Alors, il s'agit d'un
4 circulaire d'information numéro 85-1R2.

5 44726 Alors, vous vous référez, évidemment,
6 aux éléments qui sont contenus dans ce document pour
7 énoncer les objectifs et les critères qui étaient en
8 vigueur?

9 44727 MME SAUVÉ : Absolument.

10 44728 Me BATTISTA : Alors, quand on parle
11 de divulgation volontaire, donc, on permet de corriger
12 les omissions fiscales.

13 44729 Quel est le bénéfice et l'avantage
14 qu'en tire le contribuable lorsqu'un contribuable se
15 soumet à ce programme-là?

16 44730 MME SAUVÉ : Bon, ça permet de
17 régulariser sa situation. En déclarant ses revenus, il
18 évite toutes les pénalités qui pourraient s'appliquer à
19 l'encontre de ces revenus-là et ainsi que les
20 poursuites criminelles qui pourraient en résulter si on
21 avait mis le dossier en vérification.

22 44731 Me BATTISTA : D'accord. Donc, ça,
23 c'est pour le contribuable.

24 44732 MME SAUVÉ : Absolument.

25 44733 Me BATTISTA : Pour l'Agence de revenu

- 1 ou pour le ministère du Revenu, quels sont les
2 avantages de ce programme-là?
- 3 44734 MME SAUVÉ : Les avantages, c'est
4 qu'il y a... bon, ça vient réduire le coût
5 administratif pour l'Agence. Ça permet à l'Agence de
6 récupérer des sommes qui, autrement, auraient
7 peut-être pas été récupérées. Ça permet de -- il y
8 a différents facteurs là -- de réduire le coût
9 administratif et...
- 10 44735 Me BATTISTA : Quand vous dites...
11 Peut-être je vais vous aider. Quand vous dites que
12 cela permet de réduire le coût administratif,
13 c'est-à-dire que vous récupérez des sommes d'argent
14 qui, autrement, n'étaient pas à votre portée?
- 15 44736 MME SAUVÉ : Absolument.
- 16 44737 Me BATTISTA : Donc, par exemple, s'il
17 y a des citoyens qui ont omis de déclarer des revenus
18 volontairement ou involontairement...
- 19 44738 MME SAUVÉ : M'hmm.
- 20 44739 Me BATTISTA : ...des citoyens qui
21 volontairement avaient des sommes importantes qui
22 n'étaient pas déclarées...
- 23 44740 MME SAUVÉ : M'hmm.
- 24 44741 Me BATTISTA : ...vous, le
25 gouvernement ou le ministère du Revenu ou l'Agence

1 n'aurait pas récupéré la somme due de ces montants-là;
2 c'est bien ça?

3 44742 MME SAUVÉ : Absolument.

4 44743 Me BATTISTA : Donc, le Programme des
5 divulgations volontaires vous permet de récupérer les
6 sommes...

7 44744 MME SAUVÉ : M'hmm.

8 44745 Me BATTISTA : ...dues ou à tout le
9 moins une partie de ces sommes-là...

10 44746 MME SAUVÉ : M'hmm.

11 44747 Me BATTISTA : ...à un coût très
12 réduit parce que le citoyen ou le contribuable vient
13 faire la divulgation volontairement?

14 44748 MME SAUVÉ : Absolument.

15 44749 Me BATTISTA : J'ai bien résumé?

16 44750 MME SAUVÉ : Absolument. Puis dans le
17 futur, bien, ça réintègre le contribuable dans le
18 système, et il sera imposé sur tous ses revenus.

19 44751 Me BATTISTA : Donc, si je peux me
20 permettre, ce que vous dites, c'est que, une fois que
21 le contribuable a fait sa déclaration, ce montant-là
22 est maintenant un montant connu?

23 44752 MME SAUVÉ : Oui.

24 44753 Me BATTISTA : Donc, si ce montant-là
25 génère des revenus, évidemment, ces revenus sont

- 1 maintenant taxables pour l'avenir; c'est bien ça?
- 2 44754 MME SAUVÉ : Absolument.
- 3 44755 Me BATTISTA : Bon!
- 4 44756 Je vais, Monsieur le Commissaire, en
5 profiter maintenant pour produire trois documents.
- 6 44757 Un document que nous avons reçu, il
7 y a un certain temps, de nos collègues du ministère de
8 la Justice. Alors, c'est « The Financial and Estate
9 Planning Council of Montreal - Dealing with Revenue
10 Canada, Taxation on Voluntary Disclosures », un
11 document du 19 janvier 1998.
- 12 44758 Je crois que vous l'avez devant vous
13 déjà, Monsieur le Commissaire.
- 14 44759 Alors, ce sera P-58. C'est bien ça,
15 Madame Chalifoux?
- 16 44760 LA GREFFIÈRE : Oui.
- 17 PIÈCE NO. P-58 : Document
18 intitulé « The Financial and
19 Estate Planning Council of
20 Montreal - Dealing with Revenue
21 Canada, Taxation on Voluntary
22 Disclosures », en date du 19
23 janvier 1998.
- 24 44761 Me BATTISTA : Et également, mon
25 collègue maître Grondin nous a fait parvenir, hier,

1 deux documents que madame Sauvé a eu l'occasion de
2 lire, et, d'ailleurs, qu'elle en a pris connaissance.

3 44762 Alors, le premier, c'est «
4 Présentation sur les divulgations (sic) volontaires »,
5 un document du 14 juin 2000, préparé par Jean-Louis
6 Lussier de l'Agence des douanes et du revenu du Canada,
7 P-59.

8 PIÈCE NO. P-59 : Document
9 intitulé « Présentation sur les
10 divulgations (sic) volontaires
11 », en date du 14 juin 2000,
12 préparé par Jean-Louis Lussier
13 de l'Agence des douanes et du
14 revenu du Canada.

15 44763 Me BATTISTA : Et enfin, «
16 Présentation sur les divulgations volontaires au groupe
17 Raymond Chabot Grant Thornton », préparé par Yvon
18 Tétreault, chef de service, alors, comme P-60.

19 PIÈCE NO. P-60 : Document
20 intitulé « Présentation sur les
21 divulgations volontaires au
22 groupe Raymond Chabot Grant
23 Thornton », préparé par Yvon
24 Tétreault, chef de service.

25 44764 Me BATTISTA : Alors, simplement,

1 Madame Sauvé, je vais attirer votre attention à P-59,
2 la « Présentation sur les divulgations (sic)
3 volontaires. » Si vous regardez au bas de la première
4 page et au haut de la deuxième page, ce que nous
5 voyons, c'est un commentaire sur le succès du Programme
6 de divulgations volontaires, et on indique qu'on a
7 récupéré des dizaines de millions de dollars d'impôt
8 qui n'auraient pas, autrement, été récupérés; c'est
9 bien ça?

10 44765 MME SAUVÉ : Oui. Juste...

11 44766 Me BATTISTA : Oui.

12 44767 MME SAUVÉ : C'est quel document
13 exactement?

14 44768 Me BATTISTA : Celui-ci, celui de
15 monsieur... qui a été préparé par monsieur Lussier.

16 44769 MME SAUVÉ : O.K. O.K.

17 44770 Me BATTISTA : Au bas de la page 1...

18 44771 MME SAUVÉ : O.K.

19 44772 Me BATTISTA : ...et haut de la page
20 2.

21 44773 MME SAUVÉ : Oui.

22 44774 Me BATTISTA : Alors, on dit, par
23 exemple :

24 « Quant aux résultats pour
25 l'année financière terminée au

- 1 31 mars 2000, ils sont
2 éloquents... »
- 3 44775 Alors, augmentation du revenu
4 imposable au niveau national, ce n'est pas disponible,
5 mais pour le bureau de Montréal, c'est \$ 49 500 000.
6 Quand on regarde l'impôt récupéré au niveau national,
7 c'est \$ 42 millions, et le bureau de Montréal, lui, en
8 récupère \$ 11,5 millions.
- 9 44776 Donc, il récupère un quart, si on
10 veut, du revenu national?
- 11 44777 MME SAUVÉ : Absolument.
- 12 44778 Me BATTISTA : Alors, le programme tel
13 qu'il était en vigueur à Montréal, dans cette
14 région-là, connaissait un certain succès?
- 15 44779 MME SAUVÉ : Absolument.
- 16 44780 Me BATTISTA : D'accord.
- 17 44781 Maintenant, quelles étaient les
18 conditions d'application à l'époque, en l'an 2000, pour
19 qu'une personne soit admissible au Programme de
20 divulgations volontaires?
- 21 44782 MME SAUVÉ : Il y avait trois critères
22 à respecter. Il avait... il fallait que la divulgation
23 soit volontaire, qu'elle soit vérifiable et qu'il y ait
24 paiement des impôts.
- 25 44783 Me BATTISTA : D'accord.

- 1 44784 Avant de se rendre à l'explication de
2 chacune, comment un contribuable pouvait s'inscrire
3 dans ce programme-là? Comment la démarche se faisait?
4 Quelle était la pratique et la norme?
- 5 44785 MME SAUVÉ : Règle générale, les
6 contribuables pouvaient nous contacter soit par
7 téléphone, soit par lettre ou en personne, soit
8 directement -- je veux dire l'individu lui-même -- ou
9 par des représentants.
- 10 44786 Au bureau des services fiscaux de
11 Montréal, la majorité des dossiers étaient ouverts sous
12 le couvert de l'anonymat, ce qui signifie que les
13 représentants... c'était des représentants qu'on avait
14 au dossier.
- 15 44787 Me BATTISTA : D'accord.
- 16 44788 MME SAUVÉ : Et là, ils nous
17 exposaient les faits, la situation, et à partir de là,
18 il y avait des discussions qui étaient entreprises pour
19 en venir à un règlement dans le dossier.
- 20 44789 Me BATTISTA : D'accord. Ce que je
21 comprends, donc, c'est que, à l'époque, et peut-être
22 encore aujourd'hui, la norme était que les approches
23 étaient anonymes et elles étaient traitées de façon
24 anonyme par le bureau; c'est bien ça?
- 25 44790 MME SAUVÉ : Absolument.

