

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

Friday, April 17, 2009

Tenue à :

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

le vendredi 17 avril 2009

APPEARANCES / COMPARUTIONS

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1 Ottawa, Ontario / Ottawa (Ontario)
2 --- Upon resuming on Friday, April 17, 2009
3 at 9:30 a.m. / L'audience reprend le vendredi
4 17 avril 2009 à 09 h 30
5 10253 COMMISSIONER OLIPHANT: Good morning,
6 counsel. Be seated, please.
7 --- Pause
8 10254 COMMISSIONER OLIPHANT: Mr.
9 Pratte...?
10 10255 MR. PRATTE: Thank you, sir.
11 PREVIOUSLY SWORN: KARLHEINZ SCHREIBER
12 SOUS LE MÊME SERMENT : KARLHEINZ SCHREIBER
13 EXAMINATION: KARLHEINZ SCHREIBER BY MR. PRATTE
14 (continued) / INTERROGATOIRE : KARLHEINZ SCHREIBER PAR
15 Me PRATTE (suite)
16 10256 MR. PRATTE: Do you have in front of
17 you, Mr. Schreiber, the November 7th affidavit, which
18 is in Volume 3 of the Commission binders, Tab 21?
19 10257 MR. SCHREIBER: Which binder?
20 10258 MR. PRATTE: Three.
21 10259 MR. SCHREIBER: Yes.
22 10260 MR. PRATTE: Could you look at
23 paragraph 30?
24 10261 MR. SCHREIBER: Which tab is it?
25 10262 MR. PRATTE: Twenty-one.

1 --- Pause

2 10263 MR. PRATTE: It's in that
3 paragraph -- I believe you discussed it with Mr.
4 Wolson -- that you state that based on calls received
5 by your lawyer Mr. Hladun in 1999 you had understood
6 that you had been asked by Mr. Mulroney to provide what
7 you call in the fourth line "affidavit assurances" that
8 he had not received any compensation from you; correct?

9 10264 MR. SCHREIBER: Yes.

10 10265 MR. PRATTE: Do you recall the
11 discussion you had with Mr. Wolson a day or two about
12 that where you said it was on the basis of Mr. Hladun's
13 letter you had understood that you were being asked to
14 provide an affidavit?

15 10266 MR. SCHREIBER: Yes.

16 10267 MR. PRATTE: And that when you wrote
17 to Mr. Cashore an e-mail in 2005 you were talking about
18 a letter, not an affidavit.

19 10268 MR. SCHREIBER: Yes.

20 10269 MR. PRATTE: And you are making a
21 distinction between the form of the document.

22 10270 MR. SCHREIBER: Yes.

23 10271 MR. PRATTE: Do you recall that?

24 10272 MR. SCHREIBER: And before we
25 continue, I would like to apologize to you because I

1 was pretty tired yesterday -- and you may experience
2 similar situations when you reach my age one day --
3 because I could not figure out yesterday where we are
4 with all this.

5 10273 And now, this is in the morning now,
6 whatever you did yesterday and you are going to do
7 right now is what you tried in front of the Ethics
8 Committee and in front of the court in Toronto. And I
9 would like to read something to you.

10 10274 MR. PRATTE: I don't think I ever
11 appeared --

12 10275 MR. SCHREIBER: Mr. Mulroney tried --

13 10276 MR. PRATTE: just a minute,
14 Mr. Schreiber.

15 10277 COMMISSIONER OLIPHANT: Mr.
16 Schreiber, excuse me just for a moment.

17 10278 Mr. Pratte...?

18 10279 MR. PRATTE: Well, I don't recall
19 being a witness before the Ethics Committee or being in
20 any courtroom in Toronto. I am asking the questions,
21 sir. You asked for this inquiry. You are under oath.
22 I am asking the questions so please answer my
23 questions.

24 10280 MR. SCHREIBER: I give you my answer.

25 10281 MR. PRATTE: Excuse me?

1 10282 MR. SCHREIBER: My answer is --

2 10283 MR. PRATTE: Your answer to what?

3 You just answered my question about --

4 10284 MR. SCHREIBER: To your question,

5 yeah.

6 10285 MR. PRATTE: You answered my question

7 where I asked you whether or not you were drawing --

8 10286 MR. SCHREIBER: I make a difference

9 between saying a letter and an affidavit, that's

10 correct.

11 10287 MR. PRATTE: Right.

12 10288 MR. SCHREIBER: Yes.

13 10289 MR. PRATTE: So we have covered that.

14 10290 MR. SCHREIBER: Yes.

15 10291 MR. PRATTE: All right. And that

16 understanding in your affidavit at paragraph 30 came

17 from Mr. Hladun's letter to Mr. Greenspan in 2000;

18 correct?

19 10292 MR. SCHREIBER: Yes.

20 10293 MR. PRATTE: Okay. Could we look at

21 it --

22 10294 MR. SCHREIBER: Yet, but we also --

23 no, no. No, no.

24 10295 MR. PRATTE: Well, that's what it

25 says at paragraph 30.

1 10296 MR. SCHREIBER: No, no. We spoke --
2 we spoke quite a while before, then before you see that
3 Mr. Greenspan asked Mr. Hladun for clarification.

4 10297 Long before that I went to
5 Mr. Greenspan and told him about this request. Well,
6 even so, you would say you haven't been a witness at
7 the Ethics Committee. You have been there when it was
8 all dismissed.

9 10298 MR. PRATTE: Mr. Schreiber --

10 10299 MR. SCHREIBER: And I repeat myself
11 now --

12 10300 MR. PRATTE: Mr. Commissioner, I'm
13 going to ask you --

14 10301 COMMISSIONER OLIPHANT: Mr.
15 Schreiber, just one second.

16 10302 Can we just stay away from what was
17 said at the Ethics Committee. Despite attempts that
18 have been made by the Commission to be able to do so,
19 we are not able to do so.

20 10303 So can we just stay away from what
21 was said at the Ethics Committee, please.

22 10304 MR. AUGER: Commissioner, if I could
23 just intervene briefly as well, if you could also
24 indicate that perhaps we also stay away from any
25 solicitor-client discussions. We are into an area now

1 involving Mr. Greenspan, and I agree with your
2 direction that we not get into the areas directed by
3 you. But the witness is also getting into the slippery
4 slope of discussions or conversations or indications
5 from Mr. Greenspan.

6 10305 So I just want that to be clear that
7 that's not an area --

8 10306 COMMISSIONER OLIPHANT: I'm sure
9 Mr. Pratte is an experienced counsel and he understands
10 very well solicitor-client privilege. If he happens to
11 slip into what you see as an area that's inappropriate,
12 I expect you to make an objection. Okay?

13 10307 MR. PRATTE: Thank you very much,
14 Commissioner. Thank you, Mr. Auger.

15 10308 But my questions are limited to
16 paragraphs 30 and 31 of the witness' affidavit, a
17 public document, in which he says that he understands
18 from a letter written by Mr. Hladun to Mr. Greenspan
19 that he was being asked to provide assurances by way of
20 an affidavit.

21 10309 Have I got that correct,
22 Mr. Schreiber?

23 10310 MR. SCHREIBER: Yes.

24 10311 MR. PRATTE: And you were having that
25 understanding based on Mr. Hladun's letter to

1 Mr. Greenspan, which you append as Exhibit 11 to your
2 affidavit?

3 10312 MR. SCHREIBER: No. I had this
4 understanding already before that.

5 10313 MR. PRATTE: Okay. Well, let us read
6 your affidavit, sir.

7 10314 MR. SCHREIBER: Yeah.

8 10315 MR. PRATTE: You append Mr. Hladun's
9 letter at paragraph 31 --

10 10316 MR. SCHREIBER: Yes.

11 10317 MR. PRATTE: -- to justify that
12 comment, don't you?

13 10318 You don't talk about conversations
14 with Mr. Greenspan and I'm not interested in those;
15 they are privileged. I'm interested in the material
16 you included in your affidavit.

17 10319 And you say:

18 "Two years after the Tremblay
19 Message..."

20 10320 We have established yesterday that
21 was a wrong date:

22 "... Mr. Hladun to the best of
23 his recollection received two
24 calls from Mr. Mulroney on
25 October 17, 1999 during which

1 Mr. Mulroney repeated to Mr.
2 Hladun a similar request as made
3 on prior occasions all to the
4 effect that I provide in an
5 affidavit assurances that 'at no
6 time did Brian Mulroney solicit
7 or receive compensation of any
8 kind from Schreiber'."

9 10321 And then you put that letter as an
10 exhibit, Mr. Hladun's letter, as Exhibit 11, paragraph
11 31. Correct?

12 10322 MR. SCHREIBER: Yes, confirming what
13 I told Mr. Greenspan before. This is what the letter
14 was about.

15 10323 MR. PRATTE: That you were asked for
16 an affidavit. Is that right?

17 10324 MR. SCHREIBER: Please...?

18 10325 MR. PRATTE: That you had been asked
19 for an affidavit.

20 10326 MR. SCHREIBER: Yes.

21 10327 MR. PRATTE: Let's look at the letter
22 then, the letter from Mr. Hladun.

23 10328 And the letter you will find at
24 Volume 2 of the Commission's binders, CB-2, Tab 127.

25 10329 MR. SCHREIBER: What tab?

1 10330 MR. PRATTE: Volume 2 --

2 10331 MR. SCHREIBER: Yes...?

3 10332 COMMISSIONER OLIPHANT: Mr.

4 Schreiber, just take your time. I want to make sure

5 that you have the document in front of you before you

6 try to answer questions. Okay?

7 10333 MR. PRATTE: One-two-seven.

8 10334 MR. SCHREIBER: Yes...?

9 10335 MR. PRATTE: You should have there,

10 sir, a letter of January 26, 2000. Do you have that?

11 10336 MR. SCHREIBER: Yes.

12 10337 MR. PRATTE: From Mr. Hladun to

13 Mr. Greenspan; correct?

14 10338 MR. SCHREIBER: Yes.

15 10339 MR. PRATTE: That is the letter that

16 is included or attached as Exhibit 11 to your

17 affidavit; correct?

18 10340 MR. SCHREIBER: Yes.

19 10341 MR. PRATTE: So let us see what

20 Mr. Hladun actually tells Mr. Greenspan in respect of

21 the calls from Mr. Mulrone, the first one of which is

22 referred to in the last paragraph of the first page.

23 10342 Do you see that?

24 10343 MR. SCHREIBER: Yes.

25 10344 MR. PRATTE: I won't read the whole

1 paragraph, but he refers -- this is Mr. Hladun
2 recording a call from Mr. Mulroney having to do with --
3 or what Mr. Hladun assumed to be the letter of request;
4 correct?

5 10345 MR. SCHREIBER: Yes.

6 10346 MR. PRATTE: And then in the last
7 sentence, four lines from the bottom, he says, and I
8 quote:

9 "He would issue the letter..."

10 10347 And that's a letter to the CBC;
11 correct?

12 10348 MR. SCHREIBER: Yes.

13 10349 MR. PRATTE:
14 "... but first wanted an
15 assurance or comfort in writing
16 from Mr. Schreiber saying that
17 he would confirm what he had
18 said publicly on many occasions,
19 that at no time did Brian
20 Mulroney solicit or receive
21 compensation of any kind from
22 Schreiber:"

23 10350 Do you see that?

24 10351 MR. SCHREIBER: Yes.

25 10352 MR. PRATTE: Now, Mr. Hladun, in

1 recording Mr. Mulroney's words, does not say that he
2 had been asked to provide an affidavit; correct?

3 10353 He talks about assurances or comfort;
4 correct?

5 10354 MR. SCHREIBER: This is what he said
6 in his letter to Mr. Greenspan. My recollection on the
7 affidavit is much earlier. I told you this before.

8 10355 MR. PRATTE: Sir, that is the
9 document you append as justifying your statement that
10 you were asked to provide affidavit assurances in your
11 November 7th affidavit, nothing else; correct?

12 10356 MR. SCHREIBER: Yes.

13 10357 MR. PRATTE: Okay. Then would you
14 turn to the next page. The penultimate paragraph there
15 is "October 17, 1999".

16 10358 Do you see that?

17 10359 MR. SCHREIBER: Yes.

18 10360 MR. PRATTE: And it says, and I
19 quote:
20 "... another call from Mr.
21 Mulroney at which time I
22 indicated that I was not sure
23 whether or not a letter would be
24 forthcoming."
25 10361 Unquote. Correct?

1 10362 MR. SCHREIBER: Yes.

2 10363 MR. PRATTE: He is indicating that
3 you may not be prepared to provide the letter that
4 Mr. Mulroney was asking for; correct?

5 10364 MR. SCHREIBER: An affidavit.

6 10365 MR. PRATTE: He doesn't say
7 affidavit, sir. He uses the word "letter".

8 10366 MR. SCHREIBER: This is what he has
9 put in his writing now, but --

10 10367 MR. PRATTE: And who, sir, spoke to
11 Mr. Mulroney on the two occasions? Is that Mr. Hladun
12 or is it you?

13 10368 MR. SCHREIBER: Mr. Hladun.

14 10369 MR. PRATTE: Yes. I put it to you,
15 sir, that on the basis of that letter what Mr. Hladun
16 understood was Mr. Mulroney's request was that you
17 provide a letter, not an affidavit; correct?

18 10370 MR. SCHREIBER: Not what Mr. Hladun
19 asked me.

20 10371 MR. PRATTE: Excuse me?

21 10372 MR. SCHREIBER: That was not what
22 Mr. Hladun asked me before.

23 10373 MR. PRATTE: That is what he
24 confirmed in his letter to Mr. Greenspan --

25 10374 MR. SCHREIBER: To Mr. Greenspan --

1 10375 MR. PRATTE: -- in answer to his
2 clarification; correct?

3 10376 MR. SCHREIBER: To Mr. Greenspan's
4 request.

5 10377 MR. PRATTE: And he said, your lawyer
6 from Calgary, he referred to assurances, comfort and
7 letters --

8 10378 MR. SCHREIBER: Yes.

9 10379 MR. PRATTE: -- not a single time to
10 an affidavit?

11 10380 MR. SCHREIBER: This is what he told
12 Mr. Greenspan. That doesn't -- I cannot help you. I
13 went to Mr. Greenspan earlier and you heard that also
14 at the Ethics Committee. I told him Mulroney wants an
15 affidavit and Mr. Greenspan said as long as I'm your
16 lawyer, you're not signing any affidavits or I cut off
17 your hands.

18 10381 You may recall this very well because
19 you were present when I testified.

20 10382 MR. PRATTE: Sir, I think the
21 Commissioner has told you, you cannot refer to Ethics
22 Committee. I'm going to refer to the evidence that is
23 acceptable in this hearing, which is the affidavit that
24 started it and the only letter you provided.

25 10383 Could you agree with me at least --

1 10384 MR. SCHREIBER: Yes.

2 10385 MR. PRATTE: -- to this extent --

3 10386 MR. SCHREIBER: I do.

4 10387 MR. PRATTE: -- that the only
5 evidence that you have put forth speaks of a letter?

6 10388 COMMISSIONER OLIPHANT: Mr. Pratte, I
7 agree with everything that you are saying, but maybe
8 Mr. Schreiber should be advised as to why we are not
9 talking about the Ethics Committee.

10 10389 Mr. Schreiber, Parliament has claimed
11 a privilege over all of the evidence that was given at
12 that Ethics Committee, your evidence and the evidence
13 of others, and because of that claim for privilege
14 counsel here, my counsel, counsel for the other
15 parties, are forbidden from using that evidence in
16 terms of examining or cross-examining you.

17 10390 I want to be very frank. I thought
18 it was rather interesting that sworn evidence from a
19 proceeding on a certain occasion was not capable of
20 being used in terms of cross-examination at a later
21 preceding.

22 10391 I instructed my lawyers to seek from
23 the Parliament of Canada a waiver of the privilege so
24 that reference could be made to the evidence from the
25 Ethics Committee and I can say to you now, sir, that

1 Parliament refused to waive the privilege and
2 maintained its claim.

3 10392 I didn't want to challenge that
4 because it would have got us into the Federal Court and
5 we would be here forever and a day waiting to get it
6 resolved.

7 10393 So we are in the situation where, as
8 much as my lawyers, Mr. Pratte, maybe even Mr. Auger
9 would like to use that evidence, we can't do it.

10 10394 I just want you to know that so you
11 understand why I'm telling you don't talk about the
12 evidence from the Ethics Committee.

13 10395 Do you understand?

14 10396 MR. SCHREIBER: If you allow me to
15 add one sentence?

16 10397 COMMISSIONER OLIPHANT: Sure.

17 10398 MR. SCHREIBER: I am at least as
18 frustrated as you are with this, because the Ethics
19 Committee was already frustrated like I because they
20 could not get the documents from the RCMP.

21 10399 COMMISSIONER OLIPHANT: Well, I don't
22 know about that.

23 10400 MR. SCHREIBER: You see, it's a
24 chain. Nobody wants to give something to all people.

25 10401 COMMISSIONER OLIPHANT: I think that

1 we have the documents from the RCMP.

2 10402 MR. SCHREIBER: Yes. Okay.

3 10403 MR. PRATTE: Let's come back to this
4 hearing if we might, Mr. Schreiber.

5 10404 Could we at least agree that on the
6 basis of the evidence that you put before the court in
7 your affidavit of November 7th, and we have just
8 reviewed, based on that, not based on the Ethics
9 Committee or private conversations you may have had
10 with Mr. Greenspan, based on the evidence you have
11 appended to support your claim, it does not support the
12 claim you were asked for an affidavit.

13 10405 MR. SCHREIBER: You are correct.

14 10406 MR. PRATTE: Thank you, sir.

15 10407 I would like to turn now to the
16 Zürich meeting at the Savoy Hotel on February 2, 1998.
17 You referred to that in your affidavit at paragraph 27;
18 correct?

19 10408 MR. SCHREIBER: Yes.

20 10409 MR. PRATTE: Now, I just want to be
21 clear, Mr. Schreiber because -- I can give you the
22 reference; we might go there in a moment.

23 10410 But you are not suggesting in this
24 paragraph that Mr. Mulroney went to Switzerland only to
25 see you, are you?

1 10411 MR. SCHREIBER: No.

2 10412 MR. PRATTE: If you look at Volume 3,
3 Tab 19 of the Commission's documents --

4 10413 MR. SCHREIBER: Volume 3?

5 10414 MR. PRATTE: Yes. Tab 19.

6 10415 MR. SCHREIBER: Nineteen?

7 10416 MR. PRATTE: Yes.

8 10417 MR. SCHREIBER: Yes.

9 10418 MR. PRATTE: You should have a
10 transcript of -- and I hope we have the same
11 pagination -- of a Fifth Estate show.

12 10419 MR. SCHREIBER: Yes.

13 10420 MR. PRATTE: Would you go -- mine is
14 not officially paginated, but if you count eight pages
15 in -- let's see if we have the same text.

16 10421 MR. SCHREIBER: Which?

17 10422 MR. PRATTE: Can you count eight
18 pages in and we will see -- is yours paginated at all?

19 10423 MR. SCHREIBER: That's eight? Yeah,
20 I have some handwritten, yeah.

21 10424 MR. PRATTE: Okay. Would you look at
22 your page 8 and --

23 10425 MR. SCHREIBER: "It is the fall of
24 1995...?"

25 10426 MR. PRATTE: Okay, no, we don't have

1 then the same -- is that the first line?

2 10427 MR. SCHREIBER: Yes.

3 10428 MR. PRATTE: Okay, just be patient

4 for a moment. Just give me a moment, Mr. Schreiber.

5 --- Pause

6 10429 COMMISSIONER OLIPHANT: What's the

7 first sentence on the page you want to --

8 10430 MR. PRATTE: It's page 7, I think, in

9 your book, sir.

10 10431 COMMISSIONER OLIPHANT: It's

11 Mr. Mulroney speaking?

12 "Well, from time to time, not

13 very often..."

14 10432 Is that the page?

15 10433 MR. PRATTE: No. It should start --

16 if you take the page before, it's Linden MacIntyre and

17 "it's the fall of 1995".

18 10434 Is that right?

19 10435 Give me a moment, please.

20 --- Pause

21 10436 MR. PRATTE: Yes sir, if you go to

22 your page 8 then, really what I wanted to -- thank you.

23 10437 Your page 8, "It is the fall of

24 1995", I guess. Mine is slightly different.

25 10438 MR. SCHREIBER: Yes.

1 10439 COMMISSIONER OLIPHANT: Yes, "It is
2 the fall of 1995..."

3 10440 MR. PRATTE: All right. And then
4 this is Mr. MacIntyre speaking.

5 10441 Do you see that, Mr. Schreiber?

6 10442 MR. SCHREIBER: Yes.

7 10443 MR. PRATTE: And then you are
8 speaking and you are taken as saying, quote:
9 "In 1998, then there was a
10 series of telephone calls. Then
11 he..."

12 10444 That's Mr. Mulroney; correct?

13 10445 MR. SCHREIBER: Yes.

14 10446 MR. PRATTE:
15 "... came to see me in
16 Switzerland. And I thought it
17 was nice."

18 10447 Unquote.

19 10448 MR. SCHREIBER: Yes.

20 10449 MR. PRATTE: You weren't suggesting
21 there, were you, that he made the trip to Switzerland
22 only to see you?

23 10450 MR. SCHREIBER: No.

24 10451 MR. PRATTE: No, okay.

25 10452 Now, if you go a little down,

1 Mr. MacIntyre resumes the discussion.

2 10453 MR. SCHREIBER: Yes.

3 10454 MR. PRATTE: He picks up:

4 "It is now 1998."

5 10455 Do you see that?

6 10456 MR. SCHREIBER: Yes.

7 10457 MR. PRATTE: And the three lines from

8 the bottom of his text he says:

9 "By now a fugitive from German

10 justice."

11 10458 Do you see that?

12 10459 MR. SCHREIBER: Yes.

13 10460 MR. PRATTE: He is talking about you;

14 correct?

15 10461 MR. SCHREIBER: Yes.

16 10462 MR. PRATTE: Why is he saying that?

17 Are you now living in Switzerland?

18 10463 MR. SCHREIBER: I took residence in

19 Switzerland in 1994.

20 10464 MR. PRATTE: In 1994?

21 10465 MR. SCHREIBER: Yes. And an arrest

22 warrant against me was issued in 1997.

23 10466 MR. PRATTE: I see. Did you tell

24 Mr. Mulroney when you met in Switzerland that there was

25 an arrest warrant for you in Germany?

1 10467 MR. SCHREIBER: Well, we spoke many
2 times about the situation. I have --

3 10468 MR. PRATTE: Did you speak to
4 Mr. Mulroney at the Savoy Hotel? Did you tell him
5 there is an arrest warrant that was issued against me
6 in 1997 and that's why I am in Switzerland?

7 10469 MR. SCHREIBER: No.

8 10470 MR. PRATTE: No.

9 10471 MR. SCHREIBER: This is not why I was
10 in Switzerland. I told you a minute ago, I had
11 residence in Switzerland in 1994. So that I became a
12 refugee in 1994 for Switzerland is just a joke.
13 Because I became 60 and then I was allowed to take
14 residence in Switzerland at my place, which I had since
15 1972.

16 10472 MR. PRATTE: Then in the --
17 continuing down the page, Mr. Schreiber, of the
18 transcript, you then talk to Mr. MacIntyre. This is on
19 the show aired on October 31 -- that's 2007; right?

20 10473 MR. SCHREIBER: Yeah. What do you
21 want to read?

22 10474 MR. PRATTE: You see then you start
23 to talk about a lunch at the Savoy Hotel.

24 10475 MR. SCHREIBER: Yes.

25 10476 MR. PRATTE: A lavish lunch.

1 10477 MR. SCHREIBER: Yes.

2 10478 MR. PRATTE: Right? Now, you were
3 invited to have lunch with Mr. Mulroney at the Savoy;
4 correct?

5 10479 MR. SCHREIBER: Yes.

6 10480 MR. PRATTE: He had a suite there?

7 10481 MR. SCHREIBER: Yes.

8 10482 MR. PRATTE: His suite?

9 10483 MR. SCHREIBER: Yes.

10 10484 MR. PRATTE: You didn't pay for the
11 lunch or the suite, did you?

12 10485 MR. SCHREIBER: No.

13 10486 MR. PRATTE: You didn't expect to pay
14 for the lunch or not -- or the suite either?

15 10487 MR. SCHREIBER: No.

16 10488 MR. PRATTE: Did you seek to inquire
17 later as to who had paid for the suite and the lunch?

18 10489 MR. SCHREIBER: Please...?

19 10490 MR. PRATTE: Did you seek to inquire
20 later, after 1998, as to whom had paid for the lunch --

21 10491 MR. SCHREIBER: Yes.

22 10492 MR. PRATTE: -- or the suite?

23 10493 MR. SCHREIBER: Yes.

24 10494 MR. PRATTE: But you knew who had
25 paid. It wasn't you. You just told me.

1 10495 MR. SCHREIBER: Because I like to
2 have evidence for that.

3 10496 MR. PRATTE: You like to have
4 evidence for that.

5 10497 MR. SCHREIBER: Oh, yeah.

6 10498 MR. PRATTE: I see. And in fact you
7 wrote an e-mail to the manager of the Savoy Hotel in
8 2006; correct?

9 10499 MR. SCHREIBER: Yes.

10 10500 MR. PRATTE: And you will find that,
11 Mr. Commissioner, at Commission Binder No. 2, Tab 123.

12 10501 MR. SCHREIBER: Binder 2?

13 10502 MR. PRATTE: Commission binder No. 2,
14 Tab 123.

15 10503 MR. SCHREIBER: Yes.

16 10504 MR. PRATTE: Is there an e-mail there
17 from you to the manager of the Savoy Hotel written in
18 German?

19 10505 MR. SCHREIBER: Yes.

20 10506 MR. PRATTE: And you will forgive my
21 rudimentary knowledge of German, but can I suggest to
22 you that after the polite address, "Dear Manfred" -- do
23 you see that?

24 10507 MR. SCHREIBER: Yes.

25 10508 MR. PRATTE: The first sentence reads

1 something like:

2 "On February 2, 1998 I had a
3 lunch meeting in one of your
4 hotel suites with the former
5 Canadian Prime Minister Brian
6 Mulroney, to whom I introduced
7 you to." (As read)

8 10509 MR. SCHREIBER: Yes.

9 10510 MR. PRATTE:
10 "Brian Mulroney had arrived from
11 Davos at the World Economic
12 Summit accompanied by Paul
13 Terry." (As read)

14 10511 Do you see that?

15 10512 MR. SCHREIBER: Yes.

16 10513 MR. PRATTE: We will learn later,
17 sir, that --

18 10514 MR. SCHREIBER: And it's Therrien.

19 10515 MR. PRATTE: Therrien.

20 10516 COMMISSIONER OLIPHANT: I would say
21 you are doing quite well with your rudimentary German,
22 Mr. Pratte.

23 10517 MR. SCHREIBER: Yeah.

24 10518 MR. PRATTE: You should hear me in
25 French, Mr. Commissioner.

1 --- Laughter / Rires

2 10519 MR. PRATTE: Now, then you say:

3 "Could you please confirm which

4 of these men, Mulroney,

5 Terry..."

6 10520 Which we know to be Therrien:

7 "... Schreiber paid for the

8 suite and the lunch and the

9 invoice amount." (As read)

10 10521 Now, that is a misleading question.

11 You knew full well who had paid; correct?

12 10522 You told me.

13 10523 MR. SCHREIBER: Yes.

14 10524 MR. PRATTE: You didn't think you had

15 paid. You knew you hadn't.

16 10525 MR. SCHREIBER: Yes.

17 10526 MR. PRATTE: You are misleading the

18 manager to try to get information from him, aren't you?

19 10527 MR. SCHREIBER: Well, no, he knew,

20 too, who paid -- who had paid.

21 10528 MR. PRATTE: So you are putting this

22 in just to make it look as if you don't know.

23 10529 MR. SCHREIBER: Yes. You know I paid

24 everybody and so I wanted to see that I did not pay

25 2100 Swiss francs for a salmon luncheon.

1 10530 MR. PRATTE: Sir, you just told me
2 that you knew Mr. Mulroney had paid when you went to
3 the lunch.

4 10531 MR. SCHREIBER: Yes.

5 10532 MR. PRATTE: And now you are saying
6 in order to get information, I would like to know who
7 actually paid; correct?

8 10533 MR. SCHREIBER: Yes.

9 10534 MR. PRATTE: That was false and
10 misleading to suggest you didn't know, wasn't it?

11 10535 MR. SCHREIBER: I haven't said to
12 him --

13 10536 MR. PRATTE: You asked him who paid.

14 10537 MR. SCHREIBER: Who paid, yeah.

15 10538 MR. PRATTE: You knew who had paid.

16 10539 MR. SCHREIBER: Yes.

17 10540 MR. PRATTE: And you knew it wasn't
18 you.

19 10541 MR. SCHREIBER: Yes.

20 10542 MR. PRATTE: You didn't need to have
21 the answer to that question. You wanted the piece of
22 paper.

23 10543 MR. SCHREIBER: I want it in writing,
24 yes.

25 10544 MR. PRATTE: And then you put in

1 bracket -- let me continue with my rudimentary German:
2 "In Canada also an accountant
3 and a tax auditor can cause
4 headaches." (As read)

5 10545 MR. SCHREIBER: Yes.

6 10546 MR. PRATTE: You are implying you
7 need this information to satisfy a tax auditor. Isn't
8 that right?

9 10547 MR. SCHREIBER: Mr. Pratte, Manfred
10 Hürger is a very good friend of mine and this was a
11 joke.

12 10548 MR. PRATTE: Could you just answer
13 the question?

14 10549 MR. SCHREIBER: H'm?

15 10550 MR. PRATTE: You were seeking to
16 mislead him into thinking that you needed this
17 information for tax purposes?

18 10551 MR. SCHREIBER: Not at all.

19 10552 MR. PRATTE: Okay. So this was
20 incorrect. You didn't need the information for tax
21 purposes; correct?

22 10553 MR. SCHREIBER: I told you, this was
23 a joke.

24 10554 MR. PRATTE: So it was incorrect,
25 joke or not?

1 10555 MR. SCHREIBER: Yeah.

2 10556 MR. PRATTE: Yes. And you didn't
3 need to know either in order to establish who had paid.
4 That was also incorrect; right?

5 10557 MR. SCHREIBER: Yes.

6 10558 MR. PRATTE: But you wanted personal,
7 private information to use against Mr. Mulroney and
8 reveal it to The Fifth Estate and As It Happens in
9 2007. That's why you wanted that information.

10 10559 Isn't that right?

11 10560 MR. SCHREIBER: No. I wanted to be
12 sure I have the proof who paid this crazy lunch.

13 10561 MR. PRATTE: You wanted to use it and
14 you did use it to embarrass Mr. Mulroney at The Fifth
15 Estate show and when you called from the detention
16 center Carol Off to describe this lavish lunch.

17 10562 That's why you wanted that piece of
18 paper. That's why you lied to get it, against
19 Mr. Mulroney. Isn't that right?

20 10563 MR. SCHREIBER: This is your
21 understanding. My answer is no.

22 10564 MR. PRATTE: Are you in the habit of
23 trying to obtain by false pretenses invoices for bills
24 paid by other people? When it suits you, you want to
25 do that?

1 10565 MR. SCHREIBER: No. No, I don't do
2 this normally, but you see Mr. Mulroney tried to
3 collect so many information and letters and
4 confirmations that I thought now it's time I get one,
5 too.

6 10566 MR. PRATTE: You called the As It
7 Happens show on November 2, 2007 from the detention
8 center. Isn't that right?

9 10567 Let me take you to --

10 10568 MR. SCHREIBER: Yes, I think -- yes,
11 I think I --

12 10569 MR. PRATTE: Let me take you to the
13 volume so you are completely on the same page. No pun
14 intended.

15 10570 Look at Volume 3, Tab 20.

16 10571 MR. SCHREIBER: Is it this here? No.

17 10572 MR. PRATTE: It should be Commission
18 Binder Volume 3.

19 10573 MR. SCHREIBER: It starts with...?

20 10574 MR. PRATTE: Tab 20: "Interview -
21 Karlheinz Schreiber - November 2, 2007."

22 10575 Is that what you have?

23 10576 MR. SCHREIBER: Under which number,
24 20?

25 10577 MR. PRATTE: Tab 20.

1 10578 You may be in 2 now, because that's
2 what we were talking about before.

3 10579 MR. SCHREIBER: Binder 2 or 3?

4 10580 MR. PRATTE: Binder 3, please.

5 10581 MR. SCHREIBER: I am in Binder 3 --

6 10582 MR. PRATTE: Tab 20?

7 10583 MR. SCHREIBER: -- and I am under 20,
8 yes.

9 10584 David Johnson?

10 10585 MR. PRATTE: Yes.

11 10586 David Johnson is one of the hosts at
12 the As It Happens show. Right?

13 10587 MR. SCHREIBER: Yeah.

14 10588 MR. PRATTE: You gave an interview --
15 you called As It Happens of your own motion, of your
16 own volition. Correct?

17 10589 MR. SCHREIBER: They cannot call the
18 Detention Centre.

19 10590 MR. PRATTE: The answer is yes, you
20 decided to call As It Happens?

21 10591 MR. SCHREIBER: Yes.

22 10592 MR. PRATTE: If you look to the
23 second page -- hoping that our pagination matches, Mr.
24 Commissioner -- the host, Carol Off --

25 10593 Do you see that, at the very top line

1 of page 2?

2 10594 MR. SCHREIBER: Yes.

3 10595 MR. PRATTE: She says:

4 "Mr. Schreiber, there are new
5 revelations this week about your
6 meeting in Zurich in 1998 and
7 about discussing the paper trail
8 for \$300,000."

9 10596 Then she asks you:

10 "What's the point of meeting
11 with Mr. Mulroney?"

12 10597 What she is referring to is the show
13 that had just aired two or three days before on the
14 fifth estate.

15 10598 MR. SCHREIBER: This is what she
16 said, I don't know what --

17 10599 MR. PRATTE: You had given an
18 interview, which we just looked at, for the fifth
19 estate show, which was aired on October 31, 2007.
20 Correct?

21 10600 MR. SCHREIBER: Yes.

22 10601 MR. PRATTE: And that is where you
23 reveal for the first time the Zurich trip, and how
24 lavish it was, and the cost of it. Correct?

25 10602 MR. SCHREIBER: Oh, yeah. Okay.

1 10603 MR. PRATTE: Right.

2 10604 MR. SCHREIBER: Yeah.

3 10605 MR. PRATTE: So you chose to give
4 that information to get the media interested. Right?

5 10606 That's what you were doing.

6 10607 MR. SCHREIBER: No.

7 10608 MR. PRATTE: No?

8 10609 MR. SCHREIBER: No.

9 10610 MR. PRATTE: Can you explain to me
10 what the Zurich trip had to do with the affidavit that
11 was related strictly to the jurisdictional issue of
12 whether your lawsuit should be brought in Ontario or
13 Quebec?

14 10611 What was the purpose of referring to
15 a trip in Zurich? How does that have anything to do
16 with jurisdiction?

17 10612 MR. SCHREIBER: Well, it showed --
18 the affidavit showed all what the meetings or
19 developments with Mr. Mulroney were. That was nothing
20 special, it was part of it.

21 10613 MR. PRATTE: I am suggesting to you,
22 sir, that you included that reference in this affidavit
23 because it would help your venture to have a public
24 inquiry called.

25 10614 Isn't that correct?

1 10615 MR. SCHREIBER: Oh, if that could
2 have helped, yes, I would love to have it, because, as
3 I told you yesterday, I wanted an inquiry since 1997.
4 So what's new with that?

5 10616 MR. PRATTE: So that is why you made
6 that public, to assist your quest for a public inquiry.
7 Correct?

8 10617 MR. SCHREIBER: No, I said more than
9 this. It's not only this --

10 10618 MR. PRATTE: I am talking about the
11 Zurich meeting. It was one of the things that you
12 wanted to make public to assist your call for a public
13 inquiry.

14 10619 MR. SCHREIBER: Well, if you want to
15 see it so, I don't disagree.

16 10620 MR. PRATTE: In fact, that is what
17 you told Mr. Szabo in your letter of March 3rd, 2008.
18 10621 You will find that at Volume 3, Tab
19 24.

20 10622 MR. SCHREIBER: Volume 3, Tab 24.

21 10623 MR. PRATTE: Page 4.

22 10624 MR. SCHREIBER: Yes?

23 10625 MR. PRATTE: The second full
24 paragraph you have underlined.

25 10626 MR. SCHREIBER: Yes?

1 10627 MR. PRATTE: It says:
2 "The AIRBUS business and the
3 meeting with Brian Mulroney on
4 Monday, February 2, 1998 at the
5 Hotel Savoy in Zurich -- "
6 10628 MR. SCHREIBER: What page is that?
7 10629 MR. PRATTE: Page 4, the last page of
8 your letter to Mr. Szabo.
9 10630 MR. SCHREIBER: Okay. Now I have a
10 question.
11 10631 MR. PRATTE: Let me just --
12 10632 MR. SCHREIBER: I have sent --
13 10633 MR. PRATTE: I have a question --
14 10634 MR. SCHREIBER: -- this letter to Mr.
15 Szabo and asked him to add this to my testimony in
16 front of the Standing Committee on Access to
17 Information. So this is now part of this or not?
18 10635 MR. PRATTE: You were asked many
19 questions by Commission counsel, without objection, and
20 I am going to ask this question, and I would like you
21 to answer it, sir, and tell me whether --
22 10636 COMMISSIONER OLIPHANT: The ruling
23 from me is that it's quite appropriate to question on
24 this letter. It has been made public, and I don't know
25 that it has been accepted as evidence at the Ethics

1 Committee.

2 10637 MR. SCHREIBER: Okay. Yeah, go

3 ahead.

4 10638 MR. PRATTE: Thank you, Mr.

5 Commissioner.

6 10639 Page 4.

7 10640 MR. SCHREIBER: Yes.

8 10641 MR. PRATTE: The second full

9 paragraph you have underlined. Correct?

10 10642 MR. SCHREIBER: Yes.

11 10643 MR. PRATTE: You say:

12 "The AIRBUS business and the

13 meeting with Brian Mulroney on

14 Monday, February 2, 1998 at the

15 Hotel Savoy in Zurich,

16 Switzerland is a similar story

17 with complexities only a Public

18 Inquiry will uncover."

19 10644 Correct?

20 10645 MR. SCHREIBER: A hundred percent,

21 Mr. Pratte.

22 10646 MR. PRATTE: Right. And I put it to

23 you, sir, that you created this problem with Zurich,

24 and got the bills only for the purposes of assisting

25 your call for a public inquiry. That's why you were

1 doing it.

2 10647 MR. SCHREIBER: Come on.

3 10648 MR. PRATTE: That's what you are
4 saying.

5 10649 MR. SCHREIBER: I cannot prevent you
6 from doing this, but this is what my thoughts are, and
7 still are. I underline this 100 percent.

8 10650 MR. PRATTE: So you agree with me
9 that the reference to Zurich and the publication of the
10 information about the bill, and the inclusion in the
11 affidavit, was part of your quest for a public inquiry.

12 10651 You agree.

13 10652 MR. SCHREIBER: You must not make it
14 complicated with everything --

15 10653 MR. PRATTE: It's not a complicated
16 question, Mr. Schreiber.

17 10654 MR. SCHREIBER: -- in the affidavit.
18 Whatever I did since 1997 to try to get the public
19 inquiry, I was in good company with Mr. Mulroney, all
20 the Tories, and with the government and with the Ethics
21 Committee, and, now, finally, we got one.

22 10655 Yes, I would have done everything,
23 finally, to achieve that an inquiry goes into this and
24 brings it to light, and unfortunately it's not the
25 fault of this inquiry that it has only a limited

1 mission.

2 10656 MR. PRATTE: You would have done
3 anything to get that public inquiry. Correct?

4 10657 MR. SCHREIBER: I would do that.

5 10658 MR. PRATTE: Right. Thank you.

6 10659 MR. SCHREIBER: As your boss
7 wanted --

8 10660 MR. PRATTE: Let's go --

9 10661 COMMISSIONER OLIPHANT: Finish your
10 answer, Mr. Schreiber.

11 10662 MR. SCHREIBER: As your boss and all
12 the other people wanted. I am in good company. I want
13 an inquiry, I will show up with bells on.

14 10663 Version No. 2: Schreiber's
15 credibility destroyed. We need no inquiry.

16 10664 This is what the whole war is about,
17 Mr. Pratte. Everybody knows it here in the room.

18 10665 MR. PRATTE: Sir, I am asking you the
19 questions --

20 10666 MR. SCHREIBER: Yes.

21 10667 MR. PRATTE: -- please confine your
22 answers to my questions. Your lawyer can ask you all
23 sorts of questions later. Thank you.

24 10668 MR. SCHREIBER: But I know, also,
25 that half a question can be very misleading in a

1 transcript.

2 10669 MR. PRATTE: I am sure that the
3 Commissioner, and other people, including your lawyer,
4 if I ask a misleading question, will stop me. So let
5 me ask the questions, you answer, and we will proceed.

6 10670 MR. SCHREIBER: Okay.

7 10671 MR. PRATTE: Can we do that?

8 10672 MR. SCHREIBER: Can we do, yeah.

9 10673 MR. PRATTE: Thank you.

10 10674 Speaking of misleading, let's go to
11 your affidavit again, at paragraph 38.

12 10675 MR. SCHREIBER: Which one do you
13 want --

14 10676 MR. PRATTE: Your affidavit. I
15 believe it is --

16 10677 MR. SCHREIBER: What tab?

17 10678 MR. PRATTE: Let's try to do it this
18 way, Mr. Schreiber. Let me finish a question --

19 10679 MR. SCHREIBER: What tab?

20 10680 MR. PRATTE: -- and then I will help
21 you.

22 10681 Go to Tab 21 of Volume 3, that's your
23 affidavit.

24 10682 MR. SCHREIBER: Yes.

25 10683 MR. PRATTE: This is not a huge

1 point, but since you don't want to mislead anybody, I
2 would like to clarify another passage of your
3 affidavit.

4 10684 Paragraph 38 is when you describe the
5 circumstances --

6 10685 Paragraph 38. I'm sorry if I said
7 28, I mean 38, at page 9.

8 10686 I am going to refer you to 38 and 39.
9 --- Pause

10 10687 COMMISSIONER OLIPHANT: Do you have
11 it, Mr. Schreiber?

12 10688 MR. SCHREIBER: Yes, I have it. Page
13 7.

14 10689 COMMISSIONER OLIPHANT: Page 9.

15 10690 MR. PRATTE: Page 9, paragraph 38.

16 10691 Do we have different pagination?

17 10692 MR. SCHREIBER: Yes.

18 10693 MR. PRATTE: Okay, thank you.

19 10694 You will recall that those are the
20 two paragraphs about which you were also asked
21 questions by Mr. Wolson yesterday -- I think it was
22 yesterday -- and this is the genesis of your letter to
23 Mr. Mulroney of July 20th, 2006.

24 10695 MR. SCHREIBER: Yes.

25 10696 MR. PRATTE: At paragraph 38 you say:

1 "At the special request of Mr.
2 Mulroney..."

3 10697 Just so I am clear there, you didn't
4 speak directly to Mr. Mulroney. You told Mr. Wolson
5 yesterday that that came through Mr. MacKay.

6 10698 MR. SCHREIBER: Yes.

7 10699 MR. PRATTE: Then you say at
8 paragraph 39:
9 "I wrote the July 20, 2006
10 letter at the request of Mr.
11 Mulroney because he told me that
12 he was going to meet..."

13 10700 MR. SCHREIBER: Yes.

14 10701 MR. PRATTE: Mr. Mulroney didn't tell
15 you anything --

16 10702 MR. SCHREIBER: No, sir, Mr. MacKay.

17 10703 MR. PRATTE: So you got that
18 information -- the source of your information was Mr.
19 MacKay.

20 10704 MR. SCHREIBER: Yes.

21 10705 MR. PRATTE: But that's not what this
22 says. Right?

23 10706 We need to correct that to make it
24 clear that the source was not directly Mr. Mulroney, it
25 was through Mr. MacKay. Correct?

1 10707 MR. SCHREIBER: Yes.

2 10708 MR. PRATTE: And I say that, sir,
3 because in the first paragraph of your affidavit, which
4 I had you confirm, I think, in one of my first two or
5 three questions -- if you could go back to it --
6 10709 Go to the first page of your
7 affidavit.

8 10710 Do you see that?

9 10711 MR. SCHREIBER: Yes.

10 10712 MR. PRATTE: Paragraph 1. You have
11 indicated:
12 "I am the plaintiff...and have
13 personal knowledge of the
14 matters set out in this
15 Affidavit, except to the extent
16 such matters are based upon
17 information and belief, in which
18 case I have stated the source of
19 my information and believe such
20 matters to be true."

21 10713 MR. SCHREIBER: Yes.

22 10714 MR. PRATTE: What you tell me now is
23 that you should have stated in paragraphs 38 and 39
24 that the source of your information was Mr. MacKay, not
25 Mr. Mulroney directly.

1 10715 MR. SCHREIBER: For me it was no
2 difference, Mr. Pratte.

3 10716 MR. PRATTE: Your affidavit states
4 directly that you should state the source; you didn't
5 do that. Right?

6 10717 MR. SCHREIBER: When you say it this
7 way, yes.

8 10718 MR. PRATTE: Thank you.

9 10719 COMMISSIONER OLIPHANT: Just so it is
10 clear to me -- I just want to make absolutely sure --
11 you have sworn an affidavit, in paragraph 39, saying
12 that Mr. Mulroney told you that he was going to meet
13 with Mr. Harper.

14 10720 That's not true, Mr. Mulroney didn't
15 tell you that.

16 10721 MR. SCHREIBER: Yes, but it relates
17 to the paragraph above.

18 10722 MR. PRATTE: It's the same thing, Mr.
19 Schreiber.

20 10723 COMMISSIONER OLIPHANT: Just a
21 minute. Paragraph 39 --

22 10724 MR. SCHREIBER: Yes.

23 10725 COMMISSIONER OLIPHANT:
24 "I wrote the July 20, 2006
25 letter at the request of Mr.

1 Mulroney because he told me that
2 he was going to meet with The
3 Right Honourable Stephen Harper,
4 the current Prime Minister...and
5 was going to show to Mr. Harper
6 a copy of Exhibit 15 to show
7 that he [Mr. Mulroney] and I
8 were on good terms."

9 10726 You never had a conversation with Mr.
10 Mulroney.

11 10727 MR. SCHREIBER: No, that should have
12 been through Mr. MacKay. I agree.

13 10728 MR. PRATTE: So another paragraph we
14 should correct because it is not, strictly speaking,
15 true. Correct?

16 10729 MR. SCHREIBER: Yes.

17 10730 MR. PRATTE: You mentioned that you
18 moved to Switzerland from Germany, I think, around
19 1994.

20 10731 Is that correct?

21 10732 MR. SCHREIBER: Yes.

22 10733 MR. PRATTE: You had been a resident
23 of Germany for how many years prior to that, or lived
24 in Germany?

25 10734 MR. SCHREIBER: From my day of birth

1 on.

2 10735 MR. PRATTE: Excuse me?

3 10736 I didn't hear you.

4 10737 MR. SCHREIBER: From the day when I

5 was born.

6 10738 MR. PRATTE: All right. So you

7 weren't a resident of Canada, for tax purposes, for the

8 period 1990 to 1995.

9 10739 Is that right?

10 10740 You said that, I think.

11 10741 MR. SCHREIBER: No, only through my

12 companies.

13 10742 MR. PRATTE: Right, but not you

14 personally.

15 10743 MR. SCHREIBER: No.

16 10744 MR. PRATTE: So you moved to

17 Switzerland in '94.

18 10745 Were you travelling to Canada

19 regularly between 1994 and 1999?

20 10746 MR. SCHREIBER: Yeah, I was here in

21 '94 --

22 10747 I think in '94 was the last time.

23 10748 MR. PRATTE: The last time, right.

24 10749 In fact, you had a lawsuit against

25 the CBC in 1995, ongoing, where you chose not to come

1 to be discovered for a discovery in 1996.

2 10750 Is that right?

3 10751 MR. SCHREIBER: I don't recall it

4 when you say so.

5 10752 MR. PRATTE: You don't recall.

6 10753 And in 1997, the Augsburg court

7 issued a warrant for your arrest.

8 10754 MR. SCHREIBER: Yes.

9 10755 MR. PRATTE: Is that what you were

10 referring to?

11 10756 MR. SCHREIBER: Yes.

12 10757 MR. PRATTE: Is it correct to say

13 that on May 6th, 1999, roughly, Messrs. Massmann and

14 Hastert were arrested in Germany?

15 10758 MR. SCHREIBER: I don't know.

16 10759 MR. PRATTE: You don't know.

17 10760 When did you come back to Canada in

18 1999?

19 10761 MR. SCHREIBER: I think in May.

20 10762 MR. PRATTE: Can I suggest May 8th?

21 10763 MR. SCHREIBER: I have no date in my

22 head.

23 10764 MR. PRATTE: You have no date in your

24 head.

25 10765 MR. SCHREIBER: I have no

1 recollection about the date.

2 10766 MR. PRATTE: Did you travel alone or
3 with somebody?

4 10767 MR. SCHREIBER: No, I came with Mr.
5 MacKay.

6 10768 MR. PRATTE: Had Mr. MacKay spent a
7 lot of time beforehand with you in Switzerland?

8 10769 MR. SCHREIBER: Oh, he has been a
9 couple of times in Switzerland.

10 10770 MR. PRATTE: That's not my -- okay,
11 my question may have been unclear.

12 10771 Before you came with him --

13 10772 MR. SCHREIBER: Yes?

14 10773 MR. PRATTE: First of all, did you
15 fly from Germany to Nova Scotia to stay with Mr.
16 MacKay?

17 10774 MR. SCHREIBER: Yes.

18 10775 MR. PRATTE: He went to Switzerland
19 to get you?

20 10776 MR. SCHREIBER: No, we had the
21 purpose to look at the pasta business, which he was
22 involved in, and then, on his way back, we flew
23 together.

24 10777 MR. PRATTE: You flew together.

25 10778 Who bought the ticket for you to come

1 back?

2 10779 MR. SCHREIBER: I don't recall.

3 10780 MR. PRATTE: You didn't ask for that
4 receipt, did you?

5 10781 MR. SCHREIBER: Please?

6 10782 MR. PRATTE: You didn't ask for that
7 receipt, to ascertain who had paid for that ticket?

8 10783 MR. SCHREIBER: I think that Mr.
9 MacKay bought all the tickets.

10 10784 MR. PRATTE: Okay.

11 10785 MR. SCHREIBER: It was his
12 invitation.

13 10786 MR. PRATTE: Did you move to Toronto?
14 10787 You stayed with Mr. MacKay during the
15 summer of 1999.

16 10788 Is that right?

17 10789 MR. SCHREIBER: Yes.

18 10790 MR. PRATTE: Then, did you take up an
19 apartment in Toronto at some point?

20 10791 MR. SCHREIBER: Yes.

21 10792 MR. PRATTE: Who signed the lease in
22 Toronto for the apartment?

23 10793 MR. SCHREIBER: I think it was
24 arranged through Mr. Alford.

25 10794 MR. PRATTE: You didn't sign the

1 lease under your own name?

2 10795 MR. SCHREIBER: No, Mr. Alford
3 arranged all of this before I came to Toronto.

4 10796 MR. PRATTE: Did he sign the lease
5 under the name Herman or Harman?

6 10797 MR. SCHREIBER: Yes.

7 10798 MR. PRATTE: But you lived there,
8 there was no Harman living there.

9 10799 Is that not right?

10 10800 MR. SCHREIBER: Oh, yes. Herman is
11 my middle name, and we chose that name because the
12 media bothered us so much that we didn't want to show
13 it.

14 10801 MR. PRATTE: Sometimes you like the
15 media; sometimes you don't.

16 10802 MR. SCHREIBER: Not at that time.

17 10803 MR. PRATTE: Sometimes they're your
18 friends; sometimes they're your enemies.

19 10804 MR. SCHREIBER: Well, things change
20 in life.

21 10805 MR. PRATTE: Now, you were arrested
22 on August 31, 1999, in Toronto.

23 10806 MR. SCHREIBER: Yes.

24 10807 MR. PRATTE: And the charges
25 included -- this was a warrant for your arrest

1 initiated by charges emanating from Germany. Correct?

2 10808 MR. SCHREIBER: Yes.

3 10809 MR. PRATTE: And the charges included

4 tax evasion.

5 10810 MR. SCHREIBER: Yes.

6 10811 MR. PRATTE: What was the amount

7 alleged to have been evaded, do you remember?

8 10812 MR. SCHREIBER: No.

9 10813 MR. PRATTE: Can I suggest around \$45

10 million?

11 10814 MR. SCHREIBER: Oh, it has changed

12 all the time.

13 10815 MR. PRATTE: Can I suggest that in

14 the Ontario courts the amount that was referred to was

15 \$45 million?

16 10816 MR. SCHREIBER: Could be, I don't

17 recall.

18 10817 MR. PRATTE: It's a big amount,

19 anyway, sir, isn't it?

20 10818 MR. SCHREIBER: Could have been.

21 10819 MR. PRATTE: You don't care?

22 10820 MR. SCHREIBER: No. Later on the

23 court -- the Tax Court in Munich decided different, and

24 we joked with Mr. Walther, when this goes on with all

25 the deductions, one day I may have to get money from

1 them instead of them getting it from me.

2 10821 MR. PRATTE: Well, you must have
3 taken something seriously, because over the years you
4 instituted a lot of legal challenges in respect of your
5 extradition proceedings. Correct?

6 10822 MR. SCHREIBER: Oh, that's correct,
7 yes.

8 10823 MR. PRATTE: And by 2006 there had
9 been an extradition order signed by the former minister
10 under the Liberal government, Irwin Cotler.

11 10824 MR. SCHREIBER: That's correct.

12 10825 MR. PRATTE: And you challenged that
13 when the Conservatives took over, and you tried to get
14 Mr. Vic Toews to overturn that decision. Correct?

15 10826 MR. SCHREIBER: Yes. Unfortunately,
16 Mr. Toews, to my information, never got the briefing he
17 wanted on that.

18 10827 MR. PRATTE: Could we look at P-9?
19 That is the grey volume that I gave you yesterday.

20 10828 MR. SCHREIBER: Yes.

21 10829 MR. PRATTE: Let's start at Tab 30.

22 10830 That is one of the letters that was
23 sent to Mr. Toews. This one was sent on your behalf by
24 Mr. Greenspan.

25 10831 Is that correct?

1 10832 Are you with me, sir?

2 10833 MR. SCHREIBER: It looks so, yes.

3 10834 MR. PRATTE: Well, there is no doubt

4 in your mind?

5 10835 MR. SCHREIBER: No.

6 10836 MR. PRATTE: Just look at it, sir.

7 10837 MR. SCHREIBER: It has no signature,

8 but I take it that this is his letter.

9 10838 MR. PRATTE: I didn't hear your

10 answer. You agree with me that it is --

11 10839 MR. SCHREIBER: It has no signature,

12 but I think it is his letter.

13 10840 MR. PRATTE: In any event, you know

14 that Mr. Greenspan was trying to intervene on your

15 behalf with the minister --

16 10841 MR. SCHREIBER: Yes.

17 10842 MR. PRATTE: -- to have the

18 extradition --

19 10843 MR. SCHREIBER: Absolutely, since

20 1999. Ten years now.

21 10844 MR. PRATTE: If you look at the

22 bottom paragraph of the first page, he refers to

23 comments that were made, or allegedly made, by the

24 Chief Prosecutor in Augsburg, Germany, that you were

25 concerned about.

1 10845 Let's go to the first page of the
2 letter, Mr. Schreiber.

3 10846 MR. SCHREIBER: Yes.

4 10847 MR. PRATTE: Are you on the first
5 page?

6 10848 MR. SCHREIBER: Yes.

7 10849 MR. PRATTE: The bottom paragraph;
8 just so we are at the same page, literally.

9 10850 MR. SCHREIBER: Yes.

10 10851 MR. PRATTE: His letter is directed
11 to comments that were made in Germany by the Chief
12 Prosecutor that raised questions in your mind as to the
13 fairness of the process if you were extradited to
14 Germany.

15 10852 Is that fair?

16 10853 MR. SCHREIBER: Yes.

17 10854 MR. PRATTE: Then you write letters,
18 some of which you may have gone through yesterday with
19 Mr. Wolson, so I won't take much of your time, but look
20 at Tab 31. You write to the Prime Minister, arguing
21 again that you shouldn't be extradited. Correct?

22 10855 MR. SCHREIBER: Yes.

23 10856 MR. PRATTE: Tab 32 is another letter
24 to the Prime Minister, Mr. Harper.

25 10857 MR. SCHREIBER: Yes.

1 10858 MR. PRATTE: And then, Tab 33, the
2 same thing. Correct?

3 10859 MR. SCHREIBER: Yes.

4 10860 MR. PRATTE: And if you go to Tab 34,
5 then you write directly, on October 25th, 2006, to Mr.
6 Vic Toews. You have a long letter to him.

7 10861 MR. SCHREIBER: Yes.

8 10862 MR. PRATTE: And you refer on the
9 first page to the May 17th letter of 2006 that your
10 lawyer, Mr. Greenspan, had sent Mr. Toews --

11 10863 MR. SCHREIBER: Yes.

12 10864 MR. PRATTE: -- contesting the
13 extradition. Correct?

14 10865 MR. SCHREIBER: Yes.

15 10866 MR. PRATTE: Ultimately, if you then
16 go to Tab 36, the minister rejected your plea.
17 Correct?

18 10867 MR. SCHREIBER: Yes.

19 10868 MR. PRATTE: You will see that in a
20 decision of the Ontario Court of Appeal, which is at
21 Tab 36, paragraph 5, on page 3.

22 10869 Are you there?

23 10870 MR. SCHREIBER: Yeah.

24 10871 MR. PRATTE: For the clarity of the
25 record, Mr. Commissioner, I want to read these two

1 short paragraphs.

2 10872 The Court of Appeal says at page 3,
3 paragraph 5 --

4 10873 Are we there, sir?

5 10874 Mr. Schreiber, are you following me?

6 10875 MR. SCHREIBER: Yes.

7 10876 MR. PRATTE: You are at page 3,
8 paragraph 5?

9 10877 MR. SCHREIBER: Yes.

10 10878 MR. PRATTE: It says:
11 "On May 17, 2006 and August 10,
12 2006, the applicant wrote to the
13 Minister of Justice urging the
14 Minister to reconsider and
15 rescind the earlier surrender
16 decision because of press
17 reports of comments made by the
18 Chief Prosecutor and the
19 judicial spokesperson for the
20 court in Augsburg, Germany about
21 the case. On December 14, 2006,
22 the Minister refused to rescind
23 the earlier surrender decision."

24 10879 Do you see that?

25 10880 MR. SCHREIBER: Yes.

1 10881 MR. PRATTE: So, by the end of 2006,
2 things weren't looking so hot for you. Right?

3 10882 MR. SCHREIBER: I would think for
4 quite a while they were not looking so hot.

5 10883 MR. PRATTE: They were getting worse
6 and worse.

7 10884 MR. SCHREIBER: Yeah.

8 10885 MR. PRATTE: Right.

9 10886 Then, on August 18, 2006 -- I am now
10 at paragraph 6 --

11 10887 Are you with me, Mr. Schreiber?

12 10888 MR. SCHREIBER: No.

13 10889 MR. PRATTE: Could you go back to
14 page 3?

15 10890 MR. SCHREIBER: Page 3?

16 10891 MR. PRATTE: Page 3.

17 10892 MR. SCHREIBER: Yes.

18 10893 MR. PRATTE: I was reading from
19 paragraph 6.

20 10894 MR. SCHREIBER: Yes.

21 10895 MR. PRATTE: Following the paragraph
22 we just read --

23 10896 MR. SCHREIBER: Yes.

24 10897 MR. PRATTE: -- and I quote:
25 "On December 18, 2006..."

1 10898 Are you with me?

2 10899 MR. SCHREIBER: Yes.

3 10900 MR. PRATTE:

4 "...an application for judicial
5 review of the Minister's
6 decision was filed with this
7 court."

8 10901 That is, the Court of Appeal. Right?

9 10902 MR. SCHREIBER: Yes.

10 10903 MR. PRATTE:

11 "On February 8, 2007, the
12 applicant was granted
13 release..."

14 10904 Then, if you go to the decision, this
15 decision of the Court of Appeal rules on your challenge
16 based on the unfairness of the process in Germany.
17 Correct?

18 10905 MR. SCHREIBER: Yes.

19 10906 MR. PRATTE: If you go to paragraphs
20 14 and 15 --

21 10907 You were concerned -- just to set the
22 scene a little bit, Mr. Schreiber, you were fighting
23 extradition to Germany because you said that the German
24 legal process is unfair. Right?

25 10908 MR. SCHREIBER: Yes.

1 10909 MR. PRATTE: And the Court of Appeal
2 looked at that argument, and at paragraph 14 it says:
3 "Further, as appears from the
4 Minister's decision..."
5 10910 Are you with me?
6 10911 MR. SCHREIBER: Yes.
7 10912 MR. PRATTE:
8 "...the comments led him to ask
9 his officials to follow up with
10 Germany authorities. From these
11 inquiries, it is apparent that
12 the prosecutor whose comments
13 are at issue, will not be
14 involved in prosecuting against
15 the applicant. The judicial
16 spokesperson, whose comments are
17 impugned, will not be on the
18 panel of three judges who tries
19 the applicant's case in Germany.
20 In Germany, the applicant's
21 right to be presumed innocent
22 until proven guilty and his
23 right to a fair trial are
24 guaranteed by the German
25 constitution."

1 10913

Paragraph 15:

2

"I do not, therefore, regard the reported comments as providing a basis for a reasonable belief that the applicant will not be accorded his rights to fairness and due process in the German trial."

3

4

5

6

7

8

9 10914

Then, if you go over to page 5, at

10 paragraph 23, the very last paragraph of the

11 decision --

12 10915

MR. SCHREIBER: Yes.

13 10916

MR. PRATTE: -- the Court says -- I

14 think it is Justice Rouleau writing for the Court:

15

"I am satisfied that the

16

Minister did not err in his

17

interpretation and application

18

of s. 7 of the Charter. The

19

extradition of the applicant

20

will not offend the Canadian

21

sense of what is fair, right,

22

and just bearing in mind the

23

factors set out in Kindler. For

24

these reasons I would dismiss

25

the application."

1 10917 Correct?

2 10918 MR. SCHREIBER: Yes, but it would be
3 fair for the Commission to mention that in Canada you
4 don't have a spokesperson for a court. In Germany, the
5 spokesperson is the official spokesperson for the
6 court, and is also -- this Judge Hausler is also a
7 judge.

8 10919 The comment which was made -- and
9 this was the joke -- that Mr. Schreiber would get the
10 strongest punishment ever, because he incorporated the
11 political corruption in Germany.

12 10920 When you look at the internet and you
13 look at human rights violations in Germany, you wonder
14 at what you get.

15 10921 MR. PRATTE: Yes, you have said that
16 before, haven't you?

17 10922 MR. SCHREIBER: Yeah, and you should
18 do that. Then you will know what it is.

19 10923 What I am fighting for, Mr. Pratte,
20 to make it pretty clear in this room, is, I want the
21 same rights, under the same treaty with Germany, that
22 German people have in Germany. It says that the
23 parties to the treaty are not bound or obliged to
24 extradite their nationals, but if they don't, on the
25 request of the extradition partner, they have to

1 prosecute them in Canada.

2 10924 And this is all I want.

3 10925 MR. PRATTE: Okay.

4 10926 MR. SCHREIBER: All I wanted is, if

5 my case could be done in a Canadian court, it would be

6 another forum, and then, finally, the whole story about

7 this would come out --

8 10927 MR. PRATTE: Mr. Schreiber, I don't

9 want to interrupt you, but --

10 10928 MR. SCHREIBER: It's just for the

11 Court to know what I am talking about.

12 10929 MR. PRATTE: That's fine, that's

13 helpful. You have made that case in Canadian courts

14 many times, haven't you?

15 10930 MR. SCHREIBER: Yeah, but not at the

16 Commission.

17 10931 MR. PRATTE: No, but in the courts,

18 where it belongs.

19 10932 MR. SCHREIBER: Yes.

20 10933 MR. PRATTE: And the Court of Appeal

21 of Ontario, as we just saw, turned you down.

22 10934 MR. SCHREIBER: Yes.

23 10935 MR. PRATTE: And you sought leave to

24 appeal to the Supreme Court of Canada, and they turned

25 you down.

1 10936 MR. SCHREIBER: Well --

2 10937 MR. PRATTE: How many times did you
3 take --

4 10938 MR. SCHREIBER: No, they did not give
5 any leave on this, and when we spoke the last time in
6 the Court of Appeal about it, the Court of Appeal said:
7 We believe that the minister has sought about this.

8 10939 But you are not aware that Canada may
9 not even have the instruments to prosecute somebody in
10 Canada, as they agreed upon under the treaty.

11 10940 Now you want to discuss with me the
12 Vienna Convention, or whatever.

13 10941 What is this all about here, what you
14 are doing? One thing, only to show that Schreiber's
15 credibility is zero.

16 10942 MR. PRATTE: Mr. Schreiber, let's
17 just keep on my questions.

18 10943 MR. SCHREIBER: Okay.

19 10944 MR. PRATTE: All I want you to
20 acknowledge -- I understand the argument you are
21 making. You have made those legal arguments through
22 your counsel several times in the courts of Ontario,
23 and up to the Supreme Court of Canada. Correct?

24 10945 MR. SCHREIBER: Yes, and it's not
25 over.

1 10946 MR. PRATTE: And, so far, you have
2 failed every time.

3 10947 MR. SCHREIBER: Yes.

4 10948 MR. PRATTE: Including the time we
5 just looked at.

6 10949 MR. SCHREIBER: That's true.

7 10950 MR. PRATTE: The decision we just --

8 10951 MR. SCHREIBER: But this, Mr. Pratte,
9 has nothing to do with the courts. Extradition is a
10 political decision, and it is only in the hands of the
11 minister and the prime minister, nobody else in this
12 country.

13 10952 MR. PRATTE: We will get to that.

14 10953 MR. SCHREIBER: Let's be very clear
15 on that.

16 10954 MR. PRATTE: We will get to that.

17 10955 The decision we just looked at was
18 issued on May 9th, 2007.

19 10956 MR. SCHREIBER: What are you
20 referring to now?

21 10957 MR. PRATTE: You look at the date of
22 the decision we just looked at.

23 10958 MR. SCHREIBER: What are you --

24 10959 MR. PRATTE: The Court of Appeal
25 decision, sir, just so --

1 10960 MR. SCHREIBER: Let me know where you
2 are, please.

3 10961 COMMISSIONER OLIPHANT: Go to the
4 first page under Tab 36, Mr. Schreiber, in the grey
5 book.

6 10962 It's where the decision of the
7 Ontario --

8 10963 It is right in front of you.

9 10964 MR. PRATTE: You have it in front of
10 you, sir.

11 10965 MR. SCHREIBER: This one.

12 10966 COMMISSIONER OLIPHANT: Okay. Go to
13 the first page under Tab 36, sir.

14 10967 MR. SCHREIBER: Okay, yeah.

15 10968 COMMISSIONER OLIPHANT: You will
16 notice that there are a bunch of names, your name
17 included, and then Chief Justice McMurtry, Justice
18 Juriansz, and Rouleau --

19 10969 MR. SCHREIBER: Yes.

20 10970 COMMISSIONER OLIPHANT: -- and it
21 says that the case was heard on May the 4th of 2007,
22 and judgment was rendered on May the 9th, 2007.

23 10971 MR. SCHREIBER: Yes.

24 10972 COMMISSIONER OLIPHANT: That is all
25 that Mr. Pratte wanted you to confirm, the date of the

1 judgment.

2 10973 MR. PRATTE: Okay. Now, could you
3 get, for your reference, Commission Binder No. 4, Tab
4 43.

5 10974 MR. SCHREIBER: Tab 42?

6 10975 MR. PRATTE: Tab 43.

7 10976 Just to make sure, again, that we
8 have the right document, is that a letter that you
9 wrote to Mr. Mulroney on May 8th, 2007?

10 10977 MR. SCHREIBER: Yes, that's correct.

11 10978 MR. PRATTE: And that's a letter that
12 you were taken to yesterday by Mr. Wolson. Right?

13 10979 MR. SCHREIBER: Yes.

14 10980 MR. PRATTE: And that is just one day
15 before the Court of Appeal issues the decision turning
16 your latest challenge to the minister's extradition
17 order. Correct?

18 10981 MR. SCHREIBER: Yeah, when you say
19 so. I cannot -- I haven't checked the dates now, but
20 you could be right.

21 10982 MR. PRATTE: Your letter is dated May
22 8th?

23 10983 MR. SCHREIBER: Yeah.

24 10984 MR. PRATTE: And the decision we just
25 looked at is dated May 9th. You are not doubting the

1 Court of Appeal?

2 10985 MR. SCHREIBER: Okay.

3 10986 MR. PRATTE: If you look at the
4 judgment again, the argument was May 4th.
5 10987 Okay?
6 10988 MR. SCHREIBER: Yeah.
7 10989 MR. PRATTE: So the case had just
8 been argued, and the decision issued May 9th.
9 10990 Okay?
10 10991 That was just one day before you
11 write this letter to Mr. Mulroney, where, as Mr. Wolson
12 pointed out, for the first time you now include Mr.
13 Mulroney among a set of co-conspirators against you.
14 Right?

15 10992 MR. SCHREIBER: Yes.

16 10993 MR. PRATTE: Okay. Then you say, in
17 the fourth paragraph:
18 "The time has come that you
19 bring the whole battle with me
20 to a peaceful and satisfying
21 end. This is my last warning."
22 10994 MR. SCHREIBER: Yes.
23 10995 MR. PRATTE: Then you say:
24 "I am prepared to disclose..."
25 10996 Various things, including the reasons

1 for the trip in Zürich for which you had been
2 accumulating evidence as we reviewed a moment ago.

3 10997 And then your last line is:
4 "It is in your hands what is
5 going to happen. My patience
6 comes to an end."

7 10998 Correct?

8 10999 MR. SCHREIBER: Yes.

9 11000 MR. PRATTE: You were angry by then,
10 weren't you?

11 11001 MR. SCHREIBER: Yes, because --

12 11002 MR. PRATTE: And you felt because
13 things weren't going well in courts that the noose was
14 kind of tightening around your neck, wasn't it?

15 11003 MR. SCHREIBER: No, it was not
16 because of the courts. The courts are completely
17 innocent in this.

18 11004 It was that Mr. Mulroney, since
19 whenever the whole thing started, told me we are going
20 to fight this together. Then his last, even when his
21 book came out he said how terrible the government was
22 after him and me and we have to fight this. And I
23 expected from him to do this now when the government
24 finally in 2006 changed.

25 11005 Yes, and I was very upset --

1 11006 MR. PRATTE: Right.

2 11007 MR. SCHREIBER: -- that I found out
3 he did the opposite.

4 11008 MR. PRATTE: And when he didn't do
5 what you wanted him to do, you threatened him. That
6 letter is a blackmail letter, is it not?

7 11009 MR. SCHREIBER: Yes. Well, but you
8 can take it whatever way you want.

9 11010 MR. PRATTE: It's a threat. It's a
10 threat.

11 11011 MR. SCHREIBER: I threatened him
12 because this was my last warning, when you look at all
13 this --

14 11012 MR. PRATTE: It was your last chance
15 when you look at all the legal correspondence --

16 11013 MR. SCHREIBER: Yes.

17 11014 MR. PRATTE: Right.

18 11015 MR. SCHREIBER: Yes.

19 11016 MR. PRATTE: That's why you
20 threatened him.

21 11017 MR. SCHREIBER: Yes.

22 11018 MR. PRATTE: Right. So in the summer
23 of 2007 you started to prepare your counterattack,
24 which we saw in the November 7th affidavit, then you
25 started to meet with people in the media and

1 politicians, didn't you?

2 11019 MR. SCHREIBER: Yes.

3 11020 MR. PRATTE: Yes. You met with

4 Mr. Thibault, for example, didn't you?

5 11021 MR. SCHREIBER: Yes.

6 11022 MR. PRATTE: Did you meet with

7 Mr. Thibault in the detention center?

8 11023 MR. SCHREIBER: No.

9 11024 MR. PRATTE: Never. You met him

10 around the summer, though, in restaurants in and around

11 Ottawa?

12 11025 MR. SCHREIBER: Yes. Yes.

13 11026 MR. PRATTE: And did you eat with

14 Mr. Cashore, your new friend?

15 11027 MR. SCHREIBER: I don't know why you

16 say new friend. We are back now what you say friends

17 and friends, yes.

18 11028 In the meantime I'm very impressed

19 what Mr. Cashore knows --

20 11029 MR. PRATTE: Right.

21 11030 MR. SCHREIBER: -- and when I look at

22 the archive, it is amazingly good.

23 11031 MR. PRATTE: Well, you have never --

24 you didn't always have a good relationship with

25 Mr. Cashore?

1 11032 MR. SCHREIBER: Oh no, he was my
2 deadly enemy.

3 11033 MR. PRATTE: Yes. Prior to that
4 time, in the summer of 2007, he was your hopeful
5 friend, was he not?

6 11034 MR. SCHREIBER: Well, I can tell you
7 why, because he found out that like Mr. MacIntyre said
8 it publicly in television, after certain years they
9 found out the only person who told the truth in the
10 whole case is Karlheinz Schreiber.

11 11035 MR. PRATTE: He found that out?

12 11036 MR. SCHREIBER: Yes.

13 11037 MR. PRATTE: All right. And he
14 believes that?

15 11038 MR. SCHREIBER: I found this -- I
16 found this wonderful --

17 11039 MR. PRATTE: Oh, no wonder.

18 11040 MR. SCHREIBER: -- that my previous
19 enemy has finally found out what the situation was.

20 11041 MR. PRATTE: Right.

21 11042 COMMISSIONER OLIPHANT: Hold on just
22 a moment. A name got tossed out that I --

23 11043 MR. PRATTE: Mr. Thibault?

24 11044 COMMISSIONER OLIPHANT: Yes. What
25 media outlet is he with?

- 1 11045 MR. PRATTE: Well, you can ask you,
2 sir, but I think it is the Parliament of Canada. He
3 was an MP until the last election, is he not?
- 4 11046 COMMISSIONER OLIPHANT: Is that the
5 Mr. Thibault that was on the Ethics Committee?
- 6 11047 MR. PRATTE: Yes.
- 7 11048 MR. SCHREIBER: Yes.
- 8 11049 COMMISSIONER OLIPHANT: You were
9 meeting with him?
- 10 11050 MR. SCHREIBER: Yes.
- 11 11051 MR. PRATTE: Yes. And you met in the
12 summer and you were discussing with him the matters
13 that were included in your November 7th affidavit,
14 didn't you?
- 15 11052 MR. SCHREIBER: I don't recall this,
16 but we had very entertaining discussions.
- 17 11053 MR. PRATTE: Right.
- 18 --- Pause
- 19 11054 MR. PRATTE: You, as we saw, gave
20 information to The Fifth Estate about matters that were
21 contained in that November 7th affidavit, right; for
22 example, the Zürich meeting?
- 23 11055 MR. SCHREIBER: You asked me directly
24 about the Zürich meeting, yes.
- 25 11056 MR. PRATTE: Yes.

1 11057 MR. SCHREIBER: You saw it. I mean
2 everybody saw it. I said it in television.

3 11058 MR. PRATTE: Right. And you
4 volunteered that information as well to Carol Off on
5 November 2nd, just five days before the affidavit was
6 served.