- 1 44791 Me BATTISTA : Et il y avait... le ou
2 la représentante du contribuable exposait des faits, et
3 sur la base de cet exposé-là, la personne responsable à
4 l'Agence pouvait déterminer si oui ou non, la situation
5 telle que décrite pouvait être considérée dans le cadre
6 du Programme de divulgations volontaires; c'est bien
7 ça?
- 8 44792 MME SAUVÉ : Absolument. C'est bien
9 ça.
- 10 44793 Me BATTISTA : Une fois que cela était
11 discuté ou négocié ou convenu, quelle était l'étape
12 suivante?
- 13 44794 MME SAUVÉ : On avait l'identification
14 de l'individu par la suite, et on demandait que des
15 déclarations amendées soit produites...
- 16 44795 Me BATTISTA : D'accord.
- 17 44796 MME SAUVÉ : ...afin de refléter le
18 revenu additionnel.
- 19 44797 Me BATTISTA : D'accord.
- 20 44798 Maintenant, vous avez parlé de trois
21 conditions ou trois critères applicables. Alors, vous
22 avez parlé de volontaire, vérifiable et que l'impôt
23 soit payé?
- 24 44799 MME SAUVÉ : Oui.
- 25 44800 Me BATTISTA : Je vais vous demander

1 maintenant de nous expliquer quelle était la portée du
2 terme « volontaire »?

3 44801 MME SAUVÉ : Volontaire, ça signifie
4 que le contribuable n'était pas sous vérification ou
5 sous enquête de façon criminelle, soit par l'impôt ou
6 la GRC ou autrement, ni en vérification avec Revenu
7 Québec, parce qu'au Québec, on a une autre
8 administration fiscale, et qu'aucune mesure d'exécution
9 avait été entreprise ou commencée par l'individu.

10 44802 Me BATTISTA : Donc, si on comprend
11 bien, l'élément volontaire pour vous impliquait que le
12 contribuable ne soit pas assujetti à une quelconque
13 forme d'enquête ou mesure venant du gouvernement; c'est
14 bien ça?

15 44803 MME SAUVÉ : Absolument.

16 44804 Me BATTISTA : Et au Québec, ça
17 incluait également le gouvernement du Québec?

18 44805 MME SAUVÉ : Absolument.

19 44806 Me BATTISTA : Donc, si une personne
20 se présentait à l'Agence de revenu fédérale au Québec
21 et ne faisait pas l'objet d'une mesure du gouvernement
22 fédéral, mais que, par ailleurs, vous appreniez que la
23 personne faisait l'objet d'une mesure de la part du
24 gouvernement provincial, cette personne-là ne serait
25 pas admissible au programme...

1 44807 MME SAUVÉ : Absolument.

2 44808 Me BATTISTA : ...parce que ça ne
3 serait pas volontaire?

4 44809 MME SAUVÉ : Absolument.

5 44810 Me BATTISTA : Donc, le critère de
6 volontaire s'applique aux enquêtes et aux recherches de
7 l'état vis-à-vis de l'individu?

8 44811 MME SAUVÉ : Oui.

9 44812 Me BATTISTA : D'accord.

10 44813 Quand on parle de vérifiable, vous
11 avez parlé de l'approche anonyme?

12 44814 MME SAUVÉ : M'hmm.

13 44815 Me BATTISTA : Et vous nous avez
14 expliqué que lorsque l'approche était anonyme, la
15 personne ou le représentant ou la représentante de la
16 personne exposait les circonstances et les faits, et
17 ensuite, il y avait discussion. Si la personne était
18 admissible au programme, il y avait ensuite divulgation
19 des faits et des circonstances.

20 44816 Je comprends qu'à ce moment-là, la
21 personne s'identifie et fournit les documents ou
22 l'information qui doit être vérifiée?

23 44817 MME SAUVÉ : Absolument. C'est ça.

24 44818 Me BATTISTA : Et quelle est la portée
25 de la vérification? Qu'est-ce que vous faites à ce

1 moment-là quand vous faites la vérification?

2 44819 MME SAUVÉ : Dépendamment de ce qui
3 nous a été fourni, si ce qui nous est soumis correspond
4 à nos besoins, dépendamment aussi de la gestion du
5 risque au dossier, si c'est un montant qui est plus ou
6 moins important, on ne vérifiera pas en profondeur.
7 Dans certaines circonstances si l'information soumise
8 ne nous satisfait pas, on pouvait l'envoyer en
9 vérification.

10 44820 Me BATTISTA : D'accord.

11 44821 Et qu'est-ce qui arrivait si...
12 quelle était la conséquence de la vérification,
13 c'est-à-dire quelle est l'issue possible suite à une
14 vérification?

15 44822 MME SAUVÉ : Bon, suite à une
16 vérification, si ça correspond à ce qui a été divulgué
17 par le contribuable, on accepte la divulgation. Sinon,
18 on refuse la divulgation, et là, à ce moment-là, le
19 contribuable est sujet à des pénalités et peut-être
20 éventuellement à des poursuites judiciaires.

21 44823 Me BATTISTA : D'accord.

22 44824 Maintenant, le dernier critère que
23 vous avez énoncé était le paiement de l'impôt. Je vais
24 me permettre de résumer. Vous me confirmerez si j'ai
25 raison.

- 1 44825 Essentiellement, la personne fait une
2 divulgation volontaire pour des sommes qui auraient dû,
3 autrement, être déclarées antérieurement. L'Agence
4 s'attend à ce que la personne qui fait une telle
5 déclaration paie ses impôts dus rapidement?
- 6 44826 MME SAUVÉ : Absolument.
- 7 44827 Me BATTISTA : Vous permettiez, par
8 contre, également la possibilité de faire des
9 arrangements dans des situations où c'était raisonnable
10 de le faire?
- 11 44828 MME SAUVÉ : Absolument.
- 12 44829 Me BATTISTA : D'accord.
- 13 44830 Maintenant, en ce qui a trait aux
14 arrangements qu'on pouvait envisager avec le
15 contribuable en ce qui a trait aux détails de la
16 divulgation -- et là, je parle, par exemple, de la
17 suffisance des détails quant au revenu, les montants et
18 les circonstances, l'obtention de sommes divulguées --
19 quelle était la pratique, quelle était la norme, si on
20 veut, à cet égard?
- 21 44831 MME SAUVÉ : Lorsqu'il était
22 impossible de déterminer la source, la nature, au
23 Québec, on avait une politique qui était applicable
24 pour tout le monde dans tous ces cas-là. On
25 appliquait... on divisait le montant en deux, soit 50

1 pour cent, et on imposait le contribuable sur ces
2 revenus-là.

3 44832 Me BATTISTA : D'accord.

4 44833 Maintenant, lorsqu'il y avait
5 entente, alors, si une personne, par exemple, fait une
6 déclaration... vient vous voir, fait une divulgation,
7 vous nous avez dit maintenant que quand les sommes
8 n'étaient pas identifiables ou quand les montants
9 n'étaient pas nécessairement vérifiables, vous aviez
10 une politique de diviser les montants en deux?

11 44834 MME SAUVÉ : Oui.

12 44835 Me BATTISTA : Donc, une personne, par
13 exemple, pouvait déclarer, dans le cadre de sa
14 déclaration volontaire, avoir reçu un revenu de \$ 1
15 000, par exemple, mais au moment de la déclaration
16 d'impôt, elle pouvait déclarer un montant de \$ 500;
17 c'est bien ça?

18 44836 MME SAUVÉ : C'est ça.

19 44837 Me BATTISTA : Et à ce moment-là, elle
20 aurait été imposée sur le montant déclaré et non pas le
21 montant divulgué; c'est bien ça?

22 44838 MME SAUVÉ : Absolument.

23 44839 Me BATTISTA : Maintenant, comment
24 fonctionnait, et comment fonctionne aujourd'hui...
25 est-ce qu'il y a une différence? Lorsque la personne

1 fait une divulgation volontaire et que la divulgation
2 concerne des sommes ou des revenus qui ont été acquis
3 quelques années auparavant, est-ce qu'il y avait une
4 politique particulière à cet égard, et est-ce qu'elle
5 est différente aujourd'hui?

6 44840 MME SAUVÉ : À cet égard-là, oui, il y
7 avait une approche qu'on avait développée dans la
8 région du Québec. On imposait le contribuable... on
9 acceptait de réduire le montant de 50 pour cent à
10 cause... parce que la nature des fonds, des revenus non
11 déclarés étaient difficilement identifiables. Ça
12 signifiait que ça pouvait concerner différentes
13 natures.

14 44841 Peut-être que le contribuable,
15 c'était du revenu d'entreprise, donc, il y a des
16 dépenses qui auraient pu être allouées à l'encontre de
17 ces revenus-là, ou encore, ça pouvait être, par
18 exemple, un don qu'il a reçu, un héritage, et les
19 revenus n'étaient pas imposables, mais comme la source
20 était identifiable mais difficilement prouvable,
21 c'était dans ces circonstances-là qu'on divisait le
22 montant, on accordait une réduction de 50 pour cent.

23 44842 Me BATTISTA : D'accord.

24 44843 MME SAUVÉ : Par rapport à
25 aujourd'hui, on n'applique plus cette méthode-là.

1 44844 Me BATTISTA : D'accord. Donc, à
2 l'époque, il y avait cette approche-là. Ma question
3 plus particulière à ce moment-ci portait plutôt sur une
4 fois que la divulgation est acceptée.

5 44845 Donc, le contribuable vous dit, j'ai
6 \$ 1 000 de revenus qui n'a pas été déclaré, soit par
7 omission volontairement, involontairement, c'est peu
8 important, vous l'acceptez comme une divulgation
9 volontaire, donc, vous l'acceptez dans le cadre du
10 programme. Que doit faire le contribuable à ce
11 moment-là? Alors, je viens vous voir aujourd'hui. Les
12 revenus ont été acquis il y a quelques années ou
13 auraient dû être déclarés il y a quelques années.
14 Qu'est-ce que je dois faire?

15 44846 MME SAUVÉ : On demandait de préparer
16 une lettre d'entente, et, par la suite, il y a une
17 déclaration amendée qui était produite par le
18 contribuable et devait joindre le paiement au montant
19 sur lequel on s'était entendu.

20 44847 Me BATTISTA : Bon! Et à cette
21 époque-là, quand on faisait une déclaration amendée, la
22 déclaration amendée portait sur quelles années
23 d'imposition?

24 44848 MME SAUVÉ : Règle générale, la
25 plupart des dossiers étaient traités qu'on imposait les

1 revenus sur les trois années les plus récentes.

2 44849 Me BATTISTA : D'accord. Et
3 maintenant, je vais préciser parce que je connais un
4 peu la réponse.

5 44850 MME SAUVÉ : M'hmm.

6 44851 Me BATTISTA : Pourquoi, à l'époque,
7 vous aviez cette politique-là?