7 11059 MR. SCHREIBER: Yes.

8 11060 MR. PRATTE: Right. And I suggest to
9 you, sir, that you discussed the matters and the fact
10 you were going to write this affidavit with Mr. Cashore
11 are Mr. McArthur and Mr. Thibault.

12 11061 MR. SCHREIBER: No.

13 11062 MR. PRATTE: You never showed them a
14 draft of this affidavit?

15 11063 MR. SCHREIBER: No.

16 11064 MR. PRATTE: Never?

17 11065 MR. SCHREIBER: No.

18 11066 MR. PRATTE: Did you discuss any of
19 the matters in there with them?

20 11067 MR. SCHREIBER: I don't know.

21 11068 MR. PRATTE: You don't know?

22 11069 MR. SCHREIBER: I don't even know how
23 many matters are in this affidavit now. Then I would
24 read them all.

25 11070 MR. PRATTE: Well --

1 11071 MR. SCHREIBER: Mr. Pratte, why don't
2 you look at the situation what it really was. I have
3 never heard that in one country in the western world
4 with a democracy it was necessary that the Parliament
5 had to issue a Speaker warrant to make the Minister of
6 Justice in this country respecting the wish of the
7 Parliament.

8 11072 MR. PRATTE: Mr. Schreiber --

9 11073 MR. SCHREIBER: This was the
10 situation. You pick the stuff out and I -- look, I
11 understand your job.

12 11074 MR. PRATTE: No, no, you don't.

13 11075 MR. SCHREIBER: But I tried to say
14 what I think is right, too, to inform this Commission
15 what we really are talking about --

16 11076 MR. PRATTE: Mister --

17 11077 MR. SCHREIBER: -- because that was
18 my aim always.

19 11078 MR. PRATTE: Mr. Schreiber, you don't
20 understand my job and you certainly don't understand
21 your job in this inquiry.

22 11079 My job is to ask you questions. Your
23 job is to answer them.

24 11080 I didn't ask you anything about the
25 Speaker's warrant. I asked you whether you shared the

1 matters that were ultimately contained in this
2 affidavit with members of the media.

3 11081 Did you or did you not?

4 11082 MR. SCHREIBER: Yes, but the
5 background to all this is the Speaker warrant, because
6 otherwise I would not even be in Canada any more.

7 11083 MR. PRATTE: Right. You wanted to
8 use the media to assist your quest for a public
9 inquiry, including in the drafting of this inquiry --
10 of this affidavit. Isn't that right?

11 11084 They were part of your team to get
12 that achieved.

13 11085 MR. SCHREIBER: No. No.

14 11086 MR. PRATTE: The affidavit I can tell
15 you was received by Mr. Mulroney's lawyers in the
16 morning of November 8, 2007 and within hours there were
17 calls by the media about the affidavit.

18 11087 Did you arrange to have the affidavit
19 given to the media at the time it was filed in court?

20 11088 MR. SCHREIBER: I allowed my lawyer
21 to do that, yes.

22 11089 MR. PRATTE: Right. And indeed, if
23 you look at P-12, one of the pieces of papers I gave
24 you yesterday, there was an article in the Globe and
25 Mail which is --

1 11090 MR. SCHREIBER: Yes.

2 11091 MR. PRATTE: Do you see that?

3 11092 MR. SCHREIBER: Yes.

4 11093 MR. PRATTE: It is dated September

5 8th at 8 p.m., just a few hours after Mr. Mulroney's

6 lawyers have been served with the affidavit, which was

7 a long affidavit with lots of exhibits; right?

8 11094 MR. SCHREIBER: Yes.

9 11095 MR. PRATTE: And they have all the

10 information already.

11 11096 MR. SCHREIBER: Yes.

12 11097 MR. PRATTE: That just proves that

13 you were handing out this affidavit to the media at the

14 same time, or your lawyers were --

15 11098 MR. SCHREIBER: Well --

16 11099 MR. PRATTE: -- at the same time you

17 were giving it to Mr. Mulroney to get the maximum

18 exposure; right?

19 11100 MR. SCHREIBER: Well, I would have

20 asked my lawyer in Toronto about this because, you

21 know, I have no idea when it went out.

22 11101 MR. PRATTE: But you just told me you

23 asked them to publicize it.

24 11102 MR. SCHREIBER: No. I told him he

25 can use it whenever he wants.

1 11103 MR. PRATTE: Right. Now, that is the
2 very affidavit, as you told me before, when we started
3 our discussion yesterday, that ultimately led to this
4 Commission of Inquiry; right?

5 11104 MR. SCHREIBER: That is your
6 understanding.

7 11105 MR. PRATTE: It's in the mandate.
8 You won't deny that?

9 11106 That's what the mandate says in the
10 first paragraph; that it's your allegations in this
11 affidavit that give rise to the need for this inquiry.

12 11107 MR. SCHREIBER: No, my allegations
13 were not only in this affidavit, they were all over the
14 place. You spoke about them --

15 11108 MR. PRATTE: They certainly are all
16 over the place.

17 11109 MR. SCHREIBER: -- in the media, so
18 what are you talking? Huh?

19 11110 MR. PRATTE: They certainly are all
20 over the place. I'm talking about the ones in this
21 affidavit which is specifically referred to; correct?

22 11111 MR. SCHREIBER: Okay.

23 11112 MR. PRATTE: Yes.

24 11113 And this affidavit, as we have
25 reviewed in some detail, is full of exaggerations and

1 inaccuracies and just untruthful statements.

2 11114 Isn't that right?

3 11115 MR. SCHREIBER: Well, this is what

4 you say.

5 11116 MR. PRATTE: No. That is what you

6 agreed to with me in the last two days.

7 11117 MR. SCHREIBER: Well, there are

8 points which are not correct, I agree with you.

9 11118 MR. PRATTE: Right. And ultimately

10 your lawsuit in Ontario, as I think you accepted

11 yesterday, was thrown out.

12 11119 MR. SCHREIBER: Please...?

13 11120 MR. PRATTE: This lawsuit that this

14 affidavit was filed in, when you sued Mr. Mulroney, was

15 thrown out, was it not?

16 11121 MR. SCHREIBER: This was a lawsuit

17 about the jurisdiction, no?

18 11122 MR. PRATTE: Yes.

19 11123 MR. SCHREIBER: Yes.

20 11124 MR. PRATTE: You were kicked out of

21 Ontario.

22 11125 MR. SCHREIBER: Yes.

23 11126 MR. PRATTE: Then you started just on

24 the eve of this inquiry being called, on June 11,

25 2008 -- the inquiry was called on June 12th, as I

1 recall. But you started a lawsuit in Québec, didn't
2 you?

3 11127 MR. SCHREIBER: Yes.

4 11128 MR. PRATTE: And you will find that
5 at Tab 44 of the grey binder, Mr. Commissioner.

6 11129 COMMISSIONER OLIPHANT: That is
7 Exhibit P-9, for the record.

8 11130 MR. PRATTE: P-9, yes. So this
9 volume, Mr. Schreiber.

10 11131 MR. SCHREIBER: Yes.

11 11132 COMMISSIONER OLIPHANT: Tab 44,
12 Mr. Pratte?

13 11133 MR. PRATTE: Yes, Tab 44.

14 11134 COMMISSIONER OLIPHANT: The motion?

15 11135 MR. PRATTE: Yes, it is a motion to
16 institute proceedings. It's a claim in the Province of
17 Québec, a Statement of Claim.

18 11136 Are you there, sir?

19 11137 MR. SCHREIBER: Yes.

20 11138 MR. PRATTE: And there in that
21 lawsuit, having argued but lost in Ontario that the
22 agreement with Mr. Mulroney had been made in Ontario,
23 now you said it's made in Québec; right?

24 11139 MR. SCHREIBER: Yes.

25 11140 MR. PRATTE: And Mr. Mulroney -- you

1 referred to this before -- sought to examine you under
2 oath for discovery before he entered a plea, as is
3 allowed in the Province of Québec. You know that.

4 11141 MR. SCHREIBER: Yes.

5 11142 MR. PRATTE: And you challenged his
6 right to do that, didn't you?

7 11143 MR. SCHREIBER: Yes.

8 11144 MR. PRATTE: And it went to the Court
9 of Appeal, because you said this would damage the
10 inquiry and the Court of Appeal disagreed with you.

11 11145 MR. SCHREIBER: Yes.

12 11146 MR. PRATTE: You lost.

13 11147 MR. SCHREIBER: No, no, no, no, no.
14 First the court agreed with me.

15 11148 MR. PRATTE: But I'm talking about
16 the Court of Appeal.

17 11149 MR. SCHREIBER: And then the Appeal
18 Court they disagreed.

19 11150 MR. PRATTE: Right.

20 11151 MR. SCHREIBER: But, Mr. Pratte --

21 11152 MR. PRATTE: And if you look --

22 11153 MR. SCHREIBER: -- I don't know what
23 is so complicated. Mr. Mulroney could have
24 cross-examined me on my affidavit in Toronto for weeks.
25 He never asked one question.

1 11154 MR. PRATTE: Sir, sir, your lawsuit
2 in Toronto was thrown out. You decided to start a new
3 lawsuit in Québec.

4 11155 MR. SCHREIBER: Yes.

5 11156 MR. PRATTE: And when Mr. Mulroney,
6 according to the rules of the Province of Québec,
7 sought to examine you under oath, you tried to have
8 that avoided. Isn't that right?

9 11157 MR. SCHREIBER: Yes.

10 11158 MR. PRATTE: And the Court of Appeal
11 ultimately disagreed with your argument.

12 11159 MR. SCHREIBER: Yes.

13 11160 MR. PRATTE: And you will see that at
14 Tab 45.

15 11161 MR. SCHREIBER: Yes, 45.

16 11162 COMMISSIONER OLIPHANT: In the grey
17 book, Mr. Schreiber.

18 11163 MR. SCHREIBER: In the grey, yes.
19 Yeah...?

20 11164 MR. PRATTE: Is the decision of the
21 Court of Appeal.

22 11165 MR. SCHREIBER: Yes.

23 11166 MR. PRATTE: And we don't need to
24 read it in detail, but just for the court's and your
25 information, Mr. Schreiber, if you look at paragraphs 9

1 to 11 in particular, at page 4 of the decision.

2 11167 I'm sure you can read French a lot
3 better than I can speak German.

4 11168 MR. SCHREIBER: No, not at all.

5 11169 MR. PRATTE: All right. Well, I'm
6 sure your lawyer told you that the Court of Appeal
7 rejected the argument that it was improper for
8 Mr. Mulroney to seek to examine you or that you would
9 suffer prejudice; right?

10 11170 That's why they turned you down. You
11 tried to argue it was inappropriate for Mr. Mulroney to
12 seek to exercise his rights to examine you under oath
13 and the Court of Appeal said you are wrong,
14 Mr. Schreiber; right?

15 11171 MR. SCHREIBER: Yes. But the
16 question was not to avoid this; the question was to
17 postpone it. The first court agreed with that.

18 11172 MR. PRATTE: Well, Courts of Appeal
19 sometimes correct inferior courts or superior courts
20 and that's what happened.

21 11173 MR. SCHREIBER: Yes, but the point
22 was you cannot go -- you cannot go to that to a civil
23 suit and get all the questions which this Commission is
24 asking out already a week before the Commission starts.

25 11174 MR. PRATTE: Mr. Schreiber, the Court

1 of --

2 11175 MR. SCHREIBER: I was not -- that was
3 not my intention.

4 11176 MR. PRATTE: The Court of Appeal
5 disagreed with you.

6 11177 MR. SCHREIBER: Yes.

7 11178 MR. PRATTE: Can we at least leave it
8 at that?

9 11179 MR. SCHREIBER: Yes. And the first
10 court agreed with me. So now you can discuss this for
11 the rest of the day with me if it enjoys you.

12 11180 MR. PRATTE: Now, I think I'm
13 satisfied with your answer on that.

14 11181 Now, look at the next letter, then.
15 We, after the judgment of the Court of appeal, served
16 an appointment to examine you on February 26, 2009, but
17 then we received a letter from your lawyer saying you
18 were discontinuing your lawsuit.

19 11182 And that is that Tab 47.

20 11183 MR. SCHREIBER: Yes.

21 11184 MR. PRATTE: So just a day or two
22 before you were to be examined, you decide to
23 discontinue your lawsuit; correct?

24 11185 MR. SCHREIBER: Yes.

25 11186 MR. PRATTE: And if you look at

1 page -- the second page of the letter --

2 11187 MR. SCHREIBER: Yeah.

3 11188 MR. PRATTE: It's page 3 of three of

4 the fax. It says, in paragraph c), the top paragraph:

5 "Mr. Schreiber will answer all

6 relevant questions about this

7 subject matter publicly before

8 the Oliphant Inquiry in order to

9 assist the Oliphant Inquiry.

10 Mr. Schreiber will not testify

11 beforehand in order to assist

12 Mr. Mulroney in undermining the

13 Oliphant Inquiry."

14 11189 You are making -- or your lawyer is

15 making the same argument the Court of Appeal refused;

16 right?

17 11190 They did not accept that this would

18 undermine the Oliphant inquiry?

19 11191 MR. SCHREIBER: Look, this is my

20 decision and my thought.

21 11192 MR. PRATTE: All right.

22 11193 MR. SCHREIBER: Am I not free to

23 decide what I want to do? I have all the respect for

24 an inquiry I was fighting for for 10 years, and then I

25 have -- what can you say --

1 11194 MR. PRATTE: You started the lawsuit,
2 sir.

3 11195 MR. SCHREIBER: -- a little opera in
4 front of that? No.

5 11196 MR. PRATTE: Mr. Schreiber, you
6 argued that your participating in the very lawsuit you
7 started would undermine the inquiry. The Court of
8 Appeal rejected that argument; correct?

9 11197 MR. SCHREIBER: Yes.

10 11198 MR. PRATTE: Yes. Did anybody from
11 the Oliphant Inquiry support your argument in the
12 Québec courts that allowing the lawsuit to proceed
13 would undermine the very inquiry, or were you the only
14 one to make that argument?

15 11199 MR. SCHREIBER: Well, it was my
16 thought and I still believe it --

17 11200 MR. PRATTE: All right.

18 11201 MR. SCHREIBER: -- and I paid the
19 money for it, nobody else.

20 11202 MR. PRATTE: And you say in paragraph
21 d):

22 "... Mr. Schreiber is prepared
23 to forgo these monies..."

24 11203 This is the alleged \$300,000
25 payments:

1 "... so that the public interest
2 may be properly served and the
3 Oliphant Inquiry is not
4 undermined..."

5 11204 Do you see that?

6 11205 MR. SCHREIBER: Yes.

7 11206 MR. PRATTE: So this was all done for
8 the public interest. That's what you were saying.

9 11207 MR. SCHREIBER: Yes, absolutely.

10 11208 MR. PRATTE: Yes. It had nothing to
11 do with the fact that the public inquiry, if it took
12 place and you could testify at it, would extend your
13 stay, your checkout time from Canada?

14 11209 It had nothing to do with that. It
15 was just for the public interest. Another altruistic
16 motive. Is that what you are saying?

17 11210 MR. SCHREIBER: What has this to do
18 with the timing?

19 11211 MR. PRATTE: Sir, I'm suggesting --

20 11212 MR. SCHREIBER: The inquiry was
21 already set.

22 11213 MR. PRATTE: I'm suggesting to you
23 that the only purpose you were seeking a public inquiry
24 and made yourself a central actor in it was to try to
25 justify an extension of your stay in Canada. That was

1 the real purpose. It had nothing to do with the public
2 interest.

3 11214 Isn't that right?

4 11215 MR. SCHREIBER: The lawsuit in
5 Québec?

6 11216 MR. PRATTE: The fact that you wanted
7 the public inquiry was to help Karlheinz Schreiber stay
8 in Canada. It had nothing to do with the public
9 interest.

10 11217 Is that not correct?

11 11218 MR. SCHREIBER: No.

12 11219 MR. PRATTE: Is that not correct?

13 11220 MR. SCHREIBER: No, because then your
14 client would be wrong, too, and all the other people
15 who wanted an inquiry, too, as well. So what are you
16 talking about?

17 11221 MR. PRATTE: Well, Mr. Schreiber, you
18 are the only one who after the inquiry is over is going
19 back to Germany to face German tax evasion charges.
20 Mr. Mulroney isn't.

21 11222 Isn't that right?

22 11223 MR. SCHREIBER: No. I am not a
23 visionary like you.

24 11224 MR. PRATTE: Excuse me?

25 11225 MR. SCHREIBER: I'm not a visionary

1 like you. I don't know from where you get this.

2 11226 MR. PRATTE: Ah, well I thought you
3 knew your IQ.

4 11227 Thank you. Those are my questions.

5 11228 Thank you, Mr. Schreiber.

6 11229 MR. SCHREIBER: Thank you,
7 Mr. Pratte.

8 11230 COMMISSIONER OLIPHANT: Mr.
9 Schreiber, we are going to take the morning break for
10 15 minutes now. Eleven o'clock, please.

11 --- Upon recessing at 10:45 a.m. / Suspension à 10 h 45
12 --- Upon resuming at 11:05 a.m. / Reprise à 11 h 05

13 11231 COMMISSIONER OLIPHANT: Be seated,
14 please.

15 11232 MR. WOLSON: Mr. Commissioner, I have
16 talked to counsel, with the exception of Mr. Pratte,
17 but, in any event, I think the other members of that
18 team have indicated that we would all like to take a
19 little less time for lunch with the hope that we will
20 finish earlier today.

21 11233 It's a grand day today in Ottawa and
22 I know, as well, the witness tends to tire at around
23 3-ish. So if we took less time for lunch, that would
24 be appreciated I think by all counsel.

25 11234 COMMISSIONER OLIPHANT: Well, what

1 are you suggesting?

2 11235 MR. WOLSON: An hour.

3 11236 COMMISSIONER OLIPHANT: Is that

4 agreed?

5 11237 MR. HOUSTON: Anything that's

6 agreeable to you, Mr. Commissioner.

7 11238 COMMISSIONER OLIPHANT: All right,

8 that's fine with me. An hour for lunch then we will

9 take and hopefully get us out of here.

10 11239 Mr. Auger, are you agreed to that?

11 11240 MR. AUGER: That's agreeable to me.

12 11241 COMMISSIONER OLIPHANT: Thank you.

13 11242 MR. WOLSON: I canvassed all counsel.

14 11243 COMMISSIONER OLIPHANT: Yes.

15 11244 Mr. Houston, good morning, sir.

16 11245 MR. HOUSTON: Mr. Commissioner, good

17 morning.

18 11246 Just before I start, I have delivered

19 to counsel one additional bit of paper. I have given

20 the Registrar three copies of it, sir.

21 11247 They are copies of extracts from

22 Mr. Schreiber's diary from 11 November 1994 to the 29th

23 of November 1994.

24 11248 Now, there is somewhat of an overlap

25 in that some of those dates are included already in the

1 material.

2 11249 For ease of reference I thought it
3 would be easier to mark it as a separate exhibit rather
4 than include it as part of 146.

5 11250 COMMISSIONER OLIPHANT: I think you
6 are right. What number is that exhibit going to be?
7 Thirteen?

8 11251 The diary entries, then, from
9 Mr. Schreiber's diary will be received and marked as
10 Exhibit 13.

11 11252 Again I am assuming that everyone is
12 consenting to this going in as an exhibit. Thank you.

13 11253 Exhibit P-13.

14 EXHIBIT NO. P-13: Binder of
15 diary entries from Mr.
16 Schreiber's diary

17 11254 MR. HOUSTON: Thank you, sir.

18 11255 COMMISSIONER OLIPHANT: Do you have a
19 copy of that for me?

20 11256 MR. HOUSTON: I have given copies to
21 the Register, Mr. Commissioner.

22 11257 COMMISSIONER OLIPHANT: Thanks.

23 EXAMINATION: KARLHEINZ SCHREIBER BY MR. HOUSTON /

24 INTERROGATOIRE : KARLHEINZ SCHREIBER PAR Me HOUSTON

25 11258 MR. HOUSTON: I'm going to come back

1 to that, Mr. Schreiber, but at the same time I am going
2 to begin with some reference to your diaries.

3 11259 Just for the record, I understand
4 that you kept diaries over a period of time and you
5 have provided copies of your diaries from 1985 to 1997;
6 correct?

7 11260 MR. SCHREIBER: I think so, yes.

8 11261 MR. HOUSTON: And in reading your
9 diaries, you regularly, annually, listed names of
10 individuals and telephone numbers.

11 11262 MR. SCHREIBER: Yes.

12 11263 MR. HOUSTON: Did it alphabetically.

13 11264 MR. SCHREIBER: Not always, but quite
14 often.

15 11265 MR. HOUSTON: Would you take a look,
16 sir, at Book 2, Tab 146, and I am briefly going to
17 review with you some entries that you have for three or
18 four years.

19 11266 It's Tab A. Do you have it, sir,
20 Book 2?

21 11267 MR. SCHREIBER: Book 2, yeah. Tab A?

22 11268 MR. HOUSTON: It's 146A.

23 11269 MR. SCHREIBER: Yes.

24 11270 MR. HOUSTON: You go to the D's.

25 "D".

1 11271 COMMISSIONER OLIPHANT: Just give him
2 a chance to catch up to you, Mr. Houston.
3 11272 Have you got it? Mr. Schreiber, it's
4 Book No. 2.
5 11273 MR. SCHREIBER: Yes.
6 11274 MR. HOUSTON: Number 2, sir.
7 11275 MR. SCHREIBER: Yes.
8 11276 COMMISSIONER OLIPHANT: Tab 146A.
9 11277 MR. HOUSTON: Have you got that?
10 11278 Tab 146A.
11 11279 MR. SCHREIBER: Yes.
12 11280 COMMISSIONER OLIPHANT: Just let's
13 make sure that you are there before the question.
14 11281 MR. HOUSTON: Actually it's 145. I'm
15 jumping forward.
16 11282 COMMISSIONER OLIPHANT: It's 145?
17 11283 MR. HOUSTON: Right.
18 11284 COMMISSIONER OLIPHANT: It's 145,
19 sir.
20 11285 MR. HOUSTON: 145 are the telephone
21 numbers.
22 11286 COMMISSIONER OLIPHANT: 145A or D?
23 11287 MR. HOUSTON: "A", sir.
24 11288 MR. SCHREIBER: Now I'm confused. Is
25 it Tab 145?

1 11289 MR. HOUSTON: One-four-five --

2 11290 MR. SCHREIBER: Yes.

3 11291 MR. HOUSTON: -- Tab A.

4 11292 MR. SCHREIBER: "A".

5 11293 MR. HOUSTON: 1985.

6 11294 MR. SCHREIBER: Yes.

7 11295 MR. HOUSTON: Got it in front of you?

8 11296 MR. SCHREIBER: Good.

9 11297 MR. HOUSTON: All right. Take a look

10 under "D".

11 11298 MR. SCHREIBER: "B", yes.

12 11299 MR. HOUSTON: "D". "D" for "Doucet".

13 11300 Can you find that, sir?

14 11301 MR. SCHREIBER: You mean in the

15 diary.

16 11302 MR. HOUSTON: In your diary.

17 11303 MR. SCHREIBER: Yes.

18 11304 MR. HOUSTON: This is your diary,

19 sir, isn't it, or a copy of it?

20 11305 MR. SCHREIBER: A, B, C, D. Yes.

21 Doucet, yes.

22 11306 MR. HOUSTON: Yes. You see the name

23 "Jerry Ducet" and telephone numbers "902". That's area

24 code for Nova Scotia.

25 11307 MR. SCHREIBER: Yes.

1 11308 MR. HOUSTON: Does that sound
2 familiar?

3 11309 MR. SCHREIBER: Yes.

4 11310 MR. HOUSTON: Do you see underneath
5 the name "Jerry Ducet" the name "Edmond Chiasson"?

6 11311 MR. SCHREIBER: Yes.

7 11312 MR. HOUSTON: I understand, sir, he
8 was a lawyer with the Doucet and Associate law firm.
9 Does that sound familiar?

10 11313 MR. SCHREIBER: That's correct, yes.

11 11314 MR. HOUSTON: I'm going to come back
12 to that person a little bit later.
13 11315 Did you deal with him from time to
14 time, by the way, Mr. Chiasson?

15 11316 MR. SCHREIBER: Deal with him. The
16 question is, he might have had questions. He was the
17 lawyer who incorporated the companies in Nova Scotia,
18 Thyssen Bear Head. But his main work was done with the
19 lawyers from Thyssen, not with me.

20 11317 MR. HOUSTON: All right.

21 11318 MR. SCHREIBER: But I saw him from
22 time to time, yeah.

23 11319 MR. HOUSTON: And just on that point,
24 Doucet and Associate incorporated Bear Head Industries
25 in the Province of Nova Scotia?

1 11320 MR. SCHREIBER: Yes.

2 11321 MR. HOUSTON: By the way sir, what
3 role did you play? Were you an officer, director or
4 shareholder of that corporation?

5 11322 MR. SCHREIBER: I was the Chairman
6 from the corporation.

7 11323 MR. HOUSTON: Do you know who the
8 officers were? We have spent a lot of time on Bear
9 Head. Can you tell me the names of the officers at
10 Bear Head?

11 11324 MR. SCHREIBER: Quite frankly, I
12 don't know whether there were other officers.

13 11325 MR. HOUSTON: Were there any
14 directors? Were you a director?

15 11326 MR. SCHREIBER: I think so at the
16 beginning, yes.

17 11327 MR. HOUSTON: Nineteen eighty-five,
18 were you a director then?

19 11328 MR. SCHREIBER: Yes. I don't know
20 whether they named anybody else, but it could be that I
21 was a director.

22 11329 MR. HOUSTON: Shares. Who held the
23 shares in the company?

24 11330 MR. SCHREIBER: At the beginning I
25 incorporated the company on the request of Thyssen and

1 it was in trust with Edmond Chiasson for Thyssen.

2 11331 MR. HOUSTON: That's your

3 recollection?

4 11332 MR. SCHREIBER: Yes.

5 11333 MR. HOUSTON: Chiasson in trust for

6 Thyssen --

7 11334 MR. SCHREIBER: Yes.

8 11335 MR. HOUSTON: -- at the outset.

9 11336 MR. SCHREIBER: Yes.

10 11337 MR. HOUSTON: When did that change,

11 or did it change?

12 11338 MR. SCHREIBER: Thyssen took over it

13 one day. I don't recall this exactly any more. It

14 might have been in '86 or '87.

15 11339 MR. HOUSTON: I'm going to suggest to

16 you, sir, the documents indicate that the shares in

17 fact were held on behalf of I.A.L.

18 11340 Do you remember that?

19 11341 MR. SCHREIBER: What?

20 11342 MR. HOUSTON: The shares were held,

21 shares in Bear Head held by I.A.L.

22 11343 MR. SCHREIBER: It must be a joke.

23 11344 MR. HOUSTON: A joke?

24 11345 MR. SCHREIBER: Yes.

25 11346 MR. HOUSTON: Okay. I would just

1 have you refer to a couple more entries in the diary,
2 sir.

3 11347 Nineteen eighty-seven. Do you want
4 to look at it? That's Tab C.

5 11348 MR. SCHREIBER: Yeah.

6 11349 MR. HOUSTON: Under "D" you have
7 Doucet, spelled D-U-C-E-T, and Chiasson listed again
8 with area codes down in Nova Scotia.

9 11350 MR. SCHREIBER: "A", "B", "C", "D".

10 11351 MR. HOUSTON: Have you got that?

11 11352 MR. SCHREIBER: Yes.

12 11353 MR. HOUSTON: Okay. No reference yet
13 to Mr. Fred Doucet. You agree with me?

14 11354 MR. SCHREIBER: Yes.

15 11355 MR. HOUSTON: Let's go to the next
16 Tab, 1988 under "D". Do you have that, sir?

17 11356 MR. SCHREIBER: Yes.

18 11357 MR. HOUSTON: You see up near the top
19 of the page we have "Jerry Ducet", again spelled
20 D-U-C-E-T.

21 11358 MR. SCHREIBER: Yes.

22 11359 MR. HOUSTON: "Edmund Chiasson".

23 11360 MR. SCHREIBER: Yes.

24 11361 MR. HOUSTON: Then we have a second
25 entry for Mr. -- it says "Doucet Ottawa".

1 11362 MR. SCHREIBER: Yes.

2 11363 MR. HOUSTON: Is that Gerry Doucet?

3 11364 MR. SCHREIBER: I don't know.

4 11365 MR. HOUSTON: Well, look down at the
5 bottom of the page. It looks like an add-on to me. We
6 now see the name D-U-S-E-T, Fred.

7 11366 MR. SCHREIBER: Fred, yeah.

8 11367 MR. HOUSTON: Did you know in 1988
9 that Mr. Fred Doucet and Mr. Gerry Doucet were
10 brothers?

11 11368 MR. SCHREIBER: Yes.

12 11369 MR. HOUSTON: Spelled their name
13 differently. Any reason for that or you just --

14 11370 MR. SCHREIBER: No.

15 11371 MR. HOUSTON: -- wrote it in quickly,
16 did you, in 1988?

17 11372 MR. SCHREIBER: No, I might have. I
18 don't know.

19 11373 MR. HOUSTON: Okay. By the way, sir,
20 did you maintain these diaries throughout the period of
21 time we are talking about, from 1985 through to 1997?

22 11374 MR. SCHREIBER: Yes.

23 11375 MR. HOUSTON: And you maintained the
24 telephone directory as we just looked at it throughout
25 those years?

1 11376 MR. SCHREIBER: No, this is -- by the
2 end of the year I wrote -- when I get the new diary I
3 wrote numbers I wanted to keep, but by that time I had
4 other sources where I had my telephone numbers.

5 11377 MR. HOUSTON: You eliminated numbers
6 and names from time to time, did you? Is that what you
7 are saying?

8 11378 MR. SCHREIBER: I don't know whether
9 I eliminated. When I didn't need them any more, yeah,
10 it could be.

11 11379 MR. HOUSTON: All right. Just very
12 briefly, sir, Tab J is the diary from 1994. Do you see
13 that?

14 11380 MR. SCHREIBER: "J"?

15 11381 MR. HOUSTON: "J".

16 11382 MR. SCHREIBER: No, "J" is '91 in my
17 book here.

18 11383 MR. HOUSTON: Keep turning, then,
19 until you get the 1994.

20 11384 MR. SCHREIBER: Two, three, four,
21 yeah.

22 11385 MR. HOUSTON: And do you see under
23 "D" "Doucet"?

24 11386 MR. SCHREIBER: Yes.

25 11387 MR. HOUSTON: That's Fred Doucet, I'm

1 going to suggest to you. Do you remember that one way
2 or the other?

3 11388 MR. SCHREIBER: I think so.

4 11389 MR. HOUSTON: All right.

5 11390 MR. SCHREIBER: Just because I had
6 not too much to do with Gerry Doucet.

7 11391 MR. HOUSTON: All right. Just while
8 we are on that particular year, sir, would you look
9 under the "M"s?

10 11392 MR. SCHREIBER: "M" or "N"?

11 11393 MR. HOUSTON: "M" for Mulroney.

12 11394 MR. SCHREIBER: Yes.

13 11395 MR. HOUSTON: You have found that?

14 11396 MR. SCHREIBER: Hang on.

15 --- Pause

16 11397 MR. SCHREIBER: "M", yes.

17 11398 MR. HOUSTON: Yes. We see telephone
18 numbers, it looks like office and home for
19 Mr. Mulroney, listed in your diary for 1994.

20 11399 Do you see that? Sir...?

21 11400 MR. SCHREIBER: Which one?

22 11401 MR. HOUSTON: "Mulroney", underneath
23 "Francine". Do you not see that? It looks like office
24 and home.

25 11402 COMMISSIONER OLIPHANT: It's on the

1 other page. Go to the right, Mr. Schreiber.

2 11403 MR. HOUSTON: It's on the right-hand
3 side.

4 11404 MR. SCHREIBER: Oh, on the right-hand
5 side.

6 11405 COMMISSIONER OLIPHANT: Yes, at the
7 top.

8 11406 MR. SCHREIBER: I may have the wrong
9 one here again. I have here "Mulroney" -- "Francine",
10 yeah.

11 11407 MR. HOUSTON: Right.

12 11408 MR. SCHREIBER: Fax and office, yes.

13 11409 MR. HOUSTON: Okay. So you've got
14 office and home telephone numbers for Mr. Mulroney in
15 1994.

16 11410 MR. SCHREIBER: Yes.

17 11411 MR. HOUSTON: Right. Just before we
18 leave 1984(sic), would you just go back again to the
19 entry for Doucet.

20 11412 MR. SCHREIBER: At this year?

21 11413 MR. HOUSTON: Yes, 1984(sic), same
22 year you were on.
23 11414 1994, sorry.

24 11415 MR. SCHREIBER: Nineteen ninety-four.
25 But you understand this was '97.

1 11416 MR. HOUSTON: No, no. I'm sorry,
2 sir. If I suggested 1997, I asked you about -- I am
3 referring you to 1994.

4 11417 That is "J". Have you got 1994 now?

5 11418 MR. SCHREIBER: Yes.

6 11419 MR. HOUSTON: All right. Look under
7 "D" for "Doucet".

8 11420 MR. SCHREIBER: Yes.

9 11421 MR. HOUSTON: You have two telephone
10 numbers, one -- the second one is "Car" --

11 11422 MR. SCHREIBER: Yes.

12 11423 MR. HOUSTON: -- and I'm going to
13 suggest to you that is reference to a car phone number
14 that he had in 1994. You have it listed in your diary
15 here.

16 11424 MR. SCHREIBER: Yes.

17 11425 MR. HOUSTON: All right. By the way,
18 sir, Bitucan, were you an officer, shareholder or
19 director of that corporation?

20 11426 MR. SCHREIBER: Yes.

21 11427 MR. HOUSTON: What office did you
22 hold?

23 11428 MR. SCHREIBER: I was the Chairman
24 and main shareholder.

25 11429 MR. HOUSTON: Was there any other

1 shareholder?

2 11430 MR. SCHREIBER: Bitucan. I don't
3 even think so.

4 11431 MR. HOUSTON: What relationship or
5 position, if any, did you hold with Merkur Handels that
6 we have heard about and I'm going to refer you to?

7 11432 MR. SCHREIBER: None.

8 11433 MR. HOUSTON: And you told Mr. Wolson
9 that you had a "interest in I.A.L."
10 What was your interest in I.A.L.?

11 11435 MR. SCHREIBER: I had no interest in
12 I.A.L.

13 11436 MR. HOUSTON: None at all?

14 11437 MR. SCHREIBER: Not at all.

15 11438 MR. HOUSTON: I refer you, then, sir,
16 to now Book 1, Tab 10.

17 11439 MR. SCHREIBER: Book 1.

18 11440 MR. HOUSTON: Book 1, Tab 10.

19 11441 MR. SCHREIBER: Ten, yes.

20 11442 MR. HOUSTON: You told me just a
21 moment ago that the shares of Bear Head were held by
22 Chiasson in trust for Thyssen; correct?

23 11443 MR. SCHREIBER: Yes.

24 11444 MR. HOUSTON: You said it was
25 nonsense or it was a joke that suggests they were held

1 by I.A.L.

2 11445 MR. SCHREIBER: Yes.

3 11446 MR. HOUSTON: Do you remember saying

4 that?

5 11447 MR. SCHREIBER: Yes.

6 11448 MR. HOUSTON: Before we look at the

7 English translation, because my German is not quite as

8 good as Mr. Pratte's, could you go to the back of the

9 document book?

10 11449 MR. SCHREIBER: Yes.

11 11450 MR. HOUSTON: There is the German

12 version of the agreement. Have you got that, sir?

13 11451 MR. SCHREIBER: What?

14 11452 MR. HOUSTON: The same tab --

15 11453 MR. SCHREIBER: Yes.

16 11454 MR. HOUSTON: -- the last two pages.

17 11455 MR. SCHREIBER: Yes.

18 11456 COMMISSIONER OLIPHANT: Still at Tab

19 10?

20 11457 MR. HOUSTON: Tab 10,

21 Mr. Commissioner, yes.

22 11458 MR. SCHREIBER: Yes.

23 11459 MR. HOUSTON: Do you see that? It's

24 the agreement in German.

25 11460 MR. SCHREIBER: Yes.

1 11461 MR. HOUSTON: You will note, sir, in
2 the document we have where "I.A.L. International
3 Aircraft Leasing Limited", or the initials "I.A.L."
4 appear, someone has struck it out and the initials
5 "KHS" are written in.

6 11462 Do you know who would have done that?

7 11463 MR. SCHREIBER: Well, this is a draft
8 from a lawyer from Thyssen, Mr. Klenk, and he got it
9 all wrong here.

10 11464 MR. HOUSTON: Mr. Klenk got it all
11 wrong?

12 11465 MR. SCHREIBER: Yeah. It could be
13 that he had put I.A.L. here and now he has corrected it
14 to KHS --

15 11466 MR. HOUSTON: I see.

16 11467 MR. SCHREIBER: -- because I was the
17 one who incorporated or told Chiasson to incorporate
18 this company for Thyssen.

19 11468 But that was just -- I can explain it
20 to you simple.

21 11469 When you want to have a new company
22 incorporated from Thyssen, this is the proceeding. The
23 board has to make a decision, the lawyers start to work
24 and since we intended to proceed --

25 11470 MR. HOUSTON: Mr. Schreiber, please,

1 sir, I didn't ask you about Thyssen's method of
2 incorporating a company.

3 11471 MR. SCHREIBER: Then you don't
4 understand.

5 11472 MR. HOUSTON: I'm not interested. If
6 I am, I will ask the question or your counsel can ask
7 the question, sir.

8 11473 MR. SCHREIBER: Okay.

9 11474 MR. HOUSTON: Have you ever seen the
10 document before with the initials "KHS" --

11 11475 MR. SCHREIBER: No.

12 11476 MR. HOUSTON: -- substituting
13 "I.A.L."?