8 44852 MME SAUVÉ : Parce qu'il y avait les
9 intérêts qui étaient assez punitifs. Le contribuable
10 se voyait imposer des intérêts qui venaient augmenter
11 considérablement le montant dû, et ce qui faisait en
12 sorte souvent que le contribuable se retirait de la
13 proposition parce que c'était trop dispendieux pour
14 lui, et comme on n'avait pas de disposition au niveau
15 des dispositions d'allègement à cette époque-là, on
16 avait permis au contribuable de reporter ces
17 montants-là dans les trois dernières années.

18 44853 Me BATTISTA : Donc, par hypothèse, si
19 je venais vous voir en l'an 2000 et je vous divulguais
20 une somme, par exemple, acquise 10 ans auparavant, à
21 titre hypothétique, la politique qui était suivie à
22 l'époque aurait été de me demander de produire une
23 déclaration d'impôt amendée pour une période qui est
24 rapprochée à celle de la date de la divulgation?

25 44854 MME SAUVÉ : Absolument.

- 1 44855 Me BATTISTA : Et la raison pour cela
2 était parce que, à l'époque, vous n'aviez pas de
3 pouvoir discrétionnaire pour négocier, si on veut, des
4 ententes quant aux intérêts imposables?
- 5 44856 MME SAUVÉ : Exactement.
- 6 44857 Me BATTISTA : Maintenant, si je suis
7 bien la logique de ce que vous m'avez dit plus tôt,
8 l'intérêt qu'avait l'Agence à faire cela à l'époque
9 était que le contribuable pouvait se voir, par exemple,
10 dans une situation où les intérêts seraient tellement
11 punitifs que ça pourrait décourager la participation du
12 contribuable au Programme de divulgations volontaires?
- 13 44858 MME SAUVÉ : Exactement.
- 14 44859 Me BATTISTA : Ce que je comprends
15 également, et vous me corrigez, depuis l'an 2008, cette
16 politique-là est maintenant modifiée, et les gens de
17 l'Agence ont une discrétion à cet égard?
- 18 44860 MME SAUVÉ : Absolument.
- 19 44861 Me BATTISTA : Donc, on peut imposer
20 des intérêts, mais les intérêts peuvent être négociés
21 avec les contribuables?
- 22 44862 MME SAUVÉ : Exactement.
- 23 44863 Me BATTISTA : Et en ce qui concerne
24 la politique du 50 pour cent du revenu déclaré, quelle
25 est l'approche aujourd'hui?

1 44864 MME SAUVÉ : Aujourd'hui, on n'a plus
2 cette politique-là. C'est... les revenus réellement
3 gagnés doivent être imposés dans chacune des années
4 respectives, et on n'a plus la politique du 50 pour
5 cent non plus.

6 44865 Me BATTISTA : D'accord.

7 44866 MME SAUVÉ : Alors, chaque dossier est
8 traité sur une base de cas par cas.

9 44867 Me BATTISTA : Alors, très bien.

10 44868 Si vous me permettez, Monsieur le
11 Commissaire, une petite vérification avec mes collègues
12 ici.

13 --- Pause

14 44869 Me BATTISTA : Alors, c'est tout pour
15 moi, Monsieur le Commissaire, merci. Peut-être mes
16 collègues vont avoir des questions.

17 44870 COMMISSAIRE OLIPHANT : Merci bien.

18 --- Pause

19 44871 COMMISSAIRE OLIPHANT : Monsieur
20 Pratte, est-ce que vous avez besoin d'une pause pour
21 discuter avec...

22 44872 Me PRATTE : Peut-être juste cinq
23 minutes, s'il vous plaît, Monsieur le Commissaire.

24 44873 COMMISSAIRE OLIPHANT : Cinq minutes,
25 pas de problème.

1 44874 Me BATTISTA : Monsieur le
2 Commissaire, si vous demandez cinq minutes, il y a
3 juste une précision que je voudrais apporter avant que
4 mes collègues continuent. Si vous me permettez, je
5 voudrais poser une dernière question avant que mes
6 collègues commencent...

7 44875 COMMISSAIRE OLIPHANT : Ah, oui! O.K.

8 44876 Me BATTISTA : ...avant de prendre le
9 cinq minutes.

10 44877 COMMISSAIRE OLIPHANT : Oui.

11 44878 Me BATTISTA : Simplement revenir au
12 début, Madame Sauvé. Vous avez parlé du Programme de
13 divulgations volontaires, ce qui permet à un
14 contribuable d'y entrer, vous avez expliqué que c'était
15 pour une omission volontaire ou involontaire.
16 Expliquez cela. Qu'est-ce que ça veut dire?

17 44879 MME SAUVÉ : Une omission
18 involontaire, le contribuable a oublié simplement de
19 déclarer ces revenus-là ou il n'avait pas les
20 connaissances nécessaires. Suite à une rencontre avec
21 son comptable, le comptable a pu lui expliquer que
22 c'était du revenu qu'il aurait dû déclarer. On peut
23 considérer ça comme une omission involontaire.

24 44880 Une omission volontaire, c'est
25 quelqu'un qui, volontairement, a décidé de ne pas

1 inclure les revenus gagnés dans sa déclaration de
2 revenus.

3 44881 Me BATTISTA : D'accord.

4 44882 Maintenant, simplement pour bien
5 comprendre, quand une personne se... quand un
6 contribuable veut faire une déclaration volontaire,
7 est-ce que ça peut être une substitution à une
8 déclaration d'impôt?

9 44883 MME SAUVÉ : Excusez, je ne comprends
10 pas votre question.

11 44884 Me BATTISTA : C'est-à-dire est-ce
12 qu'un contribuable peut avoir le choix de faire une
13 déclaration d'impôt ou une déclaration volontaire pour
14 un revenu gagné dans l'année, par exemple?

15 44885 MME SAUVÉ : Il doit toujours produire
16 une déclaration d'impôt.

17 44886 Me BATTISTA : D'accord. Et la
18 déclaration volontaire, elle, vient dans quel contexte?

19 44887 MME SAUVÉ : Supposons que le
20 contribuable n'a pas déclaré ses revenus, il n'a pas
21 produit ses déclarations d'impôt pendant plusieurs
22 années, et que là, il décide de les produire, en venant
23 au Programme des divulgations volontaires, ça lui
24 permet d'éviter toutes les pénalités...

25 44888 Me BATTISTA : Ça va.

1 44889 MME SAUVÉ : ...les conséquences à ne
2 pas faire de déclaration.

3 44890 Me BATTISTA : Ça va.

4 44891 Alors, ce sont mes questions.

5 44892 COMMISSIONER OLIPHANT: We will take
6 five minutes.

7 44893 Is that going to be sufficient, Mr.
8 Pratte?

9 44894 Me PRATTE : Sûrement.

10 44895 COMMISSIONER OLIPHANT: Okay.

11 44896 THE REGISTRAR: All rise.

12 --- Upon recessing at 10:56 a.m. / Suspension à 10 h 56
13 --- Upon resuming at 11:11 a.m. / Reprise à 11 h 11

14 44897 THE REGISTRAR: All rise. Veuillez
15 vous lever.

16 44898 COMMISSIONER OLIPHANT: Be seated,
17 please.

18 44899 Me BATTISTA : Alors, Monsieur le
19 Commissaire, j'ai vérifié auprès de mes collègues. Il
20 n'y a aucun de mes collègues qui a des questions à
21 poser à madame Sauvé. Alors, il n'y a pas de raison de
22 ne pas libérer madame Sauvé. Son témoignage est
23 terminé.

24 44900 COMMISSAIRE OLIPHANT : Pas de
25 questions?

1 44901 Me BATTISTA : Pas de questions, à
2 moins que vous en ayez vous-même.

3 44902 COMMISSAIRE OLIPHANT : O.K. Merci.

4 44903 Madame, merci bien pour votre
5 témoignage. Vous êtes libre de sortir maintenant.
6 Merci.

7 44904 MME SAUVÉ : Merci.

8 44905 COMMISSIONER OLIPHANT: Mr.
9 Roitenberg.

10 44906 MR. ROITENBERG: Good morning, Mr.
11 Commissioner.

12 44907 The next witness that we have is Mr.
13 Fred Bild. If I could ask Mr. Bild to come forward,
14 please.

15 44908 COMMISSIONER OLIPHANT: Good morning,
16 Mr. Bild. Could I ask you just to come up onto the
17 witness stand, please, sir. If you need your books,
18 take them with you, that's okay.

19 44909 Good morning.

20 44910 MR. BILD: Good morning.

21 44911 COMMISSIONER OLIPHANT: Mr. Bild, do
22 you prefer to be sworn or affirmed?

23 44912 MR. BILD: I'll affirm.

24 44913 COMMISSIONER OLIPHANT: You'll
25 affirm.

1 AFFIRMED: FRED BILD /
2 SOUS DÉCLARATION SOLENNELLE : FRED BILD
3 EXAMINATION: FRED BILD BY MR. ROITENBERG /
4 INTERROGATOIRE : FRED BILD PAR Me ROITENBERG /
5 44914 MR. ROITENBERG: Good morning, Mr.
6 Bild.
7 44915 MR. BILD: Good morning.
8 44916 MR. ROITENBERG: Thank you for
9 joining us this morning. The reason that we have you
10 here is because my understanding is that you were
11 Canada's Ambassador to China from 1990 to 1994. Am I
12 right in that, sir?
13 44917 MR. BILD: That's right, to the very
14 end of '94.
15 44918 MR. ROITENBERG: But your service in
16 the diplomatic corps didn't start, obviously, in 1990.
17 I understand you have a long history in the foreign
18 services; is that right?
19 44919 MR. BILD: Yes, it started in 1961.
20 I was barely born.
21 44920 MR. ROITENBERG: Well, I won't taunt
22 you with tales of the fact that I wasn't yet born.
23 --- Laughter / Rires
24 44921 MR. ROITENBERG: But your first
25 foreign posting, as I understand it, was in 1963 in

1 Japan; is that right?

2 44922 MR. BILD: That's right, as the Third
3 Secretary to the Canadian Embassy in Tokyo.

4 44923 MR. ROITENBERG: And you then came
5 home to Ottawa and worked -- oh, excuse me. From there
6 you didn't come home to Ottawa, you went to Laos with
7 the International Control Commission?

8 44924 MR. BILD: That's right.

9 44925 MR. ROITENBERG: And your role there
10 was to investigate and monitor the Geneva Accords and
11 how they were being applied and followed in that
12 region; is that right?