14 11477 MR. SCHREIBER: No.

15 11478 MR. HOUSTON: All right. Now, let's
16 go back to the English version of the document.

17 11479 The first page, down at the bottom
18 you can see the reference "3 of 14"?

19 11480 MR. SCHREIBER: Yes.

20 11481 MR. HOUSTON: Turn the page.

21 11482 MR. SCHREIBER: Yes.

22 11483 MR. HOUSTON: The agreement is
23 between I.A.L. International Aircraft Leasing and
24 Thyssen.

25 11484 MR. SCHREIBER: Yes.

1 11485 MR. HOUSTON: And look at the first
2 paragraph:
3 "IAL is currently the owner of
4 the only stock of Bear Head
5 Industries Ltd. (hereinafter
6 referred to as 'Company')..."
7 11486 Now, is that wrong?
8 11487 MR. SCHREIBER: Yes.
9 11488 MR. HOUSTON: Did you receive this
10 document?
11 11489 MR. SCHREIBER: I don't recall ever
12 having seen this.
13 11490 MR. HOUSTON: Would you turn, then,
14 sir, to page 13 of 14 --
15 11491 MR. SCHREIBER: Thirteen or 14?
16 11492 MR. HOUSTON: Thirteen of 14. Just
17 go over about three or four pages.
18 11493 MR. SCHREIBER: Yes.
19 11494 MR. HOUSTON: Up at the top there was
20 a reference "Tr" for translators note:
21 "... IAL is crossed out through
22 the document and replaced by the
23 initials KHS".
24 11495 Do you see that?
25 11496 MR. SCHREIBER: Yes.

1 11497 MR. HOUSTON: All right. Now, this
2 document also in the paragraph there is a date,
3 06.11.1985, last line:
4 "Owner of this stock is I.A.L."
5 11498 Do you see that?
6 11499 MR. SCHREIBER: Yes.
7 11500 MR. HOUSTON: Is that wrong?
8 11501 MR. SCHREIBER: Yes.
9 11502 MR. HOUSTON: Then look at the point
10 number 2, sir.
11 "IAL hereby sells the Stock to
12 Thyssen Industries at a price of
13 Can. \$100,000--. The purchase
14 price is payable within 1
15 week..."
16 11503 Et cetera. Do you see that?
17 11504 MR. SCHREIBER: Yes.
18 11505 MR. HOUSTON: Let's turn the page.
19 I'm going to come back to that.
20 11506 There is a direction on the next page
21 with respect to Doucet and Associates:
22 "IAL shall accordingly instruct
23 the Law Office of Doucet &
24 Associates ... the custodian of
25 the Stock, to arrange for the

1 Stock to be transferred to
2 Thyssen Industries and to obtain
3 the duly endorsed Stock for
4 Thyssen Industries."

5 11507 Do you remember, sir, you said -- is
6 that wrong too, by the way?

7 11508 MR. SCHREIBER: Please...?

8 11509 MR. HOUSTON: Is that reference
9 wrong, that the stock was being held on behalf of
10 I.A.L., not Thyssen?

11 11510 MR. SCHREIBER: Yes. I have not the
12 smallest clue about this.

13 11511 MR. HOUSTON: I'm sorry, sir?

14 11512 MR. SCHREIBER: I have not the
15 smallest clue about this.

16 11513 MR. HOUSTON: Not the smallest clue?

17 11514 MR. SCHREIBER: No.

18 11515 MR. HOUSTON: Do you remember, sir,
19 at the end of 1987 there was a payment of \$2 million
20 from which \$100,000 was deducted?

21 11516 MR. SCHREIBER: Yes.

22 11517 MR. HOUSTON: This document, I
23 suggest, sir, indicates that that \$100,000 from Thyssen
24 was to be used to purchase Bear Head stock. That's
25 what it says.

1 11518 MR. SCHREIBER: Yes.

2 11519 MR. HOUSTON: That was the reason
3 that the \$100,000 was deducted from the \$2 million.

4 11520 MR. SCHREIBER: Yes.

5 11521 MR. HOUSTON: And in the face of that
6 you are still telling the Commissioner that I.A.L. was
7 not the owner of the stock?

8 11522 MR. SCHREIBER: Yes.

9 11523 MR. HOUSTON: You are the Chairman of
10 the Board?

11 11524 MR. SCHREIBER: Yes.

12 11525 MR. HOUSTON: It had no interest in
13 Bear Head, did it, I.A.L.?

14 11526 MR. SCHREIBER: No.

15 11527 MR. HOUSTON: So this document is
16 completely false.

17 11528 MR. SCHREIBER: Yes.

18 11529 MR. HOUSTON: Have you ever done
19 anything to correct it?

20 11530 MR. SCHREIBER: It never came to my
21 attention because \$100,000 you were referring to was
22 paid from Thyssen to me to my account. You can read
23 this all in the record of the case from the Germans.
24 Nothing hidden there.

25 11531 It was a misunderstanding, I don't

1 know between who, but this is something you may want to
2 ask Mr. Pelossi.

3 11532 MR. HOUSTON: So the \$100,000 was not
4 for the purchase of Bear Head stock?

5 11533 MR. SCHREIBER: Yes, but from me, for
6 the work I have done to incorporate all this and they
7 put it as a purchase price by giving me \$100,000 for
8 that, Mr. Karlheinz Schreiber. It had nothing to do
9 with I.A.L.

10 11534 MR. HOUSTON: I see. Well, in 1987
11 did you hold any stock in Bear Head or was it all held
12 for Thyssen?

13 11535 MR. SCHREIBER: Yes.

14 11536 MR. HOUSTON: What did you sell to
15 Thyssen then for the hundred thousand dollars, or did
16 you get that?

17 11537 MR. SCHREIBER: I incorporated the
18 whole thing and I did all the work for it. Finally,
19 Thyssen said we need a purchase price so would you
20 please agree we pay you \$100,000 and then you put the
21 documents which you have done for us from the
22 beginning, you put it now in our name.

23 11538 MR. HOUSTON: So in 1987, then, was
24 the stock entirely held by Thyssen?

25 11539 MR. SCHREIBER: Yes.

1 11540 MR. HOUSTON: You didn't hold any
2 stock in Bear Head --

3 11541 MR. SCHREIBER: No.

4 11542 MR. HOUSTON: -- at that time?

5 11543 MR. SCHREIBER: No.

6 11544 MR. HOUSTON: Would you turn, sir, to
7 Tab 33. Do you have that?

8 11545 MR. SCHREIBER: Yes.

9 11546 MR. HOUSTON: Turn to the execution
10 page, the last page, where everyone signs.

11 11547 MR. SCHREIBER: Yes.

12 11548 MR. HOUSTON: Do you have that?

13 11549 MR. SCHREIBER: Yes.

14 11550 MR. HOUSTON: What order do you sign
15 in? Was any other signature on the document when you
16 signed?

17 11551 MR. SCHREIBER: I don't recall.

18 11552 MR. HOUSTON: Do you recall, when you
19 signed, whether or not it had been signed by
20 Mr. Merrithew, Minister Merrithew?

21 11553 MR. SCHREIBER: I can't tell you
22 whether I signed it first or one of the other
23 participants signed it. I don't recall that.

24 11554 MR. HOUSTON: Do you recall, sir,
25 when you signed it whether or not Perrin Beatty's

1 signature appeared on the document?

2 11555 MR. SCHREIBER: I think Perrin Beatty
3 was not on.

4 11556 MR. HOUSTON: You told Mr. Wolson and
5 the Commissioner a couple of days ago that you had
6 information that Mr. Beatty was the last to sign.

7 11557 Is that correct?

8 11558 MR. SCHREIBER: Yes, from the
9 government side.

10 11559 MR. HOUSTON: Where did you get that
11 information?

12 11560 MR. SCHREIBER: Because we have the
13 document.

14 11561 MR. HOUSTON: I'm sorry, sir?

15 11562 MR. SCHREIBER: We had the document.

16 11563 MR. HOUSTON: You had the document
17 without Mr. Beatty's signature on it?

18 11564 MR. SCHREIBER: Yeah, with the other
19 signatures. I don't know whether we get it -- we saw
20 it from ACOA or whoever saw it for us. I learned only
21 that only one signature was missing at the end and that
22 was the one from Mr. Beatty.

23 11565 Whether that is correct or not, I
24 don't know.

25 11566 MR. HOUSTON: You told the

1 Commissioner, quote:
2 "We needed Fred to get the
3 document signed by DND."
4 (As read)
5 11567 Do you remember saying that?
6 11568 MR. SCHREIBER: Yes.
7 11569 MR. HOUSTON: Did you ever ask
8 Mr. Doucet to speak to Mr. Beatty?
9 11570 MR. SCHREIBER: I don't --
10 11571 MR. HOUSTON: He says, by the way, I
11 understand, that you never did.
12 11572 MR. SCHREIBER: H'm?
13 11573 MR. HOUSTON: Mr. Doucet will, I
14 understand, indicate that you never spoke to him about
15 Mr. Beatty.
16 11574 Did you speak to him about
17 Mr. Beatty?
18 11575 MR. SCHREIBER: No, perhaps not,
19 because this was all done by Frank Moores from GCI.
20 11576 MR. HOUSTON: Well, you are fond of
21 quoting the late Frank Moores. I want to talk about
22 Mr. Beatty and Mr. Doucet.
23 11577 Did you speak to Mr. Beatty directly?
24 11578 MR. SCHREIBER: No, not on this
25 occasion.

1 11579 MR. HOUSTON: You have told the
2 Commission that Mr. Doucet was paid \$90,000 to secure
3 the signature of Mr. Beatty.

4 11580 MR. SCHREIBER: That's correct.

5 11581 MR. HOUSTON: That's what you said,
6 sir, but I'm going to suggest to you that you made it
7 up. It's not true.

8 11582 MR. SCHREIBER: Well --

9 11583 MR. HOUSTON: Do you have any
10 evidence of that, sir?

11 11584 MR. SCHREIBER: Well, everybody --

12 11585 MR. HOUSTON: We know about the
13 payment. I will come to that.

14 11586 MR. SCHREIBER: Everybody got paid as
15 a success fee and Fred Doucet got his part. This was a
16 decision from Frank Moores, not mine. It was his
17 money.

18 11587 MR. HOUSTON: Did you have any
19 information, apart from the late Frank Moores, that
20 Mr. Doucet had anything to do with obtaining the
21 signature on the document by Mr. Beatty? Anything?

22 11588 MR. SCHREIBER: I don't think so.

23 11589 MR. HOUSTON: The next tab, 34, do
24 you have it, sir?

25 11590 MR. SCHREIBER: Yes.

1 11591 MR. HOUSTON: I.A.L. invoices Thyssen
2 for the second million. You can see the reference to
3 the 1.9 million the previous year; right?

4 11592 MR. SCHREIBER: Yes.

5 11593 MR. HOUSTON: The invoice is 4
6 October '88.

7 11594 MR. SCHREIBER: Yes.

8 11595 MR. HOUSTON: Did you give any
9 instructions to Mr. Pelossi to issue that invoice or
10 did he do it on his own?

11 11596 MR. SCHREIBER: No, Mr. Pelossi must
12 have received the information that the document was
13 signed.

14 11597 MR. HOUSTON: Well, did you give that
15 information to him?

16 11598 MR. SCHREIBER: It could be.

17 11599 MR. HOUSTON: But you don't recall
18 one way or the other?

19 11600 MR. SCHREIBER: H'm?

20 11601 MR. HOUSTON: You don't remember one
21 way or the other? You said it could be.

22 11602 MR. SCHREIBER: No, could be.

23 11603 MR. HOUSTON: All right. Now I'm
24 going to spend a little bit of time with you, sir, on
25 the document at Tab No. 36.

1 11604 Do you have that?

2 11605 MR. SCHREIBER: Yes.

3 11606 MR. HOUSTON: Mr. Wolson referred you
4 to some invoices and some cheques and I will come to
5 that, but I want to talk about the document that is
6 right at the front of the tab. Do you have it?

7 11607 It is an invoice Bitucan Holdings;
8 right?

9 11608 MR. SCHREIBER: Yes.

10 11609 MR. HOUSTON: That is a company in
11 which you held all the stock. You just told us that a
12 minute ago.

13 11610 MR. SCHREIBER: I said I think so. I
14 wasn't sure whether 10 per cent were for somebody else,
15 but I think I owned it completely.

16 11611 MR. HOUSTON: By the way, sir, what
17 did Bitucan have to do with obtaining the execution of
18 the Agreement of Understanding?

19 11612 MR. SCHREIBER: Oh, Thyssen and
20 Bitucan have an agreement.

21 11613 MR. HOUSTON: Oh, I see. Who
22 prepared this document? Did you give any instructions
23 to prepare it?

24 11614 MR. SCHREIBER: Yes, I think -- I
25 think the secretary did it from Bitucan.

- 1 11615 MR. HOUSTON: How many employees did
2 the Bitucan company have in 1988?
- 3 11616 MR. SCHREIBER: I don't know whether
4 Bitucan had employees at that time, because we worked
5 together with another company and they shared the
6 secretaries, and so on, and provided the service to
7 manage the company.
- 8 11617 MR. HOUSTON: Sir, this is an invoice
9 dated October 20, 1988 for \$710,000.
- 10 11618 MR. SCHREIBER: Yes.
- 11 11619 MR. HOUSTON: Do you see that?
- 12 11620 MR. SCHREIBER: Yes.
- 13 11621 MR. HOUSTON: And you said it was
14 probably prepared by a secretary. The secretary may
15 have typed it.
- 16 11622 I want to know, sir, who gave the
17 instructions to send out this invoice.
- 18 11623 MR. HOUSTON: It should have been
19 you.
- 20 11624 It should have been you. Was it you?
- 21 11625 MR. SCHREIBER: Yes. I cannot see
22 who else would have done it.
- 23 11626 MR. HOUSTON: All right. Well, the
24 invoice is directed to Merkur Handels in Liechtenstein.
- 25 11627 MR. SCHREIBER: Yes.

1 11628 MR. HOUSTON: Why is Bitucan
2 invoicing Merkur Handels for \$710,000?

3 11629 MR. SCHREIBER: To receive the money
4 from Thyssen -- from Thyssen, which was transferred
5 from Mr. Pelossi to Merkur and Merkur got an invoice
6 and send it to Calgary, and from there the invoice is
7 to the other business friends.

8 11630 COMMISSIONER OLIPHANT: What was
9 Thyssen doing in Indonesia?

10 11631 MR. HOUSTON: I was just coming to
11 that, Mr. Commissioner.

12 11632 MR. SCHREIBER: Oh.

13 11633 MR. HOUSTON: Just before we get to
14 the form of the document, sir, I didn't follow what you
15 just told us.

16 11634 Two weeks before this invoice is sent
17 I.A.L. invoices Thyssen for the second \$2 million,
18 which is paid to I.A.L.

19 11635 MR. SCHREIBER: Yes.

20 11636 MR. HOUSTON: And now what you are
21 saying is Bitucan is invoicing Merkur because Merkur is
22 Thyssen?

23 11637 MR. SCHREIBER: No.

24 11638 MR. HOUSTON: Why is it sent to
25 Merkur?

1 11639 MR. SCHREIBER: Merkur is a company
2 which is also managed by Mr. Pelossi.

3 11640 MR. HOUSTON: That's fine, but what
4 does this have to do with the understanding in
5 principle? You paid all these success fees.

6 11641 MR. SCHREIBER: Yes.

7 11642 MR. HOUSTON: They are all related to
8 obtaining the execution of the understanding in
9 principle.

10 11643 MR. SCHREIBER: Well that --

11 11644 MR. HOUSTON: Just a minute, sir.
12 Why is your company, a company with which you hold if
13 not 100, 90 per cent of the shares, you give the
14 instructions, why are you invoicing Merkur?

15 11645 MR. SCHREIBER: Because the money
16 from Thyssen which came to GCI came from Merkur and
17 Bitucan.

18 11646 MR. HOUSTON: The money from Thyssen
19 came to who or what organization?

20 11647 MR. SCHREIBER: From I.A.L.,
21 Mr. Pelossi sent it to Merkur and Merkur paid the
22 invoices from Bitucan.

23 11648 MR. HOUSTON: And that's all covered
24 in the accounts, is it?

25 11649 I haven't seen this documentation.

1 Are you able to demonstrate this flow of the money from
2 I.A.L. to Merkur?

3 11650 MR. SCHREIBER: No.

4 11651 MR. HOUSTON: Why wouldn't you just
5 send the request to I.A.L. for the \$710,000? They had
6 the money two weeks before.

7 11652 MR. SCHREIBER: Well, we have to ask
8 Mr. Pelossi about this, not me.

9 11653 MR. HOUSTON: No, no, sir. You told
10 us just a few seconds ago that you were the one that
11 gave the instructions to send this invoice in this way.

12 11654 MR. SCHREIBER: To Merkur.

13 11655 MR. HOUSTON: Yes.

14 11656 MR. SCHREIBER: Yes.

15 11657 MR. HOUSTON: Why?

16 11658 MR. SCHREIBER: Because Merkur had
17 received the money from I.A.L.

18 11659 Look, why do we talk around. Do you
19 want to hear the reason or not?

20 11660 MR. HOUSTON: Well, what's the
21 reason?

22 11661 MR. SCHREIBER: Well, GCI did not
23 want a relationship with I.A.L. GCI did not want a
24 public relationship with Thyssen on success fees. So
25 that was the whole reason.

1 11662 MR. HOUSTON: So I --

2 11663 MR. SCHREIBER: At the same time,
3 they didn't want to violate any tax laws. So this was
4 why the invoice was made that way and the money was
5 transferred that way.

6 11664 MR. HOUSTON: And I take it again,
7 sir, you are relying on the late Frank Moores for that.
8 Would I be correct in that?

9 11665 MR. SCHREIBER: No, not only Frank
10 Moores, it is --

11 11666 MR. HOUSTON: Gary Ouellet, he has
12 passed away too.

13 11667 MR. SCHREIBER: Well, Gary Ouellet,
14 but we may even ask Fred Doucet or Gerry Doucet.

15 11668 MR. HOUSTON: Mr. Fred Doucet had
16 nothing to do with GCI --

17 11669 MR. SCHREIBER: That's correct.

18 11670 MR. HOUSTON: -- and his brother --
19 let me finish -- and his brother is not well. He can't
20 testify.

21 11671 MR. SCHREIBER: So then we have a
22 problem. Then you have to live with what you have.

23 11672 MR. HOUSTON: But you are the one
24 that gave the instructions to prepare the invoice in
25 this fashion. Correct?

1 11673 MR. SCHREIBER: Yes.

2 11674 MR. HOUSTON: And the Commissioner
3 has already asked, what does Indonesia have to do with
4 it or is that just part of the subterfuge?

5 11675 MR. SCHREIBER: Well, Indonesia, the
6 President from Indonesia Habibi was a friend of mine
7 and we were in constant business with MBB and others,
8 so we choose that.

9 11676 By the way -- what does it say,
10 wherever, this was business Merkur had with Indonesia
11 and we choose this to show that that's the reason for
12 the bill.

13 11677 MR. HOUSTON: The invoice, it's
14 pretty simple to read. It says:

15 "To invoice you for services
16 rendered regarding your
17 industrial project in
18 Indonesia".

19 11678 MR. SCHREIBER: Yes. And we should
20 have -- if we would have said it different, it would
21 have been service rendered from GCI to obtain a
22 contract or an agreement from the Canadian government
23 and is paid for this on a success fee.

24 11679 That would have been the real invoice
25 and nobody wanted that.

1 11680 MR. HOUSTON: And, sir, would the
2 accounts of I.A.L. then reveal that \$710,000 was
3 deducted between October 4th and October 20th, or
4 perhaps early November?

5 11681 MR. SCHREIBER: This is what I think.

6 11682 MR. HOUSTON: This is what you think.

7 11683 MR. SCHREIBER: That is something you
8 have to ask Mr. Pelossi. I have no involvement in
9 that.

10 11684 MR. HOUSTON: Bitucan in Calgary then
11 receives a series of invoices that Mr. Wolson referred
12 you to. They are the next number of documents in this
13 tab; right?

14 11685 MR. SCHREIBER: Yes.

15 11686 MR. HOUSTON: Who authorized the
16 payment of the invoices? Who was responsible for
17 payables at Bitucan?

18 11687 MR. SCHREIBER: I.

19 11688 MR. HOUSTON: You were?

20 11689 MR. SCHREIBER: I.

21 11690 MR. HOUSTON: So did you then
22 authorize the payment of all these five accounts --

23 11691 MR. SCHREIBER: Yes, based on the
24 invoices we received from Mr. Doucet, GCI, Frank
25 Moores, Gary Ouellet. It's all in the files.

1 11692 MR. HOUSTON: Well, Mr. Wolson has
2 already pointed out, sir, if you look at the last
3 invoice --

4 11693 MR. SCHREIBER: On what?

5 11694 MR. HOUSTON: The last invoice, the
6 one at Lemoine Consultants, Mr. Ouellet's company. You
7 see that?

8 11695 MR. SCHREIBER: Yeah.

9 11696 MR. HOUSTON: The invoice is dated
10 the 1st of December.

11 11697 MR. SCHREIBER: Yes.

12 11698 MR. HOUSTON: And you pay it two
13 weeks before the invoice.

14 11699 MR. SCHREIBER: Yes.

15 11700 MR. HOUSTON: Why did you do that?

16 11701 MR. SCHREIBER: Well, perhaps
17 Mr. Ouellet needed the money and told us the invoice is
18 coming to my office.

19 11702 MR. HOUSTON: Who set the \$90,000
20 amount?

21 11703 MR. SCHREIBER: Mr. Moores.

22 11704 MR. HOUSTON: Who set the \$250,000
23 amount?

24 11705 MR. SCHREIBER: Mr. Moores.

25 11706 MR. HOUSTON: Did you have any role

1 to play in that?

2 11707 MR. SCHREIBER: No.

3 11708 MR. HOUSTON: By the way, sir, if we
4 add up those figures, you get to \$610,000. Where did
5 the \$100,000 go?

6 11709 The invoice is for \$710,000, invoice
7 from Bitucan to Merkur. \$710,000 is paid.

8 11710 MR. SCHREIBER: Yeah.

9 11711 MR. HOUSTON: You receive five
10 invoices. Four times \$90,000, that's \$360,000.

11 11712 MR. SCHREIBER: Yes.

12 11713 MR. HOUSTON: One at \$250,000.

13 11714 MR. SCHREIBER: Yes.

14 11715 MR. HOUSTON: That is \$610,000.
15 Where's the other \$100,000?

16 11716 MR. SCHREIBER: Perhaps with Bitucan.

17 11717 MR. HOUSTON: Perhaps with Bitucan?

18 11718 MR. SCHREIBER: Yes.

19 11719 MR. HOUSTON: Is that the best you
20 can do for the Commissioner?

21 11720 I know that you don't get excited, to
22 use your terminology, about \$100,000, but most of the
23 people in the room probably do.

24 11721 You have no idea what the other
25 hundred thousand dollars --

1 11722 MR. SCHREIBER: Look, when you --

2 11723 MR. HOUSTON: Let me finish.

3 11724 MR. SCHREIBER: When you --

4 11725 MR. HOUSTON: You have no idea --

5 11726 Sir, wait till I get finished.

6 11727 COMMISSIONER OLIPHANT: Let him

7 finish his question.

8 11728 MR. HOUSTON: Do you have any idea

9 what the extra \$100,000 was for?

10 11729 MR. SCHREIBER: No.

11 11730 MR. HOUSTON: Yes or no.

12 11731 MR. SCHREIBER: Service from Bitucan

13 to Merkur, perhaps for Indonesia. It could be.

14 11732 MR. HOUSTON: Well, service for

15 Bitucan, that's you.

16 11733 MR. SCHREIBER: Yes.

17 11734 MR. HOUSTON: So you are paying

18 yourself a success fee of \$100,000, are you?

19 11735 MR. SCHREIBER: Why shouldn't Bitucan

20 get that money?

21 11736 MR. HOUSTON: I'm sorry, sir?

22 11737 MR. SCHREIBER: Why shouldn't Bitucan

23 get that money?

24 11738 MR. SCHREIBER: Well, Bitucan was

25 you; right?

1 11739 MR. SCHREIBER: Yeah.

2 11740 MR. HOUSTON: Okay. You indicated,
3 sir, that Mr. Doucet, Mr. Fred Doucet, began to work
4 with you sometime in late 1988, late summer or early
5 fall of 1988.

6 11741 Does that sound familiar?

7 11742 MR. SCHREIBER: Somehow, yes.

8 11743 MR. HOUSTON: And his name we have
9 seen is in your diary for 1988 for the first time.

10 11744 MR. SCHREIBER: It could be, yes.

11 11745 MR. HOUSTON: And over the course of
12 the period of time from 1988 you told Mr. Wolson up to
13 1995 you worked with Mr. Fred Doucet?

14 11746 MR. SCHREIBER: Yes.

15 11747 MR. HOUSTON: You met with him?

16 11748 MR. SCHREIBER: Yes.

17 11749 MR. HOUSTON: You met with him
18 regularly?

19 11750 MR. SCHREIBER: When I was here I
20 always met with him.

21 11751 MR. HOUSTON: Well, were you living
22 in Ottawa between 1988 at least in 1993?

23 11752 MR. SCHREIBER: Only timewise.

24 11753 MR. HOUSTON: I'm sorry, sir?

25 11754 MR. SCHREIBER: Only once in a while.

1 11755 MR. HOUSTON: All right. But when
2 you were in Ottawa did you generally need or did you
3 often meet with Mr. Fred Doucet?

4 11756 MR. SCHREIBER: Yes.

5 11757 MR. HOUSTON: Did you talk on the
6 phone on a regular basis?

7 11758 MR. SCHREIBER: Yeah, and he also
8 came to the Bear Head office.

9 11759 MR. HOUSTON: Yeah. And you met from
10 time to time with ministers of the Crown with
11 Mr. Doucet?

12 11760 MR. SCHREIBER: Yes.

13 11761 MR. HOUSTON: You met with the
14 bureaucrats with Mr. Doucet?

15 11762 MR. SCHREIBER: Yes.

16 11763 MR. HOUSTON: You were, in that
17 period of time between 1988 and 1993, I suggest, trying
18 to sell the Bear Head Project to the politicians and
19 the bureaucrats.

20 11764 Is that a fair statement?

21 11765 MR. SCHREIBER: Yes, and this is why
22 Mr. Doucet worked for Bear Head and, as you may recall,
23 he also had relationship to work for Bitucan.

24 11766 MR. HOUSTON: Right. He was a
25 registered lobbyist for both companies.

1 11767 MR. SCHREIBER: Yes.

2 11768 MR. HOUSTON: And in that period of
3 time, at least between 1988 and 1993, you are
4 discussing the Bear Head business with Mr. Doucet;
5 correct?

6 11769 MR. SCHREIBER: Yes.

7 11770 MR. HOUSTON: That's your business;
8 right?

9 11771 That's your business, Bear Head?

10 11772 MR. SCHREIBER: It's a business from
11 Thyssen.

12 11773 MR. HOUSTON: Well, let me go back
13 and ask the question again: Did you ever hold any
14 shares in Bear Head Industries?

15 11774 MR. SCHREIBER: Yes, at the beginning
16 when I incorporated the company. And I tried to
17 explain it to you and you didn't want to hear, and I
18 cannot help you.

19 11775 MR. HOUSTON: I didn't want to hear
20 about Thyssen's method of incorporating a company. I
21 asked you a simple question.

22 11776 MR. SCHREIBER: Then you will not get
23 the answer.

24 11777 MR. HOUSTON: Mr. Schreiber, did you
25 hold shares in Bear Head?

1 11778 MR. SCHREIBER: Yes, at the beginning
2 when the company was incorporated.

3 11779 MR. HOUSTON: And how long did you
4 hold the shares?

5 11780 MR. SCHREIBER: I don't recall,
6 perhaps a year or two. It was just until Thyssen get
7 organized, but you don't want to hear about that.

8 11781 MR. HOUSTON: By 1988 did you have
9 any shareholding interest in Bear Head?

10 11782 MR. SCHREIBER: I don't recall when
11 it was transferred.

12 11783 MR. HOUSTON: What were you doing
13 between 1988 and 1993 other than trying to sell Bear
14 Head Project to politicians and bureaucrats?

15 11784 MR. SCHREIBER: Oh, I had a lot of
16 work with my companies.

17 11785 MR. HOUSTON: I'm sorry, sir, I
18 didn't focus the question very well.

19 11786 With respect to why we are here, you
20 were engaged in trying to sell the project to the
21 politicians and the bureaucrats.

22 11787 MR. SCHREIBER: Yes. Yes.

23 11788 MR. HOUSTON: Do you recognize, sir,
24 that you had some business interest in Bear Head
25 succeeding --

1 11789 MR. SCHREIBER: No.

2 11790 MR. HOUSTON: -- perhaps billions of
3 dollars?

4 11791 MR. SCHREIBER: No.

5 11792 MR. HOUSTON: I'm sorry?

6 11793 MR. SCHREIBER: No.

7 11794 MR. HOUSTON: You weren't interested
8 in Bear Head succeeding?

9 11795 MR. SCHREIBER: I had my agreement
10 with Thyssen beside this outside the company.

11 11796 MR. HOUSTON: Mr. Schreiber, were you
12 or were you not interested in the success of the Bear
13 Head Project?

14 11797 MR. SCHREIBER: Oh, enormously.

15 11798 MR. HOUSTON: Right. And you had a
16 significant business interest in that. Correct?

17 11799 MR. SCHREIBER: Yes.

18 11800 MR. HOUSTON: And that was a matter
19 of your business that you discussed on a not infrequent
20 basis with Mr. Fred Doucet.

21 11801 MR. SCHREIBER: Yes.

22 11802 MR. HOUSTON: Mr. Wolson has already
23 referred you -- and I won't go back through them -- to
24 the documents that demonstrate that, as the years went
25 by between 1992 and 1993, you became more frustrated.

1 11803 Do you remember that?

2 11804 MR. SCHREIBER: Yes.

3 11805 MR. HOUSTON: Did Mr. Doucet give you
4 advice from time to time about his opinion on the
5 chances of the project being approved?

6 11806 MR. SCHREIBER: I think so.

7 11807 MR. HOUSTON: I am going to ask you
8 to turn to Book 1 again, Tab 77.

9 11808 MR. SCHREIBER: Yes.

10 11809 MR. HOUSTON: Mr. Doucet, on his
11 company letterhead, is writing to you on the 19th of
12 April 1992, and the letter starts:

13 "Today is Easter. Why I am at
14 work in my office I'll never
15 quite understand - but here I
16 am."

17 11810 And then he is making some comments,
18 and then you go down the page and he says:

19 "In my view the prospect of the
20 MRCV reappearing are nil in the
21 short haul (2 to 3 years) and
22 it's guess work after that. As
23 much as it breaks my heart to
24 tell you this I must advise that
25 we should abandon all further

1 efforts at this time with DND."

2 11811 Do you see that?

3 11812 MR. SCHREIBER: Yes.

4 11813 MR. HOUSTON: He is giving you some

5 advice that the prospects, he says, are appearing to be

6 nil.

7 11814 MR. SCHREIBER: Yes.

8 11815 MR. HOUSTON: And if you drop down to

9 the bottom of the page, he is talking about: Otherwise

10 I see no other option...purchase of G.M. (Diesel).

11 11816 Were you ever interested in doing

12 that?

13 11817 MR. SCHREIBER: Yeah, there was a

14 moment when G.M. started to sell parts, or wanted to

15 sell parts of their company in London, Ontario, and

16 between Thyssen and G.M. was a long-time relationship,

17 so this was sought.

18 11818 I think that the basis for all of

19 this was the frustration we all shared at that time

20 that the government, against every promise they made

21 towards us, gave a sole-sourced order to G.M., and this

22 is why Fred wrote this letter to me.

23 11819 MR. HOUSTON: Right. The sole-source

24 contract to G.M. had just been let to them a short time

25 before this letter.

1 11820 MR. SCHREIBER: Yes, and this was the
2 reason why events had been made through the government,
3 and so on.

4 11821 MR. HOUSTON: Right. In fact, you at
5 least started the lawsuit, and then abandoned it.
6 Right?

7 11822 Suing the government.

8 11823 MR. SCHREIBER: I don't think we
9 started the lawsuit. We got a legal opinion from Ian
10 Scott, and I was ready to sue the government, but then
11 Thyssen recommended that we shouldn't do it because
12 General Motors was involved on the other side, and
13 there was a huge business going on between the Thyssen
14 company, but in Canada, and the auto producers in the
15 United States, in the neighbourhood of \$500 million a
16 year, so we -- I had to drop it.

17 11824 MR. HOUSTON: So the draft Statement
18 of Claim that we see against the Government of Canada
19 and Mr. McKnight never went to the courthouse, did it?

20 11825 MR. SCHREIBER: No, not to my
21 recollection.

22 11826 MR. HOUSTON: Just finishing the
23 letter, or at least the bottom of the page, Mr. Doucet
24 is suggesting:

25 "Otherwise I see no other option

1 but to set up shop in the U.S.
2 or Mexico."
3 11827 That's a pretty bleak opinion he is
4 giving about the chance of success of the project.
5 11828 MR. SCHREIBER: Yeah.
6 11829 MR. HOUSTON: How much contact did
7 you have with Mr. Doucet between that time, Easter,
8 April 1992, and the spring of 1993?
9 11830 Do you remember now?
10 11831 MR. SCHREIBER: I don't remember
11 this, but my diary should show this, and I think I had
12 quite a few meetings with him, because things
13 continued, as you know.
14 11832 MR. HOUSTON: All right. We have
15 heard reference -- as a matter of fact, quite a few
16 references to meetings that take place involving Mr.
17 Mulroney in June of 1993.
18 11833 MR. SCHREIBER: Yes.
19 11834 MR. HOUSTON: And in early June, you
20 and Mr. Doucet attended a meeting at which Mr. Mulroney
21 was present?
22 11835 Right?
23 11836 MR. SCHREIBER: In his office, yes.
24 11837 MR. HOUSTON: Mr. Schreiber, apart
25 from your memory, do you have one single note anywhere

1 where you record anything ever said at any of the
2 meetings involving Mr. Mulroney?

3 11838 MR. SCHREIBER: No, that's not my
4 habit, I am not a spy.

5 11839 MR. HOUSTON: You are not a spy.

6 11840 MR. SCHREIBER: No.

7 11841 MR. HOUSTON: People who take notes
8 at meetings you refer to as spies?

9 11842 MR. SCHREIBER: Well, at least when
10 they don't tell you and they write all kinds of
11 nonsense and claim later on that it's right. I think
12 it's crazy and a spy activity.

13 11843 MR. HOUSTON: The answer to my
14 question is, other than your memory, you have nothing
15 else to rely on as to what was said at various
16 meetings.

17 11844 Is that not correct?

18 11845 MR. SCHREIBER: Yeah.

19 11846 It could be, if I have written a
20 letter, then I would know more about it, but I would
21 not have made notes.

22 11847 MR. HOUSTON: Did you talk to Mr.
23 Doucet about the meeting to be held at Harrington Lake?

24 11848 MR. SCHREIBER: Yes.

25 11849 MR. HOUSTON: Did you tell him why

1 you were going to Harrington Lake?

2 11850 MR. SCHREIBER: Well, this was
3 related to the meeting we had at the 3rd of June, which
4 was Bear Head, and this was since 1985. It hadn't
5 changed. So what are we going to do?

6 11851 And you know very well that in the
7 meantime the activities were in Quebec, and Fred Doucet
8 was very much involved in that, on the recommendation
9 of the Prime Minister.

10 11852 And then, of course, when I met with
11 Fred, I said, "So what's going on now? The Prime
12 Minister is leaving, what are we going to do?"

13 11853 And then --

14 11854 MR. HOUSTON: And you remember that,
15 do you?

16 11855 MR. SCHREIBER: Yeah, I remember
17 that.

18 11856 MR. HOUSTON: Okay. What role, if
19 any, did Mr. Doucet play in the June 23rd meeting?

20 11857 He wasn't there?

21 11858 MR. SCHREIBER: No, he only arranged
22 the meeting, and told me that I would be picked up with
23 a limousine, because I didn't know where Harrington
24 Lake was whatsoever.

25 11859 MR. HOUSTON: I see.

1 11860 MR. SCHREIBER: And that happened.

2 11861 MR. HOUSTON: That happened, you were
3 picked up by the limousine and driven to Harrington
4 Lake.

5 11862 MR. SCHREIBER: Yes.

6 11863 MR. HOUSTON: Where were you living
7 in June of 1993?

8 11864 MR. SCHREIBER: In Canada? In
9 Rockcliffe.

10 11865 MR. HOUSTON: Did you leave Canada at
11 some point in July or August of 1993?

12 11866 MR. SCHREIBER: Yes, I flew back to
13 Europe in early July.

14 11867 MR. HOUSTON: And how long were you
15 in Europe before you returned to Canada, or do you
16 know?

17 11868 MR. SCHREIBER: Oh, until I came back
18 and met with Mr. Mulroney at Mirabel.

19 11869 MR. HOUSTON: You have told us that
20 Mr. Doucet had a role to play in arranging the meeting
21 at Mirabel.

22 11870 MR. SCHREIBER: Yes.

23 11871 MR. HOUSTON: How did you contact
24 him?

25 11872 MR. SCHREIBER: Phone.