13 44926 MR. BILD: That was the role of the
14 Commission. My role was to make political
15 representations to the other members of the Commission,
16 who were the Indians and the Poles, about
17 investigations we might do. We ended up never doing
18 any investigations.

19 44927 MR. ROITENBERG: Very well.

20 44928 From there you took a posting in
21 Paris?

22 44929 MR. BILD: That's right.

23 44930 MR. ROITENBERG: And eventually wound
24 up working at the Canadian Embassy in Paris, after
25 attending a Public Administration school there.

1 44931 MR. BILD: That's right.

2 44932 MR. ROITENBERG: From there you were
3 brought home to Ottawa --

4 44933 MR. BILD: Yes.

5 44934 MR. ROITENBERG: -- in 1970, where
6 you were the Executive Assistant to the Undersecretary
7 for Foreign Affairs.

8 44935 MR. BILD: That's right.

9 44936 MR. ROITENBERG: Which is akin, I
10 guess, to the assistant deputy minister?

11 44937 MR. BILD: No, the undersecretary in
12 those days was the equivalent of the deputy minister
13 today.

14 44938 MR. ROITENBERG: The deputy minister.
15 44939 And from there it was back to Paris,
16 in 1972.

17 44940 MR. BILD: That's right, as Economic
18 Counsellor.

19 44941 MR. ROITENBERG: Your next foreign
20 posting was in 1979, if I am not mistaken, where you
21 went to Thailand as Canada's ambassador.

22 44942 MR. BILD: That's right.
23 44943 I was also accredited to Vietnam at
24 that time.

25 44944 MR. ROITENBERG: This was a

1 particularly important posting, close to your heart, if
2 I am not mistaken.

3 44945 MR. BILD: Yes, indeed, it was.

4 44946 MR. ROITENBERG: If you could share
5 with the Commissioner, briefly, why that was, sir.

6 44947 MR. BILD: Well, I say that that
7 coincided with Canada's finest moment. It was at the
8 time of the tremendous crisis of the boat people in
9 Indo-China, mostly people of Chinese ancestry, who had
10 been expelled or driven out of Vietnam, who embarked on
11 terribly hazardous little craft at sea, not knowing
12 where they would land. Many of them were drowned.
13 Most of them were attacked by pirates.

14 44948 They eventually landed on the beaches
15 of Southeast Asia, Indonesia, Malaysia and Thailand,
16 and those countries didn't know what to do with them.
17 They were tempted to throw them back at sea.

18 44949 That was during that brief period in
19 our history when Joe Clark was our Prime Minister, and
20 Flora MacDonald was our Foreign Minister, and Flora
21 went to Geneva, to a conference of countries who might
22 take some of these refugees on a more permanent basis,
23 and she immediately offered that we would take 50,000.
24 All of the others had to follow suit. The Americans,
25 of course, took more. The Australians took some, the

1 New Zealanders, the French.

2 44950 The problem -- the refugee problem
3 that confronted these South Asian nations was, in a
4 way, solved overnight. All we had to do at embassies
5 was to make sure that we would get these refugees onto
6 planes.

7 44951 I had then my first ambassadorial
8 post, and I turned out to have the largest immigration
9 section in my embassy. I hadn't counted on that.

10 44952 And these eleven immigration
11 officers, their job was, day in, day out, to go and
12 interview refugees in refugee camps, to see if they
13 would be suitable immigrants for Canada.

14 44953 We had to fill 2,000 plane seats
15 every month, and that's all we had to do -- that
16 section had to do -- but it was a tremendous
17 undertaking.

18 44954 The wonderful thing about that
19 program, if I may, Mr. Commissioner, just for a moment,
20 because it's something that most Canadians have
21 forgotten but they should be very proud of, is that it
22 started because there was a public reaction across
23 Canada. They had seen the plight of these people on
24 television. There was tremendous pressure on the
25 government, and Joe Clark announced that the government

1 would sponsor one refugee for each one that was
2 sponsored by the private sector.

3 44955 Almost overnight there were little
4 committees formed across the country -- church groups,
5 Kiwanis groups and others -- who were ready to adopt --
6 to sponsor a refugee family, as a result of which those
7 refugees spread themselves throughout the country, and
8 there was never a problematic concentration of them
9 anywhere. We had them everywhere, from the West Coast
10 to the East Coast.

11 44956 That's what my job was to do, and at
12 the same time I had to negotiate with the Vietnamese,
13 to make sure that they would let us accept people on an
14 orderly departure basis, so as not to give rise to
15 these refugees. That was my second job.

16 44957 I thought that was a major
17 contribution that we had made. Thank you.

18 44958 MR. ROITENBERG: Thank you for
19 sharing that with us, sir.

20 44959 From there, I understand that you
21 were posted back to Paris in 1983.

22 44960 MR. BILD: That's right.

23 44961 MR. ROITENBERG: And then it was back
24 to Ottawa in 1987, as the Assistant Deputy Minister in
25 Foreign Affairs.

1 44962 MR. BILD: That's right.

2 44963 MR. ROITENBERG: Now, in that post,
3 my understanding is that you were involved in dealings
4 with multiple international organizations involved in
5 international summits at the time, which were happening
6 in Canada.

7 44964 Is that right?

8 44965 MR. BILD: Yes.

9 44966 MR. ROITENBERG: And, as well,
10 involved in dealings with the United Nations,
11 particularly peacekeeping efforts.

12 44967 MR. BILD: Yes, I was in charge of
13 all our relations with the United Nations, all
14 peacekeeping operations, anything to do with the
15 military, both defence and disarmament, all
16 international security problems, including practically
17 all the summits -- La Francophonie, the Commonwealth.

18 44968 Those were my main responsibilities.

19 44969 MR. ROITENBERG: I, as well,
20 understood that you were involved in organizing a
21 campaign to secure Canada's seat on the United Nations
22 Security Council.

23 44970 MR. BILD: At the United Nations,
24 yes.

25 44971 MR. ROITENBERG: And, then, in 1990

1 you were appointed Ambassador to China.

2 44972 MR. BILD: That's right.

3 44973 MR. ROITENBERG: A position you held
4 until 1994, and eventually you retired from the foreign
5 services, the diplomatic service, in 1996.

6 44974 MR. BILD: That's right.

7 44975 MR. ROITENBERG: And you are
8 currently teaching Chinese and Japanese politics at the
9 University of Montreal.

10 44976 MR. BILD: That's correct.

11 44977 MR. ROITENBERG: Quite a fascinating
12 history that you have had, sir, but I am mostly
13 interested in the 1987 to 1994 period, and that is
14 where I would like to focus you.

15 44978 In your time as the Assistant Deputy
16 Minister in Foreign Affairs, and your dealings with the
17 United Nations, you became familiar, as you said, with
18 Canada's role in peacekeeping and in our dealings with
19 the United Nations in that regard.

20 44979 MR. BILD: That's right.

21 44980 MR. ROITENBERG: My understanding is
22 that the United Nations Security Council, or the United
23 Nations as an agency, had never gone out and purchased
24 equipment and held it in a particular location.

25 44981 Is that fair?

1 44982 MR. BILD: That's my understanding.

2 44983 MR. ROITENBERG: But my understanding
3 from you this morning is, there is certainly nothing
4 that ever prevented the United Nations from embarking
5 on that, nothing that precluded it, and if the United
6 Nations chose to do it, it was something open to them.

7 44984 MR. BILD: Indeed. In fact, as I
8 mentioned to you, in 1994 the United Nations decided to
9 set up a base in Brindisi, in southern Italy, where
10 they could stock equipment, because even though they
11 weren't at that time buying equipment, they inherited a
12 lot of equipment, going all the way back to the Suez
13 crisis in 1956, after another great Canadian, Mr.
14 Pearson, had invented peacekeeping, and invented the
15 blue helmets, and sent in a mission.

16 44985 When the mission was over, there was
17 all this equipment left, and over the years things were
18 added to it, and they eventually decided that they were
19 going to stock all of this at Brindisi, which you can
20 look up on the web. It's a full-fledged base. I don't
21 know if they have brought equipment there, I am not
22 aware of any, but they do have a place there where they
23 can store equipment, and, more importantly, from a
24 peacekeeping angle, they can train peacekeepers from
25 the Third World. Most Third World countries -- many of

1 the poorer Third World countries have no equipment to
2 train their soldiers on.

3 44986 So there they have equipment that
4 these peacekeepers can be trained on.

5 44987 MR. ROITENBERG: And your
6 understanding, if I understood you earlier, when we
7 spoke before your testimony this morning, was that the
8 issue of standardized equipment was of benefit in that
9 regard, because if you are training these individuals
10 from poorer nations on equipment, it is best that you
11 are going to use it across the board and have some form
12 of standardization.

13 44988 MR. BILD: Yes, it would have some
14 advantages that way, of course.

15 44989 MR. ROITENBERG: Now, moving ahead to
16 your posting as Ambassador to China in 1990, you are
17 familiar with the fact that Mr. Mulroney and a group of
18 Canadian business people came over in October of 1993
19 for certain meetings.

20 44990 MR. BILD: Yes, of course, and I met
21 them, and I attended many of the functions with them.

22 44991 MR. ROITENBERG: You were involved
23 ahead of time, before the delegation arrived, in
24 speaking with individuals on that trip?

25 44992 MR. BILD: Yes. For one thing, Mr.

1 Mulroney -- I had a telephone conversation with Mr.
2 Mulroney beforehand, while he was still in Canada. He
3 told me that he was coming. He gave me a general idea
4 of what it was about, and Mr. Liu Huaqiu, the
5 Vice-Minister of Foreign Affairs, whom I knew extremely
6 well by then, because we had almost daily contact at
7 various occasions, had asked me at one point to come to
8 a meeting with him to discuss some of the arrangements
9 that were being made for that visit.

10 44993 MR. ROITENBERG: Now, you have a book
11 of documents in front of you there.

12 44994 I am going to ask, Mr. Commissioner,
13 that this book of documents, which is relatively
14 wafer-thin, in comparison to our other books of
15 documents, be marked as the next exhibit, P-61.

16 44995 I don't believe that counsel would
17 have an objection, but if they do...

18 44996 COMMISSIONER OLIPHANT: Mr.
19 Vickery...

20 44997 MR. VICKERY: I apologize for
21 interrupting my friend.

22 44998 I don't have an objection to that,
23 Mr. Commissioner; however, I did have a representation
24 to make at this point.