1 11873 MR. HOUSTON: What did you tell him?
2 11874 MR. SCHREIBER: Or even a meeting.
3 11875 I said, "Well, I'm back, so now I
4 want to see Brian. You find out what works best," and
5 he came back and said -- when I told him that I leave
6 on that day, he said that Mr. Mulroney wants to see me
7 at the airport hotel in August.
8 11876 MR. HOUSTON: Do you remember
9 actually using those words, "I wanted to check with Mr.
10 Mulroney to see what `works best' "?
11 11877 MR. SCHREIBER: No, it was a
12 follow-up from our meeting at Harrington Lake.
13 11878 MR. HOUSTON: No, I am not interested
14 in the meeting at Harrington Lake, sir, now, I am
15 interested in what you discussed with Mr. Fred Doucet
16 before the meeting at Mirabel.
17 11879 MR. SCHREIBER: Nothing.
18 11880 MR. HOUSTON: Nothing?
19 11881 MR. SCHREIBER: No.
20 11882 MR. HOUSTON: Did you give him any
21 reason why you wanted to meet Mr. Mulroney?
22 11883 MR. SCHREIBER: No.
23 11884 MR. HOUSTON: Why didn't you call Mr.
24 Mulroney directly? Did you know where he was?
25 11885 MR. SCHREIBER: Well, it was always

1 Fred who arranged these meetings, because Mulroney --
2 Mr. Mulroney was not always in the same place, and once
3 in a while Mr. Doucet might have called his secretary
4 or his home and found out where he is.

5 11886 I didn't care about this.

6 11887 MR. HOUSTON: So you told nothing to
7 Doucet about why you wanted to meet with him.

8 11888 MR. SCHREIBER: No.

9 11889 MR. HOUSTON: Do you understand now
10 that Mr. Mulroney was spending some time at a cottage
11 in the area?

12 11890 You have heard that?

13 11891 MR. SCHREIBER: Where?

14 11892 MR. HOUSTON: He was spending time in
15 August of 1993 at a cottage at L'Estérel in the Mirabel
16 area.

17 11893 MR. SCHREIBER: This is what I
18 learned later on, I didn't know at the time.

19 11894 MR. HOUSTON: You didn't know where
20 he was, that's why you called Doucet. Right?

21 11895 MR. SCHREIBER: No, I didn't even
22 ask, I just asked Fred to find out.

23 11896 MR. HOUSTON: And your evidence, sir,
24 is that you called Fred Doucet, you asked him that --
25 you want to meet with Mr. Mulroney, and you don't tell

1 him anything about it, why you want to meet?

2 11897 MR. SCHREIBER: Yes.

3 11898 MR. HOUSTON: That's not logical, I

4 suggest, sir.

5 11899 MR. SCHREIBER: Well, for you

6 perhaps; for me it is.

7 11900 MR. HOUSTON: Why would Mr. Mulroney,

8 assuming that he was vacationing with his family in

9 August of 1993, drop whatever he was doing and come to

10 visit you at Mirabel without being told why you wanted

11 to see him?

12 11901 MR. SCHREIBER: He knew why. We

13 agreed, when I come back the next time, we finalize our

14 deal with respect to Harrington. It was no secret or

15 surprise for him.

16 11902 MR. HOUSTON: Oh, he knew why.

17 11903 MR. SCHREIBER: He knew, when I come

18 the next time, we are going to meet and finalize our

19 deal.

20 11904 MR. HOUSTON: I see.

21 11905 MR. SCHREIBER: And talk business.

22 11906 MR. HOUSTON: How long did you meet

23 with Mr. Mulroney at Mirabel?

24 11907 MR. SCHREIBER: Please?

25 11908 MR. HOUSTON: How long did you meet

1 with Mr. Mulroney at the Mirabel hotel?

2 11909 MR. SCHREIBER: Very short. Only 30
3 or 40 minutes, I would say.

4 11910 MR. HOUSTON: And then you returned
5 to Germany, did you?

6 11911 MR. SCHREIBER: I flew to Germany,
7 yeah.

8 11912 MR. HOUSTON: Did you return to
9 Canada sometime later in 1993?

10 11913 MR. SCHREIBER: Yes.

11 11914 MR. HOUSTON: Do you remember when?

12 11915 MR. SCHREIBER: The one time I recall
13 was in December.

14 11916 MR. HOUSTON: Do you remember being
15 in Ottawa in October of 1993, sir?

16 11917 MR. SCHREIBER: Then I must -- as I
17 said, maybe I had been there before again.

18 11918 MR. HOUSTON: Would you look, sir, at
19 Book No. 2, Tab 146 "J".

20 --- Pause

21 11919 MR. HOUSTON: Do you have it?

22 11920 MR. SCHREIBER: Yeah.

23 11921 MR. HOUSTON: Tab 146.

24 11922 MR. SCHREIBER: Yes?

25 11923 MR. HOUSTON: "J", do you have that?

1 11924 MR. SCHREIBER: Yes.

2 11925 MR. HOUSTON: Turn to October the
3 11th and 12th.

4 11926 MR. SCHREIBER: Under what year?

5 11927 MR. HOUSTON: Tab "J" is for 1993.

6 11928 MR. SCHREIBER: 1993.

7 11929 MR. HUGHES: It is "I", Mr. Houston.

8 11930 MR. HOUSTON: Oh, I'm sorry, it's
9 "I". Mr. Hughes has corrected me, as has Mr. Yarosky.

10 11931 "I", sir.

11 11932 MR. SCHREIBER: 1993, yeah.

12 11933 MR. HOUSTON: 1993, yes.

13 11934 MR. SCHREIBER: Yeah.

14 11935 MR. HOUSTON: Do you have that?

15 11936 MR. SCHREIBER: Yes.

16 11937 MR. HOUSTON: October 11. Mr.
17 Wolson --

18 11938 COMMISSIONER OLIPHANT: Give him a
19 chance to get the document.

20 11939 MR. HOUSTON: I think he has it, sir.

21 11940 MR. SCHREIBER: I have it, yes.

22 11941 MR. HOUSTON: Mr. Wolson has already
23 asked you about the \$30,000 figure that we see opposite
24 nine o'clock in the morning.

25 11942 Do you see that?

1 11943 MR. SCHREIBER: Yes.

2 11944 MR. HOUSTON: Again, for the record,
3 what are the names written above here -- above the
4 \$30,000?

5 11945 MR. SCHREIBER: Byerlee or something.
6 I don't know any more who that was.

7 11946 MR. HOUSTON: Jürgen.

8 11947 MR. SCHREIBER: H'm?

9 11948 MR. HOUSTON: Do you have October 11,
10 1993?

11 11949 MR. SCHREIBER: Yes. Byerlee? I
12 don't recall.

13 11950 MR. HOUSTON: Look at October 11th,
14 sir, the left-hand side of the page --

15 11951 MR. SCHREIBER: Yes.

16 11952 MR. HOUSTON: -- nine o'clock.

17 11953 MR. SCHREIBER: Yes.

18 11954 MR. HOUSTON: You see \$30,000.
19 11955 Do you see that?

20 11956 MR. SCHREIBER: Yes.

21 11957 MR. HOUSTON: There are names written
22 above that.

23 11958 MR. SCHREIBER: Yes.

24 11959 MR. HOUSTON: Who are they again?

25 11960 MR. SCHREIBER: Jürgen and Hastert.

1 11961 MR. HOUSTON: What is their
2 relationship with you at that time?

3 11962 MR. SCHREIBER: Well, they are both
4 employees from Thyssen.

5 11963 MR. HOUSTON: Okay. Now, look down
6 at 1400, two o'clock in the afternoon.

7 11964 MR. SCHREIBER: Yes.

8 11965 MR. HOUSTON: Do you see Fred Doucet
9 and Chiasson?

10 11966 MR. SCHREIBER: Yes.

11 11967 MR. HOUSTON: We also see the name
12 "Doucet" right opposite for the 12th of October.
13 11968 Do you see that?

14 11969 MR. SCHREIBER: Yes.

15 11970 MR. HOUSTON: Now, my instructions
16 are, sir, that Mr. Chiasson, the lawyer that worked
17 with Doucet & Associates, was by now working with Mr.
18 Fred Doucet.

19 11971 MR. SCHREIBER: I don't know.

20 11972 MR. HOUSTON: Do you remember that?

21 11973 MR. SCHREIBER: I knew that he at one
22 time teamed up with him, but I don't recall when.

23 11974 MR. HOUSTON: All right. My
24 instructions, also, are to the effect, sir, that he was
25 a very staunch Liberal supporter, as apparently was his

1 wife.

2 11975 MR. SCHREIBER: Yes.

3 11976 MR. HOUSTON: So you are having a

4 meeting with Mr. Fred Doucet and Chiasson on October

5 11th, the same day that there is the reference to the

6 \$30,000 from your associates in Germany.

7 11977 MR. SCHREIBER: Yes.

8 11978 MR. HOUSTON: Now, Mr. Wolson already

9 asked you about this. We see, under the 12th, some

10 names and some numbers.

11 11979 MR. SCHREIBER: Yes.

12 11980 MR. HOUSTON: Four politicians --

13 Corbeil, Charest, Chrétien and Martin --

14 11981 MR. SCHREIBER: Yes.

15 11982 MR. HOUSTON: -- and then we see

16 Chiasson.

17 11983 MR. SCHREIBER: Yes.

18 11984 MR. HOUSTON: He wasn't a politician,

19 he was working with Mr. Doucet.

20 11985 MR. SCHREIBER: Yes.

21 11986 MR. HOUSTON: I suggest to you,

22 sir --

23 11987 Oh, by the way, before we go any

24 further, you see on the right-hand side that the

25 \$30,000 is again repeated up near the top?

1 11988 MR. SCHREIBER: Yes.

2 11989 MR. HOUSTON: And then we see down
3 near the bottom, the last two entries: "Edmond
4 Chiasson and Marc".

5 11990 MR. SCHREIBER: Yes.

6 11991 MR. HOUSTON: Would that be Marc
7 Lalonde?

8 11992 MR. SCHREIBER: Yes, I think so.

9 11993 MR. HOUSTON: Sir, I suggest that the
10 most logical conclusion one could draw from all of this
11 is that you knew all about the proposal for donations.
12 That's why you have written it all down, after the
13 Tories --

14 11994 MR. SCHREIBER: I was --

15 11995 MR. HOUSTON: Wait until I get
16 finished, sir.

17 11996 -- after the Tories and after the
18 Liberals.

19 11997 MR. SCHREIBER: I was not even in
20 Canada that day.

21 11998 MR. HOUSTON: You weren't in Canada?

22 11999 MR. SCHREIBER: No. I might have
23 spoken to them on the phone, and they may have told me
24 recommendations for -- what's the name -- election
25 donations.

- 1 12000 This is what I guessed from this, and
2 I may have spoken with Mr. Hastert and Jürgen Massmann
3 whether we should invest \$30,000 in donations to these
4 people, as recommended, and the decision was that
5 Thyssen pay \$10,000 to the Liberal Party, and that's
6 it.
- 7 12001 MR. HOUSTON: But you told Mr. Wolson
8 and the Commissioner that you had no memory of that
9 until just a couple of years ago, that donations were
10 made.
- 11 12002 MR. SCHREIBER: Yes, I learned it at
12 the Ethics Committee.
- 13 12003 MR. HOUSTON: Now, you meet with Mr.
14 Mulroney again in December of 1993, down in Montreal.
- 15 12004 MR. SCHREIBER: Yes.
- 16 12005 MR. HOUSTON: Did Mr. Fred Doucet
17 help in setting up that meeting?
- 18 12006 MR. SCHREIBER: Yes.
- 19 12007 MR. HOUSTON: Did you tell Mr. Doucet
20 why you wanted to meet Mr. Mulroney?
- 21 12008 MR. SCHREIBER: No.
- 22 12009 MR. HOUSTON: Why would you not tell
23 Mr. Doucet on the second occasion -- or on the third
24 occasion that you asked him --
- 25 12010 MR. SCHREIBER: Well, I would like to

1 see him. There was no need to explain anything.

2 12011 MR. HOUSTON: It wasn't necessary for
3 you to, at least, tell --

4 12012 You referred to him using a
5 derogatory term, "the doorman". It wasn't necessary
6 for you to tell the doorman why you wanted to see Mr.
7 Mulroney in December of 1993?

8 12013 MR. SCHREIBER: No, Mr. Doucet has
9 sent the message to my secretary, with his private
10 number, and when to meet, and this I received from my
11 secretary. I don't even know whether I spoke with Mr.
12 Doucet directly about the meeting with Mr. Mulroney,
13 when it was set up.

14 12014 MR. HOUSTON: I see. So you don't
15 even remember if you spoke to Doucet at that time.

16 12015 MR. SCHREIBER: Maybe on the phone,
17 and he sent the information to my secretary, but that
18 was it.

19 12016 MR. HOUSTON: Okay. 1994. You told
20 us that in December of 1994 you were planning to attend
21 a meeting of the Atlantic Bridge Association in New
22 York City.

23 12017 MR. SCHREIBER: Yes.

24 12018 MR. HOUSTON: At that time were you
25 living in Germany?

1 12019 MR. SCHREIBER: Yes. No, in
2 Switzerland.
3 12020 No?
4 12021 `94, yeah, Germany or Switzerland,
5 both ends.
6 12022 MR. HOUSTON: When did you make your
7 arrangements to go to New York, do you remember that
8 now?
9 12023 MR. SCHREIBER: No.
10 12024 MR. HOUSTON: It would have been
11 sometime in advance of the meeting, obviously.
12 12025 MR. SCHREIBER: Yeah. I don't know.
13 12026 MR. HOUSTON: Do you remember
14 speaking to Mr. MacKay before you made the arrangements
15 to come to North America?
16 12027 MR. SCHREIBER: Sure.
17 12028 MR. HOUSTON: How many times did you
18 speak to him?
19 12029 MR. SCHREIBER: I have no idea, but I
20 think some weeks or days before.
21 12030 MR. HOUSTON: Do you remember
22 speaking to Mr. Doucet?
23 12031 MR. SCHREIBER: About what?
24 12032 MR. HOUSTON: About coming to New
25 York.

1 12033 MR. SCHREIBER: Yes.

2 12034 MR. HOUSTON: What was your
3 discussion with him?

4 12035 MR. SCHREIBER: That I come to New
5 York, and whether Mr. Mulroney is there, and if Mr.
6 Mulroney wants to see me, I am at that day in New York,
7 and if Mr. Mulroney wants to come, it would be fine.

8 12036 MR. HOUSTON: Did you tell him
9 anything about Mr. Elmer MacKay's recent marriage and a
10 plan to have some kind of reception or a luncheon for
11 him?

12 12037 MR. SCHREIBER: Not at all.

13 12038 MR. HOUSTON: And you told the
14 Commissioner, not once but twice, that Mr. Doucet was
15 not invited to come to New York.

16 12039 MR. SCHREIBER: That's correct.

17 12040 MR. HOUSTON: And that when he showed
18 up, you were surprised.

19 12041 MR. SCHREIBER: Yes.

20 12042 MR. HOUSTON: Completely unexpected?

21 12043 MR. SCHREIBER: Yes.

22 12044 MR. HOUSTON: Sir, I have reproduced
23 copies of the entries for your diary for November of
24 1994. That is the document that I handed the
25 Commissioner just as I was starting.

1 12045 Do you have that?

2 12046 MR. SCHREIBER: Yes.

3 12047 MR. HOUSTON: I said that it started
4 on the 11th; it starts, actually, on the 10th.

5 12048 Do you see 10 November?

6 12049 MR. SCHREIBER: Yes.

7 12050 MR. HOUSTON: 1994 this is.

8 12051 MR. SCHREIBER: Yes.

9 12052 MR. HOUSTON: "1400 hours - Doucet -
10 telephone number Brian office."

11 12053 MR. SCHREIBER: Yes.

12 12054 MR. HOUSTON: What does that entry
13 refer to?

14 12055 MR. SCHREIBER: Perhaps I did not
15 have the number handy, or whether he had a new one
16 after he resigned. I wasn't sure whether he had the
17 same telephone number, and I spoke to Fred about it.

18 12056 Or, Mr. Mulroney might have been
19 somewhere, he might not have even been in Montreal.

20 12057 MR. HOUSTON: We just looked a short
21 while ago at your 1994 telephone directory, and I had
22 you look at the entries for Mr. Mulroney for both home
23 and office.

24 12058 MR. SCHREIBER: Yeah, but that
25 doesn't mean that he was there. Mrs. Colin, with whom

1 I spoke very often, might have told me he's not in the
2 city, or she was not around and I made it easy for
3 myself that Fred could find out where he is.

4 12059 MR. HOUSTON: All right. So you
5 called Fred Doucet.

6 12060 MR. SCHREIBER: Yes.

7 12061 MR. HOUSTON: Just to get a phone
8 number?

9 12062 MR. SCHREIBER: This is what I think.
10 12063 Well, I have to tell you something
11 now. Whenever you see an entry in my diary, these are
12 intentions. Whether they were all fulfilled, I cannot
13 tell you.

14 12064 MR. HOUSTON: I see.
15 12065 Turn to the 17th of November.

16 12066 MR. SCHREIBER: Yes.

17 12067 MR. HOUSTON: Do you see that, sir?

18 12068 MR. SCHREIBER: Yes.

19 12069 MR. HOUSTON: There is a reference at
20 sometime around 1400 on the 17th.

21 12070 MR. SCHREIBER: Yes.

22 12071 MR. HOUSTON: "Frank, Fred, NY."
23 12072 That's New York, isn't it?

24 12073 MR. SCHREIBER: Could be.

25 12074 MR. HOUSTON: Well, what else would

1 it be, sir?

2 12075 MR. SCHREIBER: I don't know.

3 12076 MR. HOUSTON: Who is Frank?

4 12077 MR. SCHREIBER: I think it's Frank

5 Moore's.

6 12078 MR. HOUSTON: And Fred, you would

7 agree, probably is Fred Doucet?

8 12079 MR. SCHREIBER: Could be.

9 12080 MR. HOUSTON: Who else could it be?

10 12081 MR. SCHREIBER: I don't know at the

11 moment.

12 12082 MR. HOUSTON: Turn the page, sir.

13 12083 MR. SCHREIBER: Yes?

14 12084 MR. HOUSTON: 18th of November, 1400

15 hours --

16 12085 MR. SCHREIBER: Yes.

17 12086 MR. HOUSTON: The same time. Does

18 that suggest that perhaps you are making phone calls at

19 two o'clock Eastern Standard Time -- I guess it was at

20 that time -- from Europe?

21 12087 MR. SCHREIBER: Might have been --

22 two and six --

23 12088 MR. HOUSTON: Eight o'clock over

24 there.

25 12089 MR. SCHREIBER: Eight o'clock in the

1 evening, yeah.

2 12090 MR. HOUSTON: Look at the entry for
3 two o'clock in the afternoon: "Doucet" -- that says,
4 "Meeting - New York", doesn't it?

5 12091 MR. SCHREIBER: Because of the
6 meeting in New York, yeah.

7 12092 MR. HOUSTON: I'm sorry, sir?

8 12093 MR. SCHREIBER: Yes, I asked him
9 about the meeting in New York.

10 12094 MR. HOUSTON: About a week before
11 that you had called him to try to get Mr. Mulroney's
12 telephone number.

13 12095 MR. SCHREIBER: Yes.

14 12096 MR. HOUSTON: Do you recall, if you
15 actually go back to the 17th, if you spoke to either
16 Mr. Doucet or Mr. Moores on the 17th about New York?

17 12097 MR. SCHREIBER: I don't recall.

18 12098 MR. HOUSTON: But then you have
19 another entry on the 18th.

20 12099 MR. SCHREIBER: Yes.

21 12100 MR. HOUSTON: Do you recall speaking
22 to him at that time -- Mr. Doucet?

23 12101 MR. SCHREIBER: Could have been the
24 same reason, to find out what Mr. Mulroney told him.

25 12102 MR. HOUSTON: What Mr. Mulroney told

1 him. I am interested in what you told Mr. Doucet.

2 12103 MR. SCHREIBER: Nothing, just asking

3 whether Mr. Mulroney will show up or not.

4 12104 MR. HOUSTON: I see.

5 12105 MR. SCHREIBER: Turn the page to the

6 21st of November.

7 12106 Do you see that?

8 12107 MR. SCHREIBER: Yes.

9 12108 MR. HOUSTON: There is a reference to

10 Greg Alford, "Meeting - hotel - New York."

11 12109 MR. SCHREIBER: Yes.

12 12110 MR. HOUSTON: Do you remember

13 speaking to Mr. Alford?

14 12111 MR. SCHREIBER: Absolutely.

15 12112 MR. HOUSTON: What did you tell him?

16 12113 MR. SCHREIBER: That I am looking

17 forward to seeing him in New York.

18 12114 MR. HOUSTON: Greg Alford?

19 12115 MR. SCHREIBER: Yes.

20 12116 MR. HOUSTON: I see. Did you tell

21 him about a meeting with Mr. Mulroney?

22 12117 MR. SCHREIBER: Not at all.

23 12118 MR. HOUSTON: Did you tell him

24 anything about the possibility of Mr. Doucet being

25 there?

1 12119 I guess, from your evidence, there
2 was no way he was going to be there.

3 12120 MR. SCHREIBER: Not at all.

4 12121 MR. HOUSTON: There is a reference
5 to -- it looks like "Cathy - Pierre - New York".

6 12122 Does that make some reference to
7 making hotel reservations?

8 12123 MR. SCHREIBER: Yes.

9 12124 MR. HOUSTON: Excuse me just a
10 moment, Mr. Commissioner.

11 --- Pause

12 12125 MR. HOUSTON: Mr. Schreiber, are you
13 aware of the fact that Mr. Greg Alford -- you were
14 shown this document earlier -- sent a fax note to Mr.
15 Doucet four or five days prior to the New York meeting,
16 enclosing a copy of the White Paper?

17 12126 MR. SCHREIBER: You are discussing
18 here now this phone call on the 21st, or what?

19 12127 MR. HOUSTON: I asked you if you told
20 Mr. Alford that Doucet was going to be in New York.
21 Yes or no?

22 12128 MR. SCHREIBER: No.

23 12129 MR. HOUSTON: Did you tell him that
24 you were going to meet Mr. Mulroney?

25 12130 MR. SCHREIBER: No.

1 12131 MR. HOUSTON: You just talked about
2 the fact that the two of you would be going to this
3 conference for the Atlantic Bridge group.

4 12132 Would that be right?

5 12133 MR. SCHREIBER: Yes.

6 12134 MR. HOUSTON: Tab 102 in Book 1, sir.
7 12135 Very briefly, Mr. Schreiber, Book No.
8 1, Tab 102 --

9 12136 MR. SCHREIBER: Tab 102?

10 12137 MR. HOUSTON: Book 1, Tab 102.

11 12138 MR. SCHREIBER: Yes.

12 12139 MR. HOUSTON: Do you have that?

13 12140 MR. SCHREIBER: Yes.

14 12141 MR. HOUSTON: Now, the top page is a
15 fax cover sheet to Francine from Fred Doucet, dated
16 December 5th, 1994 --

17 12142 MR. SCHREIBER: Yes.

18 12143 MR. HOUSTON: -- requesting that she
19 put "this", which I will look at in a moment, into Mr.
20 Mulroney's files for a New York meeting.

21 12144 Do you see that?

22 12145 MR. SCHREIBER: Yes.

23 12146 MR. HOUSTON: What "this" is, if you
24 turn the page, is a memo from Alford to Doucet, dated
25 December 1st, enclosing the White Paper.

1 12147 Do you see that?

2 12148 MR. SCHREIBER: Yes.

3 12149 MR. HOUSTON: That's the White Paper
4 that you have already told the Commissioner was
5 discussed with Mr. Mulroney.

6 12150 Do you remember telling him that?

7 12151 MR. SCHREIBER: Yes.

8 12152 MR. HOUSTON: Why would Alford be
9 sending that to Mr. Doucet just before the meeting in
10 New York, do you have any idea?

11 12153 MR. SCHREIBER: No.

12 12154 MR. HOUSTON: Isn't it logical, sir,
13 because he knew that Mr. Doucet was going to New York
14 City with Mr. Mulroney?

15 12155 MR. SCHREIBER: No.

16 12156 MR. HOUSTON: Mr. Doucet, I expect,
17 sir, is going to tell us that you and he spoke, you
18 advised him that you had the plans to honour Mr. MacKay
19 and his new wife, and that you wished to meet with Mr.
20 Mulroney.

21 12157 Did you tell him any of that?

22 12158 MR. SCHREIBER: No.

23 12159 MR. HOUSTON: And if Mr. Doucet,
24 likewise, tells us, as I expect he will, that you told
25 him, Doucet, that you wanted Mr. Mulroney to give you

1 an update, would you agree with that?

2 12160 MR. SCHREIBER: No.

3 12161 MR. HOUSTON: Mr. Doucet was, in
4 fact, in the room at The Pierre Hotel. Correct?

5 12162 MR. SCHREIBER: Yes.

6 12163 MR. HOUSTON: How long was that
7 meeting?

8 12164 MR. SCHREIBER: An hour and 15
9 minutes or so.

10 12165 MR. HOUSTON: An hour and 15 minutes?

11 12166 MR. SCHREIBER: Yes.

12 12167 MR. HOUSTON: And what was discussed,
13 sir?

14 12168 MR. SCHREIBER: The White Paper.

15 12169 MR. HOUSTON: Anything else?

16 12170 MR. SCHREIBER: Not to my
17 recollection.

18 12171 MR. HOUSTON: It took you an hour and
19 15 minutes to discuss the White Paper?

20 12172 MR. SCHREIBER: Oh, and the project
21 in Montreal, of course, was what it was all about.

22 12173 MR. HOUSTON: The project in
23 Montreal. Mr. Wolson has already pointed out to you
24 that, by December of 1994, the Parti Québécois was now
25 in power in Quebec City.

1 12174 What is the life of the Quebec
2 project by December of `94?
3 12175 MR. SCHREIBER: It was still alive
4 until August `95.
5 12176 MR. HOUSTON: All right. You say
6 that you discussed that with Mr. Mulroney.
7 12177 MR. SCHREIBER: Well, Mr. Mulroney
8 brought this paper, and obviously I had received it
9 before from Mr. Alford, so that was the base of the
10 discussion.
11 12178 But one thing had not to do with the
12 other.
13 12179 MR. HOUSTON: There was no discussion
14 about the international arena and the watching brief
15 that Mr. Mulroney was doing internationally while you
16 were at the hotel in New York City?
17 12180 MR. SCHREIBER: Not at all.
18 12181 MR. HOUSTON: Do you remember, sir,
19 telling some journalist after Mr. Doucet testified that
20 he was looking out the window and talking on his cell
21 phone during the discussion with Mr. Mulroney?
22 12182 MR. SCHREIBER: Could be his cell
23 phone or phone. I see him -- even today, when I close
24 my eyes, I can see him at the window looking out and
25 having a phone.

1 12183 MR. HOUSTON: I'm sorry, sir?

2 12184 MR. SCHREIBER: Yes, and speaking on
3 the phone.

4 12185 MR. HOUSTON: I showed you the entry
5 in your diary where there is reference to a car phone.
6 That is one of those units that was installed in a
7 console.

8 12186 MR. SCHREIBER: Yeah.

9 12187 MR. HOUSTON: That was 15 years ago.

10 12188 MR. SCHREIBER: Yes.

11 12189 MR. HOUSTON: He didn't have a cell
12 phone.

13 12190 MR. SCHREIBER: As I just said, he
14 could have used, as well, the normal phone, the land
15 line. It was exactly next to the window.

16 12191 MR. HOUSTON: Oh, I see. And if Mr.
17 Doucet says to the Commissioner, as I expect he will,
18 that he sat down while you and Mr. Mulroney discussed
19 whatever you discussed for the entire time, would he be
20 mistaken?

21 12192 MR. SCHREIBER: I don't know what Mr.
22 Doucet is going to say.

23 12193 MR. HOUSTON: I am going to suggest
24 to you, sir, that is exactly what he is going to say.
25 He sat there while you and Mr. Mulroney had the

1 discussion.

2 12194 MR. SCHREIBER: On the White Paper.

3 12195 MR. HOUSTON: Had the discussion.

4 12196 MR. SCHREIBER: On the white paper.

5 12197 MR. HOUSTON: Well, apart from the
6 white paper, you say you discussed the project in
7 Montréal.

8 12198 MR. SCHREIBER: Yes.

9 12199 MR. HOUSTON: Anything else?

10 12200 MR. SCHREIBER: No.

11 12201 MR. HOUSTON: And again --

12 12202 MR. SCHREIBER: Yeah, maybe --

13 12203 MR. HOUSTON: Pardon, sir?

14 12204 MR. SCHREIBER: What do I know? When
15 I think back to '94, do you know how many years it is?
16 We could have spoken about a dozen other things. I
17 don't recall.

18 12205 MR. HOUSTON: Right. You don't
19 recall because all you can do is rely on your memory;
20 correct?

21 12206 MR. SCHREIBER: Yes.

22 12207 MR. HOUSTON: Between 1994 and 1999,
23 did you have any contact with Mr. Doucet other than by
24 phone?

25 12208 MR. SCHREIBER: Nineteen ninety-four

1 to 1998?

2 12209 MR. HOUSTON: Nineteen ninety-nine.

3 12210 MR. SCHREIBER: Nineteen ninety-nine.

4 12211 Yes, only on the phone.

5 12212 MR. HOUSTON: And we have heard of

6 some meetings that took place at his home and at a

7 hotel room in Toronto and at his office in 1999-2000;

8 correct?

9 12213 MR. SCHREIBER: Yes.

10 12214 MR. HOUSTON: You attended meetings

11 with him?

12 12215 MR. SCHREIBER: What do you mean by

13 the meeting?

14 12216 MR. HOUSTON: Well, you met with him

15 at his house?

16 12217 MR. SCHREIBER: Yes.

17 12218 MR. HOUSTON: Mr. Commissioner, I am

18 prepared to go on and I expect I will be half an hour

19 at the most, before I finish. But I can go on now or

20 whatever you direct, sir.

21 12219 COMMISSIONER OLIPHANT: Mr.

22 Schreiber, you have been on the stand since 9:30 this

23 morning --

24 12220 MR. SCHREIBER: If he wants to go

25 ahead another 30 minutes, it doesn't matter now. I get

1 tired in the afternoon.

2 12221 COMMISSIONER OLIPHANT: You would
3 prefer to go on?

4 12222 MR. SCHREIBER: If you want, fine. I
5 leave it with you.

6 12223 COMMISSIONER OLIPHANT: I am a
7 captive audience. I am here for the inquiry; okay.

8 12224 MR. SCHREIBER: Really, you can
9 decide.

10 12225 COMMISSIONER OLIPHANT: You are all
11 right to proceed --

12 12226 MR. SCHREIBER: Yes.

13 12227 COMMISSIONER OLIPHANT: -- and you
14 would prefer to proceed?

15 12228 MR. SCHREIBER: Yes.

16 12229 COMMISSIONER OLIPHANT: Okay.
17 12230 Keep going, then, Mr. Houston.

18 12231 MR. HOUSTON: Thank you very much.
19 12232 Now, on the 26th of December 1999 you
20 when your wife went to the home of Mr. and Mrs. Doucet;
21 correct?

22 12233 MR. SCHREIBER: Yes.

23 12234 MR. HOUSTON: Whether the suggestion
24 was by Mr. MacKay or somebody else, you got there.

25 12235 MR. SCHREIBER: Yes.

1 12236 MR. HOUSTON: And you and Mr. Doucet
2 at some point go to the recreation room, to the
3 television room I think you called it, in the basement.

4 12237 MR. SCHREIBER: Yes.

5 12238 MR. HOUSTON: And you said you were
6 there for what, 10 to 15 minutes?

7 12239 MR. SCHREIBER: Not long in my
8 recollection. He just showed me the room. We were on
9 our way out.

10 12240 MR. HOUSTON: I'm sorry, sir?

11 12241 MR. SCHREIBER: We were on our way to
12 leave and my wife and his wife were upstairs and he
13 just showed me the room.

14 12242 MR. HOUSTON: Well, where -- did you
15 and Mr. Doucet have a private meeting, just the two of
16 you?

17 12243 MR. SCHREIBER: No.

18 12244 MR. HOUSTON: Sorry?

19 12245 MR. SCHREIBER: No. A short
20 discussion when he showed me the room.

21 12246 MR. HOUSTON: Well, how long was the
22 short discussion, 10 minutes, 15 minutes?

23 12247 MR. SCHREIBER: Not much more,
24 perhaps 15 minutes.

25 12248 MR. HOUSTON: My instructions are

1 that Mr. Doucet will say that the meeting lasted for an
2 hour, perhaps a little less, to the extent that his
3 wife came downstairs and asked the two of you to come
4 up because you weren't joining the wives,
5 quote-unquote.

6 12249 Do you remember that?

7 12250 MR. SCHREIBER: I don't recall that,
8 no.

9 12251 MR. HOUSTON: Would you turn, sir,
10 to -- Mr. Wolson referred you to the notes that Mr.
11 Doucet made.

12 12252 MR. SCHREIBER: Yes.

13 12253 MR. HOUSTON: Would you turn to
14 Binder 3, Tab 4.

15 --- Pause

16 12254 MR. HOUSTON: Do you have that, sir?

17 12255 MR. SCHREIBER: No, you didn't tell
18 me what --

19 12256 MR. HOUSTON: Book 3, Tab 4.

20 12257 MR. SCHREIBER: Tab 4.

21 12258 MR. HOUSTON: The typed version right
22 at the back of the tab.

23 12259 MR. SCHREIBER: Yes...?

24 12260 MR. HOUSTON: Now, Mr. Wolson has
25 already taken you through this. He has reviewed the

1 document with you.

2 12261 MR. SCHREIBER: Yes.

3 12262 MR. HOUSTON: Do you have it?

4 12263 MR. SCHREIBER: Yes.

5 12264 MR. HOUSTON: Do you have the typed
6 version or the handwritten one? It looks like you have
7 the handwriting one. I'm looking at the typed one.
8 12265 Tab 4 right at the back. Right at
9 the back of it.

10 12266 MR. SCHREIBER: Yeah.

11 12267 MR. HOUSTON: Do you have it now?

12 12268 MR. SCHREIBER: Yes.

13 12269 MR. HOUSTON: Now, as I understand
14 your evidence, you don't recall what you did or did not
15 discuss on that occasion. You may have discussed some
16 of these things.

17 12270 Is that your evidence?

18 12271 MR. SCHREIBER: Yes, my evidence I
19 think is that I told him to tell his friend that I'm
20 not going to commit perjury if I will be questioned,
21 and Fred explained to me why and what my concerns are
22 about the lawsuit in Montréal; that everything would be
23 fine and he came back, he said Mr. Mulroney said he had
24 said that.

25 12272 But I have no recollection of other

1 things on that day.

2 12273 MR. HOUSTON: Well, I'm going to
3 suggest to you, sir, the reference of you not
4 committing perjury is picked up in the meeting that
5 takes place in Toronto two weeks later.

6 12274 Anyway, let's just talk about the
7 26th of the moment.

8 12275 MR. SCHREIBER: Yes.

9 12276 MR. HOUSTON: As I understand your
10 evidence -- you correct me if I'm wrong -- there was
11 some discussion about Luc Lavoie and what he said about
12 you?

13 12277 MR. SCHREIBER: Yes.

14 12278 MR. HOUSTON: And you admit you may
15 have said and probably did at some point tell
16 Mr. Doucet what is in the second paragraph beginning
17 "People are going to be"?

18 12279 Do you see that? I understand you
19 admit that, that you probably said that at some point.

20 12280 MR. SCHREIBER: Yeah, it could be.
21 Whether I have said it on that day or on the telephone
22 or whatever, I don't know, but it sounds familiar to
23 me.

24 12281 MR. HOUSTON: Now, Mr. Doucet I
25 expect is going to say that he wrote these notes out

1 shortly after you met with him that day.

2 12282 MR. SCHREIBER: I was not around when

3 he did this. I have no idea.

4 12283 MR. HOUSTON: No, of course not.

5 12284 MR. SCHREIBER: And he didn't ask me.

6 12285 MR. HOUSTON: But he wrote the notes

7 10 years ago, 1999 -- well, maybe eight.

8 12286 MR. SCHREIBER: What do I know?

9 12287 MR. HOUSTON: Right.

10 12288 Then you say that you deny that you

11 said anything about Ms Prost.

12 12289 Do you see that reference?

13 12290 MR. SCHREIBER: "When we discover

14 Proust(sic)...", yes.

15 12291 MR. HOUSTON: Yes. And it seems to

16 be your pattern, sir. You take a cheap shot at her,

17 too, at least as recorded here. Right?

18 12292 MR. SCHREIBER: No.

19 12293 MR. HOUSTON: It's Mr. Doucet --

20 12294 MR. SCHREIBER: It's pure nonsense.

21 It's pure nonsense because --

22 12295 MR. HOUSTON: Pure nonsense.

23 12296 MR. SCHREIBER: -- Mrs. Proust --

24 Mrs. what's her name --

25 12297 COMMISSIONER OLIPHANT: Kimberly

1 Prost.

2 12298 MR. SCHREIBER: Kimberly Prost has
3 nothing to do with any German prosecutors. It's pure
4 nonsense.

5 12299 MR. HOUSTON: Do you remember one of
6 the letters that Mr. Wolson referred to you yesterday
7 in which you talk about Ms Prost and the role that she
8 was playing in the prosecution of you in Germany?

9 12300 MR. SCHREIBER: No.

10 12301 MR. HOUSTON: Sorry?

11 12302 MR. SCHREIBER: She played no role
12 there.

13 12303 MR. HOUSTON: I can turn up the
14 reference, but I can tell you generally what it says,
15 sir.

16 12304 In one of the letters to Mr. Mulroney
17 or talk about how surprised you are at the power she
18 has -- paraphrased, but close enough -- in the German
19 prosecution.

20 12305 MR. SCHREIBER: Yes.

21 12306 MR. HOUSTON: You put that in a
22 letter to Mr. Mulroney.

23 12307 MR. SCHREIBER: Yes. But this was
24 then coming from the letter of request to Switzerland.
25 This is what she did. She was responsible for it.

1 12308 MR. HOUSTON: December 1999 you had
2 been served with the extradition papers; correct?
3 12309 The prosecution was under way in
4 Germany?
5 12310 MR. SCHREIBER: Yes.
6 12311 MR. HOUSTON: I expect Mr. Doucet
7 will testify that he never heard this name before that
8 day; that you told him about Ms Prost.
9 12312 Would he be wrong?
10 12313 MR. SCHREIBER: I would be very
11 surprised that he has not heard who did the letter of
12 request to Switzerland when he was all the time with
13 Mr. Mulroney. I think that's a joke.
14 12314 MR. HOUSTON: That's a joke, yeah,
15 okay.
16 12315 And down at the bottom -- correct me
17 if I'm wrong -- I understand you generally admit the
18 next paragraph and the paragraph beginning with "Brian
19 should know who his best friend is".
20 12316 You don't recall saying that?
21 12317 MR. SCHREIBER: No.
22 12318 MR. HOUSTON: And the next paragraph
23 you said on one occasion that that was discussed, but I
24 cannot understand.
25 12319 MR. SCHREIBER: Yes.

1 12320 MR. HOUSTON: And then you said --
2 you deny that you ever said "Brian is a great guy".

3 12321 MR. SCHREIBER: You see we speak here
4 about Christmas meeting on Boxing Day and he refers to
5 a visit I had at Mr. Greenspan's house on New Year's
6 Eve.

7 12322 MR. HOUSTON: We will come to that.
8 That is in the next paper, sir.

9 12323 You see, if we could just go back up,
10 since you raised it. Do you see what it says: "He has
11 invited us for New Year's Eve", one week later.

12 12324 MR. SCHREIBER: It can't be, because
13 I did not know what the group was at Eddie Greenspan's
14 home and I must have told him that later, that
15 Mr. Justice Linden was there and other judges.

16 12325 MR. SCHREIBER: Well, that's what he
17 has recorded for January. Let's just stick to December
18 for a moment.

19 12326 MR. SCHREIBER: No, no, this is
20 December. Let's stay with this. And I'm telling you
21 he is a visionary when he says that.

22 12327 MR. HOUSTON: A visionary?

23 12328 MR. SCHREIBER: Yes.

24 12329 MR. HOUSTON: I see. What, when you
25 told him that Mr. Greenspan was also expecting "a group

1 of lawyers, judges and industry captains"?

2 12330 MR. SCHREIBER: No. Mr. Greenspan

3 never told me who was at his place when I came there on

4 New Year's Eve.

5 12331 MR. HOUSTON: Oh, I see.

6 12332 And just the second-last paragraph

7 here:

8 "Brian is a great guy."

9 12333 Do you agree with that? 1999?

10 12334 MR. SCHREIBER: No, I don't think so.

11 12335 MR. HOUSTON: You didn't agree that

12 Brian Mulroney was a great guy in 1999?

13 12336 MR. SCHREIBER: No, no.

14 12337 MR. HOUSTON: Pardon?

15 12338 MR. SCHREIBER: No, I don't think so.

16 12339 MR. HOUSTON: And then you deny that

17 you had said anything along the lines of "wish we could

18 have done that Thyssen project". Is that right?

19 12340 You deny that? You never said that?

20 12341 MR. SCHREIBER: Where?

21 12342 MR. HOUSTON: The second-last entry

22 here, sir. It begins "Brian is a great guy."

23 12343 MR. SCHREIBER: Yes...?

24 12344 MR. HOUSTON: The next line:

25 "I wish we could have done that

1 Thyssen project..."

2 12345 MR. SCHREIBER: Yes.

3 12346 MR. HOUSTON: You deny that?

4 12347 MR. SCHREIBER: Yes. But you should

5 look at the paragraph above.

6 12348 MR. HOUSTON: Yes...?

7 12349 MR. SCHREIBER: These are things

8 which I for sure have said to him more than once.

9 12350 MR. HOUSTON: Okay.

10 12351 MR. SCHREIBER: But how do I know

11 whether it was at that date at his place?

12 12352 MR. HOUSTON: Because the only thing

13 you have to rely on is your memory; correct, sir?

14 12353 MR. SCHREIBER: Yes, yes, yes.

15 12354 MR. HOUSTON: Of events 10 years ago

16 now. We are jumping forward.

17 12355 MR. SCHREIBER: Yes.

18 12356 MR. HOUSTON: It was still a long

19 time ago.

20 12357 MR. SCHREIBER: Yes.

21 12358 MR. HOUSTON: Let's look briefly at

22 Tab 6.

23 12359 Tab 6, sir, yes.

24 12360 MR. SCHREIBER: Yes.

25 12361 MR. HOUSTON: It's the handwritten

1 notes and then the typed version is at the back of the
2 tab again.

3 12362 Now there is reference to certain
4 people that were at the party with the Greenspans at
5 the top of the page.

6 12363 Do you see that?

7 12364 MR. SCHREIBER: Yes.

8 12365 MR. HOUSTON: I suggest that's what
9 you told him. That's what he wrote down.

10 12366 MR. SCHREIBER: Maybe that is where
11 he learned about it, but not on 26th of December.

12 12367 MR. HOUSTON: Okay. And as I have
13 taken down some notes when Mr. Wolson was asking you
14 this, the next paragraph headed "2. Luc" --

15 12368 MR. SCHREIBER: Yes...?

16 12369 MR. HOUSTON: -- your evidence -- and
17 you correct me if I'm wrong -- it could very well be;
18 it makes sense to me.

19 12370 Do you generally agree with what's
20 written there?

21 12371 MR. SCHREIBER: I could have spoken
22 with him about that, yes.

23 12372 MR. HOUSTON: Yes. Do you agree with
24 the next paragraph?

25 --- Pause

1 12373 MR. HOUSTON: Yes, sir?

2 --- Pause

3 12374 MR. SCHREIBER: I don't understand

4 this whole paragraph, what it means.

5 12375 MR. HOUSTON: In any event, I

6 anticipate, as Mr. Wolson has already indicated, that

7 Mr. Doucet will testify before the Commissioner these

8 are the discussions that you had that day with him and

9 he wrote them down.

10 12376 Do you remember saying that, yes or

11 no?

12 12377 MR. SCHREIBER: Why I would be of

13 that impression.

14 12378 MR. HOUSTON: I'm sorry, sir?

15 12379 MR. SCHREIBER: I don't know what

16 he's referring to. I don't recall it.

17 12380 MR. HOUSTON: All right. You don't

18 recall it?

19 12381 MR. SCHREIBER: No. I don't -- and I

20 don't understand it.

21 12382 MR. HOUSTON: Are you denying you

22 said it or you just don't recall it?

23 12383 MR. SCHREIBER: I don't recall it.

24 12384 MR. HOUSTON: All right. Now, the

25 next and last paragraph on this page, the opening line:

1 "Now K.S. let us imagine that
2 what you had in mind when you
3 called me to set up the Mirabel
4 meeting etc. regarding M.B.'s
5 consultancy internationally..."

6 12385 You said that wasn't said by you.

7 12386 MR. SCHREIBER: No.

8 12387 MR. HOUSTON: Did you tell him
9 that -- you go on -- the reference to:
10 "... presume you will disclose
11 the same as I understood the
12 consultancy to be. The occasion
13 of Elmer 's luncheon party was
14 to propose to M.B. that you
15 would want him to keep a
16 watching brief..."

17 12388 You said that is all nonsense.

18 12389 MR. SCHREIBER: Yes.

19 12390 MR. HOUSTON: Your terminology. You
20 like that word.

21 12391 MR. SCHREIBER: Yes.

22 12392 MR. HOUSTON: Right at the bottom of
23 that paragraph --

24 12393 MR. SCHREIBER: Yes.

25 12394 MR. HOUSTON: -- there is reference,

1 third line up:
2 "We'll Fred, I can't perjure
3 myself so I guess if asked
4 that's what I would say."
5 12395 Asked what?
6 12396 MR. SCHREIBER: Even that I don't
7 know.
8 12397 MR. HOUSTON: When you talked about
9 perjury, you thought it came up in the December 26th
10 discussion, that you wouldn't commit perjury.
11 12398 MR. SCHREIBER: Yeah, this was all
12 related to the Montréal testimony of Mr. Mulroney that
13 was in the air everywhere.
14 12399 MR. HOUSTON: And every time you have
15 testified under oath you have testified truthfully;
16 correct?
17 12400 MR. SCHREIBER: Yes, I hope so.
18 12401 MR. HOUSTON: Yes. Do you recall any
19 of the rest of this being discussed -- when you look at
20 page 2, do you have any recollection of any of this
21 being discussed on that particular day? Yes or no?
22 12402 I'm just interested in what you
23 remember, sir.
24 12403 MR. SCHREIBER: When I read this, we
25 could have discussed things like this, but I don't

1 recall it.

2 12404 MR. HOUSTON: All right.

3 12405 Lastly, sir, the reference to being
4 paid \$40,000. You said that's nonsense or words to
5 that effect when Mr. Wolson asked you. Right at the
6 bottom of the page.

7 12406 MR. SCHREIBER: What --

8 12407 MR. HOUSTON: Do you see right at the
9 bottom of the page?

10 12408 MR. SCHREIBER: Which page?

11 12409 MR. HOUSTON: "My conclusions", page
12 2.

13 12410 MR. SCHREIBER: Page 2?

14 12411 MR. HOUSTON: Page 2.

15 12412 MR. SCHREIBER: Yes.

16 12413 MR. HOUSTON: "My conclusions, the
17 second one ..."

18 12414 MR. SCHREIBER: Yes.

19 12415 MR. HOUSTON: He's getting paid for
20 his interviews.

21 "... (he let slip that he made
22 \$40,000 ...)"

23 12416 MR. SCHREIBER: Yes.

24 12417 MR. HOUSTON: You deny that? You
25 never said that?

1 12418 MR. SCHREIBER: No. I could have
2 told him that Mr. Pelossi is asking the media for
3 compensation when he speaks to them because he was
4 bankrupt.

5 12419 MR. HOUSTON: This is talking about
6 you, sir, that Mr. Wolson already went through.

7 12420 MR. SCHREIBER: Yes, but I have never
8 given any interviews for any money and I have never
9 asked for money.

10 12421 MR. HOUSTON: This has nothing to do
11 with --

12 12422 MR. SCHREIBER: It's pure nonsense.

13 12423 MR. HOUSTON: It's total nonsense?

14 12424 MR. SCHREIBER: Yes.

15 12425 MR. HOUSTON: Okay. Why did you
16 agree to meet him again in January, having met him in
17 December at his house?

18 12426 MR. SCHREIBER: Well, because Fred
19 wanted to meet with me and I lived in Toronto at that
20 time.

21 12427 MR. HOUSTON: Did he tell you what he
22 wanted to meet about?

23 12428 MR. SCHREIBER: I had the impression
24 he wanted to find out more or to continue on the
25 meeting that we had at his home.

1 12429 MR. HOUSTON: So that's what you did.
2 You continued the meeting that began at his home?

3 12430 MR. SCHREIBER: Yes. He tried to
4 convince my that I have not to worry about anything;
5 that Mr. Mulroney has said nothing wrong in his lawsuit
6 or whatsoever.

7 12431 MR. HOUSTON: I see.

8 12432 MR. SCHREIBER: And the rest might
9 have been social. I don't know.

10 12433 MR. HOUSTON: You just don't remember
11 that much about it, do you?

12 12434 MR. SCHREIBER: No.

13 12435 MR. HOUSTON: You agree to meet and
14 you do attend at his office a short while later.

15 12436 MR. SCHREIBER: Yes.

16 12437 MR. HOUSTON: That is when the
17 mandate document is presented to you?

18 12438 MR. SCHREIBER: Yes.

19 12439 MR. HOUSTON: That is at Book 2, Tab
20 128.

21 12440 MR. SCHREIBER: Binder No. 2?

22 12441 MR. HOUSTON: Binder 2, Tab 128.

23 --- Pause

24 12442 MR. SCHREIBER: One hundred --

25 12443 MR. HOUSTON: One-two-eight.

1 12444 MR. SCHREIBER: One-two-eight, okay.
2 Yes...?
3 12445 MR. HOUSTON: Now, just before we
4 look at it, sir, do you remember telling the
5 Commissioner that when you met in December at his
6 home --
7 12446 MR. SCHREIBER: Yes.
8 12447 MR. HOUSTON: -- that:
9 "Up to that time we were not
10 enemies." (As read)
11 12448 Do you remember telling him that?
12 12449 MR. SCHREIBER: What?
13 12450 MR. HOUSTON: You said when you met
14 on December 26, 1999 -- and your words were, quote:
15 "Up to that time we were not
16 enemies." (As read)
17 12451 MR. SCHREIBER: No.
18 12452 MR. HOUSTON: Sorry?
19 12453 MR. SCHREIBER: No.
20 12454 MR. HOUSTON: No what?
21 12455 MR. SCHREIBER: We were no enemies.
22 12456 MR. HOUSTON: Are you an enemy now?
23 12457 MR. SCHREIBER: Well, I have changed
24 what I have seen lately, yes.
25 12458 MR. HOUSTON: What did you --

1 12459 MR. SCHREIBER: I'm not their friend
2 at all any more, that's true.

3 12460 MR. HOUSTON: When did you become an
4 enemy of Mr. Doucet?

5 12461 MR. SCHREIBER: After the Ethics
6 Committee meeting.

7 12462 MR. HOUSTON: Well, certainly you
8 weren't an enemy of him back in February of 2000.

9 12463 MR. SCHREIBER: February -- no. No.

10 12464 MR. HOUSTON: Keep the mandate
11 document in front of you.

12 12465 MR. SCHREIBER: Yes, I have it.

13 12466 MR. HOUSTON: What was your
14 relationship with Mr. Doucet in February of 2000? Did
15 you regard him as a friend?

16 12467 MR. SCHREIBER: Well, we haven't --
17 we haven't spoken for a long time, as you know. We
18 just -- when I came back to Ottawa in December we met
19 at his home after a long time, and then he asked me to
20 meet with him at the Royal York because, as I said, I
21 lived in Toronto. Now I am back in Ottawa. And I
22 received another call from him that he wanted to talk
23 to me.

24 12468 MR. HOUSTON: Well, I know we have
25 talked about the use of the word "friend". You talk

1 about a lot of people as friends.

2 12469 Was Mr. Doucet a friend, yes or no?

3 12470 MR. SCHREIBER: Yes.

4 12471 MR. HOUSTON: In your terminology.

5 12472 MR. SCHREIBER: He was a friend, too.

6 12473 MR. HOUSTON: Was he truthful from

7 your opinion?

8 12474 MR. SCHREIBER: Well, as long as we

9 worked together, I had no complaints. I liked it

10 because he gets things done.

11 12475 MR. HOUSTON: All right.

12 12476 MR. SCHREIBER: Very tough guy.

13 12477 MR. HOUSTON: Now, you remember going

14 to his office?

15 12478 MR. SCHREIBER: Yes.

16 12479 MR. HOUSTON: You told us about

17 pictures yesterday --

18 12480 MR. SCHREIBER: Photos.

19 12481 MR. HOUSTON: -- or the day before.

20 12482 MR. SCHREIBER: Photos, yeah.

21 12483 MR. HOUSTON: You said that you were

22 looking at the photos before the meeting started.

23 12484 MR. SCHREIBER: Yes.

24 12485 MR. HOUSTON: It's a small point, but

25 I understand Mr. Doucet will say that in fact the

1 pictures were in his private office and you went
2 through the private office on your way out after the
3 chat was over.

4 12486 Do you remember that?

5 12487 MR. SCHREIBER: I was only in one
6 room with him.

7 12488 MR. HOUSTON: One room?

8 12489 MR. SCHREIBER: Yes.

9 12490 MR. HOUSTON: So if he says you were
10 in two different rooms, he would be mistaken about
11 that, would he?

12 12491 MR. SCHREIBER: I have no idea. I
13 only recall all these photos.

14 12492 MR. HOUSTON: He says his photos were
15 in the private office that you visited briefly and you
16 had the discussion and the meeting when the mandate
17 document was presented in the boardroom.

18 12493 MR. SCHREIBER: It could be.

19 12494 MR. HOUSTON: All right.

20 12495 MR. SCHREIBER: I don't recall that
21 it was in the boardroom.

22 12496 MR. HOUSTON: You received the
23 document --

24 12497 MR. SCHREIBER: I thought --

25 12498 MR. HOUSTON: Sorry, sir?

1 12499 MR. SCHREIBER: I thought he had only
2 that one room.

3 12500 MR. HOUSTON: All right. When you
4 went into the room, he presented to you the version,
5 the typed version which we see at the back of this tab;
6 correct?

7 12501 MR. SCHREIBER: Yes.

8 12502 MR. HOUSTON: While you were with
9 him --

10 12503 MR. SCHREIBER: Yes...?

11 12504 MR. HOUSTON: -- did he write
12 anything on the document such as we see in the middle
13 tab?

14 12505 MR. SCHREIBER: Not to my
15 recollection.

16 12506 MR. HOUSTON: Nothing at all?

17 12507 MR. SCHREIBER: No.

18 12508 MR. HOUSTON: He didn't write the
19 date, he didn't write the three fiscal years "93/94,
20 94/95, 95/96"?

21 12509 MR. SCHREIBER: Nothing.

22 12510 MR. HOUSTON: And he certainly didn't
23 write the \$250,000 figure?

24 12511 MR. SCHREIBER: No.

25 12512 MR. HOUSTON: I'm going to suggest to

1 you, sir, that again I anticipate he will say that is
2 precisely what you told him.

3 12513 Would he be mistaken that you told
4 him that number?

5 12514 MR. SCHREIBER: No.

6 12515 MR. HOUSTON: I'm sorry?

7 12516 MR. SCHREIBER: No.

8 12517 MR. HOUSTON: Did you tell him
9 \$250,000?

10 12518 MR. SCHREIBER: No.

11 12519 MR. HOUSTON: Did you tell him
12 anything?

13 12520 MR. SCHREIBER: No.

14 12521 MR. HOUSTON: Did he just make --
15 what are you saying, he made it up?

16 12522 MR. SCHREIBER: I don't know what
17 he -- I'm not supposed to speak to the Ethics
18 Committee. He testified about this, that I was not
19 around; that he wrote it all down and that I left with
20 this one piece where nothing was written on it.

21 12523 MR. HOUSTON: We are not going to
22 talk about the Ethics Committee. I'm going to tell you
23 about what I anticipate he is going to say, sir.

24 12524 MR. SCHREIBER: Okay.

25 12525 MR. HOUSTON: He is going to say that

1 he wrote this document in your presence, with you
2 giving him answers to questions.

3 12526 Is he wrong about that?

4 12527 MR. SCHREIBER: Yes.

5 12528 MR. HOUSTON: And he certainly would
6 be wrong if he says to the Commissioner that you told
7 him the figure was \$250,000?

8 12529 MR. SCHREIBER: Yes.

9 12530 MR. HOUSTON: I'm going to suggest
10 that there's an explanation for that, sir.

11 12531 By February of 2000 you couldn't
12 remember what you gave Mr. Mulroney. You knew one
13 thing, you had taken out three \$100,000 withdrawals
14 but, as Mr. Wolson has already indicated, there are no
15 records.

16 12532 You couldn't remember what gave him
17 and you told Mr. Doucet the number was \$250,000.

18 12533 MR. SCHREIBER: Never.

19 12534 MR. HOUSTON: You put some of the
20 \$100,000 that you withdrew three times into your own
21 pocket. Isn't that distinctly possible, sir?

22 12535 MR. SCHREIBER: No.

23 12536 MR. HOUSTON: No?

24 12537 MR. SCHREIBER: No.

25 12538 MR. HOUSTON: Now, you have already

1 pointed out to Mr. Wolson that underneath the \$250,000
2 the handwriting "Bayerische or whatever other companies
3 I name" is not yours.

4 12539 MR. SCHREIBER: Correct.

5 12540 MR. HOUSTON: But the next three
6 entries are in your handwriting.

7 12541 MR. SCHREIBER: Yes.

8 12542 MR. HOUSTON: And your explanation is
9 it's a miracle that --

10 12543 MR. SCHREIBER: Yes.

11 12544 MR. HOUSTON: -- that the writing is
12 there.

13 12545 MR. SCHREIBER: Yes.

14 12546 MR. HOUSTON: By the way, sir, I
15 anticipate and expect that Mr. Doucet to state that he
16 asked you to write down the names of the companies.
17 You did so and then he could not read the word
18 "Chemie".

19 12547 Do you see "Chemie" is repeated in
20 bolder or bigger print?

21 12548 MR. SCHREIBER: Yes.

22 12549 MR. HOUSTON: He will testify, sir,
23 that the reason it is there is that he asked you to
24 write it out because he couldn't read it the way you
25 had originally written it.

1 12550 MR. SCHREIBER: It could be, but not
2 on this page.

3 12551 MR. HOUSTON: So we have -- and by
4 the way, he also will state -- Mr. Wolson has already
5 covered it but I will just touch on it -- that you and
6 he reviewed the 1, 2, 3 points on the bottom right-hand
7 corner and he wrote it down when you were there.

8 12552 Is that right? That didn't happen,
9 did it?

10 12553 MR. SCHREIBER: Not what I recall
11 what he said.

12 12554 MR. HOUSTON: Okay. So we have two
13 versions of what happened.

14 12555 One, Mr. Doucet, while I was in the
15 company of Karlheinz Schreiber I wrote out this
16 document. He put down the names of the companies in my
17 presence. It was all done in the presence of the two
18 of us.

19 12556 And your version. It's a miracle.

20 12557 MR. SCHREIBER: Yes.

21 12558 MR. HOUSTON: You want the
22 Commissioner to accept that it's a miracle --

23 12559 MR. SCHREIBER: Yes.

24 12560 MR. HOUSTON: -- that your
25 handwriting appears on the document?

1 12561 MR. SCHREIBER: Because when I look
2 at these companies and I look what they have to do with
3 peacekeeping equipment, this is like fishing and
4 bakery. I don't know which -- I don't get it, I'm
5 sorry.

6 12562 MR. HOUSTON: I'm talking about how
7 the words get on the paper. Your version, it's a
8 miracle.

9 12563 MR. SCHREIBER: Yes.

10 12564 MR. HOUSTON: Thank you.

11 12565 MR. SCHREIBER: Because I don't
12 understand why they would be there.

13 12566 MR. HOUSTON: Well, it's very simple,
14 sir, because you wrote them there in the presence of
15 Mr. Doucet, which is exactly what I anticipate he is
16 going to say.

17 12567 MR. SCHREIBER: And what for?

18 12568 MR. HOUSTON: Because he asked you to
19 write down the names of the companies and you wrote
20 them down.

21 12569 MR. SCHREIBER: What companies for
22 what reason do you think?

23 12570 MR. HOUSTON: I wasn't there, sir.
24 Only you and Mr. Doucet were.

25 12571 MR. SCHREIBER: I have no idea.

1 12572 MR. HOUSTON: And I repeat, we have
2 two --

3 12573 MR. SCHREIBER: This is exactly the
4 point. You weren't there.

5 12574 MR. HOUSTON: We've got two versions.

6 12575 MR. SCHREIBER: I have no idea.

7 12576 MR. HOUSTON: We have two versions.

8 12577 MR. SCHREIBER: Yes.

9 12578 MR. HOUSTON: We have yours, the
10 miracle --

11 12579 MR. SCHREIBER: Yes.

12 12580 MR. HOUSTON: -- and Mr. Doucet's.

13 12581 MR. SCHREIBER: Yes.

14 12582 MR. HOUSTON: Thank you.

15 12583 Thank you, Mr. Commissioner.

16 12584 COMMISSIONER OLIPHANT: Those are all
17 your questions?

18 12585 MR. HOUSTON: Those are my questions,
19 yes, sir. Thanks.

20 12586 COMMISSIONER OLIPHANT: Those are all
21 the questions you have for Mr. Schreiber?

22 12587 MR. HOUSTON: Yes.

23 12588 COMMISSIONER OLIPHANT: All right.

24 12589 Mr. Vickery, you indicated yesterday
25 that you would not have questions. Is that still your

1 position, sir?

2 12590 MR. VICKERY: Yes, I have no
3 questions for this witness.

4 12591 COMMISSIONER OLIPHANT: All right.
5 12592 Mr. Auger, you indicated yesterday
6 that you would have some questions?

7 12593 MR. AUGER: Correct, sir.

8 12594 COMMISSIONER OLIPHANT: All right.
9 12595 Well, we will break for lunch and, as
10 per the direction I have received from counsel, the
11 break will be for one hour.

12 12596 We will come back at 1:45 this
13 afternoon.

14 --- Upon recessing at 12:40 p.m. / Suspension à 12 h 40
15 --- Upon resuming at 1:45 p.m. / Reprise à 13 h 45

16 12597 COMMISSIONER OLIPHANT: Be seated,
17 please.

18 12598 Mr. Auger...?

19 12599 MR. AUGER: Good afternoon,
20 Commissioner. Thank you very much.

21 EXAMINATION: KARLHEINZ SCHREIBER BY MR. AUGER /
22 INTERROGATOIRE : KARLHEINZ SCHREIBER PAR Me AUGER

23 12600 MR. AUGER: Mr. Schreiber, I want to
24 start off by taking you back to Mr. Wolson's crash
25 course on Bear Head, and what I want to take you to is

1 found in Book 1, Tab 64.

2 12601 You will see that is a letter dated
3 December 11, 1990 to Peter Smith, and on the second
4 page you will see it is authored by you.

5 12602 MR. SCHREIBER: Yes.

6 12603 MR. AUGER: On the second page, if I
7 can take you to the second paragraph, let's go through
8 it slowly together.

9 12604 MR. SCHREIBER: Yes.

10 12605 MR. AUGER:
11 "THYSSEN will market these
12 vehicles in North America and to
13 other NATO countries. Export
14 markets will be considered only
15 where they are permitted within
16 Canada's policy on export
17 controls."

18 12606 Do you see that?

19 12607 MR. SCHREIBER: Yes.

20 12608 MR. AUGER: And that's a letter that
21 you wrote in relation to the Bear Head Project in
22 Canada?

23 12609 MR. SCHREIBER: Yes.

24 12610 MR. AUGER: On the same point, if I
25 can ask you to turn up P-9, and that is the bound

1 volume that Mr. Pratte filed.

2 12611 MR. SCHREIBER: Which number, please?

3 12612 MR. AUGER: The tab is Tab 7.

4 12613 MR. SCHREIBER: Tab 7?

5 12614 MR. AUGER: Yes, page 2.

6 12615 MR. SCHREIBER: Yes.

7 12616 MR. AUGER: This is a letter written

8 by Mr. Massmann and it appears to be dated September

9 13, 1993.

10 12617 At the top of page 2 you'll see it

11 reads:

12 "I will limit market discussions

13 only to NATO countries.

14 Significant markets exist beyond

15 NATO, in countries which are

16 currently recipients of military

17 products from Canada, but these

18 will not be discussed in this

19 letter, rather these should be

20 considered separately with clear

21 guidelines set down by the

22 Government of Canada with

23 respect to export control."

24 12618 Do you see that?

25 12619 MR. SCHREIBER: That's correct, yes.

1 12620 MR. AUGER: I take it that at least
2 with those two examples that I have taken you to,
3 export controls were priority to Thyssen at the time?
4 12621 MR. SCHREIBER: Yes.
5 12622 MR. AUGER: And indeed we have
6 covered that in your own letter; that you had turned
7 your mind to it as the Chairman of Bear Head?
8 12623 MR. SCHREIBER: Yes.
9 12624 MR. AUGER: In your testimony with
10 Mr. Wolson you had referred to one acronym that I
11 recall you called COCOM.
12 12625 MR. SCHREIBER: Yes.
13 12626 MR. AUGER: Am I right that COCOM
14 stands for Coordinating Committee on Multilateral
15 Export Controls?
16 12627 MR. SCHREIBER: Yes.
17 12628 MR. AUGER: And is that something
18 that you were familiar with when you were working on
19 the Bear Head Project?
20 12629 MR. SCHREIBER: Yes.
21 12630 MR. AUGER: Can you tell the
22 Commissioner what your understanding of COCOM was at
23 the time?
24 12631 MR. SCHREIBER: Yes. COCOM is an
25 organization with the participation of different

1 countries which agreed to control the export of arms
2 and that the regions where permissions would be given
3 under certain restrictions, end user clauses, and
4 whatsoever, and of course that excluded any exports to
5 communists or non-NATO countries.

6 12632 And then of course later on, if you
7 allow me to add this, came a new agreement after the
8 downfall of the wall and the communist countries and
9 it's called now the Wassenaar Agreement with the same
10 input.

11 12633 MR. AUGER: It's my understanding
12 that COCOM was in effect until 1995 or 1996. Is that
13 something you can assist the Commissioner with?

14 12634 MR. SCHREIBER: My recollection is it
15 was in '94 and then it should be replaced with the
16 Wassenaar Agreement, but the Wassenaar Agreement came
17 not into force before '96, in my recollection.

18 12635 Until then the COCOM regulations were
19 the same.

20 12636 MR. AUGER: And when you were working
21 on the Bear Head Project and you had discussions with
22 Mr. Mulroney about it, was there ever a discussion
23 about an exception to export controls with you?

24 12637 MR. SCHREIBER: An exception?

25 12638 MR. AUGER: Any exception to the

1 export controls that you are talking about?

2 12639 MR. SCHREIBER: No. Thyssen had
3 certain permissions obtained already from the
4 government.

5 12640 MR. AUGER: And in terms of COCOM,
6 was it your understanding that Bear Head insisted that
7 COCOM be complied with?

8 12641 MR. SCHREIBER: Absolutely.

9 12642 MR. AUGER: And was that why you had
10 put it in your letter that I had turned up earlier in
11 your evidence?

12 12643 MR. SCHREIBER: Yes.

13 --- Pause

14 12644 MR. AUGER: I want to take you to
15 your transcript.

16 --- Pause

17 12645 MR. AUGER: It's actually your
18 evidence transcript from yesterday, April 16, 2009.

19 12646 Do you have the blue volume there in
20 front of you?

21 12647 MR. SCHREIBER: This one?

22 12648 MR. AUGER: The transcript from
23 yesterday, a blue volume?

24 12649 MR. SCHREIBER: No.

25 12650 MR. AUGER: I want to read to you

1 from page 723 part of your evidence with Mr. Wolson.

2 Page 723.

3 --- Pause

4 12651 MR. AUGER: Perhaps with your
5 permission, Commissioner, for expediency, I will simply
6 read it. I believe other counsel have copies
7 available, but in any event 723, line 14:

8 "MR. SCHREIBER: My intention
9 was to see the Prime Minister
10 since I hadn't met him since
11 June 3rd or so --

12 MR. WOLSON: Yes.

13 MR. SCHREIBER: -- to continue
14 our dialogue from June 3rd.

15 MR. WOLSON: The Bear Head
16 dialogue?

17 MR. SCHREIBER: Yes.

18 MR. WOLSON: Yes."

19 12652 What I want to ask you to focus on is
20 that you had used the word -- or agreed with the
21 suggestion that it was a dialogue with Mr. Mulroney
22 since June 3rd.

23 12653 MR. SCHREIBER: Yes.

24 12654 MR. AUGER: And is that a fair
25 interpretation that I make of your evidence from

1 yesterday?

2 12655 MR. SCHREIBER: Yes.

3 12656 MR. AUGER: And the truth of the

4 matter is, is that dialogue continued for many, many

5 months after June 3rd. Is that fair?

6 12657 MR. SCHREIBER: Yes.

7 12658 MR. AUGER: There were discussions

8 about Bear Head between you and Mr. Mulroney?

9 12659 MR. SCHREIBER: When?

10 12660 MR. AUGER: From June 3rd forward?

11 12661 MR. SCHREIBER: Yes.

12 12662 MR. AUGER: And that's what you meant

13 when you said "dialogue"?

14 12663 MR. SCHREIBER: Yes, that was -- it

15 came from the meeting of the 3rd of June.

16 12664 MR. AUGER: And that continued into

17 the meeting at Harrington Lake?

18 12665 MR. SCHREIBER: Yes.

19 12666 MR. AUGER: So there was dialogue and

20 discussions that were ongoing for many, many months,

21 even through to the Pierre Hotel meeting?

22 12667 MR. SCHREIBER: We were in constant

23 discussion since 1985 on this project and that didn't

24 stop as long as it was not dead.

25 --- Pause

1 12668 MR. AUGER: If I can ask you to go to
2 Binder 3, please, Tab 21. This is your November 2007
3 affidavit.

4 12669 MR. SCHREIBER: Yes.

5 12670 MR. AUGER: The second page at the
6 top is paragraph 4.

7 12671 MR. SCHREIBER: Yes.

8 12672 MR. AUGER: It starts by:
9 "Needless to say during my many
10 meetings with Mr. Mulroney in
11 the early 1980's neither the
12 cash payments made by me to Mr.
13 Mulroney nor the agreement..."

14 12673 Do you see the word "agreement" there
15 that I just read?

16 12674 MR. SCHREIBER: Yes.

17 12675 MR. AUGER: And then it goes:
18 "... (the 'Agreement')..."

19 12676 Capital "A".

20 12677 MR. SCHREIBER: Yes.

21 12678 MR. AUGER: Do you see that?

22 12679 MR. SCHREIBER: Yes.

23 12680 MR. AUGER: And then it goes closed
24 quote and a bracket.

25 12681 MR. SCHREIBER: Yes.

1 12682 MR. AUGER: The sentence continues:
2 "... made between Mr. Mulroney
3 and I, as referred to in the
4 statement of claim, were
5 discussed, or even contemplated
6 at that time."
7 12683 That was your affidavit that you
8 swore in 2007; right?
9 12684 MR. SCHREIBER: Yes.
10 12685 MR. AUGER: And that is the true
11 statement?
12 12686 MR. SCHREIBER: Yes.
13 12687 MR. AUGER: I don't think other
14 counsel had taken you to that paragraph when they
15 cross-examined you about this whole issue of the
16 agreement, and as I read that paragraph, that's the
17 first reference to the capitalized "A" "Agreement".
18 12688 Is that right?
19 12689 MR. SCHREIBER: Yes.
20 12690 MR. AUGER: Nowhere in that paragraph
21 do you in your affidavit define "agreement". You don't
22 define "agreement" there?
23 12691 MR. SCHREIBER: Yes.
24 12692 MR. AUGER: Do you agree with me?
25 12693 MR. SCHREIBER: Yes.

1 12694 MR. AUGER: So you don't set out what
2 exactly the word "agreement" means. You don't say that
3 in your affidavit?

4 12695 MR. SCHREIBER: Correct.

5 12696 MR. AUGER: And that is because this
6 was an ongoing dialogue and discussion since June 3rd;
7 right?

8 12697 MR. SCHREIBER: Yes.

9 12698 MR. AUGER: It was a work in progress
10 and it was an evolving situation?

11 12699 MR. SCHREIBER: Yes.

12 12700 MR. AUGER: It included what are we
13 going to do with Bear Head; correct?

14 12701 MR. SCHREIBER: Yes.

15 12702 MR. AUGER: It included organizing
16 funds by you for Mr. Mulroney; correct?

17 12703 MR. SCHREIBER: Yes.

18 12704 MR. AUGER: And that was in July of
19 1993; correct?

20 12705 MR. SCHREIBER: Yes.

21 12706 MR. AUGER: That was after the
22 Harrington Lake meeting; correct?

23 12707 MR. SCHREIBER: Yes.

24 12708 MR. AUGER: And obviously after the
25 June 3rd meeting where the dialogue began?

- 1 12709 MR. SCHREIBER: Yes.
- 2 12710 MR. AUGER: The dialogue and the
3 evolving work in progress continued at Mirabel when you
4 made the first payment; correct?
- 5 12711 MR. SCHREIBER: Yes.
- 6 12712 MR. AUGER: So the point is, as I
7 understand your evidence, is that you are not saying
8 that any agreement, capital "A" Agreement, was entered
9 into in one magic day. Am I right about that?
- 10 12713 MR. SCHREIBER: That's correct.
- 11 12714 MR. AUGER: That this, what was put
12 to you in cross-examination as an agreement, you are
13 not saying that that just happened magically in one day
14 at Mirabel, are you?
- 15 12715 MR. SCHREIBER: No.
- 16 12716 MR. AUGER: And even later on in your
17 dialogue with Mr. Mulroney there were discussions about
18 pasta; correct?
- 19 12717 MR. SCHREIBER: Yeah, correct.
- 20 12718 MR. AUGER: And again, that fits
21 under the category of an evolving dialogue with
22 Mr. Mulroney?
- 23 12719 MR. SCHREIBER: Yes.
- 24 12720 MR. AUGER: You were an entrepreneur
25 in June of 1993?

1 12721 MR. SCHREIBER: Yes.

2 12722 MR. AUGER: You were ambitious and
3 wanted to succeed in the project?

4 12723 MR. SCHREIBER: Yes.

5 12724 MR. AUGER: And if Bear Head wouldn't
6 succeed, you wanted to have Mr. Mulroney assist you in
7 another venture if that could work.

8 12725 MR. SCHREIBER: Yes.

9 12726 MR. AUGER: When you met Mr. Mulroney
10 at Harrington Lake, did he say anything to the effect
11 of let's not even discuss -- let's not even have this
12 dialogue now, let's wait until I'm officially out of
13 the Prime Minister's office?

14 12727 Did he say anything like that?

15 12728 MR. SCHREIBER: No.

16 12729 MR. AUGER: When you met Mr. Mulroney
17 at Mirabel did he say anything to the effect of well,
18 let's hold off on that for now until I'm officially no
19 longer a Member of Parliament?

20 12730 Was there any discussion to that
21 effect?

22 12731 MR. SCHREIBER: Not at all.

23 12732 MR. AUGER: Do you remember
24 Mr. Mulroney at any time in 1993 saying to you or using
25 the term cooling off period, let's wait until I'm no

1 longer a public official, nothing like that?

2 12733 MR. SCHREIBER: No.

3 12734 MR. AUGER: Back to your November

4 affidavit at Tab 21 in Book 3 on the same topic -- Tab

5 21.

6 12735 MR. SCHREIBER: Yes.

7 12736 MR. AUGER: Paragraph 16, which is on

8 page 4 of your affidavit.

9 12737 MR. SCHREIBER: Yes...?