25 44999 Mr. Bild, for whom I act, had

1 indicated to me yesterday, in preparation, that he had
2 some concern as to whether he was to be permitted to
3 refer to the identity of the members of the delegation
4 on the trip to China, because, of course, he would
5 normally do that, but is cognizant of the fact that the
6 names were redacted from Mr. Mulroney's agenda dealing
7 with the trip.

8 45000 He simply wished to have some
9 direction from you as to whether he should avoid
10 indicating the identities of --

11 45001 COMMISSIONER OLIPHANT: I have your
12 point.

13 45002 MR. VICKERY: Thank you.

14 45003 COMMISSIONER OLIPHANT: Well, I know
15 who these people are, of course.

16 45004 Mr. Pratte, do you have a view on
17 that? It would have been at your request, I suppose,
18 that certain names were redacted.

19 45005 I don't know that, I am assuming
20 that.

21 45006 MR. PRATTE: Mr. Commissioner, thank
22 you. It was at our request, simply to protect the
23 privacy of those involved, and I don't think there was
24 an objection to it.

25 45007 Although the witness obviously knows

1 the identities, I would prefer, in the circumstances,
2 that we keep their identities anonymous.

3 45008 COMMISSIONER OLIPHANT: Even though
4 we are talking about something that happened 18 or 19
5 years ago?

6 45009 MR. PRATTE: That may be so, sir, I
7 won't --

8 45010 COMMISSIONER OLIPHANT: I am not
9 pressing for disclosure of the names --

10 45011 MR. PRATTE: No, no, I understand
11 what you are saying.

12 45012 COMMISSIONER OLIPHANT: I don't know
13 that the names of the people that were on that trip are
14 relevant for the purposes of this inquiry, in any
15 event.

16 45013 MR. PRATTE: That is my point, sir,
17 and at this stage -- this late stage --

18 45014 COMMISSIONER OLIPHANT: Seeing that I
19 have made your point for you, then, I think you can sit
20 down comfortably. Okay?

21 45015 MR. ROITENBERG: I certainly think
22 that I can lead the evidence from Mr. Bild without
23 touching on specific things.

24 45016 COMMISSIONER OLIPHANT: Mr. Bild,
25 thanks for drawing that to the attention of Mr.

1 Vickery. I will just ask you to be very careful not to
2 divulge the names of anybody who was on that trip,
3 except for Mr. Mulroney, who we know was there.

4 EXHIBIT NO. P-61: Book of
5 Documents in Support of the
6 Testimony of Fred Bild

7 45017 MR. ROITENBERG: Mr. Bild, you
8 mentioned briefly that you received some telephone
9 contact from Mr. Mulroney in advance of that trip, and
10 understood, to some degree, the nature of the trip.

11 45018 MR. BILD: That's right.

12 45019 MR. ROITENBERG: Was it shared with
13 you at all in the telephone contact you had before the
14 trip that Mr. Mulroney intended to do business while on
15 the trip?

16 45020 MR. BILD: No. He told me that he
17 was associated with the people he was coming with, and
18 the various things that they were going to be dealing
19 with looked very promising, but we did not go into the
20 substance and he did not mention anything that he
21 wanted to bring up himself.

22 45021 He was concerned with whom we were
23 going to meet and under what circumstances.

24 45022 MR. ROITENBERG: Did he specifically,
25 at any time, mention that he was going to be discussing

1 UN peacekeeping, or armoured vehicles in relation to
2 peacekeeping, or anything of that sort?

3 45023 MR. BILD: Not at all, because it
4 would have sent up a whole lot of flags in our embassy,
5 and the whole visit would have taken a different turn,
6 for us anyways.

7 45024 MR. ROITENBERG: You have had a
8 chance to familiarize yourself with Tab 3 of this book
9 of documents, which is a redacted itinerary of the trip
10 to Asia taken by Mr. Mulroney and those travelling
11 companions with whom he was associated.

12 45025 MR. BILD: That's right.

13 45026 MR. ROITENBERG: There were a number
14 of meetings, or engagements, if I could use that
15 expression, that I understand you attended with Mr.
16 Mulroney and some of these other business people.

17 45027 Am I right in that?

18 45028 MR. BILD: That's right.

19 45029 MR. ROITENBERG: Firstly, if we could
20 turn in Tab 3 to Tuesday, October the 5th --

21 45030 MR. BILD: October 5?

22 45031 MR. ROITENBERG: Yes, sir.

23 45032 MR. BILD: Yes.

24 45033 MR. ROITENBERG: It indicates a
25 potential breakfast with the Ambassador of Canada in

1 Beijing, Mr. Fred Bild.

2 45034 I assume that you are familiar with
3 that gentleman.

4 --- Laughter / Rires

5 45035 MR. BILD: Yes, I have some knowledge
6 of him.

7 45036 I don't think that breakfast took
8 place, mainly because I can't remember it; also,
9 because, what I do remember is, I got together with the
10 group, or at least with -- well, with two senior
11 members of the group and Mr. Mulroney, I think, the
12 night they arrived -- the day they arrived, or perhaps
13 the following day, at their hotel.

14 45037 I certainly don't remember having
15 breakfast with them, and I don't remember receiving
16 them at the outset at the embassy.

17 45038 MR. ROITENBERG: According to their
18 agenda, they arrived shortly before 8 p.m. local time
19 the day prior, on October the 4th.

20 45039 MR. BILD: Yeah. Okay, that's what
21 it says here.

22 45040 MR. ROITENBERG: On October the 5th,
23 the Tuesday, if you are on that page --

24 45041 MR. BILD: Yes.

25 45042 MR. ROITENBERG: -- if you could

1 assist at what meetings or engagements you were present
2 with Mr. Mulroney and the group.

3 45043 MR. BILD: The third one -- I am
4 telling you the ones I remember. I may have attended
5 some of the others, but I can't remember them, because
6 I did not keep a copy of this visit in my files.

7 45044 The one where it says, "Meeting with
8 Liu Huaqiu," I was definitely there because he and I
9 had planned that meeting.

10 45045 MR. ROITENBERG: When you say "he and
11 I", are you referring to Liu Huaqiu?

12 45046 MR. BILD: Liu, yes.

13 45047 COMMISSIONER OLIPHANT: That's the
14 meeting at 1430?

15 45048 MR. BILD: That's the meeting at
16 1430, Mr. Commissioner, yes.

17 45049 MR. ROITENBERG: There was a meeting
18 with the Minister of Electric Power at 1545 hours.

19 45050 MR. BILD: Mr. Shi Dazheng, yes, whom
20 I knew extremely well, because electric power was
21 something we did on a continuing basis with the Chinese
22 at that time.

23 45051 MR. ROITENBERG: Were you present at
24 that meeting?

25 45052 MR. BILD: I was present at that

1 meeting.

2 45053 And I was there at the banquet, which
3 was given by Zhu Ronji that night at the Great Hall of
4 the People.

5 45054 MR. ROITENBERG: Very well.

6 45055 The following day there were a number
7 of engagements, as well. That would be Wednesday,
8 October 6th, if you turn the page to that.

9 45056 Were you present at any of the
10 engagements on that date, sir?

11 45057 MR. BILD: I cannot remember being
12 present at the first meeting with Zhang Wepu, who also
13 was somebody I knew extremely well, from his days when
14 he was a Chinese ambassador here in Ottawa.

15 45058 I can't say that I remember that.
16 It's quite possible that I wasn't there.

17 45059 I don't remember going to the
18 Ministry of Radio, Film and Television, but I was
19 definitely at the luncheon meeting hosted by Rong Yiren
20 at Capital Mansions.

21 45060 MR. ROITENBERG: That is noted at
22 1130.

23 45061 MR. BILD: That's 1130.

24 45062 MR. ROITENBERG: Yes, sir?

25 45063 MR. BILD: And I was also at the

1 banquet that night, hosted by the leader of the
2 delegation, whose name I won't reveal.

3 45064 MR. ROITENBERG: That was at 1800
4 hours.

5 45065 MR. BILD: That was at 1800 hours.

6 45066 MR. ROITENBERG: Now, if you were to
7 go to Tab 2 of this book of documents, there is an
8 itinerary for a trip -- it is actually your itinerary,
9 but it refers to a trip on the 22nd of January, where
10 Mr. Mulroney and a group of other business people, some
11 of whom were the same business people as accompanied
12 him in October, attended back to China.

13 45067 Is that right, sir?

14 45068 MR. BILD: That's right.

15 45069 I see that their names have not been
16 redacted here.

17 45070 MR. ROITENBERG: That's all right, I
18 am not going to go into them with you.

19 45071 MR. BILD: Okay, fine.

20 45072 MR. ROITENBERG: These are your
21 notes.

22 45073 MR. BILD: On the Saturday, which was
23 the 22nd of January, that was the second trip that Mr.
24 Mulroney made.

25 45074 We had dinner with the Minister of

1 Railways, and there were a number of major Canadian
2 companies represented there, as well.

3 45075 I'm sorry, it was a luncheon. There
4 were a number of companies there, as well.

5 45076 In fact, I was not enthused about
6 that. I remember it well, because I was a little bit
7 disappointed about that meeting, because the Minister
8 of Railways didn't show up, and he sent his
9 vice-minister.

10 45077 MR. ROITENBERG: Now, these pages at
11 Tab 2 of the January trip, these are not a formal
12 itinerary of the trip, this is your itinerary.

13 45078 MR. BILD: This is my personal
14 itinerary -- my personal program for that week.

15 45079 I must say, I also redacted some
16 events there. I don't see why you have to know about
17 the bicycle trips that my wife and I took to the Great
18 Wall and that sort of thing.

19 45080 MR. ROITENBERG: I don't think
20 anything is wrong with that, sir.

21 45081 At Tab 1 we also have excerpts from
22 your diary from January of 1994.

23 45082 Is that right?

24 45083 MR. BILD: That's right.

25 45084 MR. ROITENBERG: Now, you have these

1 notes, you have your notes at Tab 2, but you don't have
2 similar personal notes surrounding the trip in October
3 of 1993.

4 45085 Is there a reason why you don't have
5 those notes, or do you know where they may have gone?

6 45086 MR. BILD: Had I known that I would
7 ever have any use for them, such as today, I certainly
8 would have kept notes throughout my stay there.

9 45087 It was in 1994, January 1st, 1994,
10 which I knew was going to be my last year in Beijing,
11 that I decided to keep a daily diary, and I kept it
12 only for that year.