10 12738 MR. AUGER: I want to focus on the

11 strict language of what you have sworn to be true,

12 which is:

13 "One of the terms of the

14 Agreement..."

15 12739 Do you see that?

16 12740 MR. SCHREIBER: Yes.

17 12741 MR. AUGER: And it continues:

18 "... which Mr. Mulroney and I

19 agreed to on June 23, 1993 was

20 that Mr. Mulroney would perform

21 certain services on my behalf."

22 12742 Do you see that?

23 12743 MR. SCHREIBER: Yes.

24 12744 MR. AUGER: And is that a true

25 statement?

1 12745 MR. SCHREIBER: Yes.

2 12746 MR. AUGER: So the point is, given
3 what you have said so far, that paragraph is simply
4 identifying one term; correct?

5 12747 MR. SCHREIBER: Yes.

6 12748 MR. AUGER: And by extension another
7 term of what you understood when you were testifying
8 before the Commission yesterday and today, another term
9 was payment of money; right?

10 12749 MR. SCHREIBER: What was, please?

11 12750 MR. AUGER: Another term or another
12 component of the dialogue was to pay money at Mirabel?

13 12751 MR. SCHREIBER: Yes.

14 --- Pause

15 12752 MR. AUGER: On page 922 of the
16 transcript of your evidence from April 16 on this same
17 point, Mr. Schreiber --

18 12753 MR. SCHREIBER: Which page?

19 12754 MR. AUGER: Nine-two-two in the blue
20 volume.

21 12755 MR. SCHREIBER: Yes.

22 12756 MR. AUGER: At line 14, the bottom
23 half of the page, Mr. Pratte, in cross-examination
24 says:
25 "The agreement you made with Mr.

1 Mulroney to help you on Bear
2 Head was made after he stepped
3 down as Prime Minister.
4 MR. SCHREIBER: Absolutely. It
5 was made in Mirabel.
6 MR. PRATTE: It was made in
7 Mirabel?
8 MR. SCHREIBER: Yes.
9 MR. PRATTE: That's when the
10 agreement was finalized?
11 MR. SCHREIBER: Yes, but I --
12 MR. PRATTE: That's when it was
13 made?
14 MR. SCHREIBER: Mr. Pratte, I
15 never said anything else."
16 12757 Continuing on over to page 924,
17 Mr. Schreiber, in the same transcript.
18 12758 MR. SCHREIBER: Yes.
19 12759 MR. AUGER: At line 14 you say this:
20 "Yeah. But..."
21 12760 Let me back up to Mr. Pratte's
22 question:
23 "MR. PRATTE: So the agreement
24 was made, though, at Mirabel.
25 You said that. That's when he

1 made the contract.

2 MR. SCHREIBER: Yeah. But we

3 made it clear this is what we

4 have in mind and we have to

5 finalize it when I come the next

6 time. And this was in Mirabel."

7 12761 MR. SCHREIBER: Yes.

8 12762 MR. AUGER: And so again, this was

9 just another component of the dialogue; correct?

10 12763 MR. SCHREIBER: Yes.

11 12764 MR. AUGER: That at Mirabel when you

12 gave money, you understood that to mean finalizing the

13 agreement?

14 12765 MR. SCHREIBER: Yes.

15 12766 MR. AUGER: When you gave the money

16 at Mirabel, did you expect on that day that everything

17 would be done without any further dialogue or payment

18 of money?

19 12767 MR. SCHREIBER: No, not at all.

20 12768 MR. AUGER: So you expected the

21 evolution to continue and further dialogue; correct?

22 12769 MR. SCHREIBER: Yes.

23 12770 MR. AUGER: And for the payment of

24 cash?

25 12771 MR. SCHREIBER: Yes.

1 --- Pause

2 12772 MR. AUGER: If I can ask you to turn
3 up Binder 2, Tab 142, please.

4 12773 MR. SCHREIBER: Tab what?

5 12774 MR. AUGER: One-four-two, Binder 2.

6 12775 MR. SCHREIBER: One-four-two, yes.

7 12776 MR. AUGER: This is just to finish
8 the point, Mr. Schreiber, and then I will move to
9 another area.

10 12777 Are you at Tab 142?

11 12778 MR. SCHREIBER: Yes.

12 --- Pause

13 12779 MR. AUGER: If you can go five pages
14 in from the back of the tab, there is a banking
15 document with handwriting on it.

16 12780 MR. SCHREIBER: Yes.

17 12781 MR. AUGER: Can you tell the
18 Commissioner what this relates to?

19 12782 MR. SCHREIBER: After the meeting
20 with Mr. Mulroney, I tried to find out what funds are
21 available for the project. As I said, I had spoke to
22 Frank Moores and I also spoke to the responsible banker
23 in Zürich and that was on the 12th of July '93.

24 12783 MR. AUGER: And you are looking at
25 the page with handwriting in the top right-hand corner,

1 you are looking at "12.7.93"?

2 12784 MR. SCHREIBER: 12.7.93, yes.

3 12785 MR. AUGER: And is that why you're

4 telling the Commissioner July 12, 1993?

5 12786 MR. SCHREIBER: Yes.

6 12787 MR. AUGER: Just briefly, in the

7 middle of the page there is a reference, it looks like

8 "Can \$ 500 000". Do you see that?

9 12788 MR. SCHREIBER: Yes.

10 12789 MR. AUGER: Is this a document from

11 the bank that you instructed to set up the \$500,000

12 account?

13 12790 MR. SCHREIBER: Yes.

14 12791 MR. AUGER: And this was for the

15 purpose of making the project work in Canada?

16 12792 MR. SCHREIBER: Yes.

17 12793 MR. AUGER: Again, this was just

18 another step in the dialogue or the process in order to

19 get Bear Head once and for all up and running with

20 Mr. Mulroney's assistance?

21 12794 MR. SCHREIBER: Yes.

22 12795 MR. AUGER: And so when you use the

23 word "agreement", you are referring to all of the

24 components that we have discussed since June 3, 1993?

25 12796 MR. SCHREIBER: Yes.

1 --- Pause

2 12797 MR. AUGER: We don't need to turn it
3 up, unless it's convenient. In the same affidavit you
4 have appended, I believe, a photograph of Mr. Mulroney.

5 12798 MR. SCHREIBER: Where is that, now?

6 12799 MR. AUGER: Tab 21, Binder 3, the
7 same affidavit from November `07.

8 12800 MR. SCHREIBER: Yes.

9 12801 MR. AUGER: You have to go about a
10 third of the way into the tab. In the top right-hand
11 corner there are numbers, and I am looking at No. 26 in
12 the top right-hand corner.

13 12802 MR. SCHREIBER: Yes.

14 12803 MR. AUGER: And it's Exhibit "F" to
15 your affidavit.

16 12804 MR. SCHREIBER: Yes.

17 12805 MR. AUGER: And that's a photograph
18 of Mr. Mulroney. Correct?

19 12806 MR. SCHREIBER: Yes.

20 12807 MR. AUGER: Can you tell the
21 Commissioner when you received that photograph?

22 12808 MR. SCHREIBER: Directly, myself, I
23 received it when I returned to Canada later in the
24 year.

25 12809 MR. AUGER: What year?

1 12810 MR. SCHREIBER: '93, in December.
2 12811 It was in my office in Ottawa.
3 12812 MR. AUGER: And was this photograph
4 discussed with Mr. Mulroney at Harrington Lake?
5 12813 MR. SCHREIBER: Yes.
6 12814 MR. AUGER: Can you tell the
7 Commissioner about that?
8 12815 MR. SCHREIBER: Well, it seemed to me
9 that, either on the day or days before, Mr. Mulroney
10 received this photograph --
11 12816 MR. AUGER: I'm sorry, the days
12 before the Harrington Lake meeting?
13 12817 MR. SCHREIBER: Yes, before I met
14 with him, because he liked it a lot, and he showed it
15 to me, and he said, "Look, this, I think, will be the
16 photo which will be later on in the House of Commons,
17 where all of the Prime Ministers have their photos or
18 pictures, and I will send you one of these photos as a
19 very special gift of mine."
20 12818 MR. AUGER: Was it his offer, or did
21 you ask for the photograph?
22 12819 MR. SCHREIBER: No, it was his offer.
23 12820 MR. AUGER: And when you were at
24 Harrington Lake and this photograph was discussed, was
25 there handwriting on it?

1 12821 MR. SCHREIBER: No, he had only, I
2 think, as I said, the first piece of it. Later on he
3 must have received more copies and then sent them out.

4 12822 MR. AUGER: At Exhibit 5 to your
5 affidavit that we are looking at, there is handwriting
6 at the bottom. Can you read that, please?

7 12823 MR. SCHREIBER: "For my friend
8 Karlheinz. With gratitude and best personal regards,
9 Brian Mulroney."

10 12824 MR. AUGER: You and Mr. Pratte had an
11 exchange about friends, or calling someone a friend.
12 Is that one of the reasons that you understood Mr.
13 Mulroney was your friend?

14 12825 MR. SCHREIBER: Yes. He wrote it
15 before, on other occasions. That's not the first time.

16 12826 MR. AUGER: And the words "With
17 gratitude" -- do you see that?

18 12827 MR. SCHREIBER: Yes.

19 12828 MR. AUGER: Are you able to tell the
20 Commissioner what that refers to?

21 12829 MR. SCHREIBER: Well, it is my
22 understanding that, as I mentioned earlier, Mr.
23 Mulroney had financial problems, and he was very
24 grateful that I helped him.

25 12830 MR. AUGER: Could I ask you to turn

1 up Tab 128, Book 2, please.

2 12831 MR. SCHREIBER: Which one?

3 12832 MR. AUGER: Book 2, Tab 128.

4 12833 MR. SCHREIBER: Yes.

5 12834 MR. AUGER: You will be happy to know

6 that we are back to the mandate sheets.

7 12835 Do you see that?

8 12836 MR. SCHREIBER: Yes.

9 12837 MR. AUGER: Go to the last page in

10 that tab, which, I think, is the third page. It's a

11 blank mandate sheet.

12 12838 Do you see that?

13 12839 MR. SCHREIBER: Yes.

14 12840 MR. AUGER: In your dialogue in

15 discussions with Mr. Mulroney on June 3rd, 1993, did he

16 ever say anything to the effect of: "Well, let's draw

17 up a written agreement or a written piece of paper on

18 this project"?

19 12841 MR. SCHREIBER: No.

20 12842 MR. AUGER: When you met with Mr.

21 Mulroney at Harrington Lake and had further dialogue,

22 did he say anything to the effect of: "Why don't we

23 scratch out some writing, so we are clear on what we

24 are doing"?

25 12843 Did he say anything like that?

1 12844 MR. SCHREIBER: No.

2 12845 MR. AUGER: What about when you met
3 at Mirabel or the Queen Elizabeth, was there anything
4 to the effect of: "Why don't we just sit down and
5 prepare a short, seven or eight-sentence document
6 setting out what we are doing"?

7 12846 MR. SCHREIBER: No.

8 12847 MR. AUGER: What about at The Pierre
9 Hotel?

10 12848 MR. SCHREIBER: No.

11 12849 MR. AUGER: And between the Mirabel
12 and the Queen Elizabeth meeting, did Mr. Doucet at any
13 time say, "I really think that you and Mr. Mulroney
14 would be best off if you drafted, in writing, what you
15 are doing"?

16 12850 MR. SCHREIBER: No.

17 12851 MR. AUGER: You have told the
18 Commissioner that Mr. Doucet was present at The Pierre
19 Hotel meeting.

20 12852 Is that right?

21 12853 MR. SCHREIBER: Yes.

22 12854 MR. AUGER: At that meeting did Mr.
23 Doucet or Mr. Mulroney say anything about writing down
24 the nature of the project?

25 12855 MR. SCHREIBER: No.

1 12856 MR. AUGER: So, as I understand your
2 evidence, the first time that there was any mention or
3 discussion of writing down what you were doing with Mr.
4 Mulroney -- the first time there was any discussion was
5 February 4th, 2000?

6 12857 MR. SCHREIBER: That's correct, sir.

7 12858 MR. AUGER: So six or seven years
8 after the commencement of the dialogue.

9 12859 MR. SCHREIBER: Yes.

10 12860 MR. AUGER: Did Mr. Doucet -- when
11 you met with him in relation to this mandate sheet, did
12 he tell you that he had typed up the document?

13 12861 MR. SCHREIBER: No.

14 12862 MR. AUGER: Do you know who typed up
15 the document?

16 12863 MR. SCHREIBER: No.

17 12864 MR. AUGER: And I am just talking
18 about the typewritten text, no handwriting.
19 12865 Do you know who typed it?

20 12866 MR. SCHREIBER: No.

21 12867 MR. AUGER: If you could just turn
22 over to Tab 129, in the same book that you are looking
23 at --

24 12868 MR. SCHREIBER: One-two-nine?

25 12869 MR. AUGER: Yes, 129.

1 12870 These are the handwritten notes that
2 you have been asked about, which the Commissioner has
3 been told were prepared by Mr. Doucet.

4 12871 Are you familiar with these notes?

5 12872 MR. SCHREIBER: I have the typed --

6 12873 MR. AUGER: Correct.

7 12874 MR. SCHREIBER: Yeah, okay.

8 12875 MR. AUGER: I just want to go slowly
9 through a couple of points.

10 12876 In the middle of the page you see
11 paragraph 1. It starts: "As best as I can recall..."

12 12877 Do you see that?

13 12878 MR. SCHREIBER: Yes.

14 12879 MR. AUGER: If you jump down to the
15 end of that first paragraph, do you see the words,
16 "...and watching brief for corporate opportunities"?

17 12880 Do you see that?

18 12881 MR. SCHREIBER: Yes.

19 12882 MR. AUGER: Paragraph 3, on the same
20 page -- in the middle of paragraph 3 -- if you can scan
21 through paragraph 3, you will see again, "...would
22 provide a watching brief."

23 12883 MR. SCHREIBER: Yes.

24 12884 MR. AUGER: Turn the page. In the
25 middle of paragraph 8 -- if you can scan the paragraph,

1 you will see again the term "watching brief".

2 12885 Do you see that?

3 12886 MR. SCHREIBER: Yes.

4 12887 MR. AUGER: That is not a term that

5 you used?

6 12888 MR. SCHREIBER: No.

7 12889 MR. AUGER: Then, back to page 1 of

8 the same document at Tab 129, if you scan the page, you

9 will see that there are at least three references to

10 the word "international".

11 12890 Do you see that?

12 12891 In paragraph 1 there is a reference

13 to "involving international representations".

14 12892 Do you see that?

15 12893 MR. SCHREIBER: Yes.

16 12894 MR. AUGER: Paragraph 3, the second

17 line from the end of the paragraph: "international

18 arena".

19 12895 Do you see that?

20 12896 MR. SCHREIBER: Yes.

21 12897 MR. AUGER: The fifth paragraph,

22 third line from the bottom of the page: "consultancy

23 in the international arena".

24 12898 Do you see that?

25 12899 MR. SCHREIBER: Yes.

1 12900 MR. AUGER: Again, those aren't terms
2 that you used in any of your discussions with Mr.
3 Doucet?

4 12901 MR. SCHREIBER: No.

5 12902 MR. AUGER: What about with Mr.
6 Mulroney?

7 12903 MR. SCHREIBER: No.

8 12904 MR. AUGER: If you can keep in mind
9 the term that we have identified, "watching brief", and
10 turn back to Tab 128 and the mandate sheet --
11 12905 I'm sorry, Tab 128. It's one tab
12 back, the mandate.

13 12906 MR. SCHREIBER: Yes.

14 12907 MR. AUGER: It starts off, "To
15 provide a watching brief".

16 12908 Do you see that?

17 12909 MR. SCHREIBER: Yes.

18 12910 MR. AUGER: And you have told the
19 Commissioner that that's not a term that you used.

20 12911 MR. SCHREIBER: No, I never received
21 anything like this.

22 12912 MR. AUGER: But just the language,
23 "watching brief", is that something -- that is not a
24 term that you used in '93 or '94 or 2000?

25 12913 MR. SCHREIBER: No.

1 12914 MR. AUGER: Then, if I could ask you
2 to go back to 129 again, to the typed memo --
3 12915 MR. SCHREIBER: Yes.
4 12916 MR. AUGER: So one tab forward, the
5 second page of Tab 129 --
6 12917 MR. SCHREIBER: Tab 129, yeah.
7 12918 MR. AUGER: The second page of the
8 typed memo again.
9 12919 Do you see that?
10 12920 MR. SCHREIBER: Yes.
11 12921 MR. AUGER: I want to focus you on
12 paragraph 9.
13 "I reported to B.M. on my
14 discussions with K.S. (with
15 K.S.'s knowledge and
16 approval)..."
17 12922 Is that true?
18 12923 MR. SCHREIBER: I don't know.
19 12924 MR. AUGER:
20 "...and I suggested to B.M. that
21 I meet again with K.S. to
22 present in writing..."
23 -- and this is what I want you to focus on:
24 "...what he had told me the
25 mandate for the consultancy was

1 with B.M. and the term and fees.
2 I met again with K.S. in my
3 office in Ottawa on Feb 4/00 and
4 I presented a written statement
5 on the mandate consistent with
6 what he (K.S.) had represented
7 it to be."
8 12925 Do you see that?
9 12926 MR. SCHREIBER: Yes.
10 --- Laughter / Rires
11 12927 MR. AUGER: And I take it that you
12 have just laughed because that's false.
13 12928 MR. SCHREIBER: Yes.
14 12929 MR. AUGER: And you have confirmed to
15 the Commissioner that you, certainly, didn't type this
16 mandate sheet.
17 12930 Is that something you can confirm?
18 12931 MR. SCHREIBER: Yes.
19 12932 MR. AUGER: You didn't use the
20 language "watching brief" in any of your discussions or
21 materials?
22 12933 MR. SCHREIBER: No.
23 12934 MR. AUGER: And, indeed, the mandate
24 sheet is not consistent with anything you had
25 represented to Mr. Doucet.

1 12935 MR. SCHREIBER: Not at all.

2 12936 MR. AUGER: If I could ask you to go
3 back to Tab 128, please, the mandate sheet -- one tab
4 back --

5 12937 MR. SCHREIBER: Yes.

6 12938 MR. AUGER: The blank mandate sheet,
7 the third page in the tab.

8 12939 MR. SCHREIBER: Yes.

9 12940 MR. AUGER: Focus your attention on
10 that, please.

11 12941 MR. SCHREIBER: Yes.

12 12942 MR. AUGER: You told the Commissioner
13 that you received it and told Mr. Doucet that you would
14 get back to him, or words to that effect.

15 12943 MR. SCHREIBER: Yes.

16 12944 MR. AUGER: Did you ever write on
17 this blank mandate sheet?

18 12945 MR. SCHREIBER: I don't recall
19 anything of that.

20 12946 MR. AUGER: Did you ever sign any
21 mandate sheets in relation to your dealings with Mr.
22 Mulroney?

23 12947 MR. SCHREIBER: No.

24 12948 MR. AUGER: Did you ever agree to any
25 mandate sheets in your discussions with Mr. Mulroney?

1 12949 MR. SCHREIBER: No.

2 12950 MR. AUGER: And I have the impression
3 from listening to your evidence that you are confident
4 that you didn't write on the mandate sheet which is the
5 first page in the tab.

6 12951 You are confident that you did not
7 write on that actual sheet?

8 12952 MR. SCHREIBER: Oh, yes, I did, and I
9 explained, with the arrows, what is my writing and what
10 is not my writing.

11 12953 MR. AUGER: Correct. You are right,
12 the first page, as I think you have already testified,
13 it is your writing in the left margin where it says
14 "Karlheinz".

15 12954 MR. SCHREIBER: Yes.

16 12955 MR. AUGER: And you did that around
17 the time of the Ethics Committee, when you first saw
18 this document.

19 12956 MR. SCHREIBER: Yes.

20 12957 MR. AUGER: So I should have been
21 more precise and taken you to the second page in the
22 same tab. You are confident that none of the
23 handwriting on that page was handwriting that you put
24 on the mandate sheet itself.

25 12958 MR. SCHREIBER: Yes.

1 12959 MR. AUGER: And there are a number of
2 reasons that you are confident about that?

3 12960 MR. SCHREIBER: Yes.

4 12961 MR. AUGER: One of the reasons, at
5 least, is the reference to the company -- the first one
6 is "Bayerische" --

7 12962 MR. SCHREIBER: Bayerische
8 Bitumen-Chemie, yes.

9 12963 MR. AUGER: Why are you confident
10 that that company --

11 12964 Tell the Commissioner what that
12 company did.

13 12965 MR. SCHREIBER: Well, it's a company
14 in Germany which is involved in road construction and
15 traffic safety products. It's all in the files which
16 you received.

17 12966 COMMISSIONER OLIPHANT: How would Mr.
18 Doucet know about that?

19 12967 MR. SCHREIBER: I can only think,
20 Commissioner, that he either had a business card of
21 mine or perhaps a brochure from that company, and this
22 is a place where he contacted me when he looked for me
23 in Germany.

24 12968 So I think that he was very familiar
25 with what Bayerische Bitumen-Chemie is.

1 12969 COMMISSIONER OLIPHANT: I should say
2 to you that, when I ask a question, don't put any
3 special meaning on it. Okay?

4 12970 I have concerns that I want to get
5 straight in my own mind, but there is no special
6 significance to questions that I might ask of you or
7 any other witness. Okay?

8 12971 I don't want you to worry that I have
9 asked you a question.

10 12972 MR. SCHREIBER: Okay.

11 12973 COMMISSIONER OLIPHANT: Okay?

12 12974 MR. SCHREIBER: Yeah.

13 12975 MR. AUGER: In your testimony today
14 and yesterday there was reference to your explanation
15 being a miracle. Obviously, you are not serious about
16 that.

17 12976 MR. SCHREIBER: No.

18 12977 MR. AUGER: Do you have any
19 understanding of how your handwriting got on this
20 mandate page?

21 12978 MR. SCHREIBER: No, I can only assume
22 that at one time I might have written this down. I
23 cannot even think about for what purpose or what
24 reason. I don't know.

25 12979 MR. AUGER: When you say "written

1 this down", do you mean on this very mandate page or
2 another piece of paper?

3 12980 What are you referring to?

4 12981 MR. SCHREIBER: Yeah, I must have
5 written this down somewhere, because it's my
6 handwriting, but I don't know when and where.

7 12982 COMMISSIONER OLIPHANT: Do you know
8 for sure that it wasn't on the mandate form?

9 12983 MR. SCHREIBER: No, because the
10 mandate form I took home is this.

11 12984 COMMISSIONER OLIPHANT: I want to
12 give you the chance to explain to me, now that we know
13 that you don't think it was a miracle, how handwriting
14 that's in your hand --

15 12985 MR. SCHREIBER: Yes?

16 12986 COMMISSIONER OLIPHANT: -- appears on
17 a document upon which you didn't write.

18 12987 MR. SCHREIBER: Yes.

19 12988 COMMISSIONER OLIPHANT: How do you
20 explain that?

21 12989 MR. SCHREIBER: I don't know.

22 12990 This is what I took home.

23 12991 MR. AUGER: You are referring to the
24 blank sheet, which is the third page in the tab?

25 12992 MR. SCHREIBER: Yes.

1 12993 MR. AUGER: And you gave it to a
2 lawyer -- I don't want to get into any of those
3 discussions, but you gave it to a lawyer.

4 12994 MR. SCHREIBER: Yes.

5 12995 MR. AUGER: Could I ask you to turn
6 up, in Book 3, Tab No. 3, please?

7 12996 MR. SCHREIBER: Yes, sir.

8 12997 MR. AUGER: Tab 3, Book 3.

9 12998 MR. SCHREIBER: Yes.

10 12999 MR. AUGER: This is the CBC, "The
11 Mysterious Deal-Maker," October 20, 1999.
12 13000 Do you see that?

13 13001 MR. SCHREIBER: Yes.

14 13002 MR. AUGER: Obviously, in 1999, you
15 were following closely the media in relation to you?

16 13003 MR. SCHREIBER: Yes.

17 13004 MR. AUGER: And that has always been
18 your habit, is to, almost on a daily basis, follow the
19 media in relation to you and your case?

20 13005 MR. SCHREIBER: When I had the time,
21 yes.

22 13006 MR. AUGER: Page 2 in that CBC
23 transcript -- the first reference is to Pat MacAdam.

24 13007 Do you see that?

25 13008 MR. SCHREIBER: Yes.

1 13009 MR. AUGER: These are comments that
2 appear to be attributed to him in the transcript:
3 "They knew each other long
4 before Mr. Mulroney became an MP
5 and leader of the opposition - I
6 don't know where they met, maybe
7 through the Strausses - and he'd
8 pay a courtesy call on Mr.
9 Mulroney in the Office of the
10 Leader of the Opposition. I was
11 the gatekeeper then and kept the
12 appointments, and he'd come in
13 with Max Strauss and say hello
14 and leave."
15 13010 If you could turn the page, please,
16 in the middle of the page there is a reference to
17 MacIntyre.
18 13011 Do you see that?
19 13012 MR. SCHREIBER: Yes.
20 13013 MR. AUGER:
21 "Internal records also show that
22 Karlheinz Schreiber met
23 personally with Mulroney in
24 Ottawa about the project at
25 least twice, in 1991 and in

1 1992, and Schreiber's own
2 handwritten notes indicate that
3 he had hopes of meeting with him
4 more than that. Thyssen seemed
5 to be getting full value for its
6 lobbying dollar in Ottawa, and
7 the most effective advocates
8 were Frank Moores' lobby firm,
9 GCI."

10 13014 Presumably, given that you were
11 following the media in relation to your case in 1999,
12 you were aware of those comments in 1999?

13 13015 MR. SCHREIBER: I don't recall it,
14 but I think so.

15 13016 MR. AUGER: You don't recall it as
16 you sit here today, but you were following CBC, the
17 fifth estate, in October of 1999?

18 13017 MR. SCHREIBER: Yes.

19 13018 MR. AUGER: And you are aware that
20 these statements were made public at that time?

21 13019 MR. SCHREIBER: Yes.

22 13020 MR. AUGER: And are these, generally,
23 true statements?

24 13021 MR. SCHREIBER: Yes.

25 13022 MR. AUGER: And then, if I could ask

1 you, as well, to go to Binder 3, Tab 32...

2 13023 Binder 3, Tab 32.

3 13024 MR. SCHREIBER: Yes.

4 13025 MR. AUGER: This is more media, in

5 2003. It appears to be an article by William Kaplan.

6 13026 Do you see that?

7 13027 MR. SCHREIBER: Yes.

8 13028 MR. AUGER: At page 2 of that

9 document, the fifth paragraph down --

10 "Award-winning National Post

11 reporter..."

12 13029 Do you see that?

13 13030 MR. SCHREIBER: On what page, please?

14 13031 MR. AUGER: Page 2 of 6.

15 13032 MR. SCHREIBER: Page 2 of 6. Now

16 going where?

17 13033 "Award-winning National Post"?

18 13034 MR. AUGER: Yes.

19 13035 MR. SCHREIBER: Yeah.

20 13036 MR. AUGER:

21 "...reporter Philip Mathias got

22 the story first, nailing it down

23 in late 2000 and early 2001:

24 `Brian Mulroney was paid

25 \$300,000 in cash by German

1 businessman Karlheinz Schreiber,
2 the man at the centre of the
3 Airbus affair, over an 18-month
4 period beginning soon after
5 Mulroney stepped down as prime
6 minister in 1993."

7 13037 Do you see that?

8 13038 MR. SCHREIBER: Yes.

9 13039 MR. AUGER: I take it from your
10 earlier comments that you would have been aware of this
11 article and those comments in 2003.

12 13040 MR. SCHREIBER: Yes.

13 13041 MR. AUGER: You don't need to turn
14 this up, but on page 763, April 16th, Mr. Wolson had
15 suggested to you that that was the first time,
16 publicly, the fact that the allegation you had given
17 Mr. Mulroney \$300,000 was made public.

18 13042 MR. SCHREIBER: I think so, yes.

19 13043 MR. AUGER: Mr. Wolson suggested that
20 to you.

21 13044 MR. SCHREIBER: Yes.

22 13045 MR. AUGER: And your answer was that
23 you were aware of that article vaguely. Correct?

24 13046 MR. SCHREIBER: Yes.

25 13047 MR. AUGER: So the point is, at the

1 times that I have taken you to, those dates in
2 question, you were aware that the story was public.

3 13048 MR. SCHREIBER: Yes.

4 13049 MR. AUGER: It was in the public
5 domain, on national TV.

6 13050 MR. SCHREIBER: Yes.

7 13051 MR. AUGER: And it was in the public
8 domain on national TV that you had meetings with Mr.
9 Mulroney and gave him cash. Right?

10 13052 MR. SCHREIBER: Yes.

11 13053 MR. AUGER: If I could ask you to go
12 to your Eurocopter evidence in Binder 3 --

13 13054 MR. SCHREIBER: Yes.

14 13055 MR. AUGER: The first tab is Tab 9.

15 13056 MR. SCHREIBER: Yes.

16 13057 MR. AUGER: Page 111.

17 13058 MR. SCHREIBER: Yes.

18 13059 MR. AUGER: In the middle of the page
19 you give this answer:

20 "I wonder why don't you simply
21 say whether Brian Mulroney was
22 engaged and hired by me after he
23 was the Prime Minister of
24 Canada. The whole world knows
25 it. Why do you go around? Just

1 simply ask straightforward
2 questions and I'll give it to
3 you.
4 Q. He won't let me.
5 A. I have no problems with
6 that. The whole world knows
7 that."
8 13060 That was your evidence. Right?
9 13061 MR. SCHREIBER: Yes.
10 13062 MR. AUGER: And that was truthful
11 evidence that you gave in Eurocopter?
12 13063 MR. SCHREIBER: Yes.
13 13064 MR. AUGER: And you were answering
14 the prosecutor about Mr. Mulroney.
15 13065 MR. SCHREIBER: Yes.
16 13066 MR. AUGER: And you were getting, as
17 I interpret those answers, a little bit frustrated that
18 he just wasn't asking you point blank.
19 13067 MR. SCHREIBER: Yes.
20 13068 MR. AUGER: And you just gave him the
21 straight answer, point blank. Right?
22 13069 MR. SCHREIBER: Yes.
23 13070 MR. AUGER: And you added to that
24 twice that it's no secret and that the whole world knew
25 about it.

1 13071 MR. SCHREIBER: Yes.

2 13072 MR. AUGER: And this is in 2004.

3 13073 MR. SCHREIBER: Yes.

4 13074 MR. AUGER: September 22, 2004 in the
5 Eurocopter proceedings is your evidence.

6 13075 MR. SCHREIBER: Yes.

7 13076 MR. AUGER: So obviously you knew
8 full well, and based on the previous press you knew
9 full well that the word was out in the public domain
10 that you had these dealings with Mr. Mulroney?

11 13077 MR. SCHREIBER: Absolutely.

12 13078 MR. AUGER: And that you had a
13 relationship with him.

14 13079 MR. SCHREIBER: Absolutely.

15 13080 MR. AUGER: And that you gave him
16 cash.

17 13081 MR. SCHREIBER: Yes.

18 13082 MR. AUGER: And when Mr. Wolson
19 suggested to you on April 14th, at page 295, and he
20 made the suggestion that you didn't want to tell the
21 prosecutor that you had a relationship with
22 Mr. Mulroney, you answered that that's not true.

23 13083 MR. SCHREIBER: Exactly.

24 13084 MR. AUGER: You weren't hiding the
25 fact that you had a relationship with Mr. Mulroney.

1 13085 MR. SCHREIBER: Not at all.

2 13086 MR. AUGER: You knew it was in the
3 public domain.

4 13087 MR. SCHREIBER: Yes.

5 13088 MR. AUGER: You knew it was on The
6 Fifth Estate.

7 13089 MR. SCHREIBER: Yes.

8 13090 MR. AUGER: You had testified before
9 this judge in Eurocopter for 11 days.

10 13091 MR. SCHREIBER: Yes.

11 13092 MR. AUGER: You knew that you weren't
12 going to trick the judge in Eurocopter by trying to
13 hide a relationship that was on The Fifth Estate.

14 13093 MR. SCHREIBER: No.

15 --- Pause

16 13094 MR. AUGER: On page 291 when
17 Mr. Wolson asked you:
18 "MR. WOLSON: Why didn't you
19 tell the prosecutor of all the
20 meetings you had with Mr.
21 Mulroney? Why not?"
22 13095 You said -- your answer was:
23 "I am somewhat surprised. I
24 have no reason that I wouldn't
25 have told him."

1 13096 That was your answer before this
2 Commissioner; right?

3 13097 MR. SCHREIBER: Yes. But allow me to
4 add something.

5 13098 MR. AUGER: And one reason that you
6 wouldn't have omitted it is that you knew full well it
7 was in the public domain; right?

8 13099 MR. SCHREIBER: Yes. But may I add
9 something?

10 13100 There was a constant fight between
11 Mr. Schabas and Mr. Bernstein what answers I should
12 give or should not give, and finally the judge decided
13 when and what I should answer. He even told me at one
14 time there -- you have it in the transcript -- don't
15 answer these questions.

16 13101 And he got angry with Mr. Bernstein.
17 He wanted me -- Mr. Bernstein wanted me to be a hostile
18 witness and Justice Belanger denied it.

19 13102 The whole thing is very obvious what
20 happened there. There were no secrets.

21 --- Pause

22 13103 MR. AUGER: If I can ask you to turn
23 up Binder 1 of 3 in your Eurocopter testimony at Tab 3?

24 13104 MR. SCHREIBER: Binder 1?

25 13105 MR. AUGER: Binder 1 of 3, Eurocopter

1 transcript.

2 13106 MR. SCHREIBER: Yes.

3 13107 MR. AUGER: Tab 3.

4 13108 MR. SCHREIBER: Yes.

5 13109 MR. AUGER: Page 25.

6 13110 MR. SCHREIBER: Twenty-five, yes.

7 13111 MR. AUGER: About one-third of the

8 way down you are asked this question:

9 "Apart from this breakfast

10 meeting was there any other

11 contact?" (As read)

12 13112 Do you see that, what I'm taking you

13 to? Let's go slow through this.

14 13113 It's about 10 lines down.

15 13114 MR. SCHREIBER: On page 25?

16 13115 MR. AUGER: Correct.

17 13116 MR. SCHREIBER: And then...?

18 13117 MR. AUGER: Tab 3.

19 13118 MR. SCHREIBER: Yes. But I have no

20 numbers here on that page.

21 13119 MR. AUGER: Okay.

22 13120 MR. SCHREIBER: So yes, "Apart from

23 this breakfast meeting".

24 13121 MR. AUGER: You see the words "Apart

25 from"?

1 13122 MR. SCHREIBER: Yes.

2 13123 MR. AUGER: Okay.

3 13124 MR. SCHREIBER: I see that.

4 13125 MR. AUGER: Let's go slow through

5 this.

6 13126 MR. SCHREIBER: Yes.

7 13127 MR. AUGER:

8 "Apart from this breakfast

9 meeting was or any other

10 contact?" (As read)

11 13128 Do you see that?

12 13129 MR. SCHREIBER: Yes.

13 13130 MR. AUGER: You were asked that

14 question --

15 13131 MR. SCHREIBER: Yes.

16 13132 MR. AUGER: -- by the prosecutor?

17 13133 MR. SCHREIBER: Yes.

18 13134 MR. AUGER: And your answer is below.

19 13135 First of all you say yes; right?

20 13136 MR. SCHREIBER: Yes.

21 13137 MR. AUGER: So you answer in the

22 affirmative that there was other contact.

23 13138 MR. SCHREIBER: Yes.

24 13139 MR. AUGER: Correct?

25 13140 MR. SCHREIBER: Yes.

1 13141 MR. AUGER: And then you continue:
2 "I saw him once in the lobby
3 from the House or in his office
4 or with -- with the same -- with
5 the same matter.
6 Question: When you say the same
7 matter --
8 Answer: The project of Bear
9 Head Industries." (As read)
10 13142 Those are questions you were asked
11 and answers you gave; correct?
12 13143 MR. SCHREIBER: Yes.
13 13144 MR. AUGER: So first of all I want to
14 unpack that evidence a little bit.
15 13145 First of all, you answer that there
16 was other contact.
17 13146 MR. SCHREIBER: Yes.
18 13147 MR. AUGER: You don't deny there was
19 other contact --
20 13148 MR. SCHREIBER: No.
21 13149 MR. AUGER: -- with Mr. Mulroney?
22 13150 MR. SCHREIBER: No.
23 13151 MR. AUGER: You then go on to
24 elaborate on your affirmative answer about places you
25 had met him?

1 13152 MR. SCHREIBER: Yes.

2 13153 MR. AUGER: And then Mr. Bernstein
3 confirms it's about Bear Head. Do you see that?
4 "When you say the same matter --
5 Answer: The project of Bear
6 Head industries." (As read)

7 13154 MR. SCHREIBER: Yes.

8 13155 MR. AUGER: And here is what is
9 important:
10 "Did you have dealings, any
11 contact with him on behalf of
12 MBB." (As read)

13 13156 Do you see the next question?

14 13157 MR. SCHREIBER: Yes.

15 13158 MR. AUGER: Mr. Bernstein didn't
16 follow up with you and say is that a complete list of
17 your meetings with Mr. Mulroney? He didn't say that.

18 13159 MR. SCHREIBER: No.

19 13160 MR. AUGER: He didn't say were there
20 any other meetings at any other places? He didn't ask
21 you that.

22 13161 MR. SCHREIBER: No.

23 13162 MR. AUGER: He changed the subject;
24 right?

25 13163 MR. SCHREIBER: Yes.

1 13164 MR. AUGER: His next question was
2 about MBB.

3 13165 MR. SCHREIBER: This is what it was
4 all about anyhow, yes.

5 13166 MR. AUGER: And so when you answered
6 in the affirmative that there was other contact with
7 Mr. Mulroney and you started to list once in the lobby
8 from the House or in his office, and we can see from
9 the transcript it looks like -- I will suggest to you
10 that you are in the course of thought where it says:
11 "Or with -- with the same --
12 with the same matter." (As read)

13 13167 Is that fair that you were continuing
14 your course of thought?