13 45088 The fact that I have my weekly
14 program of that whole year, I don't know if that was a
15 deliberate decision on my part, I just happened to have
16 taken that along with me.

17 45089 If I had taken my weekly programs
18 from all of my previous posts, I would have to hire a
19 hangar for them. So those are the only ones I have.

20 45090 MR. ROITENBERG: If I could direct
21 you to your notes, or the excerpts from your diary at
22 Tab 1, these are instructive, because they seem to
23 reflect telephone contact with Mr. Mulroney -- and,
24 again, Mr. Mulroney never suggested that he engaged in
25 any business related to this inquiry in that January

1 1994 trip, but the excerpts from your diary are
2 instructive, insofar as they reflect your telephone
3 contact before Mr. Mulroney's arrival, on the 10th and
4 12th of January.

5 45091 Is that so?

6 45092 MR. BILD: That's correct.

7 45093 COMMISSIONER OLIPHANT: I'm sorry,
8 just before you go on; I am sure that everybody is
9 looking at the same pages as I am. Is there a concern
10 about the lack of redaction on these pages?

11 45094 MR. PRATTE: None that come to mind,
12 sir.

13 45095 COMMISSIONER OLIPHANT: No concern,
14 all right.

15 45096 Mr. Vickery...

16 45097 MR. VICKERY: No, we have no concern
17 with regard to it.

18 45098 MR. HOUSTON: No, sir. Thank you.

19 45099 MR. AUGER: No, sir.

20 45100 COMMISSIONER OLIPHANT: All right.

21 I'm sorry, go ahead, please, Mr. Roitenberg.

22 45101 MR. ROITENBERG: Thank you.

23 45102 Ms Corbeil was just pointing out -- I
24 believe I said it, I don't know if Ms Chalifoux caught
25 it, but I asked that it be filed as the next exhibit,

1 this book of documents, Exhibit P-61.

2 45103 You have that?

3 45104 THE REGISTRAR: Yes.

4 45105 MR. ROITENBERG: Thank you.

5 45106 Following the initial telephone

6 conversations, you then have diary entries of your

7 contact with Mr. Mulroney and his group on the days

8 where you interacted with them.

9 45107 Is that fair?

10 45108 MR. BILD: That's right.

11 45109 MR. ROITENBERG: Would the October

12 trip have taken a similar unfolding, where you would

13 have, as you said earlier, had the telephone contact

14 before arrival, and then you would have noted your

15 contact with them on the days that you were involved

16 with them?

17 45110 MR. BILD: Very similar.

18 45111 I remember that this one, in some

19 ways, was easier, although the group was bigger, I

20 guess because Mr. Mulroney and the others had already

21 made their introduction to China at that stage.

22 45112 This one was easier, but the October

23 one -- there is one other thing that sticks in my mind,

24 which I will never forget. They were arriving in a

25 private jet, and the embassy had to arrange clearance

1 for it, for landing in Beijing and in Shanghai. The
2 young chap at the embassy to whom this was delegated
3 didn't do his job properly, and two days before I
4 realized that the clearance hadn't been got.

5 45113 You can imagine the fuses that were
6 blown in the embassy that day. The poor fellow was
7 sure that he was going to be fired, there and then.

8 45114 We did get the clearances, obviously,
9 but it's because of that that I have a fairly -- it's a
10 bit like when an explosion happens, you remember the
11 events before and after more clearly.

12 45115 MR. ROITENBERG: Very fairly pointed
13 out. Thank you, sir.

14 45116 Now, on these dates where you
15 interacted with Mr. Mulroney and his group, the 5th and
16 the 6th, do you recall Mr. Mulroney advising you as to
17 his desire to broach the subjects of peacekeeping,
18 United Nations involvement, light-armoured vehicles --
19 anything of the like, sir?

20 45117 MR. BILD: Nothing, because, as I
21 said before, all kinds of lights would have gone off
22 within the embassy.

23 45118 If that subject had been raised --
24 there were barely 45 Canadians in that embassy,
25 including all support staff. If that subject had been

1 raised, I would have had to get my political section to
2 put one officer on it from then on, for a matter of
3 weeks, and we would have had to rearrange all of the
4 duties.

5 45119 It's something that none of us would
6 have forgotten.

7 45120 MR. ROITENBERG: Mr. Mulroney has
8 testified that he was, at the time, operating as a
9 private citizen, as an emissary, if you will, of a
10 private concern, broaching a topic or an idea, and that
11 he wanted to speak to certain individuals with whom he
12 was acquainted in the Chinese government.

13 45121 Would that have required clearance
14 with the embassy, or anything of the sort?

15 45122 MR. BILD: No, there is no
16 requirement. I mean, there is no legal requirement
17 that he clear it with us, but it would have caused
18 immense surprise, because that topic, no matter how you
19 approach it, whether it is from the point of view of
20 sales or not sales, is essentially a
21 government-to-government topic. The governments
22 concerned are going to have to get involved, no matter
23 how private it is, no matter how commercial you keep
24 it.

25 45123 For us at the embassy, and for the

1 people here in Ottawa, it would have meant a whole new
2 phase opening up in our relations with China. For us,
3 China was still persona non grata on the level of
4 anything to do with military or military equipment. We
5 did not talk to them about it.

6 45124 Yes, I went to talk to them. In
7 fact, the day after this visit finished, I had an
8 appointment in the morning at the Foreign Ministry.
9 That's why I didn't go to see them off. I had an
10 appointment at the Foreign Ministry to protest one of
11 their last nuclear tests that they were setting off.

12 45125 That was our policy. We had very
13 strong views on that. We would not let the Chinese off
14 the hook.

15 45126 Anything that approached military
16 cooperation, in whatever way, even in the context of
17 the UN, we would have had to start sending reports back
18 to Ottawa, comparing analyses with the desk here in
19 Ottawa. It would have set a whole new procedure in
20 train.

21 45127 None of that happened.

22 45128 MR. ROITENBERG: I can understand how
23 a government-to-government approach would have set off
24 these bells in the embassy, but here we have a private
25 citizen coming forward on behalf of a private business

1 concern, simply broaching a topic. How would that
2 necessarily have needed to be done on the scale which
3 you have described?

4 45129 MR. BILD: When that private citizen
5 is a former prime minister, in my view, he would
6 automatically discuss it with the foreign ministry,
7 with Foreign Affairs here, in order to know how to
8 approach it in China.

9 45130 I mean, there are a number of
10 agencies involved. It can't be done through one person
11 or through one or two people.

12 45131 It requires a whole cooperation with
13 a number of agencies in China, and he would seek their
14 views. The people here next door could have given him
15 a lot of useful pointers on how the Chinese might
16 react, not only because it involves military.

17 45132 At that stage the Chinese were just
18 beginning to experiment with multilateral relations.
19 Up until about 1992 the Chinese never wanted to have
20 anything to do with any of these things, and it was
21 indeed not until 1993 that they ever did participate in
22 a peacekeeping operation.

23 45133 So it was every -- everyone was
24 extremely careful about those things.

25 45134 The Chinese would have reacted

1 immediately by talking to us at the embassy.

2 45135 MR. ROITENBERG: How is it that you
3 know that?

4 45136 MR. BILD: Well, there were less
5 important issues like that. I won't go into them.
6 They were strictly commercial, not at this great
7 international level, but they were of the sort where
8 Canadian enterprises who had consulted us normally on
9 things, on what they were doing in China, did undertake
10 initiatives on their own.

11 45137 It was usually within two weeks after
12 this happened that we would learn about it, because the
13 Chinese are just as much at a loss in dealing with us
14 as we are with them.

15 45138 For them, the embassy, the Canadian
16 Embassy in China is the main source of useful
17 information about where is this idea coming from, what
18 is it for, what is its ultimate objective, who are
19 going to be the Canadians involved in this, what is
20 expected.

21 45139 So this is what the embassy -- that's
22 what we do. We explain Canada and what our objectives
23 are in China.

24 45140 MR. ROITENBERG: And if the approach
25 had had nothing to do with Canadian interests but

1 simply had to do with business interests and directions
2 being sought, based on relationships that had been
3 built up personally over a number of years, would that
4 have necessarily gotten back to you?

5 45141 MR. BILD: In some cases no, you are
6 quite right. If a Canadian was peddling some widgets
7 for an American firm, even if they were quite
8 sensitive, we might not have been contacted.

9 45142 But here, as I said before, this is
10 an initiative by a former Canadian prime minister
11 involving some form of cooperation in military field,
12 even if it is just UN related. You remember at the
13 beginning it wasn't just UN related when this first
14 came out. There was talk of sales, sales for local
15 domestic purposes as well as peacekeeping.

16 45143 MR. ROITENBERG: But we are talking
17 now about UN peacekeeping.

18 45144 MR. BILD: Okay, fine. But the point
19 is, even if it were just at a tentative level, the
20 Chinese, just as we do, know that this is going to
21 involve governments and they would have talked -- let
22 us say this equipment wasn't going to come from any
23 Canadian source, it was destined for the United
24 Nations, it is a United Nations matter. They know that
25 we are interested. It would have come back because

1 they would want more information.

2 45145 The more vague -- indeed, this is my
3 guess, Mr. Commissioner, if I may. I am just thinking
4 out loud.

5 45146 But I would say the more vague it
6 was, the more questions they would have had.

7 45147 MR. ROITENBERG: If I could direct
8 you back to Tab 3, October 5th, 1430 hours, meeting
9 with Liu Huaqiu.

10 45148 Were you present --

11 45149 MR. BILD: October 5, yes.

12 45150 MR. ROITENBERG: October 5. You told
13 us earlier --

14 45151 MR. BILD: Yes.

15 45152 MR. ROITENBERG: -- I believe that
16 you were present.

17 45153 MR. BILD: That's right. Yes.

18 45154 MR. ROITENBERG: Do you recall
19 anything being discussed at that meeting as to light
20 armoured vehicles, United Nations or peacekeeping
21 concerns?

22 45155 MR. BILD: Nothing whatever.

23 45156 MR. ROITENBERG: Liu Huaqiu was known
24 to you, sir?

25 45157 MR. BILD: Pardon?

1 45158 MR. ROITENBERG: Liu Huaqiu was known
2 to you?

3 45159 MR. BILD: Liu Huaqiu was the person
4 with whom I had the most frequent contact in China. He
5 was the Vice-Minister of Foreign Affairs in charge of
6 North America. That is just the United States and
7 Canada.

8 45160 I would go and see him at a minimum
9 once a week or he would call me in.

10 45161 He was not always an easy person to
11 deal with, but we were very, very good friends and we
12 knew each other well. Subsequently, even after I was
13 retired and he came to Canada, he would come and look
14 me up.

15 45162 No, we discussed -- the whole group
16 was there and we discussed how the series of meetings
17 would go, how the delegation would be received and who
18 would be receiving them and what subjects they were
19 going to discuss.

20 45163 MR. ROITENBERG: Is he still alive,
21 sir?

22 45164 MR. BILD: Oh, yes. But I think he
23 is retired now.

24 45165 MR. ROITENBERG: At 1815 hours there
25 was a meeting and banquet hosted by His Excellency Zhu

1 Ronji. Yes...?

2 45166 MR. BILD: That's right. I was
3 there.

4 45167 MR. ROITENBERG: You were present?

5 45168 MR. BILD: Yes, of course.

6 45169 MR. ROITENBERG: Do you recall at
7 that dinner there being any discussion whatsoever about
8 UN related issues, peacekeeping or light armoured
9 vehicles?

10 45170 MR. BILD: No. You mustn't get the
11 impression of a Chinese banquet as a sort of a jovial
12 dinner the way we have here in Canada where people hang
13 around and have a good time and refurbish their
14 friendship or relationship.

15 45171 The Chinese see it that way, but it
16 is much, much more formal.

17 45172 For one thing, this was in The Great
18 Hall of the People, but you know, The Great Hall of the
19 People can seat 3,000 people at dinner. We didn't have
20 it in The Great Hall where the Peoples Congress meets.
21 It was in one of the smaller halls. I don't think
22 there were more than 30 or 40 people there.

23 45173 And I didn't hear all conversations,
24 of course not. But I was not aware of any serious
25 conversation of any sort going on, except at one point

1 when Mr. Mulroney went on at some length about
2 different appointments he had made during his career
3 here in Ottawa. But that has nothing to do with the
4 subject under discussion here.

5 45174 I could not hear everything that was
6 said. If my memory serves me right, Mr. Mulroney was
7 sitting at the right of Zhu Ronji. The other most
8 important Canadian in that group was sitting on his
9 left, and I was just sitting beyond them.

10 45175 There was an interpreter behind us,
11 behind each one of -- not each one of us, but behind
12 each pair.

13 45176 MR. ROITENBERG: And again you said
14 that you didn't hear everything, but what you did hear
15 you didn't hear conversation touching on those topics?

16 45177 MR. BILD: No.

17 45178 MR. ROITENBERG: Were either of these
18 people, that is Zhu Ronji or Liu Huaqiu -- is it Liu
19 Huaqiu?

20 45179 MR. BILD: Liu Huaqiu.

21 45180 MR. ROITENBERG: Liu Huaqiu. Were
22 either of them involved in any of the meetings that
23 took place in January of 2004?

24 45181 MR. BILD: Yes. There you can -- if
25 you go to Tab 2 where my -- there was a dinner offered

1 by Liu Huaqiu at the Diaoyutai Guest House, which is a
2 state guest house of China, and I remember that one
3 quite well.

4 45182 There were maybe 20 or 25 people
5 present at that dinner.

6 45183 There was -- Zhu Ronji did not
7 receive them on that occasion, as I see, but they were
8 received by -- no, I'm sorry.

9 45184 MR. ROITENBERG: Maybe if I asked you
10 to go to 1600 -- excuse me, 1800 hours on January 19th,
11 that might assist you.

12 45185 MR. BILD: 1800, yes. That was good.
13 That was a dinner given by Liu Huaqiu.

14 45186 But what I don't see in my own
15 program here is a meeting with Zhu Ronji, whereas my
16 diary does contain an entry that Zhu Ronji received him
17 very warmly. So there must have been a meeting which
18 for some reason was not noted in my program.

19 45187 MR. ROITENBERG: Maybe it occurred
20 but it was not --

21 45188 MR. BILD: It occurred or a may have
22 been --

23 45189 MR. ROITENBERG: -- something that
24 Mr. --

25 45190 MR. BILD: It may have been a

1 spontaneous thing which was not registered on this
2 program.

3 45191 MR. ROITENBERG: But you recall
4 contact occurring between both Zhu Ronji and Liu Huaqiu
5 and Mr. Mulroney?

6 45192 MR. BILD: Definitely.

7 45193 MR. ROITENBERG: Now, if I could just
8 take you back for a moment to that dinner on October
9 the 5th, do you recall whether there was a meeting that
10 preceded the banquet that evening?

11 45194 MR. BILD: No. I do -- well, these
12 banquets, the main guests, the guest of honour, the
13 major guests are usually invited into a separate room
14 about a quarter of an hour beforehand where they have
15 chats, yes. You sit around and chat.

16 45195 It sounds very informal the way I
17 describe it. It is not nearly as informal as we would
18 do it, where we would sit around -- we would stand
19 around perhaps with drinks and discuss anything under
20 the sun.

21 45196 There you usually sit down in two
22 rows around -- in a semicircle around the two main
23 hosts, the host and the main guest, and you may indeed
24 talk business. But if you talk business, it is heard
25 by everybody there.

1 45197 MR. ROITENBERG: Were you present at
2 that gathering?

3 45198 MR. BILD: Yes, of course. Of
4 course.

5 45199 MR. ROITENBERG: Thank you very much,
6 sir. Those are my questions of you. I believe others
7 may have some.

8 45200 COMMISSIONER OLIPHANT: Just before
9 that occurs, if it does, I just want to clarify
10 something to make sure I understood something you said.

11 45201 Did I hear you correctly, Mr. Bild,
12 to say that had Mr. Mulroney discussed peacekeeping
13 issues with the Chinese that you would have heard about
14 this from the Chinese at some time subsequent to the
15 discussion?

16 45202 MR. BILD: Most likely.

17 45203 COMMISSIONER OLIPHANT: Most likely?

18 45204 MR. BILD: Most likely. It's not --
19 I can't say that it is an absolute certainty because
20 there is no compulsion for them to do so.

21 45205 COMMISSIONER OLIPHANT: No.

22 45206 MR. BILD: But judging by my whole
23 experience, that is what would have happened.

24 45207 COMMISSIONER OLIPHANT: And you heard
25 nothing from the Chinese --

1 45208 MR. BILD: Nothing whatever.

2 45209 COMMISSIONER OLIPHANT: -- about it?

3 45210 MR. BILD: And anything, even if word
4 of these things comes back to us, they don't
5 necessarily come back to me. They come back to the
6 embassy.

7 45211 But if anything like that had come
8 back to the embassy, I would know about it immediately
9 because, as I explained before, it would have caused us
10 all kinds of turmoil.

11 45212 COMMISSIONER OLIPHANT: Okay. Thank
12 you.

13 45213 Mr. Pratte...?

14 45214 MR. PRATTE: Thank you.

15 EXAMINATION: FRED BILD BY MR. PRATTE /
16 INTERROGATOIRE : FRED BILD PAR Me PRATTE

17 45215 MR. PRATTE: My name is Guy Pratte.

18 45216 MR. BILD: Hello.

19 45217 MR. PRATTE: I represent
20 Mr. Mulroney.

21 45218 You said I think on the second visit
22 in January '94, Mr. Zhu Ronji received Mr. Mulroney
23 quite warmly.

24 45219 MR. BILD: Yes, indeed.

25 45220 MR. PRATTE: Did I understand?

1 45221 They had a good relationship, didn't
2 they?

3 45222 MR. BILD: I think so, yes indeed.
4 Mr. Mulroney was very pleased to see Mr. -- I'm sorry,
5 Mr. Zhu Ronji was very pleased to see Mr. Mulroney.

6 45223 MR. PRATTE: They had met sometime
7 before these trips in '93 and '94.

8 45224 MR. BILD: They had met in '93, in
9 the October '93 visit, yes.

10 45225 MR. PRATTE: They had never met
11 before?

12 45226 MR. BILD: I don't know about that.
13 I heard Mr. Mulroney testify that he had met him here
14 and that is -- I have no reason to doubt that. That
15 was when Mr. Zhu Ronji had just been appointed
16 Vice-Premier.

17 45227 And I seem to be trying to take
18 credit for everything Mr. Mulroney was taking credit
19 for, but I have to underline that that meeting, that
20 visit, was one that we at the embassy arranged for
21 Mr. Zhu Ronji. It was quite a precedent because until
22 that time, until that moment in 1992 when Zhu Ronji
23 went to Canada, we had kept China in the doghouse.
24 There were no meetings at any senior level.

25 45228 MR. PRATTE: Let me understand,

1 though, that at least from your observations, sir,
2 Mr. Mulroney and Mr. Zhu Ronji appeared to have a good
3 relationship?

4 45229 MR. BILD: Yes, especially, as I made
5 mention in my diary, especially in contrast to the
6 reception he received from Li Peng, who was then the
7 Prime Minister, which I thought was very cold.

8 45230 MR. PRATTE: Now you said you didn't
9 hear everything that might have been said, and I thank
10 you for that, sir.

11 45231 If there had been a conversation, a
12 brief conversation between Mr. Mulroney and Zhu Ronji,
13 for example, at a conceptual level, possibly involving
14 peacekeeping and UN and its role on standardization and
15 Mr. Mulroney had said to Zhu Ronji, well, look, I am
16 really at the embryonic stage of this, nothing can
17 happen for some time to come, I am acting for a private
18 client so I would like you to keep it private for now,
19 is there any rule that would require Zhu Ronji to
20 advise anybody?

21 45232 MR. BILD: No, but -- no, there is no
22 rule of course -- but yes, actually I would like to
23 amend that.

24 45233 There is no rule such as we
25 understand it. But in fact if something like that was

1 raised with Mr. Zhu Ronji, who was an old Party member
2 who was trained in the Chinese Communist Party way of
3 recording the business he does, no matter how -- no
4 matter how theoretical an approach, he would note it
5 down, or one of his staff would note it down somewhere,
6 and it would have to be raised within some of the
7 hierarchy in China.

8 45234 There is no rule that said they have
9 to raise it with us, that's certain.

10 45235 MR. PRATTE: And if Mr. Mulroney
11 asked him to keep it private, are you suggesting that
12 he might not have agreed to that request?

13 45236 MR. BILD: There is no such thing as
14 private when you are talking to a Vice-Premier.

15 45237 MR. PRATTE: Are you saying that
16 everything that they talk about becomes public, sir?