15 13168 MR. SCHREIBER: Yes.

16 13169 MR. AUGER: So you weren't asked if
17 that was a complete list of all contact with
18 Mr. Mulroney, were you?

19 13170 MR. SCHREIBER: Not at all.
20 --- Pause

21 13171 MR. AUGER: Can I ask you to turn up
22 Book 3, Tab 11, please.

23 13172 MR. SCHREIBER: From the normal
24 binders now?

25 13173 MR. AUGER: Correct.

1 13174 MR. SCHREIBER: Tab 3.

2 13175 COMMISSIONER OLIPHANT: Are we
3 talking about the Commission's binders now?

4 13176 MR. AUGER: Yes, Commissioner, thank
5 you.

6 --- Pause

7 13177 MR. AUGER: If I can ask you to go to
8 Tab 11, Mr. Schreiber.

9 13178 MR. SCHREIBER: Yes.

10 --- Pause

11 13179 MR. AUGER: Do you have the page?
12 It's actually the second piece of paper in the tab. It
13 says "Interview with KHS Feb 13, 2004".

14 13180 MR. SCHREIBER: Yes.

15 13181 MR. AUGER: That was also before your
16 Eurocopter testimony in September of 2004?

17 13182 MR. SCHREIBER: Yes, I think so.

18 13183 MR. AUGER: This interview that I'm
19 showing you, February 13, 2004, was before your
20 Eurocopter testimony?

21 13184 MR. SCHREIBER: Yes.

22 13185 MR. AUGER: And you say:
23 "He told me that he went to see
24 bm at harrington lake and did so
25 at bm's request."

1 13186 Do you see that?

2 13187 MR. SCHREIBER: Yes.

3 13188 MR. AUGER:

4 "Bm sent a car to pick him up.

5 Discuss the bearhead project.

6 Bm told him that kim campbell

7 would be elected and he could

8 help with the project..."

9 13189 Do you see that?

10 13190 MR. SCHREIBER: Yes.

11 13191 MR. AUGER: Are those, words to that

12 effect, reasonably accurate in terms of what you told

13 Mr. Kaplan on February 13, 2004?

14 13192 MR. SCHREIBER: Yes.

15 13193 MR. AUGER: And you knew that

16 Mr. Kaplan was a writer and a journalist?

17 13194 MR. SCHREIBER: Yes.

18 13195 MR. AUGER: You didn't hide the

19 Harrington Lake meeting or your contact with

20 Mr. Mulroney from him?

21 13196 MR. SCHREIBER: No. He had written

22 books on all these cases.

23 13197 MR. AUGER: In the same binder,

24 Mr. Schreiber, binder three, if I could ask you to turn

25 up Tab 1.

1 13198 MR. SCHREIBER: Yes.

2 13199 MR. AUGER: The third piece of paper
3 in the tab, the top half is blank and the bottom third
4 starts with "With respect to Paul Tellier..."

5 13200 Do you see that?

6 13201 MR. SCHREIBER: Yes.

7 13202 MR. AUGER:
8 "I had to laugh when I heard
9 what you said about my meeting
10 with him in your book. I can
11 tell you that I haven't read
12 your book but plan to do so
13 around Christmas. The idea of
14 him throwing me out of anywhere
15 was just ridiculous. I would
16 have thrown him out the window.
17 He wouldn't have the guts to
18 throw me out."

19 13203 The only point I want to establish
20 with you is that you were not shy to tell Mr. Kaplan
21 that you disagreed with something in his book.

22 13204 MR. SCHREIBER: Yes.

23 13205 Of course that meeting took not even
24 place.

25 13206 MR. AUGER: And you told Mr. Kaplan

1 that was ridiculous what he wrote in his book.

2 13207 MR. SCHREIBER: Yeah.

3 13208 MR. AUGER: And he had it wrong was
4 what your point was.

5 13209 MR. SCHREIBER: Yeah.

6 13210 MR. AUGER: And I think earlier in
7 your evidence this week you have even told this
8 Commission that it was -- was it the first page of one
9 of his books that he had completely wrong?

10 13211 MR. SCHREIBER: That was in "Presumed
11 Guilty", the first book on the Airbus on Mr. Mulroney's
12 affairs. When the story starts, Mr. Schreiber was so
13 excited about his dealings with Airbus in 1986 so he
14 took a piece of paper out and said to Giorgio Pelossi
15 you will become a millionaire.

16 13212 And Kaplan called me and said whether
17 I saw the book and I said well, why would I read the
18 book? You've got it all wrong on the first page.

19 13213 Turn to the left side. There you
20 show the agreement with Pelossi and it shows you what
21 you think is an agreement because I was so happy in
22 1986 was done in 1976, 10 years before.

23 13214 So why would you ask me whether I
24 read the rest when you got it wrong at the beginning?

25 13215 Said in a friendly way. I was not

1 bad with him.

2 13216 MR. AUGER: So according to you,
3 Mr. Kaplan was completely wrong on that point by 10
4 years?

5 13217 MR. SCHREIBER: Yes.

6 13218 MR. AUGER: And you told him so?

7 13219 MR. SCHREIBER: But the problem is,
8 when you open the book and you see it page -- one page,
9 not even somewhere far away, I mean you cannot even
10 overlook it when you look at the book and open it.

11 13220 I found it -- okay.

12 13221 MR. AUGER: And we have heard your
13 evidence in relation to Mr. Kaplan before the
14 Commissioner this week, and you weren't shy to point
15 out that there were other recordings of events that he
16 made that you disagreed with.

17 13222 MR. SCHREIBER: Yes.

18 13223 MR. AUGER: Commissioner, I see it is
19 3 o'clock. I'm happy to continue or I'm in your hands
20 as to whether you wish to break.

21 13224 I am going to a new area, but I'm
22 happy to continue.

23 13225 COMMISSIONER OLIPHANT: Okay. How
24 much longer do you expect to be?

25 13226 MR. AUGER: Less than an hour, I

1 hope.

2 13227 COMMISSIONER OLIPHANT: Less than an
3 hour.

4 13228 Do you want to take a break,
5 Mr. Schreiber?

6 13229 MR. SCHREIBER: No, finish it.

7 13230 COMMISSIONER OLIPHANT: It's
8 3 o'clock. It's time for your nap.

9 13231 MR. SCHREIBER: It's okay. No. But
10 then it gets too late.

11 13232 COMMISSIONER OLIPHANT: Okay.

12 13233 Does anybody else need a break? I
13 see some body language coming from the counsel table.

14 13234 I think we will take a break,
15 Mr. Schreiber. Okay?

16 13235 MR. SCHREIBER: Okay.

17 13236 COMMISSIONER OLIPHANT: Fifteen
18 minutes.

19 --- Upon recessing at 3:00 p.m. / Suspension à 15 h 00
20 --- Upon resuming at 3:15 p.m. / Reprise à 15 h 15

21 13237 COMMISSIONER OLIPHANT: Be seated,
22 please.

23 13238 MR. AUGER: Thank you, Commissioner.

24 13239 Mr. Schreiber, if I can ask you to
25 turn up Book 3, Tab 14. Binder 3, Tab 14.

1 13240 Do you have Tab 14?

2 13241 MR. SCHREIBER: Yes.

3 13242 MR. AUGER: These are more notes I
4 believe generated by Mr. Kaplan.

5 13243 If I can ask you to turn to the third
6 page, in the middle of the page -- and I want to go
7 slow through this.

8 13244 In the middle of the page there is a
9 sentence I want to read to you, and Mr. Pratte had
10 taken you to it yesterday. The sentence is this "value
11 added representative" -- let me back up just so you
12 have the context.

13 "After Brian Mulroney left
14 office I hoped to get his
15 support that the Bearhead
16 project would go ahead. The
17 previous Prime Minister of
18 Canada, namely Mulroney, in my
19 opinion would have been a good
20 representative of Thyssen. A
21 value added representative to
22 support the sale of peacekeeping
23 and an environmental protection
24 equipment out of Canada."

25 13245 Do you see that last sentence I read

1 to you?

2 13246 MR. SCHREIBER: Yes.

3 13247 MR. AUGER: You have told Mr. Pratte,
4 as I understood your evidence yesterday, that that
5 sentence:

6 "A value added representative to
7 support the sale of peacekeeping
8 and an environmental protection
9 equipment out of Canada."

10 13248 I understood that you told Mr. Pratte
11 that that sentence was true.

12 13249 MR. SCHREIBER: Yes.

13 13250 MR. AUGER: And what I want to ask
14 you is firstly that sentence, those are not your words
15 I take it? Those are not verbatim what you told
16 Mr. Kaplan?

17 13251 MR. SCHREIBER: No.

18 13252 MR. AUGER: And when you read that
19 sentence and you understand it, do you understand it to
20 mean that Mr. Mulroneu would sell LAVs internationally?

21 13253 MR. SCHREIBER: No. He would support
22 things like this. As I explained to the Commission,
23 business like this is politically. This has nothing to
24 do, not the normal person can run around and sell
25 equipment like this. It's impossible. It's government

1 to government.

2 13254 And I thought -- and I still think
3 today -- for peacekeeping equipment and environment
4 protection a previous prime minister with a maple leaf
5 on his head would be perhaps the best trademark on
6 earth for these two products.

7 13255 But you have to have a product which
8 you can sell out of Canada, right, and you have of
9 course to follow the COCOM regulations and the export
10 control regulations and whatever it is.

11 13256 COMMISSIONER OLIPHANT: What is the
12 product that would be sold for peacekeeping equipment?

13 13257 MR. SCHREIBER: The light armoured
14 vehicles with a special protection.

15 13258 But we intended of course, sir, to
16 extend the program of all equipment you need for
17 peacekeeping.

18 13259 MR. AUGER: And so that sentence that
19 I read you twice, you agree that it's true, but that's
20 your understanding of what it means?

21 13260 MR. SCHREIBER: Yes.

22 13261 MR. AUGER: And so the words at the
23 end of the sentence "out of Canada", what does that
24 mean?

25 13262 MR. SCHREIBER: What are you

1 referring to right now, sir?

2 13263 MR. AUGER: The same sentence, page
3 3:
4 "A value added representative to
5 support the sale of
6 peacekeeping..."

7 13264 MR. SCHREIBER: Hang on. Is this --
8 I'm confused now. Is this page 3?

9 13265 MR. AUGER: Correct, in the middle of
10 the page.

11 13266 MR. SCHREIBER: Left office --

12 13267 COMMISSIONER OLIPHANT: Mr.
13 Schreiber, it's the same sentence that we have been
14 talking about.

15 13268 MR. SCHREIBER:
16 "A value added representative to
17 support the sale of peacekeeping
18 and an environmental protection
19 equipment out of Canada."

20 13269 Yes.

21 13270 MR. AUGER: What does "out of Canada"
22 mean as you understand that sentence?

23 13271 MR. SCHREIBER: Well, when you have
24 product you can sell it, otherwise you can't.

25 13272 MR. AUGER: Do you understand that to

1 mean that Mr. Mulroney could sell to China, Russia or
2 France?

3 13273 MR. SCHREIBER: No. As I said a
4 minute ago, you have to follow the export control. I
5 think that on top of this you have to have a product at
6 all. That must be number one.

7 13274 MR. AUGER: In the same binder,
8 Binder 3, Tab 21, back to your affidavit, please.

9 13275 MR. SCHREIBER: Yes.

10 13276 MR. AUGER: In the middle of that tab
11 in your exhibits there is a page in the top right-hand
12 corner that has a number 40 on it.

13 13277 MR. SCHREIBER: Forty, yes.

14 13278 MR. AUGER: This is a transcript of
15 Mr. Mulroney's testimony that you attached to your
16 November affidavit?

17 13279 MR. SCHREIBER: I'm not -- I did not
18 get the question.

19 13280 MR. AUGER: Fair enough.

20 13281 MR. SCHREIBER: What is this here?

21 13282 MR. AUGER: If you go back from page
22 40 in the top right-hand corner, the numbers go in
23 reverse order back to page 28.

24 13283 MR. SCHREIBER: Yes.

25 13284 MR. AUGER: Okay. Do you have page

1 28?

2 13285 MR. SCHREIBER: Yes.

3 13286 MR. AUGER: Then you see there's a

4 stamp. This is Exhibit 7. It refers to your affidavit

5 of November 7th.

6 13287 MR. SCHREIBER: Yes, now I see it.

7 It must be from -- a document from somebody else;

8 right?

9 13288 MR. AUGER: Well it says at the top

10 "Brian Mulroney, Interrogatoire". Do you see that?

11 13289 MR. SCHREIBER: Ah, yes, yes.

12 13290 MR. AUGER: Now that you have had a

13 chance to review it and refresh your memory, am I right

14 that this was an exhibit attached to your November

15 affidavit that this Commission has spent so much time

16 on?

17 13291 MR. SCHREIBER: Yes.

18 13292 MR. AUGER: So let's go back to page

19 40.

20 13293 There is one answer that I want to

21 ask you about.

22 13294 MR. SCHREIBER: What page?

23 13295 MR. AUGER: Page 40, top right-hand

24 corner.

25 13296 MR. SCHREIBER: Ah, excuse me.

1 Yes...?

2 13297 MR. AUGER: As I understand this
3 document, Mr. Mulroney gave this answer:

4 "I never knew... first, prior to
5 this, I had never heard, I never
6 knew and I do not know to this
7 day what arrangements, if any,
8 had been made by Mr. Schreiber
9 or anyone else in respect(sic) of
10 any commercial transaction."

11 13298 Do you see that?

12 13299 MR. SCHREIBER: Yes.

13 13300 MR. AUGER: Do you see what I just
14 read to you in respect of any commercial transaction?

15 13301 MR. SCHREIBER: Yes.

16 13302 MR. AUGER: That Mr. Mulroney has
17 testified that he did know that you or anyone else
18 involved of any commercial transaction.

19 13303 Do you see that evidence in the
20 transcript?

21 13304 MR. SCHREIBER: Yes.

22 13305 MR. AUGER: And I take it that given
23 all of your evidence that you have given to the
24 Commissioner so far, you would disagree with that
25 suggestion?

1 13306 MR. SCHREIBER: Yes.

2 13307 MR. AUGER: You told the Commissioner
3 earlier this week that between 1994 and I think it was
4 2000 that you had only one meeting with Mr. Mulroney,
5 which was at the Savoy Hotel?

6 13308 MR. SCHREIBER: Yes.

7 13309 MR. AUGER: In that time period was
8 Mr. Mulroney calling your secretary on a regular basis?

9 13310 MR. SCHREIBER: Yes, quite often.

10 13311 MR. AUGER: Can you tell the
11 Commissioner about that?

12 13312 MR. SCHREIBER: Yes, especially
13 around the time when the letter of request was sent to
14 Switzerland in 1995, Mr. Mulroney was quite often
15 looking for me and called my secretary to find out
16 where I am or when he travelled several times I spoke
17 to him in Paris or London, wherever.

18 13313 He just wanted to know what's going
19 on, what I knew and he worked -- they worked very close
20 together with my lawyers.

21 13314 MR. AUGER: Let's go slow through
22 this.

23 13315 Who was your secretary at the time?

24 13316 MR. SCHREIBER: Mrs. Kaupp.

25 13317 MR. AUGER: Can you spell that?

1 13318 MR. SCHREIBER: K-A-U-P-P.

2 13319 MR. AUGER: How long was she your
3 secretary?

4 13320 MR. SCHREIBER: Over 30 years.

5 13321 MR. AUGER: Where was she working
6 when she got these calls?

7 13322 MR. SCHREIBER: At Bayerische
8 Bitumen-Chemie.

9 13323 MR. AUGER: Where?

10 13324 MR. SCHREIBER: In Germany.

11 13325 MR. AUGER: And so Mr. Mulroney would
12 call her and she would give you messages that he
13 called?

14 13326 MR. SCHREIBER: Yes. So Mr. Mulroney
15 or his office, Francine Colin, they were constantly in
16 contact.

17 13327 MR. AUGER: And in 1995 can you give
18 the Commissioner a sense of how often those calls by
19 Mr. Mulroney were made?

20 13328 MR. SCHREIBER: I can't say. Only
21 that my secretary told me just a while ago again, it's
22 a pity that she doesn't have her diaries. They are
23 with the prosecutors in Augsburg. Otherwise she could
24 tell me even numbers how often he called her.

25 13329 MR. AUGER: Given that we don't have

1 her diaries, are we talking about every day, every
2 month, every week, once a year? Can you give the
3 Commissioner a sense of the frequency?

4 13330 MR. SCHREIBER: Yes, this was -- this
5 was very intensive at the time when this problems were
6 on with the letter of request to Switzerland.

7 13331 And when she says many, many times, I
8 cannot tell you correctly what she meant, whether this
9 was five times a week or when he was looking for me.

10 13332 I take it that it might have also
11 depended whether he could reach me somewhere else or
12 not.

13 13333 MR. AUGER: Because when we look at
14 Binder 4 and we look at the index -- Binder 4 is
15 "Correspondence between Brian Mulroney and Karlheinz
16 Schreiber".

17 13334 MR. SCHREIBER: Yes.

18 13335 MR. AUGER: We look at page 2 of the
19 index that catalogues your correspondence, you see page
20 2 at the top, it says item 17?

21 13336 MR. SCHREIBER: Yes.

22 13337 MR. AUGER:
23 "Letter from Mr. Mulroney to Mr.
24 Schreiber, dated March 29,
25 1993".

1 13338 Do you see that?

2 13339 MR. SCHREIBER: Yes.

3 13340 MR. AUGER: Next, item 18:

4 "Letter from Mr. Mulroney to Mr.

5 Schreiber, dated March 25,

6 1994".

7 13341 Do you see that?

8 13342 MR. SCHREIBER: Yes.

9 13343 MR. AUGER: And then the next entry

10 is item 19:

11 "Letter from Mila Mulroney to

12 Barbel, dated January 24, 2000".

13 13344 Do you see that?

14 13345 MR. SCHREIBER: Yes.

15 13346 MR. AUGER: So it appears as though,

16 just from that index, that there was a gap of almost

17 six years of no letter writing.

18 13347 MR. SCHREIBER: Yes.

19 13348 MR. AUGER: Is that your

20 recollection?

21 13349 MR. SCHREIBER: Yes.

22 13350 MR. AUGER: Was there some discussion

23 that there shouldn't be letter writing in that time

24 period?

25 13351 MR. SCHREIBER: At what time period

1 are we looking now?

2 13352 MR. AUGER: The period between '94
3 and 2000 that I just took it to?

4 13353 MR. SCHREIBER: Ninety-four and 2000.
5 13354 Yes, there was no need to send
6 letters around.

7 13355 MR. AUGER: It was phone calls --
8 13356 MR. SCHREIBER: Yes.
9 13357 MR. AUGER: -- from Mr. Mulroney?
10 13358 MR. SCHREIBER: Yes.
11 13359 MR. AUGER: And did the phone calls
12 continue through to 2000?

13 13360 MR. SCHREIBER: No, I don't think so.
14 13361 MR. AUGER: Did you rent a hotel
15 suite at the Mirabel airport in August of '93?
16 13362 MR. SCHREIBER: Not at all.
17 13363 MR. AUGER: You seem confident in
18 that answer. Why are you so confident?
19 13364 MR. SCHREIBER: Well, I was VIP of
20 Lufthansa and Lufthansa provided always a limousine to
21 bring me either from Mirabel to Ottawa or pick me up in
22 Ottawa and bring me to the airport Mirabel.
23 13365 MR. AUGER: Was the true in August
24 when you met Mr. Mulroney had Mirabel?
25 13366 MR. SCHREIBER: Yes.

1 13367 MR. AUGER: Did you have any reason
2 to rent a hotel suite?

3 13368 MR. SCHREIBER: I had no -- I had no
4 reason to rent hotel suites. We came there, my wife
5 and I. We checked in. We made sure everything is done
6 and then my wife waited in the lobby and I went to this
7 hotel, which I didn't even know where it was. I asked
8 for Mr. Mulroney and I was directed to his suite.

9 13369 MR. AUGER: In Binder 2, if I can ask
10 you to turn up Tab 147, please, 147A.

11 13370 MR. SCHREIBER: Yes.

12 13371 MR. AUGER: These are your diaries?

13 13372 MR. SCHREIBER: It looks like, yes.

14 13373 MR. AUGER: If I can ask you to go
15 seven pages in to August 27th?

16 13374 MR. SCHREIBER: Yes.

17 13375 MR. AUGER: And you will see there is
18 an entry in the middle of the page, something "30
19 Limousine".

20 13376 MR. SCHREIBER: Yes.

21 13377 MR. AUGER: Do you see that?

22 13378 MR. SCHREIBER: Yes.

23 13379 MR. AUGER: What does that -- does
24 that refresh your memory in any way about your travel
25 to Mirabel?

1 13380 MR. SCHREIBER: Yeah, that's the time
2 when the limousine picked me up in Ottawa.

3 13381 MR. AUGER: And then below that it
4 reads "Brian Airport Hotel".

5 13382 MR. SCHREIBER: Yes.

6 13383 MR. AUGER: Did you stay overnight in
7 Mirabel to get your flight to Europe?

8 13384 MR. SCHREIBER: No. My flight went
9 the same day, the evening.

10 13385 MR. AUGER: Was it your practice to
11 be provided a limousine to travel to the airport for
12 travel to Europe?

13 13386 MR. SCHREIBER: Yes.

14 13387 MR. AUGER: Why was that?

15 13388 MR. SCHREIBER: Well, when you look
16 at Thyssen and you think the business they had with
17 Lufthansa and how many millions they spend a year with
18 them, you can imagine that we were all VIPs and they
19 looked properly after us. And since Lufthansa had no
20 flight out of Ottawa, they sent a limousine to bring me
21 to Mirabel.

22 13389 MR. AUGER: I want to turn briefly to
23 the Queen Elizabeth meeting, if you can focus your mind
24 back to that meeting.

25 13390 MR. SCHREIBER: Yes.

1 13391 MR. AUGER: Did Mr. Mulroney tell you
2 at the Queen Elizabeth in 1993 that he had recently
3 travelled to either China or Russia or France?
4 13392 MR. SCHREIBER: No.
5 13393 MR. AUGER: Did Mr. Doucet tell you
6 in late 1993 that Mr. Mulroney had travelled on behalf
7 of Bear Head to either China, Russia or France?
8 13394 MR. SCHREIBER: No.
9 --- Pause
10 13395 MR. AUGER: Can I ask you to go to
11 P-9, please, which is the cerlox bound volume that
12 Mr. Pratte filed.
13 13396 MR. SCHREIBER: Which number?
14 13397 MR. AUGER: It's Tab 10, please.
15 13398 MR. SCHREIBER: Tab 10?
16 13399 MR. AUGER: Tab 10.
17 13400 MR. SCHREIBER: Yes.
18 13401 MR. AUGER: This is a letter dated
19 March 8th, 1995. Do you see that?
20 13402 MR. SCHREIBER: Yes.
21 13403 MR. AUGER: It's written to David
22 Collenette, the Minister of National Defence.
23 13404 MR. SCHREIBER: Yes.
24 13405 MR. AUGER: And we don't need to go
25 through all of the text. You are familiar with this

1 letter?

2 13406 MR. SCHREIBER: No, I saw it lately.
3 I might have seen it earlier, but I did not recall.

4 13407 MR. AUGER: The only point I want to
5 confirm through you is whether or not this letter
6 suggests that there is continued efforts to complete
7 the Bear Head Project as late as March 8, 1995.

8 13408 MR. SCHREIBER: Yes.

9 13409 MR. AUGER: And that it was later,
10 sometime in August, that once and for all there was a
11 press release indicating that GM got the contract?

12 13410 MR. SCHREIBER: \$2.6 billion
13 sole-sourced, yes.

14 13411 MR. AUGER: In August of 1995?

15 13412 MR. SCHREIBER: Yes.

16 13413 MR. AUGER: And then soon after that,
17 in September of 1995, you finally resigned from Bear
18 Head?

19 13414 MR. SCHREIBER: Yes.

20 13415 MR. AUGER: Knowing that the project
21 would not occur?

22 13416 MR. SCHREIBER: Yes.

23 --- Pause

24 13417 MR. AUGER: Can I ask you to please
25 go to Book 1, Tab 102.

1 13418 MR. SCHREIBER: One-oh-two, yes.

2 13419 MR. AUGER: Do you have 102 there?

3 13420 MR. SCHREIBER: Yes.

4 13421 MR. AUGER: Just to give you the

5 context, you have testified before the Commissioner

6 that Fred Doucet had worked on the Bear Head Project.

7 13422 Is that fair?

8 13423 MR. SCHREIBER: Yes.

9 13424 MR. AUGER: At Tab 102 you will see

10 there appears to be a fax cover page dated December 5,

11 1994.

12 13425 MR. SCHREIBER: Yes.

13 13426 MR. AUGER: Do you see that?

14 13427 MR. SCHREIBER: Yes.

15 13428 MR. AUGER: And that's just before

16 the Pierre Hotel meeting with Mr. Mulroney and

17 Mr. Doucet?

18 13429 MR. SCHREIBER: Yes.

19 13430 MR. AUGER: The fax is to Francine

20 Colin, it appears. Do you see that?

21 13431 MR. SCHREIBER: Yes.

22 13432 MR. AUGER: Do you know who that was?

23 13433 MR. SCHREIBER: Mr. Mulroney's

24 secretary.

25 13434 MR. AUGER: And in the message line

1 it reads:

2 "Dear Francine:

3 Could you kindly put this into

4 Mr. Mulroney's file for our New

5 York meeting. Thanks."

6 13435 Do you see that?

7 13436 MR. SCHREIBER: Yes.

8 13437 MR. AUGER: And the fax to

9 Mr. Mulroney's secretary includes the white paper that

10 we have already heard evidence about. Do you see that?

11 13438 MR. SCHREIBER: Yes.

12 13439 MR. AUGER: And if you continue

13 through this tab, you will also see that the fax

14 contains a letter to David Collenette, Minister of

15 National Defence.

16 13440 MR. SCHREIBER: Yes.

17 13441 MR. AUGER: December 1, 1994.

18 13442 MR. SCHREIBER: Yes.

19 13443 MR. AUGER: That letter appears to be

20 a draft for Mr. Massmann.

21 13444 MR. SCHREIBER: Yes.

22 --- Pause

23 13445 MR. AUGER: You reviewed this fax at

24 Tab 102 in preparing for your testimony? Have you

25 reviewed this document in preparing for your testimony?

1 13446 MR. SCHREIBER: Well, I looked it
2 briefly through, but I didn't look it really in detail,
3 because I know roughly what the content is even today.

4 13447 MR. AUGER: And are you able to tell
5 the Commissioner what your view is of why this fax was
6 sent?

7 13448 MR. SCHREIBER: No. I can only think
8 that since Mr. Doucet received it from Greg Alford that
9 he wanted to inform Mr. Mulroney.

10 13449 So I take it from this fax that Fred
11 Doucet knew of course, because he had arranged for the
12 meeting, that Mr. Mulroney would go to New York to meet
13 with me. The only thing which was new to me on this is
14 that he said for our meeting, because I did not expect
15 him to be in New York.

16 13450 COMMISSIONER OLIPHANT: Mr. Auger, I
17 don't want to interrupt you, but on a question like
18 that, what value is it what Mr. Schreiber believed to
19 be the reason for sending the fax?

20 13451 Mr. Doucet, as you know, is going to
21 be giving evidence. He is the person who sent the fax.
22 Isn't that where we are going to find out the reason?

23 13452 MR. AUGER: Fair enough,
24 Commissioner. I suppose if he had -- I suppose I
25 should have asked him whether or not he had any

1 knowledge of the fax. I suppose I wanted to get to the
2 point, but I can move on, on that direction, and I
3 thank you for that.

4 13453 You were cross-examined at length
5 about your motives in terms of swearing the November
6 2007 affidavit.

7 13454 MR. SCHREIBER: Yes.

8 13455 MR. AUGER: Do you remember that?

9 13456 MR. SCHREIBER: Yes.

10 13457 MR. AUGER: And it was suggested to
11 you that your motive in swearing the affidavit was to
12 get an inquiry?

13 13458 MR. SCHREIBER: Yes.

14 13459 MR. AUGER: However, prior to you
15 commencing the lawsuit that gave rise to the affidavit,
16 you had already had a lawsuit in Alberta?

17 13460 MR. SCHREIBER: Yes.

18 13461 MR. AUGER: For many, many years
19 prior.

20 13462 MR. SCHREIBER: Yes.

21 13463 MR. AUGER: And that lawsuit made a
22 number of allegations for which you were seeking
23 damages.

24 13464 MR. SCHREIBER: Yes.

25 --- Pause

1 13465 MR. AUGER: Did you at any time
2 attempt to use the Alberta lawsuit to in any way
3 generate interest in a public inquiry?

4 13466 MR. SCHREIBER: I don't know whether
5 I used that lawsuit for it, but it was my determination
6 to try everything, either get this lawsuit into a
7 courtroom that I would have been able to subpoena
8 people I wanted to hear speak about what happened.

9 13467 The second thing is to try to get an
10 inquiry, as Mr. Mulroney and all the other Tories
11 wanted. And you know that there was even a vote in the
12 Committee in the House of Commons whether there should
13 be an inquiry or not, and the Tories lost by one vote.
14 --- Pause

15 13468 MR. AUGER: If I can ask you to turn
16 up Binder No. 1, Tab 10.

17 13469 MR. SCHREIBER: Yes.

18 13470 MR. AUGER: These were documents that
19 Mr. Houston had asked you questions about. Just very
20 briefly, if I could ask you to turn six pages in from
21 the front.

22 13471 MR. SCHREIBER: Yes.

23 13472 MR. AUGER: At the bottom of the page
24 it says "13 of 14". Do you see that?

25 13473 MR. SCHREIBER: Yes.

1 13474 MR. AUGER: Just so you have the
2 context -- I'm sorry to do this -- but go forward in
3 the package and two pages from the end there is "11 of
4 14" at the bottom.
5 --- Pause

6 13475 MR. SCHREIBER: Yes.

7 13476 MR. AUGER: And it was suggested to
8 you -- or it was asked of you that the initials "KHS"
9 are on that page. Do you see that?

10 13477 MR. SCHREIBER: Yes.

11 13478 MR. AUGER: Did you at any time agree
12 that you would be a party to the agreement set out in
13 that document?

14 13479 MR. SCHREIBER: Yes, because the
15 mentioning from I.A.L. was wrong, so this was
16 something -- I don't know what happened. It's the
17 legal department at Thyssen, why they got the idea it
18 would -- because I incorporated the company. I hold it
19 in trust for quite a while.

20 13480 I think the documents show that
21 finally all of this was handed over to stay in trust
22 with Mr. Chiasson, and when Thyssen wanted to take over
23 the shares they needed a purchase price and they said
24 okay, let's get a purchase price for \$100,000 for all
25 the work you have done.

1 13481 But we are going to -- we would like
2 to take this out of the \$2 million, the second \$2
3 million being paid as success fee, because we don't
4 want to put up another \$100,000. Will you agree with
5 me?

6 13482 And I think from that comes this
7 confusion why I.A.L. was there.

8 13483 But I think this is something which
9 Greg Alford may be able to explain.

10 13484 MR. AUGER: Very well.

11 13485 Thank you, Commissioner. Those are
12 my questions.

13 13486 COMMISSIONER OLIPHANT: Thank you
14 very much, Mr. Auger.

15 13487 MR. PRATTE: If I might quickly, I
16 didn't want to interrupt my friend, Mr. Auger, but I
17 would like to make a point, with your leave, very
18 quickly on a question he asked.

19 13488 COMMISSIONER OLIPHANT: Right.

20 13489 MR. PRATTE: If you are at Volume 3,
21 this was in the November 7th affidavit and the
22 reference to Mr. Mulroney's transcript.

23 13490 It's Volume 3 at Tab 21.

24 13491 COMMISSIONER OLIPHANT: How could I
25 forget?

1 13492 MR. PRATTE: I did a few times
2 yesterday, so you would be forgiven for forgetting it
3 once.

4 13493 COMMISSIONER OLIPHANT: Okay. Where
5 do you want to take me in the affidavit?

6 13494 MR. PRATTE: I would take you, if you
7 would, to paragraph 25, page 6. Yes, paragraph 25 of
8 the affidavit firstly.

9 13495 COMMISSIONER OLIPHANT: I'm with you.

10 13496 MR. PRATTE: This is the paragraph
11 which justifies the attachment of the transcript,
12 Exhibit 7. Okay?

13 13497 And it's only the purpose for which
14 my friend read this passage that I think it should be
15 put in context.

16 13498 He didn't refer to this paragraph,
17 but the affiant, Mr. Schreiber, says that referring to
18 the transcript:

19 "... Mr. Mulroney confirmed that
20 he had not just had numerous
21 meetings with me going back as
22 early as the 1980's, including
23 meetings in his office in
24 Ottawa, but also that we had
25 ongoing business dealings.

1 Attached hereto as Exhibit "7"
2 is a copy of part of the
3 transcript of the testimony of
4 Mr. Mulroney (see Questions 192,
5 228, 241, 425 and 432)."

6 13499 If you then go to page 40, the
7 question which my friend, 318 at pages 39 and 40,
8 sought Mr. Schreiber's comments on, is not referred to,
9 number one.

10 13500 Number two, in fact these transcripts
11 is being used to interpret Mr. Mulroney's words as
12 saying they were ongoing business transactions.

13 13501 All I'm saying is that we will hear
14 from Mr. Mulroney. I know there will be an issue as to
15 what he meant, and that's fair enough. But this
16 transcript was not in this affidavit for the purpose or
17 in respect of the question that was put to
18 Mr. Schreiber.

19 13502 That's the only clarification.

20 13503 COMMISSIONER OLIPHANT: All right.

21 13504 MR. PRATTE: We should hear from
22 Mr. Mulroney in due course because we know this
23 transcript will be discussed of course.

24 13505 COMMISSIONER OLIPHANT: All right.

25 Thank you.

1 13506 MR. WOLSON: Mr. Commissioner,
2 ordinarily I would be in a position to re-examine and
3 our rules call for that, but this witness will be
4 recalled. If I were to re-examine today, he will be
5 recalled, questioned further and I would re-examine
6 then again and I would have two re-examinations.

7 13507 I don't think that would be fair. So
8 I think all counsel agree that I should defer any
9 re-examination questions until after all counsel are
10 finished on the next time that -- or at the next time
11 that this witness is recalled, which will be sometime
12 in May.

13 13508 So with that in mind, we could close
14 proceedings today.

15 13509 It has been a long day and the
16 witness could be excused.

17 13510 Now, the other point I should make,
18 there are Cabinet confidence documents that we have
19 received just in the last little while. I'm not
20 critical of the date in which we received it at all.

21 13511 My friend Mr. Pratte is smiling at
22 that. It is not meant to be any criticism at all; I am
23 grateful to have them.

24 13512 But my friend Mr. Auger has to be in
25 a position to review them with Mr. Schreiber, one.

1 13513 Secondly, there will be a report by
2 Navigant which should be reviewed by the witness and
3 his counsel. I know Mr. Auger to be a man of
4 impeccable reputation and integrity, and I know that a
5 review would be those matters. But he will have to
6 talk to his client to deal with those new matters.

7 13514 I don't know whether anyone objects
8 to that, but I think that goes without reason and, as I
9 said, the integrity of Mr. Auger is impeccable.

10 13515 COMMISSIONER OLIPHANT: Well, I'm
11 quite satisfied, knowing Mr. Auger as I do, albeit for
12 a relatively short period of time, that he understands
13 the limits and the boundaries of any discussions that
14 he would have with Mr. Schreiber between now and
15 Mr. Schreiber's being recalled in May.

16 13516 I just have no problem unless some
17 counsel has a difficulty with that concept.

18 13517 I see everybody is nodding their
19 heads.

20 13518 I see no reason why he ought not to
21 be permitted to speak to Mr. Schreiber.

22 13519 All we know is that Mr. Schreiber
23 will be recalled in May.

24 13520 MR. WOLSON: We have some tentative
25 dates. I am not the keeper of our diary and I can't

1 tell you which dates those will be. But they will be
2 known to all parties and we can proceed on that basis
3 and adjourn until Monday morning.

4 13521 COMMISSIONER OLIPHANT: All right.

5 13522 Mr. Schreiber, you are going to be
6 excused for now, but you will be happy to know that we
7 will see each other again in May.

8 13523 I just want to remind you that you
9 are subject to a subpoena that is ongoing until you are
10 excused with finality from the inquiry. Okay?

11 13524 MR. SCHREIBER: Yes, Commissioner.

12 13525 COMMISSIONER OLIPHANT: So we will
13 leave it at that and adjourn now until Monday morning
14 at 9:30.

15 13526 The witnesses on Monday or who,
16 Mr. Wolson? Do you know?

17 13527 MR. WOLSON: I knew you would ask me
18 that. There are three witnesses Monday: two witnesses
19 from I think PCO and then there will be a witness in
20 the afternoon as well, Mr. MacAdam, I expect.

21 13528 COMMISSIONER OLIPHANT: All right.
22 Well, it's a good thing we took only an hour for lunch.
23 It is a beautiful day. I am going to let you go now so
24 you can enjoy at least part of it.

25 13529 Thanks very much and I'll see you

1 Monday at 9:30 in the morning.

2 13530 Good afternoon.

3 --- Whereupon the hearing adjourned at 3:55 p.m.,
4 to resume on Monday, April 20, 2009 at 9:30 a.m. /
5 L'audience est ajournée à 15 h 55, pour reprendre
6 le lundi 20 avril 2009 à 09 h 30

7

8 We hereby certify that we have accurately
9 transcribed the foregoing to the best of
10 our skills and abilities.

11

12 Nous certifions que ce qui précède est une
13 transcription exacte et précise au meilleur
14 de nos connaissances et de nos compétences.

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20 _____
Lynda Johansson

Jean Desaulniers

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25 _____
Fiona Potvin

Sue Villeneuve