17 45238 MR. BILD: If it's an issue which is
18 going -- especially as this was going to affect -- at a
19 minimum it's going to affect the Chinese economy or
20 China's relationship with the UN. It is not a private
21 matter. At a minimum.

22 45239 MR. PRATTE: Thank you, sir.

23 45240 COMMISSIONER OLIPHANT: Mr.
24 Houston...?

25 45241 MR. HOUSTON: No questions. Thank

1 you, sir.

2 45242 COMMISSIONER OLIPHANT: Mr. Auger...?

3 EXAMINATION: FRED BILD BY MR. AUGER /

4 INTERROGATOIRE : FRED BILD PAR Me AUGER

5 45243 MR. AUGER: Good morning, sir. My

6 name is Richard Auger and I represent Mr. Schreiber. I

7 have just a couple of brief questions.

8 45244 If I can ask you to turn to Tab 4,

9 please.

10 45245 MR. BILD: Tab 4?

11 45246 MR. AUGER: Yes, of Exhibit P-61

12 before you.

13 45247 MR. BILD: Page...?

14 45248 MR. AUGER: I was just asked to keep

15 my voice up.

16 45249 If you could please turn to page 451.

17 45250 MR. BILD: Yes.

18 45251 MR. AUGER: You are familiar with

19 this Globe and Mail document?

20 45252 MR. BILD: Yes, I am.

21 45253 MR. AUGER: You were quoted in the

22 Globe and Mail?

23 45254 MR. BILD: Yes, that's true.

24 45255 MR. AUGER: This is dated February

25 11, 2008.

1 45256 MR. BILD: That's right.

2 45257 MR. AUGER: The middle of the page
3 one quote by you:

4 "I would have got wind of it,'
5 Mr. Bild said, explaining that a
6 former Canadian leader would
7 know to consult with the embassy
8 and the department of Foreign
9 Affairs about a potential export
10 as sensitive as a military
11 vehicle."

12 45258 Did I read that correctly?

13 45259 MR. BILD: That's right.

14 45260 MR. AUGER: And the part that you
15 were quoted, is that an accurate quote by you?

16 45261 MR. BILD: That I would have got wind
17 of it?

18 45262 MR. AUGER: Right.

19 45263 MR. BILD: Where is it? At what
20 level of the page?

21 45264 MR. AUGER: In the middle of the page
22 there is a quote. It says
23 "I would have got wind of it,'
24 Mr. Bild said..."

25 45265 MR. BILD: Yes, okay. Yes. I am

1 convinced of that.

2 45266 MR. AUGER: That is an accurate quote
3 by you?

4 45267 MR. BILD: Yes.

5 45268 MR. AUGER: And if I can just
6 continue, there is a further quote:

7 "There is no record, any record
8 of any kind of his having come
9 to discuss it with the
10 embassy."

11 45269 MR. BILD: That's right.

12 45270 MR. AUGER:
13 "And if it was for
14 peacekeeping, then all the more
15 reason he should have discussed
16 it with us, because we would
17 have developed approaches for
18 him. We would have had
19 meetings, we would have arranged
20 meetings for him with those
21 parts of government which deal
22 with China's contributions to
23 the UN efforts," he said."

24 45271 Did I read that accurately?

25 45272 MR. BILD: Accurately.

1 45273 MR. AUGER: And you were accurately
2 quoted in this newspaper article by the Globe and Mail?

3 45274 MR. BILD: Absolutely.

4 45275 MR. AUGER: And is that a view that
5 you still maintain?

6 45276 MR. BILD: Certainly. Certainly.

7 45277 MR. AUGER: There is another quote,
8 just the next paragraph, sir:

9 "I can think of no reasons why
10 he wouldn't come and see us;
11 indeed, why he wouldn't even
12 come and see us first. Because,
13 you know, those are highly
14 political subjects. You don't
15 go and peddle that through some
16 corner store agent."

17 45278 Did I read that correctly?

18 45279 MR. BILD: I'm not sure about the
19 "corner store agent", but the sense of it is right.

20 45280 MR. AUGER: And have you this morning
21 explained the reasons for that view held by you to the
22 Commissioner?

23 45281 MR. BILD: I think I have. I think I
24 have tried to make it clear that the subject would have
25 created a precedent in our relations with China, a new

1 attitude on the part of the Chinese as regards UN
2 peacekeeping, and therefore it would have made waves
3 and we would have heard about it and he should have
4 come to talk -- he should, first of all, have talked to
5 Foreign Affairs next door and then he should have
6 talked to us about it at the embassy.

7 45282 That is the normal way these things
8 are done, whether it is by private individuals or
9 government officials.

10 45283 MR. AUGER: If I can just ask you,
11 sir, to go to the bottom of the page, from the bottom,
12 in the second paragraph from the bottom there is
13 another quote:

14 "As a recently retired prime
15 minister who has imposed
16 sanctions on China, I can't see
17 myself ... going to China,
18 making representations to break
19 those very sanctions which are
20 still in effect. I can't see
21 that,' Mr. Bild said."

22 45284 Is that an accurate quote by you?

23 45285 MR. BILD: That is an accurate quote,
24 and you have to remember that at the time there was
25 talk of sales, including sales of equipment to China

1 for Chinese purposes, not just for UN purposes.

2 45286 MR. AUGER: In terms of what you
3 maintain in the quote I just read to you, have you
4 provided to the Commissioner today your reasons for
5 that view?

6 45287 MR. BILD: I think so.

7 45288 MR. AUGER: Are there any additional
8 reasons that you can offer to the Commissioner as to
9 that view?

10 45289 MR. BILD: No, none that I can think
11 of.

12 45290 MR. AUGER: Thank you, sir. Those
13 are my questions.

14 45291 Thank you, Commissioner.

15 45292 COMMISSIONER OLIPHANT: Mr. Vickery,
16 I left you until last assuming that you may represent
17 Mr. Bild. I'm not sure that you do.

18 45293 MR. VICKERY: Yes, we do.

19 45294 COMMISSIONER OLIPHANT: All right.
20 Do you have any questions?

21 45295 MR. VICKERY: And I have no
22 questions, no.

23 45296 COMMISSIONER OLIPHANT: No questions.
24 45297 Re-examination, Mr. Roitenberg?

25 45298 MR. ROITENBERG: No thank you,

1 Mr. Commissioner.

2 45299 COMMISSIONER OLIPHANT: Any reason
3 why we can't excuse Mr. Bild?

4 45300 MR. ROITENBERG: None whatsoever.

5 45301 COMMISSIONER OLIPHANT: Mr. Bild,
6 thank you very much, sir, for coming. Your assistance
7 is appreciated.

8 45302 I also appreciated your anecdotes.
9 You have had a very interesting life and a life of long
10 service to Canada and Canadians. I thank you for that.

11 45303 MR. BILD: Thank you. It was an
12 honour and a privilege for me, Mr. Commissioner.

13 45304 COMMISSIONER OLIPHANT: Good
14 afternoon, sir.

15 45305 MR. BILD: Good afternoon.

16 45306 COMMISSIONER OLIPHANT: Mr.
17 Wolson...?

18 45307 MR. WOLSON: Mr. Commissioner, that
19 concludes the evidence that we were going to call
20 today. We may be very close to the end of calling
21 evidence on Part 1, but we are reserving the 3rd of
22 June.

23 45308 At that time, as well, we have a
24 number of exhibits that have been marked for
25 identification. I have asked all counsel to look at

1 those exhibits because I would propose to tender them
2 in the cause, but we can defer that until the 3rd of
3 June when all counsel have had an opportunity to
4 consider the matter.

5 45309 We will also contact counsel for a
6 witness whose document may be an exhibit for
7 identification only before we deal with that as well.

8 45310 So with all that said, we have two
9 dates before you: the 3rd of June, and I have dealt
10 with that earlier; and then argument by the parties.

11 45311 As you know, Commission counsel is
12 not making an argument. So the dates are reserved, I
13 think the 11th and 12th of June for submissions by
14 counsel -- 10th and 11th Mr. Roitenberg tells me, 10th
15 and 11th of June.

16 45312 Perhaps on the 3rd I will make a
17 further statement that I want to make, but I think I
18 should do that at the conclusion of evidence.

19 45313 COMMISSIONER OLIPHANT: All right.

20 45314 Is there anything that any counsel
21 wishes to say before we break for today?

22 45315 Mr. Vickery...?

23 45316 MR. VICKERY: Thank you,
24 Mr. Commissioner.

25 45317 I simply wanted to remind you that I

1 am obliged to be before another court on the 3rd.

2 45318 COMMISSIONER OLIPHANT: Yes.

3 45319 MR. VICKERY: Mr. Landry and the
4 others will be here.

5 45320 COMMISSIONER OLIPHANT: Okay.

6 45321 MR. VICKERY: It may be in certain
7 circumstances that we would be compelled to seek an
8 adjournment to a later date, if matters arose which we
9 felt required my presence. I just wanted to point that
10 out.

11 45322 COMMISSIONER OLIPHANT: I hear you
12 and I understand what you are saying, and I thank you
13 for that, sir.

14 45323 MR. VICKERY: Thank you.

15 45324 COMMISSIONER OLIPHANT: Mr. Pratte,
16 is there anything that you wish to say before we leave
17 for the day?

18 45325 MR PRATTE: No.

19 45326 COMMISSIONER OLIPHANT: Mr. Houston,
20 anything that you would like to say before you get onto
21 the golf course?

22 45327 MR. HOUSTON: No, thank you, sir.

23 45328 COMMISSIONER OLIPHANT: Okay.

24 45329 Mr. Auger...?

25 45330 MR. AUGER: No, thank you,

1 Commissioner.

2 45331 COMMISSIONER OLIPHANT: All right.

3 45332 We will break then for today. I
4 think that this was the day scheduled to complete the
5 evidence, and I am very pleased that that has occurred.
6 I will leave it at that.

7 45333 I will see all of you back here on
8 June the 3rd, except for Mr. Vickery who may be
9 elsewhere, at 9:30 in the morning.

10 45334 Good afternoon.

11 --- Whereupon the hearing adjourned at 12:12 p.m.,
12 to resume on Wednesday, June 3, 2009 at 9:30 a.m. /
13 L'audience est ajournée à 12 h 12, pour reprendre
14 le mercredi 3 juin 2009 à 09 h 30

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We hereby certify that we have accurately
transcribed the foregoing to the best of
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Nous certifions que ce qui précède est une
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Lynda Johansson Jean Desaulniers

Fiona Potvin Sue Villeneuve

Monique Mahoney